Samyang Corporation and its subsidiaries

Consolidated financial statements
for each of the two years in the period ended December 31, 2024
with the independent auditor's report

Table of contents

Ernst & Young Han Young
2-3F, 7-8F, Taeyoung Building, 111, Yeouigongwon-ro,
Yeongdeungpo-gu, Seoul 07241 Korea

Tel: +82 2 3787 6600
Fax: + 82 2 783 5890
ey.com/kr

Shape the future
with confidence

Independent auditor's report

(English translation of a report originally issued in Korean)

Samyang Corporation
The Shareholders and Board of Directors

Opinion

We have audited the consolidated financial statements of Samyang Corporation and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the two years in the period ended December 31, 2024, and the notes to the consolidated financial statements, including material accounting policy 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 each of the two years in the period ended December 31, 2024 in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS").

We have audited the Group's internal control over financial reporting ("ICFR") as of December 31, 2024 based on the *Conceptual Framework for Design and Operation of ICFR* established by the Operating Committee of ICFR in Korea, in accordance with Korean Standards on Auditing ("KSA"), and our report dated March 19, 2025 expressed an unqualified opinion thereon.

Basis of opinion

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

Key audit matter

A key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. 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.

Impairment assessment on goodwill pertaining to subsidiaries

As described in Note 10 to the consolidated financial statements, the book value of goodwill held by the Group as of December 31, 2024 amounts to KRW 198,641 million and is material. The Group performs annual impairment tests on goodwill with indefinite useful lives by leveraging the value-in-use based on the discounted cash flow method. We have identified the impairment tests on goodwill as a key audit matter, considering the materiality of the amount of goodwill and the significant managerial judgment and estimates involved in the impairment testing process.

The primary audit procedures we performed for this key audit matter are as follows:

- Understand and assess the internal controls related to the impairment testing process.
- Assess the independence and qualification of the external experts used by management.
- Evaluate the appropriateness of the valuation model used by management in estimating the value-in-use.
- Compare the discount rate used by management in estimating the value-in-use with the observable information.
- Assess the consistency of the projections of cash-generating unit's sales growth rate, operating profit margin, and investment activity with the past performance and market conditions.
- Compare the future cash flows used in estimating the value-in-use with those presented in the business plans approved by management.
- Perform independent recalculation on the impairment testing report.

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 KIFRS, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with KSA 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 KSA, 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 and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Heekyun Shin.

Ernst & Young Han Young

March 19, 2025

This audit report is effective as of March 19, 2025, the independent auditor's report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's report to the time this report is used. Such events and circumstances could significantly affect the accompanying consolidated financial statements and may result in modifications to this report.

Samyang Corporation and its subsidiaries

Consolidated financial statements
for each of the two years in the period ended December 31, 2024

"The accompanying consolidated financial statements, including all footnotes and disclosures, have been prepared by, and are the responsibility of, the Group."

Nag Hyun Choi and Ho-sung Kang
Chief Executive Officers
Samyang Corporation

Samyang Corporation and its subsidiaries
Consolidated statements of financial position
as of December 31, 2024 and 2023

(in Korean won)	Notes	December 31, 2024	December 31, 2023
Assets			
Current assets			
Cash and cash equivalents	33	₩ 181,106,791,479	₩ 174,544,901,229
Trade and other receivables, net	5,30,32,33	262,329,884,335	293,641,259,375
Financial assets at fair value through other comprehensive income ("FVOCI")	4,32,33	-	22,096
Other current financial assets	4,29,33	309,012,151,384	332,125,094,949
Inventories, net	6	391,469,095,739	393,118,763,499
Current tax assets		300,411,695	332,477,941
Other current assets	7	16,070,932,470	15,592,777,234
Assets held for sale		-	41,328,733
		1,160,289,267,102	1,209,396,625,056
Non-current assets			
Property, plant and equipment, net	8,9,30,31	1,223,751,696,170	1,221,611,466,323
Goodwill	10	198,641,021,930	198,641,021,930
Intangible assets, net	10	45,001,197,009	54,871,826,610
Investment properties, net	11	20,189,416,036	20,460,181,439
Investments in associates and joint ventures	12	24,957,482,830	23,975,982,897
Long-term other recievables	5,30,33	13,732,621,645	11,471,678,455
Financial assets at fair value through profit or loss ("FVPL")	4,33	25,442,061,897	19,881,328,120
Financial assets at FVOCI	4,32,33	593,836,618,370	431,623,239,061
Other non-current financial assets	4,29,33	10,500,000	2,790,123,691
Deferred tax assets	27	444,816,195	314,099,899
Other non-current assets	7	7,453,085,142	919,335,753
Net defined benefit assets	17	6,176,715,589	9,044,145,273
		2,159,637,232,813	1,995,604,429,451
Total assets		₩ 3,319,926,499,915	₩ 3,205,001,054,507
Liabilities			
Current liabilities			
Trade and other payables	13,30,32,33	₩ 232,708,975,698	₩ 242,122,733,255
Short-term borrowings	14,31,32,33	190,232,935,969	202,124,026,943
Current portion of long-term borrowings	14,31,32,33	74,553,674,450	36,681,816,000
Current portion of debentures	14,31,32,33	79,990,697,488	243,926,514,009
Other current financial liabilities	4,9,15,30,31,32,33	7,142,021,199	9,217,811,593
Income tax payables		14,512,143,062	22,033,440,253
Other current liabilities	16	77,943,310,308	68,670,033,602
		677,083,758,174	824,776,375,655
Non-current liabilities			
Long-term other payables	13,32,33	4,086,867,490	4,686,915,418
Long-term borrowings	14,31,32,33	37,700,030,563	98,719,948,500
Debentures	14,31,32,33	459,301,103,244	419,355,675,862
Other non-current financial liabilities	9,15,30,31,32,33	11,923,797,379	12,280,420,822
Deferred tax liabilities	27	171,394,272,507	123,813,536,431
Other non-current liabilities	16	10,755,389,323	9,273,631,640
		695,161,460,506	668,130,128,673
Total liabilities		₩ 1,372,245,218,680	₩ 1,492,906,504,328
Equity			
Capital stock	18	53,417,595,000	53,417,595,000
Capital surplus	18	865,967,900,462	863,996,610,248
Accumulated other comprehensive income	19	282,626,128,761	152,847,752,524
Retained earnings	20	578,452,600,128	475,371,125,662
Other components of equity	21	(49,510,173,758)	(49,510,173,758)
Equity attributable to the owners of the Parent Company		1,730,954,050,593	1,496,122,909,676
Non-controlling interest		216,727,230,642	215,971,640,503
Total equity		1,947,681,281,235	1,712,094,550,179
Total liabilities and equity		₩ 3,319,926,499,915	₩ 3,205,001,054,507

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

Samyang Corporation and its subsidiaries

Consolidated statements of comprehensive income
for each of the two years in the period ended December 31, 2024

(in Korean won)	Notes		2024		2023
Sales	22,30	₩	2,671,821,461,625	₩	2,651,439,171,359
Cost of sales	25,30		(2,160,769,134,257)		(2,187,134,623,148)
Gross profit			511,052,327,368		464,304,548,211
Selling and administrative expenses	23,25,30		(377,529,204,475)		(351,104,790,562)
Operating profit			133,523,122,893		113,199,757,649
Finance income	24,30,33		76,936,327,337		65,341,065,989
Finance costs	24,30,33		(38,462,206,603)		(51,787,118,704)
Gain on investments under equity method	12		1,090,124,605		2,000,438,134
Other non-operating income	26,33		59,854,060,917		64,545,198,584
Other non-operating expenses	25,26,33		(58,069,039,772)		(43,491,808,388)
Profit before income tax			174,872,389,377		149,807,533,264
Income tax expense	27		(38,431,024,773)		(27,810,844,982)
Profit for the year			136,441,364,604		121,996,688,282
Other comprehensive income (loss)	27				
Items that will not be reclassified to profit or loss					
Remeasurements of net defined benefit liability			(627,561,757)		(1,618,040,868)
Retained earnings adjustments in equity method			(41,449,599)		(30,084,399)
Gain on valuation of financial assets at FVOCI			124,710,309,419		79,532,957,994
Items that may be subsequently reclassified to profit or loss					
Gain on valuation of financial assets at FVOCI			32,686,772		42,767,721
Equity adjustments in equity method			27,846,986		(91,478,574)
Gain (loss) on translation of foreign operations			5,038,222,691		(38,622,656)
Other comprehensive income for the year, net of tax			129,140,054,512		77,797,499,218
Total comprehensive income for the year		₩	265,581,419,116	₩	199,794,187,500
Profit is attributable to:					
Owners of the Parent Company		₩	121,473,985,442	₩	106,877,992,581
Non-controlling interests			14,967,379,162		15,118,695,701
		₩	136,441,364,604	₩	121,996,688,282
Total comprehensive income for the year is attributable to:					
Owners of the Parent Company		₩	250,442,089,203	₩	184,746,655,053
Non-controlling interest			15,139,329,913		15,047,532,447
		₩	265,581,419,116	₩	199,794,187,500
Earnings per share					
Basic and diluted earnings per ordinary share	28	₩	12,101	₩	10,647
Basic and diluted earnings per preferred share	28		12,151		10,697

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

Samyang Corporation and its subsidiaries
Consolidated statements of changes in equity
for each of the two years in the period ended December 31, 2024

(in Korean won)

	Attributable to owners of the Parent Company							
	Capital stock	Capital surplus	Accumulated other comprehensive income	Retained earnings	Other components of equity	Total	Non-controlling interest	Total equity
Balance as of January 1, 2023	₩ 53,417,595,000	₩ 863,996,610,248	₩ 73,385,097,710	₩ 382,651,153,923	₩ (49,473,314,800)	₩ 1,323,977,142,081	₩ 207,012,628,306	₩ 1,530,989,770,387
Total comprehensive income								
Profit for the year	-	-	-	106,877,992,581	-	106,877,992,581	15,118,695,701	121,996,688,282
Remeasurements of net defined benefit liability	-	-	-	(1,563,166,880)	-	(1,563,166,880)	(54,873,988)	(1,618,040,868)
Gain on valuation of financial assets at FVOCI	-	-	79,558,868,529	-	-	79,558,868,529	16,857,186	79,575,725,715
Retained earnings adjustments in equity method	-	-	-	(30,084,399)	-	(30,084,399)	-	(30,084,399)
Equity adjustments in equity method	-	-	(58,332,122)	-	-	(58,332,122)	(33,146,452)	(91,478,574)
Foreign currency translation differences for foreign operations	-	-	(38,622,656)	-	-	(38,622,656)	-	(38,622,656)
Transfer of gain (loss) on valuation of financial assets at FVOCI to retained earnings	-	-	741,063	(741,063)	-	-	-	-
Total comprehensive income for the year	-	-	79,462,654,814	105,284,000,239	-	184,746,655,053	15,047,532,447	199,794,187,500
Transactions with owners								
Dividends paid	-	-	-	-12,564,028,500	-	-12,564,028,500	-6,088,520,250	(18,652,548,750)
Others	-	-	-	-	(36,858,958)	(36,858,958)	-	(36,858,958)
Total transactions with owners	-	-	-	(12,564,028,500)	(36,858,958)	(12,600,887,458)	(6,088,520,250)	(18,689,407,708)
Balance as of December 31, 2023	₩ 53,417,595,000	₩ 863,996,610,248	₩ 152,847,752,524	₩ 475,371,125,662	₩ (49,510,173,758)	₩ 1,496,122,909,676	₩ 215,971,640,503	₩ 1,712,094,550,179

(Continued)

Samyang Corporation and its subsidiaries
Consolidated statements of changes in equity, continued
for each of the two years in the period ended December 31, 2024

(in Korean won)

	Attributable to owners of the Parent Company							
	Capital stock	Capital surplus	Accumulated other comprehensive income	Retained earnings	Other components of equity	Total	Non-controlling interest	Total equity
Balance as of January 1, 2024	₩ 53,417,595,000	₩ 863,996,610,248	₩ 152,847,752,524	₩ 475,371,125,662	₩ (49,510,173,758)	₩ 1,496,122,909,676	₩ 215,971,640,503	₩ 1,712,094,550,179
Total comprehensive income								
Profit for the year	-	-	-	121,473,985,442	-	121,473,985,442	14,967,379,162	136,441,364,604
Remeasurements of net defined benefit liability	-	-	-	(768,822,877)	-	(768,822,877)	141,261,120	(627,561,757)
Gain on valuation of financial assets at FVOCI	-	-	124,729,910,545	-	-	124,729,910,545	13,085,646	124,742,996,191
Retained earnings adjustments in equity method	-	-	-	(41,449,599)	-	(41,449,599)	-	(41,449,599)
Equity adjustments in equity method	-	-	10,243,001	-	-	10,243,001	17,603,985	27,846,986
Translation of foreign operations	-	-	5,038,222,691	-	-	5,038,222,691	-	5,038,222,691
Total comprehensive income for the year	-	-	129,778,376,237	120,663,712,966	-	250,442,089,203	15,139,329,913	265,581,419,116
Transactions with the owners								
Dividends paid	-	-	-	(17,582,238,500)	-	(17,582,238,500)	(4,485,969,250)	(22,068,207,750)
Changes in the equity ownership in subsidiaries	-	1,971,290,214	-	-	-	1,971,290,214	(9,897,770,524)	(7,926,480,310)
Total transactions with the owners	-	1,971,290,214	-	(17,582,238,500)	-	(15,610,948,286)	(14,383,739,774)	(29,994,688,060)
Balance as of December 31, 2024	₩ 53,417,595,000	₩ 865,967,900,462	₩ 282,626,128,761	₩ 578,452,600,128	₩ (49,510,173,758)	₩ 1,730,954,050,593	₩ 216,727,230,642	₩ 1,947,681,281,235

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

Samyang Corporation and its subsidiaries
Consolidated statements of cash flows
for each of the two years in the period ended December 31, 2024

(in Korean won)	Notes	2024	2023
Cash flows from operating activities			
Cash generated from operations	31	₩ 272,590,659,658	₩ 271,344,823,690
Interest paid		(33,066,828,565)	(31,808,940,854)
Interest received		17,082,091,987	10,479,624,076
Dividends received		33,179,790,905	27,004,808,855
Income taxes paid		(36,448,396,579)	(14,534,029,631)
Income tax refund received		528,825,485	806,778,100
Net cash flows provided by operating activities		253,866,142,891	263,293,064,236
Cash flows from investing activities	31		
Decrease in short-term loans		570,779,579	625,829,607
Decrease in long-term loans		859,644,000	677,582,000
Proceeds from disposal of financial assets at FVOCI		20,000	5,008,532,780
Decrease in other current financial assets		470,562,436,000	279,922,436,000
Cash inflows from disposal of assets held for sale		75,000,000	7,500,000
Decrease in guarantee deposits		2,180,844,431	1,933,340,615
Proceeds from disposal of property, plant and equipment		1,880,343,610	4,372,928,992
Proceeds from disposal of intangible assets		45,596	-
Cash inflows from government grants		19,124,939,164	9,860,516,451
Proceeds from losing control of businesses		-	22,693,002,422
Increase in short-term loans		-	(442,722,957)
Increase in long-term loans		(1,543,946,000)	(785,961,699)
Increase in other current financial assets		(434,562,436,000)	(417,362,436,000)
Increase in guarantee deposits		(1,665,648,279)	(1,732,775,444)
Acquisition of financial assets at FVPL		(2,999,856,304)	(1,093,371,640)
Acquisition of property, plant and equipment		(93,926,557,580)	(120,558,557,143)
Acquisition of intangible assets		(308,513,328)	(310,300,729)
Cash outflows from government grants		(1,411,097,780)	(1,308,951,039)
Net cash flows used in investing activities		(41,164,002,891)	(218,493,407,784)
Cash flows from financing activities	31		
Proceeds from short-term borrowings		421,353,725,432	430,980,169,652
Proceeds from debentures		120,000,000,000	-
Cash inflows from repayable government grants		336,224,348	466,312,274
Repayment of short-term borrowings		(442,160,662,075)	(426,711,918,774)
Repayment of current portion of long-term borrowings		(29,651,509,360)	(28,166,437,500)
Repayment of current portion of debentures		(244,000,000,000)	-
Repayment of lease liabilities		(6,616,077,891)	(6,262,154,326)
Payment of dividends		(22,068,207,750)	(18,652,548,750)
Debenture issuance cost		(328,323,200)	-
Cash outflows from repayable government grants		(42,482,234)	-
Cash outflows from consolidated equity transaction		(7,926,480,310)	-
Net cash flows used in financing activities		(211,103,793,040)	(48,346,577,424)
Effects of exchange rate fluctuations on cash and cash equivalents		4,533,403,474	406,713,950
Net increase (decrease) in cash and cash equivalents		6,131,750,434	(3,140,207,022)
Cash and cash equivalents at the beginning of the year		174,980,759,227	178,120,966,249
Cash and cash equivalents at the end of the year	33	₩ 181,112,509,661	₩ 174,980,759,227

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

1. Corporation Information

1.1 The Company

Samyang Corporation (the “Parent Company”) was incorporated through a spin-off of the food and chemicals business segments of Samyang Holdings Corporation on November 1, 2011. The Company’s ordinary shares have been re-listed on the KOSPI Market of the Korea Exchange since December 2011. The Company is primarily engaged in the manufacture and sale of sugar and engineering plastics.

The share capital of the Company as of December 31, 2024, amounted to ₩ 53,418 million, and its major shareholder is Samyang Holdings Corporation which holds 61.83% of shares.

1.2 Subsidiaries

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

Name of subsidiary	Domicile	Reporting period	Key business	Percentage of ownership	
				December 31, 2024	December 31, 2023
Samyang Packaging Corporation	Korea	Dec. 31	Manufacture and sale of PET bottle	59.40	59.40
Samyang EcoTech Corporation	Korea	Dec. 31	Manufacture and sale of recycled PET chip	100.00	100.00
Samyang Engineering Plastics (Shanghai) Co., Ltd.	China	Dec. 31	Manufacture and sale of engineering plastics	100.00	100.00
Samyang Engineering Plastics (Hungary) Co., Ltd.	Hungary	Dec. 31	Manufacture and sale of engineering plastics	100.00	100.00
KCI Co., Ltd.	Korea	Dec. 31	Manufacture and sale of raw materials for household goods	50.02	50.02
Samyang Engineering Plastics (Vietnam) Co., Ltd.	Vietnam	Dec. 31	Manufacture and sale of engineering plastics	100.00	100.00

1. Corporation Information (cont'd)

1.2 Subsidiaries (cont'd)

The summarized financial information on the Group's subsidiaries as of December 31, 2024 and 2023 and for each of the two years in the period ended December 31, 2024 is as follows:

(in millions of Korean won)

Name of subsidiary	As of and for the year ended December 31, 2024					
	Assets	Liabilities	Equity	Sales	Profit for the year	Total comprehensive income
Samyang Packaging Corporation	₩ 664,251	₩ 286,080	₩ 378,171	₩ 433,773	₩ 19,735	₩ 20,163
Samyang ecotech corporation	72,382	2,377	70,005	28,352	697	663
Samyang Engineering Plastics (Shanghai)	49,644	16,989	32,655	83,485	18,453	21,201
Samyang EP Hungary Co., Ltd.	34,180	25,925	8,255	46,337	1,241	1,751
KCI Co., Ltd.	136,176	17,689	118,487	110,185	14,713	14,750
Samyang EP Vietnam Co., Ltd.	38,859	16,339	22,520	45,037	3,497	5,176

(in millions of Korean won)

Name of subsidiary	As of and for the year ended December 31, 2023					
	Assets	Liabilities	Equity	Sales	Profit (loss) for the year	Total comprehensive income (loss)
Samyang Packaging Corporation	₩ 641,511	₩ 267,681	₩ 373,830	₩ 413,415	₩ 24,656	₩ 24,566
Samyang ecotech corporation	71,933	2,590	69,343	16,126	829	826
Samyang Engineering Plastics (Shanghai)	36,542	21,368	15,174	72,194	2,095	2,016
Samyang EP Hungary Co., Ltd.	32,601	26,098	6,503	48,934	(1,518)	(1,109)
KCI Co., Ltd.	119,306	12,879	106,427	109,946	11,000	10,931
Samyang EP Vietnam Co., Ltd.	36,959	19,615	17,344	50,531	2,858	2,638

The above financial information is based on the stand-alone financial statements of each subsidiary.

The financial information on non-controlling interests as of December 31, 2024 and 2023 and for each of the two years in the period ended December 31, 2024 is as follows:

(in millions of Korean won)	As of and for the year ended December 31, 2024			
	Samyang Packaging Corporation [1]	**KCI Co., Ltd.**	**Others**	**Total**
Current assets	₩ 171,293	₩ 90,945		
Non-current assets	495,984	45,231		
Current liabilities	100,991	17,321		
Non-current liabilities	186,699	368		
Equity	379,587	118,487		
Equity attributable to non-controlling interests	147,394	56,418	₩ 12,915	₩ 216,727
Sales	448,112	110,185		
Profit for the year	20,440	14,713		
Total comprehensive income	20,833	14,750		
Profit for the year attributable to non-controlling interests	8,248	7,006	(287)	14,967
Total comprehensive income attributable to non-controlling interests	8,403	7,023	(287)	15,139
Dividends for non-controlling interests	(3,205)	(1,281)	-	(4,486)
Cash flow from operating activities	61,678	24,301		
Cash flow from investing activities	(43,046)	(4,153)		
Cash flow from financing activities	(4,078)	(2,894)		

[1] The consolidated financial information that includes Samyang Packaging Corporation and its subsidiaries.

(in millions of Korean won)	As of and for the year ended December 31, 2023							
		Samyang Packaging Corporation [1]		**KCI Co., Ltd.**		**Others**		**Total**
Current assets	₩	142,327	₩	71,259				
Non-current assets		499,714		48,047				
Current liabilities		183,018		12,550				
Non-current liabilities		84,449		329				
Equity		374,574		106,427				
Equity attributable to non-controlling interests		152,077		50,675	₩	13,220	₩	215,972
Sales		421,669		109,946				
Profit for the year		25,435		11,000				
Total comprehensive income		25,342		10,931				
Profit for the year attributable to non-controlling interests		10,327		5,238		(446)		15,119
Total comprehensive income attributable to non-controlling interests		10,289		5,205		(446)		15,048
Dividends for non-controlling interests		(4,808)		(1,281)		-		(6,089)
Cash flow from operating activities		53,445		19,104				
Cash flow from investing activities		(28,070)		(16,682)				
Cash flow from financing activities		(31,633)		(7,786)				

[1] The consolidated financial information that includes Samyang Packaging Corporation and its subsidiaries.

2. Summary of Material Accounting Policies

2.1 Basis of Preparation

The Parent Company and its subsidiaries (collectively referred to as the "Group") maintains its accounting records in Korean won (presented as "Korean won", "KRW" or "₩") and prepares its statutory financial statements in the Korean language (Hangul) in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS"). The accompanying consolidated financial statements have been condensed, restructured and translated into English from the Korean language financial statements.

Certain information attached to the Korean language financial statements, but not required for a fair presentation of the Group's financial position, financial performance or cash flows, is not presented in the accompanying consolidated financial statements. In the event of any differences in interpreting the financial statements or the independent auditor's report thereon, Korean version, which is used for regulatory reporting purposes, shall prevail.

The consolidated financial statements of the Group have been prepared in accordance with KIFRS enacted by the *Act on External Audit of Stock Companies*. These are the standards, subsequent amendments and related interpretations issued by the International Accounting Standards Board (IASB) that have been adopted by the Republic of Korea.

The accompanying consolidated financial statements have been prepared on a historical cost basis, except when otherwise indicated. The consolidated financial statements are presented in Korean won with all values rounded to the nearest million, except when otherwise indicated.

2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of December 31, 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non- controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- derecognizes the assets including goodwill and liabilities of the subsidiary;
- derecognizes the carrying amount of any non-controlling interests;
- derecognizes the cumulative translation differences recognized in equity;
- recognizes the fair value of the consideration received;
- recognizes the fair value of any investment retained;
- recognizes any gains or losses resulting from above accounting treatment in profit or loss; and
- reclassifies the parent's share of subsidiaries previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Basis Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree.

For each business combination, the acquirer measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as of the acquisition date.

For a business combination achieved in stages, the acquirer remeasures its previously held interests in the acquiree at fair value at the acquisition date, and the difference of fair value and the carrying amount resulting from such remeasurement are recognized in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of KIFRS 1109, is measured at fair value with the changes in fair value recognized in profit or loss in accordance with KIFRS 1109. Other contingent consideration that is not within the scope of KIFRS 1109 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

2.4 Investments in Associates and Joint Ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date.

The consolidated statement of comprehensive income reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss as 'gain or loss on equity method investments' in the consolidated statement of comprehensive income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

2.5 Current versus Non-current Classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification.

An asset is current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.6 Foreign Currency Translation

The Group's consolidated financial statements are presented in Korean won, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

(b) Translation of foreign operations

On consolidation, the assets and liabilities of foreign operations are translated into Korean won at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in other comprehensive income. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in profit or loss.

2.7 Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits for the purpose of meeting short-term cash demands but not for investment or other purposes.

2.8 Financial Instruments – Initial Recognition and Subsequent Measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

a) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under KIFRS 1115.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories

- financial assets at amortized cost (debt instruments);
- financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments);
- financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- financial assets at FVPL.

Financial assets at amortized cost (debt instruments)

The Group measures financial assets at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets at FVOCI (debt instruments)

The Group measures debt instruments at FVOCI if both of the following conditions are met:

- the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in other comprehensive income. Upon derecognition, the cumulative fair value change recognized in other comprehensive income is recycled to profit or loss.

Financial assets at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under KIFRS 1032 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as finance income in the consolidated statement of comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVPL

Financial assets at FVPL include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are carried in the statement of financial position at fair value with net changes in fair value recognized in profit or loss.

c) Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group’s continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

d) Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Trade and Other Receivables: Note 5
- Financial Risk Management: Note 32

The Group assesses expected credit losses on debt instruments measured at amortized cost or at fair value through other comprehensive income on the basis of forward-looking information. The impairment method depends on whether there is a significant increase in credit risk. However, for trade receivables, the Group applies a simplified method for recognizing lifetime expected credit losses from the date of initial recognition of the receivables.

(b) Financial liabilities

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payable, less directly attributable transaction costs. The Group's financial liabilities include trade and other payables, borrowings, and debentures.

The Group classifies financial liabilities that arise from supplier finance arrangement within trade and other payables in the consolidated statement of financial position if they have a similar nature and function to trade payables. This is the case if the terms of the liabilities that are part of the supplier finance arrangement are not substantially different from the terms of trade payables that are not part of the arrangement. Cash flows related to liabilities arising from supplier finance arrangements that are classified in trade and other payables in the consolidated statement of financial position are included in operating activities in the consolidated statement of cash flows.

b) Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as of fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by KIFRS 1109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in profit or loss.

Borrowings

After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR.

c) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

2.9 Derivative Financial Instruments

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment;
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment; or
- hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument’s fair value in offsetting the exposure to changes in the hedged item’s fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging derivative is recognized in the consolidated statement of comprehensive income as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in profit or loss.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the consolidated statement of comprehensive income. Amounts recognized as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognized as other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized as other comprehensive income while any gains or losses relating to the ineffective portion are recognized in the consolidated statement of comprehensive income. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the consolidated statement of comprehensive income.

2.10 Fair Value Measurement

The Group measures financial instruments, at fair value at each balance sheet date. Fair value related disclosures for financial instruments that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

- Quantitative Disclosures of Fair Value Measurement Hierarchy: Note 4
- Investment in Unquoted Equity Shares: Note 4
- Financial Instruments (including those carried at amortized cost): Note 33
- Investment Properties: Note 11

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either.

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statement are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.11 Inventories

Inventories are valued at the lower of cost and net realizable value. Purchase costs, transfer costs and costs incurred in bringing each product to its present location and conditions are accounted for initial cost of inventories. Unit costs of inventories are measured by total average method by month, except merchandise-in-transit, whose cost is determined using the specific identification method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.12 Property, Plant and Equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are expensed in the consolidated statement of comprehensive income as incurred.

The Group reviews the depreciation method, estimated useful lives, and residual values of property, plant and equipment at the end of each annual reporting period. If expectations differ from previous estimates, the changes are accounted for as a change in accounting estimate and applied prospectively.

Depreciation is calculated a straight-line basis over the estimated useful lives of the assets as follows:

	Useful lives (years)
Buildings	10 - 50
Structures	7 - 50
Machinery	5 - 15
Vehicles	4 - 5
Right-of-use assets	1 - 37
Others	4 - 10

2.13 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach to all leases, except short-term leases, leases of low-value assets and variable leases. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use underlying assets.

The Group determines the lease term as the non-cancellable period of a lease, together with both (a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and (b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. When the lessee and the lessor each has the right to terminate the lease without permission from the other party, the Group should consider a termination penalty in determining the period for which the contract is enforceable.

(a) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases have a lease term of less than 12 months from the commencement date of the lease and do not contain a purchase option). It also applies the leases of low-value assets recognition exemptions to leases of office supplies that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expenses on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

2.14 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur.

2.15 Investment Properties

Investment properties are measured initially at cost, including transaction costs. Such cost includes the cost of replacing part of the asset if the recognition criteria are met. All other administration costs are expensed as incurred.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit of loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2.16 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as of the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the consolidated statement of comprehensive income in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at each financial year end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of comprehensive income in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of comprehensive income when the asset is derecognized.

Amortization is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	Useful lives (years)
Industrial property rights	3 - 10
Development costs	3 - 5
Software	3 - 5
Other intangible assets	3 - 17
Memberships	Indefinite

2.17 Impairment of Non-financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognized in the consolidated statement of comprehensive income in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at the end of each reporting period to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit and loss.

Intangible assets with indefinite useful lives are tested for impairment annually, either individually or at the CGU level, as appropriate.

2.18 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) 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. When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Greenhouse gas emission rights and emission liabilities

The Group receives free emission rights as a result of emission trading schemes. The rights are received on an annual basis and, in return, the Group is required to remit rights equal to its actual emissions.

The Group has adopted the net liability approach to the emission rights granted. Where emission rights are purchased from other parties, they are recorded at cost. The Group derecognizes the emission rights from the consolidated statements of financial position at the timing of remittance or disposal.

A provision is recognized only when actual emissions exceed the emission rights granted and still held. The emission costs are recognized as cost of sales. Emission provision is measured by adding the following (a) and (b):

(a) The carrying value of the emission rights to be remitted for this year.
(b) The best estimate of the expenditure required to settle the present obligation for the actual emissions that exceed the emission rights granted at the end of the reporting period.

2.19 Pensions Benefits and Other Post-Employment Benefits

The Group operates a defined benefit plan and defined contribution plan.

Defined benefit plan

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest and the return on plan assets, are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- the date of the plan amendment or curtailment; and
- the date that the Group recognizes restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes service cost or net interest expense in the net defined benefit obligation under “cost of sales” or “selling and administrative expenses” in the consolidated statement of comprehensive income.

Defined contribution plan

For the employees under the defined contribution plan, the Group makes contributions of required funding amount regardless of the operating results of the defined contribution plan, and contributions are expensed in the period they are incurred.

2.20 Treasury Shares

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration is recognized in capital surplus.

2.21 Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

(a) Sale of goods

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration.

a) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Group is required to deduct the incentive provided to the customer from the transaction price unless it is paid in exchange for the distinct goods or services transferred to the entity by the customer.

b) Right of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. For goods that are expected to be returned, instead of revenue, the Group recognizes a refund liability (other current liability). A right of return asset (and corresponding adjustment to cost of sales) is also recognized for the right to recover products from a customer (other current asset).

c) Principal versus agent

If the Group sells the product in accordance with the contract with the customer and performs the transportation service, the Group is primarily an "agent" in such transaction. Revenue from the shipping lane service is recognized as a net amount.

2.22 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill;
- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, 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.

2.23 Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. On the other hand, when the grant relates to an asset, it is presented as a deductible account of the related assets and offset with the depreciation expense of the related assets over the useful life of the related assets.

2.24 Earnings per Share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

2.25 Cash Dividends

The Group recognizes a liability to pay a dividend when the distribution is authorized and the distribution is no longer at the discretion of the Group. A distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

2.26 Changes in Accounting Policies and Disclosures

2.26.1 New and amended standards and interpretations adopted by the Group

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

(a) Amendments to KIFRS 1116 - *Lease Liability in a Sale and Leaseback*

The amendments to KIFRS 1116 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's consolidated financial statements.

(b) Amendments to KIFRS 1001 - *Classification of Liabilities as Current or Non-current*

The amendments to KIFRS 1001 specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

- what is meant by a right to defer settlement;
- that a right to defer must exist at the end of the reporting period;
- that classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- that terms of a liability that could result in its settlement by the transfer of the entity's own equity instruments do not affect its classification as current or non-current if the entity classifies the option as an equity instrument, recognizing it separately from the liability as an equity component of a compound financial instrument.

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments had no impact on the Group's consolidated financial statements.

(c)* Amendments to KIFRS 1007 and KIFRS 1107 - *Supplier Finance Arrangements

The amendments to KIFRS 1007 *Statement of Cash Flows* and KIFRS 1107 *Financial Instruments: Disclosures* clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

As a result of implementing the amendments, the Group has provided additional disclosures about its supplier finance arrangement. Please refer to Note 29(19)

2.26.2 New standards and interpretations not yet adopted by the Group

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

(a) Amendments to KIFRS 1021 - *Lack of exchangeability*

The amendments to KIFRS 1021 *The Effects of Changes in Foreign Exchange Rates* specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2025. Early adoption is permitted, but will need to be disclosed.
The amendments are not expected to have a material impact on the Group's consolidated financial statements.

(b) Amendments to KIFRS 1109 *Financial Instruments* and KIFRS 1107 *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*

The amendments to KIFRS 1109 *Financial Instruments* and KIFRS 1107 *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments* include the following:

• clarifying that a financial liability is derecognized on the settlement date and introducing an accounting policy choice to derecognize financial liabilities that are settled by using electronic payment system before the settlement date (if specific criteria are met);
• providing additional guidance as to how to assess contractual cash flows of financial assets that include environmental, social and governance (ESG)-linked features and similar features;
• clarifying what constitutes non-recourse features and the characteristics of contractually linked financial instruments; and
• introducing new disclosures for financial instruments with contingent features and adding a disclosure requirement for equity instruments measured at fair value through other comprehensive income.

The amendments will be effective for annual periods beginning on or after January 1, 2026. Earlier adoption is permitted, but only for the amendments for the classification of financial assets and related disclosures. The Group does not plan to early apply the amendments.

(c) Annual Improvements to KIFRS - Volume 11

Annual Improvements to KIFRS - Volume 11 have been announced for the purpose of improving consistency of requirements set out in each standard, enhancing clarity, and providing better understanding of the amendments.

· Amendments to KIFRS 1101 *First-time adoption of KIFRS: Hedge accounting by a first-time adopter*

· Amendments to KIFRS 1107 *Financial Instruments: Disclosures: Gain or loss on derecognition, Guidance for application of amendments in practice*

· Amendments to KIFRS 1109 *Financial Instruments: Accounting for derecognition of lease liabilities and definition of transaction prices*

· Amendments to KIFRS 1110 *Consolidated Financial Statements: Determination of a 'de facto agent'*

· Amendments to KIFRS 1007 *Statement of Cash Flows: Cost Method*

The amendments will be effective for annual periods beginning on or after January 1, 2026. Earlier adoption is permitted but will need to be disclosed. The amendments are not expected to have a material impact on the consolidated financial statements.

2.27 Material Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties are summarized in the following Note:

- Capital Management: Note 32;
- Financial Risk Management and Policies: Note 32; and
- Sensitivity Analysis and Disclosure: Note 32.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statement was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model.

(b) Retirement benefit plan

The cost of defined benefit pension plans and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(c) Climate-related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation.

2.28 Approval of Issuance of the Financial Statements

The Group's consolidated financial statements as of and for the year ended December 31, 2024 were approved by the Board of Directors on February 12, 2025 and will be submitted to the annual shareholders' meeting to be held on March 27, 2025.

3. Operating Segments

The Group is organized into business units based on its products and services and has three reportable segments, whose financial information is regularly reported to the Group's chief operating decision maker, and details are as follows:

Segment	Product or services	Customer information
Food	Sugar, cooking oil, flour, and processed foods	Branches, distributors and major retailers
Chemicals	Engineering plastic, PET flake, resins, raw materials for cosmetics and household products.	Distributors and manufacturers
Others	Services, etc.	-

The financial performance for each segment for each of the two years in the period ended December 31, 2024 is as follows:

(in millions of Korean won)	2024					
	Foods	Chemicals	Others	Sub-total	Consolidation adjustments	Total
Sales:	₩ 1,586,334	₩ 1,115,665	₩ 11,503	₩ 2,713,502	₩ (41,681)	₩ 2,671,821
External sales	1,581,282	1,081,226	9,313	2,671,821	-	2,671,821
Inter-segment sales	5,052	34,439	2,190	41,681	(41,681)	-
Depreciation and amortization	35,347	41,250	5,648	82,245	1,025	83,270
Impairment losses of tangible assets	-	5,045	-	5,045	-	5,045
Interest income	5,337	5,354	-	10,691	(1)	10,690
Interest expenses	17,252	10,413	-	27,665	-	27,665
Profit (loss) for the year[1]	₩ 59,712	₩ 83,610	₩ 9,074	₩ 152,396	₩ (10,243)	142,153
Finance income not allocated to segment						31,629
Gain on equity method investments						1,090
Profit before income tax						₩ 174,872

[1] It represents net profit (loss) before income tax, excluding finance income and cost not allocated to the segment and gain (loss) on equity method investments.

(in millions of Korean won)	2023											
		Foods		Chemicals		Others		Sub-total		Consolidation adjustments		Total
Sales:	₩	1,595,331	₩	1,101,072	₩	13,509	₩	2,709,912	₩	(58,473)	₩	2,651,439
External sales		1,590,529		1,048,931		11,979		2,651,439		-		2,651,439
Inter-segment sales		4,802		52,141		1,530		58,473		(58,473)		-
Depreciation and amortization		35,315		39,678		5,439		80,432		744		81,176
Interest income		6,271		4,949		-		11,220		-		11,220
Interest expenses		18,028		10,319		-		28,347		-		28,347
Profit (loss) for the year[1]	₩	56,529	₩	71,465	₩	7,508	₩	135,502	₩	(10,536)		124,966
Finance income not allocated to segment												22,842
Gain on equity method investments												2,000
Profit before income tax											₩	149,808

[1] It represents net profit (loss) before income tax, excluding finance income and cost not allocated to the segment and gain (loss) on equity method investments.

Details of geographical sales by each region for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)		2024		2023
Korea	₩	2,090,194	₩	2,078,345
China		111,728		114,308
Japan		119,157		115,983
Other Asian countries		165,763		157,358
Europe		80,091		86,786
Others		104,888		98,659
	₩	2,671,821	₩	2,651,439

The revenue information above is based on customers' locations.

Details of non-current assets by each region as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)	**December 31, 2024**		**December 31, 2023**	
Korea	₩	1,450,529	₩	1,458,298
China		12,532		12,237
Hungary		5,615		6,302
Vietnam		18,585		18,558
Japan		322		189
	₩	1,487,583	₩	1,495,584

The non-current asset information above is based on the geographical locations of the assets. The non-current assets above consist of property, plant and equipment, intangible assets and investment properties.

4. Fair Value

There are no significant changes in business and economic environment which affect fair value of financial assets and financial liabilities for the year ended December 31, 2024

4.1 Fair Value of Financial Instruments by Category

Details of the carrying amount and fair value of financial instruments as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)	**December 31, 2024**				**December 31, 2023**			
	Carrying amount		**Fair value**		**Carrying amount**		**Fair value**	
Financial assets								
Financial assets at FVOCI	₩	593,837	₩	593,837	₩	431,623	₩	431,623
Financial assets at FVPL		25,442		25,442		19,882		19,882
Derivative financial assets		14,450		14,450		4,343		4,343
	₩	633,729	₩	633,729	₩	455,848	₩	455,848
Financial liabilities								
Derivative financial liabilities	₩	503	₩	503	₩	2,843	₩	2,843

Financial instruments whose carrying amount is a reasonable approximation of fair value are excluded from the fair value disclosures.

4.2 Fair Value Hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards. Items that are measured at fair value are categorized by the fair value hierarchy levels, and the defined levels are as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date (Level 1);
- All inputs other than quoted prices included in level 1 that are observable (either directly that is, prices, or indirectly that is, derived from prices) for the asset or liability (Level 2); and
- Unobservable inputs for the asset or liability (Level 3).

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

(in millions of Korean won)	**December 31, 2024**			
	Level 1	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements				
Financial assets at FVOCI				
Listed equity instruments	₩ 529,860	₩ -	₩ -	₩ 529,860
Unlisted equity instruments	-	-	62,992	62,992
Debt instruments	-	985	-	985
Financial assets at FVPL				
Beneficiary certificates	-	-	20,579	20,579
Compound financial instruments	-	-	4,843	4,843
Capital contribution	-	-	20	20
Derivatives				
Derivative assets	-	14,450	-	14,450
Derivative liabilities	-	503	-	503

(in millions of Korean won)	December 31, 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements				
Financial assets at FVOCI				
Listed equity instruments	₩ 370,991	₩ -	₩ -	₩ 370,991
Unlisted equity instruments	-	-	59,688	59,688
Debt instruments	-	944	-	944
Financial assets at FVPL				
Beneficiary certificates	-	-	18,018	18,018
Compound financial instruments	-	-	1,844	1,844
Capital contribution	-	-	20	20
Derivatives				
Derivative assets	-	4,343	-	4,343
Derivative liabilities	-	2,843	-	2,843

The Group recognizes transfers between levels of the fair value at the end of the reporting period.

4.3 Valuation Techniques and the Inputs

The valuation techniques used to measure the fair value of Level 2 and the input variables that are significant but not observable are as follows:

(in millions of Korean won)	**Valuation techniques**	**Fair value**	**Inputs**
Debt instruments	Discount cash flows method	₩ 985	Market interest rate
Derivative assets	Discount cash flows method	14,450	Discount rate
Derivative liabilities	Discount cash flows method	503	Discount rate

The valuation techniques used to measure the fair value of Level 3 and the input variables that are significant but not observable are as follows:

(in millions of Korean won)	**Valuation techniques**	**Fair value**	**Inputs**	**Effects of input variables on fair value**
Unlisted equity instruments	Discount cash flows method	₩ 57,633	Discount rate 5.59% ~ 10.53% Perpetual growth rate 0%	Reduced fair value when discount rate rises Increase in fair value when permanent growth rate increases
	Asset value approach method and others	5,359	-	-
Beneficiary certificates	Asset value approach method	20,579	-	-
Compound financial instruments	Asset value approach method	4,843	-	-
Capital contribution	Asset value approach method	20	-	-

Changes in the fair value of Level 3 for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)	**2024**			
	Financial assets at FVOCI		**Financial assets at FVPL**	
Beginning balance	₩	59,688	₩	19,882
Acquisitions		-		3,000
Valuation		3,304		2,560
Ending balance	₩	62,992	₩	25,442

(in millions of Korean won)	**2023**			
	Financial assets at FVOCI		**Financial assets at FVPL**	
Beginning balance	₩	61,428	₩	19,894
Acquisitions		-		1,093
Disposals		(5,009)		-
Valuation		1,009		(1,105)
Reclassification		2,260		-
Ending balance	₩	59,688	₩	19,882

If other input variables remain constant for fair values that are currently classified as Level 3 as of December 31, 2024 and 2023, the impact of a significant but not observable input variable that is materially fluctuating at the reporting date is as follows:

(in millions of Korean won)		December 31, 2024			
	Inputs	**1% decrease**		**1% increase**	
Unlisted equity instruments	Discount rate	₩	21,711	₩	(16,842)

(in millions of Korean won)		December 31, 2023			
	Inputs	**1% decrease**		**1% increase**	
Unlisted equity instruments	Discount rate	₩	8,298	₩	(6,299)

5. Trade and Other Receivables

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

(in millions of Korean won)	**December 31, 2024**			**December 31, 2023**		
	Amounts before allowance for doubtful accounts	**Allowance for doubtful accounts**	**Carrying amount**	**Amounts before allowance for doubtful accounts**	**Allowance for doubtful accounts**	**Carrying amount**
Current assets:						
Trade receivables	₩ 259,171	₩ (7,639)	₩ 251,532	₩ 286,940	₩ (7,751)	₩ 279,189
Other receivables	5,538	(3)	5,535	6,633	(3)	6,630
Short-term loans	8,160	(7,300)	860	8,492	(7,833)	659
Security deposit	4,403	-	4,403	7,163	-	7,163
	277,272	(14,942)	262,330	309,228	(15,587)	293,641
Non-current assets:						
Long-term other receivables	3,054	-	3,054	2,989	-	2,989
Long-term loans	2,225	-	2,225	1,779	-	1,779
Security deposit	8,454	-	8,454	6,704	-	6,704
	13,733	-	13,733	11,472	-	11,472
	₩ 291,005	₩ (14,942)	₩ 276,063	₩ 320,700	₩ (15,587)	₩ 305,113

Changes in allowance for doubtful accounts on trade and other receivables for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)	**2024**	**2023**
Beginning balance	₩ 15,587	₩ 16,136
Impairment loss	(14)	(76)
Reversal of impairment loss	(631)	(473)
Ending balance	₩ 14,942	₩ 15,587

6. Inventories

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

(in millions of Korean won)	December 31, 2024			December 31, 2023		
	Acquisition cost	Allowance for valuation loss	Carrying amount	Acquisition cost	Allowance for valuation loss	Carrying amount
Merchandise	₩ 55,123	(477)	54,646	₩ 50,856	₩ (1,484)	₩ 49,372
Finished goods	114,395	(2,672)	111,723	112,632	(3,739)	108,893
Semi-finished goods	31,788	(337)	31,451	31,409	(591)	30,818
By-product	454	-	454	1,089	-	1,089
Work-in-process	179	-	179	177	-	177
Raw materials	51,291	(486)	50,805	52,401	(323)	52,078
Supplementary materials	17,287	(988)	16,299	17,121	(612)	16,509
Supplies	4,156	(84)	4,072	3,993	(175)	3,818
Goods-in-transit	121,840	-	121,840	130,365	-	130,365
	₩ 396,513	(5,044)	391,469	₩ 400,043	₩ (6,924)	₩ 393,119

The loss on valuation of inventories for each of the two years in the period ended December 31, 2024 is as follows:

(in millions of Korean won)	2024	2023
Loss on valuation of inventories (reversal)	₩ (1,878)	₩ (1,629)

Inventories pledged as security for borrowings of the Group are disclosed in Note 29.

7. Other Assets

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

(in millions of Korean won)	December 31, 2024	December 31, 2023
Current		
Prepaid expenses	₩ 2,066	₩ 1,615
Advance payments	8,160	6,403
Accrued income	4,487	5,954
Prepaid value added tax	1,187	1,466
Returnable assets	171	155
	16,071	15,593
Non-current		
Long-term prepaid expenses	3,708	439
Long-term advance payments	310	480
Long-term accrued income	3,435	-
	7,453	919
	₩ 23,524	₩ 16,512

8. Property, Plant and Equipment

Changes in property, plant and equipment for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)	2024				
	Land	**Buildings**	**Structures**	**Machinery**	**Vehicles**
Acquisition cost					
Beginning balance	₩ 433,578	₩ 382,608	₩ 70,001	₩ 1,096,695	₩ 1,563
Acquisitions	-	129	73	193	5
Disposals	(30)	(4,498)	(279)	(14,884)	(57)
Others[1]	-	15,653	1,428	83,991	170
Foreign currency translation differences	-	731	356	2,576	8
Ending balance	₩ 433,548	₩ 394,623	₩ 71,579	₩ 1,168,571	₩ 1,689
Accumulated depreciation					
Beginning balance	₩ -	₩ 130,225	₩ 36,875	₩ 676,133	₩ 1,288
Disposals	-	(3,691)	(149)	(13,245)	(57)
Depreciation	-	11,226	1,858	46,241	156
Others[1]	-	-	-	-	-
Foreign currency translation differences	-	324	157	1,600	4
Ending balance	₩ -	₩ 138,084	₩ 38,741	₩ 710,729	₩ 1,391
Accumulated impairment loss					
Beginning balance	₩ -	₩ 1,086	₩ 1,181	₩ 5,251	₩ -
Impairment loss[2]	-	3,611	137	1,297	-
Disposals	-	-	(107)	(134)	-
Ending balance	₩ -	₩ 4,697	₩ 1,211	₩ 6,414	₩ -
Government grants					
Beginning balance	₩ -	₩ -	₩ -	₩ 1,145	₩ -
Acquisitions	-	-	-	1,503	-
Depreciation	-	-	-	(171)	-
Others[1]	-	-	-	1,754	-
Ending balance	₩ -	₩ -	₩ -	₩ 4,231	₩ -
Carrying amount					
Beginning balance	₩ 433,578	₩ 251,297	₩ 31,945	₩ 414,166	₩ 275
Ending balance	₩ 433,548	₩ 251,842	₩ 31,627	₩ 447,197	₩ 298

(in millions of Korean won)	2024			
	Right-of-use assets	**Others**	**Construction-in-progress**	**Total**
Acquisition cost				
Beginning balance	₩ 29,707	₩ 102,311	₩ 51,755	₩ 2,168,218
Acquisitions	5,503	140	76,723	82,766
Disposals	(6,804)	(10,146)	(505)	(37,203)
Others[1]	631	6,560	(108,499)	(66)
Foreign currency translation differences	1,756	174	66	5,667
Ending balance	₩ 30,793	₩ 99,039	₩ 19,540	₩ 2,219,382
Accumulated depreciation				
Beginning balance	₩ 7,517	₩ 83,684	₩ -	₩ 935,722
Disposals	(6,231)	(9,532)	-	(32,905)
Depreciation	7,136	5,867	-	72,484
Others[1]	(2)	-	-	(2)
Foreign currency translation differences	445	127	-	2,657
Ending balance	₩ 8,865	₩ 80,146	₩ -	₩ 977,956
Accumulated impairment loss				
Beginning balance	₩ -	₩ 33	₩ -	₩ 7,551
Impairment loss	-	-	-	5,045
Disposals	-	-	-	(241)
Ending balance	₩ -	₩ 33	₩ -	₩ 12,355
Government grants				
Beginning balance	₩ -	₩ 1,407	₩ 782	₩ 3,334
Acquisitions	-	70	972	2,545
Depreciation	-	(387)	-	(558)
Others[1]	-	(2)	(1,754)	(2)
Ending balance	₩ -	₩ 1,088	₩ -	₩ 5,319
Carrying amount				
Beginning balance	₩ 22,190	₩ 17,187	₩ 50,973	₩ 1,221,611
Ending balance	₩ 21,928	₩ 17,772	₩ 19,540	₩ 1,223,752

[1] Others represent a transfer from construction-in-progress to intangible assets of ₩ 676 million, a remeasurement of right-of-use assets of ₩ (633) million, reclassification of investment properties, nets of ₩ 21 million, and a disposal of government subsidies ₩ 2 million.

[2] The Group recognized an impairment loss of ₩ 5,054 million on unused assets, and the amount is included in other non-operating expenses.

(in millions of Korean won)	2023				
	Land	**Buildings**	**Structures**	**Machinery**	**Vehicles**
Acquisition cost					
Beginning balance	₩ 434,196	₩ 360,645	₩ 65,126	₩ 1,014,083	₩ 1,748
Acquisitions	-	-	21	164	-
Disposals	(610)	(2,094)	(42)	(8,885)	(268)
Others[1]	(8)	24,043	4,878	91,087	83
Foreign currency translation differences	-	14	18	246	-
Ending balance	₩ 433,578	₩ 382,608	₩ 70,001	₩ 1,096,695	₩ 1,563
Accumulated depreciation					
Beginning balance	₩ -	₩ 120,160	₩ 35,076	₩ 638,096	₩ 1,418
Disposals	-	(529)	(23)	(6,961)	(265)
Depreciation	-	10,995	1,786	44,755	135
Others[1]	-	(449)	-	-	-
Foreign currency translation differences	-	48	36	243	-
Ending balance	₩ -	₩ 130,225	₩ 36,875	₩ 676,133	₩ 1,288
Accumulated impairment loss					
Beginning balance	₩ -	₩ 1,086	₩ 1,181	₩ 7,000	₩ -
Disposals	-	-	-	(1,749)	-
Ending balance	₩ -	₩ 1,086	₩ 1,181	₩ 5,251	₩ -
Government grants					
Beginning balance	₩ -	₩ -	₩ -	₩ 765	₩ -
Acquisitions	-	-	-	358	-
Depreciation	-	-	-	(78)	-
Others[1]	-	-	-	100	-
Ending balance	₩ -	₩ -	₩ -	₩ 1,145	₩ -
Carrying amount					
Beginning balance	₩ 434,196	₩ 239,399	₩ 28,869	₩ 368,222	₩ 330
Ending balance	₩ 433,578	₩ 251,297	₩ 31,945	₩ 414,166	₩ 275

(in millions of Korean won)	2023							
	Right-of-use assets		Others		Construction-in-progress		Total	
Acquisition cost								
Beginning balance	₩	25,968	₩	95,367	₩	56,573	₩	2,053,706
Acquisitions		13,238		40		128,897		142,360
Disposals		(10,179)		(1,321)		-		(23,399)
Others[1]		481		8,173		(133,691)		(4,954)
Foreign currency translation differences		199		52		(24)		505
Ending balance	₩	29,707	₩	102,311	₩	51,755	₩	2,168,218
Accumulated depreciation								
Beginning balance	₩	10,857	₩	79,120	₩	-	₩	884,727
Disposals		(9,790)		(1,313)		-		(18,881)
Depreciation		6,353		5,839		-		69,863
Others[1]		-		-		-		(449)
Foreign currency translation differences		97		38		-		462
Ending balance	₩	7,517	₩	83,684	₩	-	₩	935,722
Accumulated impairment loss								
Beginning balance	₩	-	₩	33	₩	-	₩	9,300
Disposals		-		-		-		(1,749)
Ending balance	₩	-	₩	33	₩	-	₩	7,551
Government grants								
Beginning balance	₩	-	₩	765	₩	100	₩	1,630
Acquisitions		-		926		782		2,066
Depreciation		-		(284)		-		(362)
Others[1]		-		-		(100)		-
Ending balance	₩	-	₩	1,407	₩	782	₩	3,334
Carrying amount								
Beginning balance	₩	15,111	₩	15,449	₩	56,473	₩	1,158,049
Ending balance	₩	22,190	₩	17,187	₩	50,973	₩	1,221,611

[1] Others represent a transfer from construction-in-progress to intangible assets of ₩ 3,858 million, a reclassification of investment property of ₩ 1,258 million, a claim for rectification of ₩ 457 million, a remeasurement of right-of-use assets of ₩ (481) million, and a reclassification of others of ₩ (587) million.

As of December 31, 2024, the Group's property, plant and equipment has been provided as collateral for borrowings and commitments, and details are explained in Note 29.

Line items including depreciation in the statements of comprehensive income for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)		**2024**		**2023**
Cost of sales	₩	58,446	₩	56,578
Selling and administrative expenses, and others		13,480		12,923
	₩	71,926	₩	69,501

9. Leases

Set out below is information for leases when the Group is a lessee.

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

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

(in millions of Korean won)		**December 31, 2024**		**December 31, 2023**
Right-of-use assets[1]				
Properties	₩	19,406	₩	19,819
Vehicles		2,368		2,240
Others		154		131
	₩	21,928	₩	22,190

[1] Included in the line item “property, plant and equipment” in the consolidated statements of financial position.

(in millions of Korean won)		**December 31, 2024**		**December 31, 2023**
Lease liabilities[1]				
Current	₩	6,621	₩	6,269
Non-current		11,924		12,229
	₩	18,545	₩	18,498

[1] Included in the line item “other financial liabilities” in the consolidated statements of financial position.

(b) The consolidated statement of comprehensive income shows the following amounts relating to leases:

(in millions of Korean won)		**2024**		**2023**
Depreciation of right-of-use assets				
Properties	₩	5,921	₩	5,272
Vehicles		1,156		1,041
Others		59		40
	₩	7,136	₩	6,353
Interest expense relating to lease liabilities (included in finance cost)	₩	640	₩	456
Expense relating to short-term leases (included in cost of goods sold and selling and administrative expenses)		1,636		927
Expense relating to leases of low-value assets that are not short-term leases (included in selling and administrative expenses)		484		479
Expense relating to variable lease payments not included in lease liabilities (included in selling and administrative expenses)		17,580		16,740

The total cash outflow for leases for the year ended December 31, 2024 is ₩ 26,956 million (2023: ₩ 24,864 million).

10. Intangible Assets

Changes in intangible assets for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)	2024						
	Goodwill	Industrial property rights	Software	Club membership	Others	Intangible assets under development	Total
Beginning balance	₩ 198,641	₩ 230	₩ 25,876	₩ 7,901	₩ 20,865	₩ -	₩ 253,513
Acquisitions	-	22	-	-	-	287	309
Others[1]	-	-	963	-	-	(287)	676
Amortization	-	(65)	(8,463)	-	(2,524)	-	(11,052)
Foreign currency translation differences	-	-	196	-	-	-	196
Ending balance	₩ 198,641	₩ 187	₩ 18,572	₩ 7,901	₩ 18,341	₩ -	₩ 243,642

[1] Others represent a transfer from construction-in-progress to intangible assets of ₩ 676 million.

(in millions of Korean won)	2023						
	Goodwill	Industrial property rights	Software	Club membership	Others	Intangible assets under development	Total
Beginning balance	₩ 198,641	₩ 206	₩ 30,607	₩ 7,901	₩ 23,389	₩ 27	₩ 260,771
Acquisitions	-	66	-	-	-	244	310
Others[1]	-	37	4,051	-	-	(271)	3,817
Amortization	-	(79)	(8,804)	-	(2,524)	-	(11,407)
Foreign currency translation differences	-	-	22	-	-	-	22
Ending balance	₩ 198,641	₩ 230	₩ 25,876	₩ 7,901	₩ 20,865	₩ -	₩ 253,513

[1] Others represent a transfer from construction-in-progress to intangible assets of ₩ 3,858 million and a disposals of government grants of ₩ 41 million.

Details of goodwill allocated to CGUs as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)			**December 31, 2024**		**December 31, 2023**
Chemicals	Samyang Packaging Corporation	₩	164,590	₩	164,590
	KCI Co., Ltd.		34,051		34,051
		₩	198,641	₩	198,641

The value in use of CGUs and group of CGUs were estimated using the discounted cash flows method. The key assumptions used in the estimation of value in use are as follows:

- Cash flows were projected based on past experiences, actual financial results and future business plan.
- The revenue growth rate for the future was estimated based on past average growth rates, and cash flows after the estimation were estimated on the assumption of permanent growth rate of 0%
- The discount rate applied is based on the average-weighted average cost of capital of CGU 7.5% and 7.64%.
- The key assumptions used in calculating value in use represent management's expectation on future trends in each CGUs and group of CGUs, which are based on historical data from external and internal sources.

As a result of impairment test, the CGU and group of CGU's recoverable amount exceeds its carrying amount.

Research and development costs recognized as expenses for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)		**2024**		**2023**
Selling and administrative expenses	₩	7,175	₩	7,233

Line items including amortization in the statements of comprehensive income for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)		**2024**		**2023**
Cost of sales	₩	446	₩	470
Selling and administrative expenses and others		10,606		10,937
	₩	11,052	₩	11,407

11. Investment Properties

Changes in investment properties for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)	2024					
	Land		Buildings		Total	
Beginning balance	₩	14,648	₩	5,812	₩	20,460
Depreciation		-		(292)		(292)
Others[1]		-		21		21
Ending balance	₩	14,648	₩	5,541	₩	20,189

[1] Others represent a reclassification from land and buildings to investment property.

(in millions of Korean won)	2023					
	Land		Buildings		Total	
Beginning balance	₩	14,431	₩	5,080	₩	19,511
Depreciation		-		(268)		(268)
Estimated sale		(8)		(33)		(41)
Others[1]		225		1,033		1,258
Ending balance	₩	14,648	₩	5,812	₩	20,460

[1] Others represent a reclassification from land and buildings to investment property.

Details of income and expenses associated with investment properties for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)	2024		2023	
Rental income	₩	1,278	₩	1,482
Operating costs		(379)		(356)

The Group holds various operating leases for certain real estate properties, and the details of related future lease receivables as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)		**December 31, 2024**		**December 31, 2023**
Within one year	₩	508	₩	1,169
1 year - 2 years		-		126
	₩	508		1,295

The carrying amount and fair value of investment properties as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)		**December 31, 2024**		**December 31, 2023**
Carrying amount	₩	20,189	₩	20,460
Fair value[1]		22,853		23,473

[1] Fair value is measured using the official land price and price index.

The Group's investment properties have been provided as collateral for the borrowings and commitments, and the details are explained in Note 29.

12. Interests in Associates and Joint Venture

Details of investments in joint venture and investment in associates as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)	December 31, 2024		December 31, 2023	
Investment in associates	₩	3,043	₩	3,391
Investment in joint ventures		21,914		20,585
	₩	24,957	₩	23,976

Details of investments in associates as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)				December 31, 2024		December 31, 2023	
Associates	Location	Main business	Date of financial statements	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)	Carrying amount
KCI Japan Co., Ltd.	Japan	Wholesale	Dec. 31	45.00	₩ 999	45.00	₩ 842
Solid Ionics Co., Ltd. [1]	Korea	Manufacture of solid electrolyte materials	Dec. 31	20.00	1,955	20.00	2,549
Kinfolk Beauty Inc. [1]	Korea	Distribution and sales of cosmetics	Dec. 31	12.96	89	12.96	-
					₩ 3,043		₩ 3,391

[1] The entities are classified as associates as the Group can exercise significant influence over Solid Ionics Co., Ltd. and Kinfolk Beauty Inc. since the entities have the right to appoint directors over the investees.

Details of investments in joint venture as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)				December 31, 2024		December 31, 2023	
Joint venture	Location	Main business	Date of financial statements	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)	Carrying amount
Samyang Fine Technology Co., Ltd.	Korea	Manufacture and sale of IER	Dec. 31	50.00	₩ 21,914	50.00	₩ 20,585

In accordance with the relevant joint agreements, the Group has residual interests in the net assets of the entities. Accordingly, the Group has classified its interests in the entities as joint ventures.

In accordance with the joint arrangements, the Group has residual interests in the net assets of the entity. Accordingly, the Group has classified its interests in the entity as a joint venture.

Changes in investments in associates and joint venture for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)	2024				
	Beginning balance	**Dividend**	**Gain (loss) on investments under equity method**	**Others**	**Ending balance**
KCI Japan Co., Ltd.	₩ 842	₩ (96)	₩ 214	₩ 39	₩ 999
Solid Ionics Co., Ltd.	2,549	-	(594)	-	1,955
Kinfolk Beauty Inc.	-	-	89	-	89
Samyang Fine Technology Co., Ltd.	20,585	-	1,381	(52)	21,914
	₩ 23,976	₩ (96)	₩ 1,090	₩ (13)	₩ 24,957

(in millions of Korean won)	2023				
	Beginning balance	**Dividend**	**Gain (loss) on investments under equity method**	**Others**	**Ending balance**
KCI Japan Co., Ltd.	₩ 682	₩ (52)	₩ 253	₩ (41)	₩ 842
Solid Ionics Co., Ltd.	2,615	-	(66)	-	2,549
Kinfolk Beauty Inc. [1]	-	-	-	-	-
Samyang Fine Technology Co., Ltd.	18,825	-	1,813	(53)	20,585
	₩ 22,122	₩ (52)	₩ 2,000	₩ (94)	₩ 23,976

[1] The equity method is no longer applied to the investment.

The summarized financial information on the associates and joint ventures, and reconciliation with the carrying amount of the investment in the consolidated financial statements as of December 31, 2024 and 2023 and for the years then ended is set out below:

(in millions of Korean won)	As of and for the year ended December 31, 2024					
	Net value	**Share of net assets**	**Intercompany transaction**	**Difference in investments**	**Accumulated loss not reflected**	**Carrying amount**
KCI Japan Co., Ltd.	₩ 2,454	₩ 1,104	₩ (105)	₩ -	₩ -	₩ 999
Solid Ionics Co., Ltd.	(1,824)	(365)	-	2,320	-	1,955
Kinfolk Beauty Inc.	685	89	-	-	-	89
Samyang Fine Technology Co., Ltd.	44,330	22,165	(251)	-	-	21,914
	₩ 45,645	₩ 22,993	₩ (356)	₩ 2,320	₩ -	₩ 24,957

(in millions of Korean won)	As of and for the year ended December 31, 2023					
	Net value	**Share of net assets**	**Intercompany transaction**	**Difference in investments**	**Accumulated loss not reflected**	**Carrying amount**
KCI Japan Co., Ltd.	₩ 2,190	₩ 986	₩ (144)	₩ -	₩ -	₩ 842
Solid Ionics Co., Ltd.	2,190	404	-	2,145	-	2,549
Kinfolk Beauty Inc.	(648)	(84)	-	-	(84)	-
Samyang Fine Technology Co., Ltd.	41,593	20,797	(212)	-	-	20,585
	₩ 45,325	₩ 22,103	₩ (356)	₩ 2,145	₩ (84)	₩ 23,976

Set out below is the summarized financial information for those associates and joint venture as of and for the year ended December 31, 2024 and 2023:

(in millions of Korean won)	As of and for the year ended December 31, 2024							
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Sales	Profit (loss) for the year	Other comprehensive loss	Total comprehensive income (loss)
KCI Japan Co.,Ltd.	₩ 4,008	₩ 280	₩ 1,044	₩ 790	₩ 10,237	₩ 390	₩ -	₩ 390
Solid Ionics Co., Ltd.	787	4,453	5,538	1,526	4	(1,513)	-	(1,513)
Kinfolk Beauty Inc.	2,673	155	299	1,844	6,867	1,334	-	1,334
Samyang Fine Technology Co., Ltd.	24,622	53,055	22,141	11,206	55,921	2,841	(104)	2,737

(in millions of Korean won)	As of and for the year ended December 31, 2023							
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Sales	Profit (loss) for the year	Other comprehensive loss	Total comprehensive income (loss)
KCI Japan Co.,Ltd.	₩ 4,420	₩ 293	₩ 1,784	₩ 739	₩ 13,195	₩ 582	₩ -	₩ 582
Solid Ionics Co., Ltd.	1,210	1,018	17	21	20	(1,096)	-	(1,096)
Kinfolk Beauty Inc.	1,282	40	126	1,844	1,124	(890)	-	(890)
Samyang Fine Technology Co., Ltd.	21,693	57,903	24,016	13,987	55,844	3,755	(106)	3,649

13. Trade and Other Payables

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

(in millions of Korean won)		December 31, 2024		December 31, 2023
Current				
Trade payables	₩	150,871	₩	136,353
Other payables		80,795		105,150
Others		1,043		620
		232,709		242,123
Non-Current				
Deposits received		225		696
Others		3,862		3,991
		4,087		4,687
	₩	236,796	₩	246,810

14. Borrowings and Debentures

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

(in millions of Korean won)

Lender	Type	Annual interest rate (%) as of December 31, 2024	December 31, 2024	December 31, 2023
Kookmin Bank and others	Import finance	4.56 ~ 5.59	₩ 129,593	₩ 198,452
Korea Exim bank	Export growth fund	3.20	1,000	1,000
Woori Bank and others	L/C Nego and others	-	1,204	1,245
Raiffeisen Bank	Factoring Loan	EURIBOR + 1.1	1,504	-
Shinhan Bank Europe GmbH	General loans	3M Euribor + 0.89	3,822	1,427
Woori Bank	General loans	3-month CD + 0.96%	10,000	-
NongHyup Bank	General loans	3.00	43,110	-
			₩ 190,233	₩ 202,124

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

(in millions of Korean won)

Lender	Type	Maturity date	Annual interest rate (%) as of December 31, 2024	December 31, 2024	December 31, 2023
Korea Development Bank	General loans	Mar. 7, 2027	3.11	₩ 56,250	₩ 81,250
Shinhan Bank	General loans	May 27, 2025	3M Euribor + 0.73	7,644	7,133
Woori Bank London Branch	Facility loans	Feb. 7, 2025	TERM SOFR 3M + 1.2	36,750	32,235
Shinhan Bank Singapore Branch	Facility loans	Feb. 12, 2027	TERM SOFR 3M + 1.2	11,610	14,784
				112,254	135,402
Less: current portion				(74,554)	(36,682)
				₩ 37,700	₩ 98,720

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

(in millions of Korean won)

Lender	Type	Maturity date	Annual interest rate (%) as of December 31, 2024	December 31, 2024	December 31, 2023
Samyang Corporation	3-1st public bonds	Jan. 18, 2024	-	-	150,000
	3-2nd public bonds	Jan. 18, 2026	2.59	100,000	100,000
	4-1st public bonds	Mar. 3, 2025	1.56	80,000	80,000
	4-2nd public bonds	Mar. 3, 2027	1.87	60,000	60,000
	5-1st public bonds	Feb. 22, 2027	3.26	120,000	120,000
	5-2nd public bonds	Feb. 22, 2029	3.53	60,000	60,000
Samyang Packaging Corporation	2nd public bonds	Sep. 6, 2024	-	-	94,000
	3-1st public bonds	Sep. 4, 2026	3.68	60,000	-
	3-2nd public bonds	Sep. 6, 2027	3.75	60,000	-
	Less: discount on debentures issuance			(708)	(717)
				539,292	663,283
	Less: current portion			(79,991)	(243,927)
				₩ 459,301	₩ 419,356

15. Other Financial Liabilities

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

(in millions of Korean won)	December 31, 2024	December 31, 2023
Current		
Derivative liabilities	₩ 502	₩ 2,843
Lease liabilities	6,621	6,269
Financial guarantee liabilities	19	106
	7,142	9,218
Non-Current		
Lease liabilities	11,924	12,229
Financial guarantee liabilities	-	51
	11,924	12,280
	₩ 19,066	₩ 21,498

16. Other Liabilities

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

(in millions of Korean won)	December 31, 2024	December 31, 2023
Current		
Advances received	₩ 22,812	₩ 19,390
Withholdings	2,629	2,397
Value-added tax withheld	6,361	3,742
Accrued expenses	45,053	42,159
Provision for sales return	1,085	979
Unearned revenue	3	3
	77,943	68,670
Non-Current		
Advances received	10,614	9,122
Unearned revenue	68	82
Other provisions	73	70
	10,755	9,274
	₩ 88,698	₩ 77,944

17. Employment Benefits

Details of net defined benefit liabilities (assets) as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)		**December 31, 2024**		**December 31, 2023**
Present value of defined benefit obligation	₩	103,692	₩	103,806
Fair value of plan assets		(109,869)		(112,850)
Net defined benefit liabilities (assets)	₩	(6,177)	₩	(9,044)

Movements in the net defined benefit liabilities (assets) for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)		**2024**				
		Present value of defined benefit obligation		**Fair value of plan assets**		**Net defined benefit liabilities (assets)**
Beginning balance	₩	103,806	₩	(112,850)	₩	(9,044)
Recognized in profit or loss as incurred:		15,883		(5,368)		10,515
Current service cost		10,964		-		10,964
Interest cost (income)		4,919		(5,368)		(449)
Remeasurements recognized in other comprehensive income:		(548)		1,373		825
Demographic assumptions		(5,196)		-		(5,196)
Financial assumptions		4,266		-		4,266
Experience adjustments		382		-		382
Return on plan assets excluding interest income		-		1,373		1,373
Others:		(15,449)		6,976		(8,473)
Benefits paid (received)		(15,039)		13,354		(1,685)
Contribution by the employer		-		(6,800)		(6,800)
Others		(410)		422		12
Ending balance	₩	103,692	₩	(109,869)	₩	(6,177)

(in millions of Korean won)	2023					
	Present value of defined benefit obligation		**Fair value of plan assets**		**Net defined benefit liabilities (assets)**	
Beginning balance	₩	94,675	₩	(111,951)	₩	(17,276)
Recognized in profit or loss as incurred:		15,368		(5,834)		9,534
Current service cost		10,464		-		10,464
Interest cost (income)		4,904		(5,834)		(930)
Remeasurements recognized in other comprehensive income:		2,680		(585)		2,095
Demographic assumptions		(4)		-		(4)
Financial assumptions		804		-		804
Experience adjustments		1,880		-		1,880
Return on plan assets excluding interest income		-		(585)		(585)
Others:		(8,917)		5,520		(3,397)
Benefits paid (received)		(9,325)		9,486		161
Contribution by the employer		-		(3,600)		(3,600)
Others		408		(366)		42
Ending balance	₩	103,806	₩	(112,850)	₩	(9,044)

Expenses recorded in relation to defined benefit plans for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)	**2024**		**2023**	
Defined benefit plan	₩	10,515	₩	9,534
Current service costs		10,964		10,464
Net interest costs (income)		(449)		(930)
Defined contribution pension plan and others		4,075		3,150
	₩	14,590	₩	12,684

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

(in millions of Korean won)		**December 31, 2024**		**December 31, 2023**
Financial instruments with guaranteed interest rate	₩	109,843	₩	112,814
Others		26		36
	₩	109,869	₩	112,850

The Group expects to contribute 6,800 million to its defined benefit plans in 2025.

The principal actuarial assumptions as of December 31, 2024 and 2023 are as follows:

(in %)	**December 31, 2024**	**December 31, 2023**
Expected rate of increase in salaries	4.0%	4.0%
Discount rate	4.07~5.00%	4.97~5.00%

The discount rate is the yield at the end of the reporting period on corporate bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. Also, the Group estimated the defined benefit obligation based on employee information, salary increase information, and demographic variables from Korea Insurance Development Institute.

Reasonably possible changes at the end of the reporting period due to any of the actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(in millions of Korean won)	**December 31, 2024**			
		1% Increase		**1% Decrease**
Changes in expected rate of increase in salaries	₩	5,347	₩	(4,897)
Changes in discount rate		(4,790)		5,329

(in millions of Korean won)	**December 31, 2023**			
		1% Increase		**1% Decrease**
Changes in expected rate of increase in salaries	₩	8,324	₩	(7,404)
Changes in discount rate		(7,160)		8,204

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The weighted average duration of the defined benefit obligation is 5.06 years in 2024 (2023: 8.07 years).

18. Capital Stock and Capital Surplus

Details of the Company's capital stock as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won except par value per share and in shares)	December 31, 2024					
	Number of shares issued	Number of treasury shares		Par value		Capital stock
Ordinary shares	10,313,449	647,099	₩	5,000	₩	51,568
Preferred shares	370,070	-		5,000		1,850
	10,683,519	647,099			₩	53,418

(in millions of Korean won except par value per share and in shares)	December 31, 2023					
	Number of shares issued	Number of treasury shares		Par value		Capital stock
Ordinary shares	10,313,449	647,099	₩	5,000	₩	51,568
Preferred shares	370,070	-		5,000		1,850
	10,683,519	647,099			₩	53,418

The Parent Company's preferred shares have no voting rights. The dividends on the Parent Company's preferred shares are paid at the amount of 1% on par value of the shares per annum on top of dividends of ordinary shares.

The total number of shares to be issued, including ordinary and preferred shares of the parent company, is 30,000,000 shares.

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

(in millions of Korean won)		December 31, 2024		December 31, 2023
Paid-in capital in excess of par value	₩	854,063	₩	854,063
Gain on disposal of treasury shares		758		758
Other capital surplus		11,147		9,176
	₩	865,968	₩	863,997

19. Accumulated Other Comprehensive Income

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

(in millions of Korean won)		December 31, 2024		December 31, 2023
Gain on valuation of financial assets at FVOCI	₩	276,517	₩	151,787
Equity adjustments in equity method		(28)		(39)
Translation of foreign operations		6,137		1,100
	₩	282,626	₩	152,848

20. Retained Earnings and Dividends

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

(in millions of Korean won)	December 31, 2024	December 31, 2023
Legal reserves[1]	₩ 13,430	₩ 11,670
Discretionary reserves	333,400	263,100
Retained earnings before appropriation	231,623	200,601
	₩ 578,453	₩ 475,371

[1] According to the *Commercial Act* of the Republic of Korea, an amount equal to at least 10% of cash dividends for each fiscal period is required to be appropriated as a legal reserve until the reserve equals 50% of paid-in capital.

Dividends proposed but not paid to shareholders prior to the approval on the issuance of the consolidated financial statements for the year ended December 31, 2024 are as follows:

(in millions of Korean won)	2024				
	Number of shares issued *(in shares)*	Number of treasury shares *(in shares)*	Number of shares for dividends *(in shares)*	Dividends per share *(In Korean won)*	Total
Ordinary shares	10,313,449	(647,099)	9,666,350	₩ 1,750	₩ 16,916
Preferred shares	370,070	-	370,070	1,800	666
	10,683,519	(647,099)	10,036,420		₩ 17,582

Dividends paid to the owners of the Parent Company for the year ended December 31, 2023 are as follows:

(in millions of Korean won)	2023				
	Number of shares issued *(in shares)*	Number of treasury shares *(in shares)*	Number of shares for dividends *(in shares)*	Dividends per share *(In Korean won)*	Total
Ordinary shares	10,313,449	(647,099)	9,666,350	₩ 1,750	₩ 16,916
Preferred shares	370,070	-	370,070	1,800	666
	10,683,519	(647,099)	10,036,420		₩ 17,582

21. Other Components of Equity

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

(in millions of Korean won)		December 31, 2024		December 31, 2023
Treasury shares	₩	71	₩	71
Others		49,439		49,439
	₩	49,510	₩	49,510

22. Sales

Details of sales for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)		2024		2023
Revenue from contracts with customers:				
Sale of goods	₩	2,652,999	₩	2,636,741
Provision of services		17,369		13,210
		2,670,368		2,649,951
Revenue from other sources:				
Rental income		1,453		1,488
	₩	2,671,821	₩	2,651,439

As of December 31, 2024, contract liabilities arising from contracts with customers were ₩ 22,812 million (2023: ₩ 19,166 million) and are recognized as other liabilities. The Group recognized ₩ 19,166 million (2023: ₩ 17,237 million) as revenue in relation to carried-forward contract liabilities from the previous year.

Details of revenue from contracts with customers for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)		2024		2023
Geographical market:				
Domestic	₩	2,116,680	₩	2,107,484
Overseas		553,688		542,467
	₩	2,670,368	₩	2,649,951
Timing of revenue recognition:				
Recognition at a point in time	₩	2,652,999	₩	2,636,741
Recognition over time		17,369		13,210
	₩	2,670,368	₩	2,649,951

23. Selling and Administrative Expenses

Details of selling and administrative expenses for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)		**2024**		**2023**
Salaries	₩	86,464	₩	76,781
Retirement benefits		7,896		6,269
Employee welfare		16,861		15,482
Travels		3,610		2,683
Communications		1,047		996
Utilities		2,373		2,400
Supplies		2,569		2,295
Taxes and dues		3,542		3,417
Rents		730		529
Commissions		88,806		82,997
Depreciation		13,480		13,191
Repair		1,410		1,167
Vehicle maintenance		1,629		1,738
Insurance		1,434		1,136
Advertising		15,249		15,524
Samples		2,297		2,627
Bad debt expense (reversal)		(98)		124
Transportation		101,335		95,851
Printing		192		188
Education & Training		1,350		1,134
Development		6,995		6,876
Amortization		10,606		10,937
Others		7,752		6,763
	₩	377,529	₩	351,105

24. Finance Income and Costs

Details of finance income and costs for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)		2024		2023
Finance income:				
Interest income	₩	13,983	₩	14,979
Dividend income		33,084		26,953
Gain on valuation of financial assets at FVPL		2,561		-
Gain on valuation of derivative instruments		11,202		892
Gain on transaction of derivative instruments		16,106		22,517
	₩	76,936	₩	65,341
Finance costs:				
Interest expenses	₩	32,394	₩	33,485
Loss on valuation of financial assets at FVPL		-		1,106
Loss on valuation of derivative instruments		913		3,302
Loss on transaction of derivative instruments		5,155		13,894
	₩	38,462	₩	51,787

25. Breakdown of Expenses by Nature

Details of expenses by nature for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)		2024		2023
Changes in inventories	₩	5,397	₩	28,360
Purchase of raw materials and merchandise		1,664,607		1,630,627
Expenses for employee benefit		201,616		178,430
Depreciation and amortization		83,270		81,176
Commissions		116,139		109,900
External processing expenses		13,707		11,090
Others		511,631		542,148
	₩	2,596,367	₩	2,581,731

26. Other Non-Operating Income and Expenses

Details of other non-operating income and expenses for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)		**2024**		**2023**
Other non-operating income:				
Gain on foreign currency transactions	₩	14,752	₩	28,290
Gain on foreign currency translation		6,484		9,788
Gain on disposal of property, plant and equipment		1,075		2,066
Gain on disposal of assets held for sale		34		-
Commissions		88		78
Reversal of miscellaneous provision		533		597
Business transfer gain		-		14,500
Others		36,888		9,226
	₩	59,854	₩	64,545
Other non-operating expenses:				
Loss on foreign currency transactions	₩	28,073	₩	34,092
Loss on foreign currency translation		17,802		6,386
Loss on disposal of property, plant and equipment		1,252		528
Impairment losses on property, plant, and equipment		5,045		-
Donations		593		646
Others		5,304		1,840
	₩	58,069	₩	43,492

27. Income Tax

Income tax expense for each of the two years in the period ended December 31, 2024 consists of:

(in millions of Korean won)		**2024**		**2023**
Current tax	₩	28,975	₩	28,501
Adjustments in respect of current tax of prior year		(720)		(1,125)
Relating to origination and reversal of temporary differences		10,176		435
Income tax expense	₩	38,431	₩	27,811

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

(in millions of Korean won)	2024			2023		
	Before tax	**Tax effect**	**After tax**	**Before tax**	**Tax effect**	**After tax**
Items recognized in other comprehensive income:						
Remeasurements of defined benefit liability	₩ (825)	₩ 197	₩ (628)	₩ (2,095)	₩ 477	₩ (1,618)
Retained earnings adjustments in equity method	(43)	2	(41)	(31)	1	(30)
Equity adjustments in equity method	30	(2)	28	(62)	(29)	(91)
Gain (loss) on valuation of financial assets at FVOCI	162,213	(37,470)	124,743	103,354	(23,778)	79,576
Gain (loss) on translation of foreign operations	5,038	-	5,038	(39)	-	(39)
	₩ 166,413	₩ (37,273)	₩ 129,140	₩ 101,127	₩ (23,329)	₩ 77,798

The components of other comprehensive income are presented net of tax on the consolidated statement of comprehensive income.

The aggregate current and deferred tax relating to items that are charged or credited directly to equity for each of the two years in the period ended December 31, 2024 is as follows:

(in millions of Korean won)	**2024**	**2023**
Deferred tax	₩ -	₩ (37)
Other capital adjustments	-	(37)

A reconciliation of income tax expense applicable to profit before tax at the statutory tax rate of the Republic of Korea to income tax expense at the effective tax rate of the Company for each of the two years in the period ended December 31, 2024 is as follows:

(in millions of Korean won)		**2024**		**2023**
Profit before income tax expense	₩	174,872	₩	149,808
Tax at the statutory income tax rate		39,393		33,703
Adjustments:		(962)		(5,892)
Non-deductible expense (non-taxable income), net		(1,481)		(2,920)
Tax credits and exemptions		(1,740)		(2,465)
Changes in deferred income tax for prior periods		(720)		(1,125)
Others		2,979		618
Income tax expense	₩	38,431	₩	27,811
Effective tax rate		21.98%		18.56%

The expected collection and settlement times of deferred tax assets and liabilities as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)		**December 31, 2024**		**December 31, 2023**
Deferred tax assets				
Deferred tax asset to be recovered within 12 months	₩	7,229	₩	5,120
Deferred tax asset to be recovered after more than 12 months		49,495		49,474
		56,724		54,594
Deferred tax liabilities				
Deferred tax liability to be settled within 12 months		(6,335)		(4,846)
Deferred tax liability to be settled after more than 12 months		(221,338)		(173,247)
		(227,673)		(178,093)
Deferred tax liabilities, net	₩	(170,949)	₩	(123,499)

Changes in deferred tax assets and liabilities for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)	2024			
	Beginning balance	**Profit or loss**	**Equity**	**Ending balance**
Investments in subsidiaries and others	₩ (13,385)	₩ (1,975)	₩ (1)	₩ (15,361)
Financial assets at fair value	(44,977)	(600)	(37,470)	(83,047)
Treasury shares	8,514	-	-	8,514
Government grants	1,038	370	-	1,408
Accrued income	(1,351)	(289)	-	(1,640)
Accrued expenses	7,608	1,285	-	8,893
Defined benefit obligations	(1,634)	(221)	197	(1,658)
Allowance for doubtful accounts	3,095	(85)	-	3,010
Inventories	319	(10)	-	309
Property, plant and equipment	3,913	(8)	-	3,905
Intangible assets	(25,844)	(6,138)	-	(31,982)
Land revaluation	(51,431)	3	-	(51,428)
Gain (loss) on valuation of derivatives instruments	(271)	(1,470)	-	(1,741)
Advanced depreciation provision	(6,828)	(158)	-	(6,986)
Equity method investments	(33)	-	-	(33)
Others	(2,240)	(899)	-	(3,139)
	₩ (123,507)	₩ (10,195)	₩ (37,274)	₩ (170,976)
Carryover-loss	8	19	-	27
	(123,499)	(10,176)	(37,274)	(170,949)

(in millions of Korean won)	2023			
	Beginning balance	**Profit or loss**	**Equity**	**Ending balance**
Investments in subsidiaries and others	₩ (12,874)	₩ (509)	₩ (2)	₩ (13,385)
Financial assets at fair value	(21,020)	(179)	(23,778)	(44,977)
Treasury shares	8,551	-	(37)	8,514
Government grants	302	736	-	1,038
Accrued income	(469)	(882)	-	(1,351)
Accrued expenses	5,081	2,527	-	7,608
Defined benefit obligations	(3,777)	1,663	480	(1,634)
Allowance for doubtful accounts	3,218	(123)	-	3,095
Inventories	379	(60)	-	319
Property, plant and equipment	5,548	(1,635)	-	3,913
Intangible assets	(22,989)	(2,855)	-	(25,844)
Land revaluation	(51,655)	224	-	(51,431)
Loss on valuation of derivatives instruments	(996)	725	-	(271)
Advanced depreciation provision	(6,513)	(315)	-	(6,828)
Equity method investments	(108)	104	(29)	(33)
Others	(2,383)	143	-	(2,240)
	₩ (99,705)	₩ (436)	₩ (23,366)	₩ (123,507)
Carryover-loss	7	1	-	8
	(99,698)	(435)	(23,366)	(123,499)

Details of unrecognized deductible (taxable) temporary differences as deferred tax assets (liabilities) as of December 31, 2024 and 2023, are as follows:

(in millions of Korean won)	**2024**	**2023**	**Remarks**
Investments in subsidiaries	₩ 24,780	₩ 23,210	No plan for disposal
Unused losses	12,495	10,625	Uncertainty of future taxable profit

The maturity of unused losses and unused tax credits as follows:

(in millions of Korean won)	**2024**
2025	3,146
2026	1,620
2027	4,533
2028	2,441
After 2029	755
	₩ 12,495

As of December 31, 2024, the tax effects of temporary difference were calculated using the effective tax rate of the periods when the temporary differences are expected to reverse.

Deferred tax assets and liabilities are offset if the Group has legally enforceable right and intent to offset tax assets and liabilities and such deferred tax assets and liabilities are related to income taxes from the same tax authority.

Global Minimum Tax Pillar Two Model Rules (hereinafter referred to as "Pillar Two Model Rules") apply to multinational enterprise (MNEs) with consolidated sales of more than EUR 750 million. The Pillar Two Model Rules introduce four new taxing mechanisms under which MNEs would pay a minimum level of tax (the Minimum Tax):

- Qualified Domestic Minimum Top-up Tax (QDMTT);
- Income Inclusion Rule (IIR); and
- Undertaxed Profits Rule (UTPR).

The Subject to Tax Rule is a tax treaty-based rule that generally proposes a Minimum Tax on certain cross-border intercompany transactions that otherwise are not subject to a minimum level of tax.

The new taxing mechanisms can impose a minimum tax on the income arising in each jurisdiction in which an MNE operates. The IIR, UTPR and QDMTT do so by imposing a top-up tax in a jurisdiction whenever the effective tax rate (ETR), determined on a jurisdictional basis under the Pillar Two rules, is below a 15% minimum rate.

The International Accounting Standards Board issued Amendments to KIFRS 1012 -International Tax Reform—Pillar Two Model Rules. The Amendments clarify that KIFRS 1012 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the OECD, including tax law that implements a QDMTT. The Group has adopted these amendments, which introduce:
• a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two Model Rules; and
• disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation.

The Pillar Two Model Rules were adopted in the Republic of Korea at the end of 2023 and are applicable starting from January 1, 2024. According to these rules, the Group is considered a multinational enterprise to which the Pillar Two Model Rules shall be applied. At the same time, Pillar Two legislation has been enacted or substantively enacted in several other jurisdictions in which the Group operates for the financial year beginning January 1, 2024

The Group has performed an assessment of its potential exposure to Pillar Two income taxes based on the 2023 country-by-country reporting and 2024 financial information for the constituent entities in the Group. The Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, the Group has recognized a Pillar Two current tax expense of ₩402 million that arises in Vietnam and China – which is not subject to the transitional safe harbor relief– because of low statutory tax rates.

The Group continues to follow Pillar Two legislative developments, as further countries enact the Pillar Two Model Rules, to evaluate the potential future impact on its consolidated results of operations, financial position and cash flows.

28. Earnings per Share

Basic earnings per share is calculated by dividing profit for the year attributable to owners of the parent by the weighted average number of shares outstanding during the year. Earnings per share is calculated by considering preferred shares as a class of ordinary shares with a different dividend rate from that of another class of ordinary shares but without prior or senior rights.

Earnings per ordinary share for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)		**2024**		**2023**
Profit for the year attributable to owners of the parent	₩	121,474	₩	106,878
Profit for the year attributable to preferred shares[1]		(4,497)		(3,959)
Profit for the year attributable to ordinary shareholders		116,977		102,919
Weighted average number of ordinary shares outstanding[2]		9,666,350		9,666,350
Basic and diluted earnings per share *(in Korean won)*	₩	12,101	₩	10,647

[1] Consist of dividends attributable to preferred shares and remaining retained earnings available to all shareholders.

[2] Diluted earnings per share are not calculated as there is no potentially dilutive share.

Earnings per preferred share for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)		**2024**		**2023**
Profit for the year attributable to preferred shares	₩	4,497	₩	3,959
Weighted average number of preferred shares[1]		370,070		370,070
Basic and diluted earnings per preferred share *(in Korean won)*	₩	12,151	₩	10,697

[1] Diluted earnings per share are not calculated as there is no potentially dilutive share.

29. Commitments and Contingencies

The Group's significant commitments with financial institutions as of December 31, 2024 are summarized as follows:

(in millions of Korean won, and in thousands of USD, EUR, JPY)

Description	Currency	Limit amount
Bank overdraft	KRW	12,000
Facility loans[1]	KRW	141,360
General loans	EUR	9,000
	USD	32,875
Overseas trading	KRW	8,000
	USD	30,000
Bills bought (D/A, D/P)	USD	1,000
Secured loan of credit sales	KRW	12,000
L/C	USD	453,900
Electronic Tracing Accounts Receivable Mortgage	KRW	100,000
Guarantees	KRW	27,500
	USD	7,975
	EUR	9,000
	JPY	200,000

[1] The amount of facility loans to Woori Bank, London Branch and Shinhan Bank Singapore Branch is guaranteed by Woori Bank and Shinhan Bank in Korea.

Meanwhile, the Group has derivatives trading arrangements with financial institutions for the purposes of hedging exchange rate risk and interest rate risk.

Details of restricted deposits as of December 31, 2024 are as follows:

(in millions of Korean won)

Description		Amount	Types
Other current financial assets	₩	62	Collateral
Other non-current financial assets		11	Deposit for overdraft

Pending litigations

As of December 31, 2024, the Group is involved in 2 lawsuits as a defendant in relation to the claim for compensation for damages with litigation amounting to ₩ 255 million and ₩ 300 million, respectively. Except for lawsuits for which the Group cannot predict the outcome, it already paid the amount due under the lost cases or recognized related liabilities.

The Group holds joint liability with Samyang Holdings Corporation on its obligations (including any contingent liabilities existing prior to spin-off) existing prior to its spin-off.

The Group has entered into long-term supply agreements with related parties Samyang Kasei Co., Ltd. and Samyang Fine Technology Co., Ltd.

The Group entered into a contract with Mitsubishi Chemical Corporation to obtain technology information for production of Bisphenol-A(BPA) and regenerating technology for ion exchange resin on January 17, 2014. The Group entered into a sub-license agreement with a related party, Samyang Fine Technology Co., Ltd., based on the agreement of regenerating technology for ion exchange resin.

The Group received ₩ 19,461 million of government grants regarding certain national research and development projects and relocation of a factory for the year ended December 31, 2024. As of December 31, 2024, the Group recognized long-term other payables of ₩ 1,385 million to be repaid under the conditions should the development projects turn out successful.

The Group has the right to convert redeemable convertible preferred shares of Staytuned Co., Ltd. held into ordinary shares from one day after the issuance date to the day before the end of the maturity period and has the right to request for redemption for all or partial amount from the day 3 years after the issuance date to the end of the maturity period. In addition, the Group has the pre-emption right to purchase under the same conditions or participate in the joint sale of shares under the same conditions when the interested party intends to dispose of all or part of the Company's share under an agreement with another investor of Staytuned Co., Ltd.

The Group has the right to convert redeemable convertible preferred shares of Solid Ionics Co., Ltd. held into ordinary shares from one day after the issuance date to the day before the end of the maturity period and has the right to request for redemption for all or partial amount from the day 3 years after the issuance date to the end of the maturity period. In addition, the Group has the pre-emption right to purchase under the same conditions or participate in the joint sale of shares under the same conditions when the interested party intends to dispose of all or part of the Company's share under an agreement with another investor of Solid Ionics Co., Ltd.

Limitation on disposal of joint ventures

The Group committed to obtain the written consent of the counterparty if it intends to transfer, provide collateral, or otherwise dispose of its shares in Samyang Fine Technology Co., Ltd. As an exception, shares may be transferred to the Group's affiliates without the written consent of the counterparty, but even in this case, the affiliates have committed to succeed the Group's contractual obligations.

The above provisions are not intended to limit the disposal of the shares held by the Group, but are intended to maintain the management rights of each joint venture, and the management of the Group has no plans to dispose of the shares held by the Group.

Limitation on disposal of shares and convertible bonds

The Group committed to obtain the written consent of the counterparty if it intends to transfer, provide collateral, or otherwise dispose of its shares and convertible bonds in Kinfolk Beauty Inc.

The above provisions are not intended to limit the disposal of the shares held by the Group, but are intended to maintain the management rights, and the management of the Group has no plans to dispose of the shares held by the Group.

Agreement on performance of public placement debentures

The terms and conditions of bond issuance contracts of the Group include provisions that debt-to-equity ratio shall be kept at less than 400%, a collateral limit shall be within 200% of equity capital; the restriction on disposal of asset shall not be less than ₩ 500,000 million of total assets or 50% more of total assets; and there shall be restriction on changes in corporate governance. The Group shall comply with the contract based on the financial statements. In case of failure to comply with these obligations, the Group may have to repay the debentures before its maturities.

In November 2018, the Group entered into an agreement to invest $14.00 million in KENSINGTON-SV GLOBAL INNOVATIONS LP for up to four years. As of December 31, 2024, $ 13.99 million has been paid, and the amount is included in FVPL.

As of December 31, 2024, the Group has not been collected four bills and checks issued by Shinhan Bank before 1995.

Contractual obligation to purchase property, plant and equipment and intangible assets as of December 31, 2024 are ₩ 701 million.

The Group's property, plant and equipment (including investment properties) and inventories have been provided as collateral for the borrowings and commitments, and details are as follows:

(in millions of Korean won)	Carrying amount	Borrowings	Pledged amount	Secured party
Land, buildings, structures and machinery	₩ 242,710	₩ 56,250	₩ 120,000	KDB
Inventories	25,626	1,000	15,600	Korea Exim Bank

Agreements with shareholders

The Group granted a call-option to SK Geocentric Co., Ltd., a strategic alliance company of Samyang EcoTech Corporation. The strategic alliance company has a call option to claim to sell 49% of the total number of shares issued by Samyang EcoTech Corporation if it meets one of the following reasons or in case that the Group became eligible for transferring all or part of the shares without any legal limitations.

- in case that Samyang Packaging Co., Ltd. does not bear the obligation to own 100% of the total issued shares of its affiliates due to the revision of the Fair Trade Act;

- in case that Samyang Packaging Co., Ltd. is not included in the second-tier subsidiary of a holding company under the Fair Trade Act; or

- in case that Samyang Packaging Co., Ltd. or an entity subject to split-off is excluded from Samyang's affiliates (not be subject to the regulation of restriction on act under the Fair Trade Act).

If the strategic alliance company does not exercise its call-option, the Group has a put option to request the strategic alliance company or a third party designated by the strategic alliance company to purchase 49% of the total issued shares of Samyang EcoTech Corporation.

The Group committed to obtain the written consent of SK Geocentric Co., Ltd. if it intends to dispose of its all or part of the shares in Samyang EcoTech Corporation. However, in the case of disposing of all of the relevant shares to related parties of the Group, the Group may dispose of the above shares by prior written notice, subject to the prerequisites of submitting a commitment to SK Geocentric Co., Ltd. that agrees to transfer the contractual obligations.

As of December 31, 2024, Samyang Packaging Co., Ltd., a subsidiary, has signed a trust contract of KRW 3,894 million with NH Investment & Securities Co., Ltd. in connection with the acquisition of treasury stocks, and acquired 457,700 shares of treasury stocks for the year ended December 31, 2024. The acquired treasury shares were retired in the entirety on February 21, 2025.

Supplier Finance Arrangements

The Group has established a supplier finance arrangement that is offered to some of the Group's key suppliers in the Republic of Korea. Suppliers that participate in the supplier finance arrangement will receive early payment on invoices sent to the Group for its receivables from the Group's external finance provider. The Group settles the liabilities by making the payments to the finance provider. The terms of the liabilities arising from the supplier finance arrangements are not substantially different from the terms of the liabilities independent of the supplier finance arrangements. Liabilities arising from the supplier finance arrangements are included in trade and other payables and short-term borrowings in the consolidated statements of financial position. Details of liabilities arising from the supplier finance arrangements as of December 31, 2024, are summarized as follows:

(in millions of Korean won)

Description		Amount
Carrying amount of trade and other payables and short-term borrowings that are part of a supplier finance arrangement	₩	151,119
Of which suppliers have received payment		131,938

30. Related Party Transactions

Details of the Group's related parties as of December 31, 2024 and 2023 are as follows:

Relationship	December 31, 2024	December 31, 2023
Parent Company	Samyang Holdings Corporation	Samyang Holdings Corporation
Joint venture	Samyang Fine Technology Co., Ltd.	Samyang Fine Technology Co., Ltd.
Associates	KCI Japan Co., Ltd.	KCI Japan Co., Ltd.
	Staytuned Co., Ltd.[1]	Staytuned Co., Ltd.[1]
	Solid Ionics Co., Ltd.	Solid Ionics Co., Ltd.
Other related parties [2]	Kinfolk Beauty Inc.	Kinfolk Beauty Inc.
	Samyang Data Systems Inc.	Samyang Data Systems Inc.
	Samyang F&B Co., Ltd.	Samyang F&B Co., Ltd.
	Samyang Innochem Corporation	Samyang Innochem Corporation
	Samyang Holdings USA, LLC	Samyang Holdings USA, LLC
	Samyang Biopharm USA Inc	Samyang Biopharm USA Inc
	Samyang Biopharm Hungary	Samyang Biopharm Hungary
	Samnam Petrochemical Co., Ltd.	Samnam Petrochemical Co., Ltd.
	Samyang Kasei Co., Ltd.	Samyang Kasei Co., Ltd.
	Huvis corporation	Huvis corporation
	Kyungwon Construction Co., Ltd.	Kyungwon Construction Co., Ltd.
	Akina, inc.	Akina, inc.
	Samyang NC Chem Corporation [5]	NC Chem Corporation [5]
	Huvis global	Huvis global
	Samyang Specialty Solutions, LLC [3]	Samyang Specialty Solutions, LLC [3]
	Odyssey Global Parent, LLC	Odyssey Global Parent, LLC [3]
	Odyssey Global Intermediate, LLC	Odyssey Global Intermediate, LLC [3]
	Verdant Specialty Solutions Global Holding Corp	Verdant Specialty Solutions Global Holding Corp
	Verdant Specialty Solutions US LLC	Verdant Specialty Solutions US LLC
	Verdant Specialty Solutions GmbH	Verdant Specialty Solutions GmbH
	Verdant Specialty Solutions Halifax Limited	Verdant Specialty Solutions Halifax Limited
	Verdant Specialty Solutions Kimya Ticaret VE S.A. Sirketi [6]	Odyssey Istanbul Kimya Ticaret ve Sanyi Anonim Sirketi [6]
	Deforest Holdings, LLC	Deforest Holdings, LLC
	Paraflow Energy Solutions LLC	Paraflow Energy Solutions LLC
	Verdant Reactor Holdings, LLC	Verdant Reactor Holdings, LLC
	Verdant Reactor Real Estate, LLC	Verdant Reactor Real Estate, LLC
	Verdant Energy Solutions [4], etc	Baze Chemical, LLC [4], etc

[1] The Group invested in the redeemable convertible preferred share of Staytuned Co., Ltd. and classified it as financial assets at fair value through profit or loss. Since the Group has voting rights and the right to appoint directors over the investee, it is classified as an associate as the Group can

exercise significant influence.

[2] Other related parties include subsidiaries, associates, and other related parties of Samyang Holdings Corporation, the Parent Company.

[3] Merged with Samyang Specialty Solutions, LLC, other related parties during the current period.

[4] During the current period, the entity changed its name to Verdant Energy Solutions.

[5] During the current period, the entity changed its name to Samyang NCchem Co., Ltd.

[6] During the current period, the entity changed its name to Verdant Specialty Solutions Kimya Ticaret VES.A. Sirketi.

Sales and purchases with the related parties for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)

		2024						
Type	**Name of entity**	**Sales**	**Other income**	**Disposal of property, plant and equipment**	**Dividend income**	**Purchase of Merchandise and raw materials**	**Acquisition of property, plant and equipment[1]**	**Other expenses**
Parent company	Samyang Holding Coporation	8,066	413	30	-	-	3,502	37,976
Joint venture	Samyang Fine Technology Co.Ltd	5,924	12	-	-	27,068	-	5
Associates	KCI Japan Co., Ltd.	6,690	-	-	96	-	-	-
	Samyang Data Systems Inc.	345	-	-	-	317	323	8,808
	Samyang Innochem Coporation	3,708	89	-	-	1	-	-
	Samyang F&B Co, Ltd	123	217	-	-	-	451	334
	Samyang Kasei Co.,Ltd	563	4	-	-	124,679	8	-
	Huvis corporation	112	-	-	-	8,813	11	184
Other related parties	Samnam Petrochemical Co.,Ltd	278	4	8	-	-	-	-
	Kyungwon Construction Co,Ltd	10	-	-	27	-	-	-
	Samyang Biopharm Hungary	7	131	-	-	-	-	-
	Samyang NC Chem Coporation	5,947	-	-	-	-	-	10
	Verdant Specialty Solutions Halifax Limited	228	-	-	-	-	-	-
		₩ 32,001	₩ 870	₩ 38	₩ 123	₩ 160,878	₩ 4,295	₩ 47,317

[1] The amount of right-of-use assets is included.

(in millions of Korean won)		2023					
Type	**Name of entity**	**Sales**	**Other income**	**Dividend income**	**Purchase of Merchandise and raw materials**	**Acquisition of property, plant and equipment[1]**	**Other expenses**
Parent company	Samyang Holding Coporation	₩ 7,374	₩ 208	₩ -	₩ -	₩ 3,631	₩ 33,830
Joint venture	Samyang Fine Technology Co.Ltd	6,808	29	-	28,379	-	3
Associates	KCI Japan Co., Ltd.	9,158	-	52	-	-	-
	Samyang Data Systems Inc.	310	-	-	254	208	9,112
	Samyang Innochem Coporation	2,607	105	-	3	-	-
	Samyang F&B Co, Ltd	124	211	-	-	-	326
	Samyang Kasei Co.,Ltd	2,791	-	-	128,027	-	-
Other related parties	Huvis corporation	77	-	-	7,889	22	102
	Samnam Petrochemical Co.,Ltd	139	3	-	-	-	-
	Kyungwon Construction Co,Ltd	10	-	27	-	-	-
	Samyang Biopharm Hungary	-	102	-	-	-	-
	NC Chem Coporation	1,980	11	-	-	-	-
		₩ 31,378	₩ 669	₩ 79	₩ 164,552	₩ 3,861	₩ 43,373

[1] The amount of right-of-use assets is included.

Fund transactions with the related parties for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)

		2024							
Type	**Name of entity**	**Lease payments[1]**		**Collection of loans**		**Disposal of non current assets held for sale**		**Acquisition of RCPS**	
Others	Executives	₩	-	₩	38	₩	-	₩	-
Parent company	Samyang Holdings Corporation		3,515		-		-		-
Associates	Solid Ionics Co., Ltd.		-		-		-		3,000
Other related parties	Samyang F&B Co., Ltd		81		533		-		-
	Huvis corporation		12		-		-		-

(in millions of Korean won)

		2023							
Type	**Name of entity**	**Lease payments[1]**		**Collection of loans**		**Disposal of non current assets held for sale**		**Acquisition of RCPS**	
Others	Executives	₩	-	₩	38	₩	-	₩	-
Parent company	Samyang Holdings Corporation		3,667		-		-		-
Other related parties	Samyang F&B Co., Ltd		88		600		-		-
Other related parties	Huvis corporation		11		-		-		-

[1] The amount of interest expense relating to lease is included.

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

(in millions of Korean won)		December 31, 2024				
Type	**Name of entity**	**Trade receivables**	**Other receivables**	**Loans**	**Trade payables**	**Other payables [2]**
Parent company	Samyang Holdings Corporation	₩ 2,326	₩ 2,604	₩ -	₩ 59	₩ 10,651
Joint venture	Samyang Fine Technology Co., Ltd.	761	4,500	-	2,310	-
Associates	KCI Japan Co., Ltd.	1,352	-	-	-	-
	Kinfolk Beauty Inc.	-	1,844	-	-	-
Other related parties	Samyang Data Systems Inc.	98	-	-	-	735
	Samyang Innochem Corporation	713	21	-	-	-
	Samyang F&B Co., Ltd. [1]	6,945	2,192	7,300	-	285
	Samyang Kasei Co., Ltd.	105	-	-	20,105	-
	Huvis corporation	9	-	-	314	570
	Samnam Petrochemical Co., Ltd.	50	-	-	-	-
	Samyang Biopharm Hungary	-	43	-	-	-
	Samyang NC Chem Corporation	277	-	-	-	11
	Verdant Specialty Solutions Halifax Limited	154	-		-	-
Others	Executives	-	-	263	-	-
		₩ 12,790	₩ 11,204	₩ 7,563	₩ 22,788	12,252

[1] The Group's loss allowance for receivables and loans from and to Samyang F&B Co., Ltd. amounts to ₩ 6,945 million and ₩ 7,300 million, respectively, and ₩ 38 million of recall of bad debt expense and ₩ 533 million of reversal of other allowance for doubtful accounts is recognized therefor.
[2] The amount of lease liabilities is included.

(in millions of Korean won)

		December 31, 2023				
Type	**Name of entity**	**Trade receivables**	**Other receivables**	**Loans**	**Trade payables**	**Other payables [2]**
Parent company	Samyang Holdings Corporation	₩ 1,945	₩ 2,612	₩ -	₩ -	₩ 9,662
Joint venture	Samyang Fine Technology Co., Ltd.	720	5,121	-	3,110	-
Associates	KCI Japan Co., Ltd.	1,362	-	-	-	-
	Kinfolk Beauty Inc.	-	1,844	-	-	-
Other related parties	Samyang Data Systems Inc.	65	-	-	-	335
	Samyang Innochem Corporation	724	16	-	-	-
	Samyang F&B Co., Ltd. [1]	6,983	2,181	7,833	-	97
	Samyang Kasei Co., Ltd.	94	-	-	19,928	-
	Huvis corporation	8	-	-	362	482
	Samnam Petrochemical Co., Ltd.	43	-	-	-	-
	Samyang Biopharm Hungary	75	-	-	-	-
	Samyang NC Chem Corporation	255	4	-	-	-
	Verdant Specialty Solutions Halifax Limited	-	-	-	-	-
Others	Executives	-	-	300	-	-
		₩ 12,274	₩ 11,778	₩ 8,133	₩ 23,400	10,576

[1] The Group's loss allowance for receivables and loans from and to Samyang F&B Co., Ltd. amounts to ₩ 6,983 million and ₩ 7,833 million, respectively, and ₩ 2 million of recall of bad debt expense and ₩ 600 million of reversal of other allowance for doubtful accounts is recognized therefor.
[2] The amount of lease liabilities is included.

Compensations for key management personnel for each of the two years in the period ended

December 31, 2024 consist of:

(in millions of Korean won)		2024		2023
Salaries	₩	18,660	₩	14,798
Pension benefits		2,048		2,253
	₩	20,708	₩	17,051

Details of collateral and guarantees provided to the related parties as of December 31, 2024 are as follows:

(in millions of Korean won)

Guarantor	Guarantee recipient	Currency	Collateral and guarantee limit		Withdrawn		Purpose	Guarantee period	Financial institution
Samyang Corporation	Samyang Fine Technology Co., Ltd.	KRW	₩	27,500	₩	1,719	Payment guarantee for borrowings	Jun. 25, 2015-Jun. 25, 2025	Nonghyup Bank

31. Statements of Cash Flows

The Group presents cash flows from operating activities by adjusting the effects of non-cash transactions, deferred or incurred cash flows of past or future operating activities, and profit or loss related to cash flows from investing and financing activities, from profit for the year. Cash generated from operating activities for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)		**2024**		**2023**
Profit for the year	₩	136,441	₩	121,997
Adjustments for:		136,149		149,348
Income tax expense		38,431		27,811
Interest expense		32,394		33,485
Bad debt expenses (reversal)		(98)		124
Depreciation		72,219		69,769
Amortization		11,052		11,407
Pension benefits		10,515		9,534
Loss on foreign currency translation		17,802		6,386
Loss on valuation of derivative instruments		913		3,302
Loss on disposal of property, plant and equipment		1,252		528
Impairment losses on property, plant, and equipment		5,045		-
Gain on valuation of financial assets at FVPL		-		1,106
Interest income		(13,983)		(14,979)
Gain on foreign currency translation		(6,484)		(9,788)
Gain on disposal of property, plant and equipment		(1,075)		(2,066)
Reversal of other allowance for doubtful accounts		(533)		(597)
Gain on valuation of financial assets at FVPL		(2,561)		-
Gain on valuation of derivative instruments		(11,202)		(892)
Dividend income		(33,084)		(26,953)
Gain on investments under equity method, net		(1,090)		(2,000)
Gain on disposal of assets held for sale		(34)		-
Gain on transfer of business		-		(14,500)
Decrease in trade receivables		30,913		494
Decrease (increase) in other receivables		2,339		(4,970)
Decrease in inventories		5,397		28,360
Decrease in derivative financial assets		729		811
Increase in other current assets		(3,465)		(332)
Increase in other non-current assets		(6,892)		(568)
Increase in liquidity provision		107		-
Increase in trade payables		10,363		32,104
Increase (decrease) in other payables		(23,470)		10,272
Decrease in guarantee deposit withholdings		(50)		(425)
Decrease in derivative financial liabilities		(2,843)		(12,215)
Increase in other current liabilities		10,250		4,519
Increase in other non-current liabilities		1,494		2,613
Increase in other long-term payables		294		878
Decrease in other current portion of provisions		-		(474)

(in millions of Korean won)		**2024**		**2023**
Increase in other provisions		3		-
Transfer to (from) pension obligations		(410)		408
Pension benefits paid		(15,039)		(9,325)
Decrease in plan assets		6,975		5,521
Other		(25)		-
Cash generated from operations	₩	272,590	₩	271,345

Significant non-cash transactions for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)		**2024**		**2023**
Increase in payables related to acquisition of property, plant and equipment	₩	(16,634)	₩	9,162
Acquisition and remeasurement of right-of-use assets		5,489		13,238
Transfer from construction-in-progress to property, plant and equipment		107,823		129,833
Transfer from construction-in-progress to intangible assets		676		3,858

Changes in liabilities arising from financing activities for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)	2024					
			Non-cash transaction			
	As of January 1	Cash flows	Acquisition of right-of-use assets	Transfer to current portion	Others[1]	As of December 31
Short-term borrowings	₩ 202,124	₩ (20,807)	₩ -	₩ -	₩ 8,916	₩ 190,233
Long-term borrowings	98,720	-	-	(62,100)	1,080	37,700
Current portion of long-term borrowings	36,682	(29,652)	-	62,100	5,424	74,554
Debentures	419,356	119,672	-	(79,991)	264	459,301
Current portion of debentures	243,927	(244,000)	-	79,991	73	79,991
Current portion of lease liabilities	6,269	(6,616)	193	6,643	132	6,621
Long-term lease liabilities	12,229	-	5,004	(6,643)	1,334	11,924
Dividends payable	-	(22,068)	-	-	22,068	-
	₩ 1,019,307	₩ (203,471)	₩ 5,197	₩ -	₩ 39,291	₩ 860,324

[1] Others include disposal of lease liabilities, currency fluctuations, and discount on debentures.

(in millions of Korean won)	2023					
			Non-cash transaction			
	As of January 1	Cash flows	Acquisition of right-of-use assets	Transfer to current portion	Others[1]	As of December 31
Short-term borrowings	₩ 200,798	₩ 4,268	₩ -	₩ -	₩ (2,942)	₩ 202,124
Long-term borrowings	134,196	-	-	(36,747)	1,271	98,720
Current portion of long-term borrowings	28,098	(28,166)	-	36,747	3	36,682
Debentures	662,857	-	-	(243,932)	431	419,356
Current portion of debentures	-	-	-	243,932	(5)	243,927
Current portion of lease liabilities	5,323	(6,262)	1,432	5,783	(7)	6,269
Long-term lease liabilities	6,142	-	12,064	(5,783)	(194)	12,229
Dividends payable	-	(18,653)	-	-	18,653	-
	₩ 1,037,414	₩ (48,813)	₩ 13,496	₩ -	₩ 17,210	₩ 1,019,307

[1] Others include disposal of lease liabilities, currency fluctuations, and discount on debentures.

32. Financial Risk Management

The Group's financial instruments are exposed to credit risk, liquidity risk and market risk. This note presents information on the Group's exposure to each of the above risks, the Group's risk management objectives, policies and processes for measuring and managing each risk, and details of the Group's capital management.

Risk management activities

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk that a 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 trade receivables) and from its financing activities, including deposits with banks and financial institutions. Accordingly, the credit risks from such financial institutions are considered low.

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group determines credit limit of trade receivables. The Group's review includes external ratings, when available, and in some cases bank references.

The Group sets credit limit of trade receivables for customers who meet the credit criteria based on average payment terms in industry practice and sales. For customers who do not meet the credit criteria, it sets limit of trade receivables based on limit of collaterals provided by the customers and sales. The Group transacts with other customers only when advanced payments are provided.

The Group reviews customer's credit ratings and collaterals provided at each end of reporting period and adjusts credit limits if appropriate.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

(a) Provision of guarantee

As described in Note 30 to the consolidated financial statements, the Group provides payment guarantees to the related parties.

(b) Impairment of financial assets

The Group recognized an allowance for doubtful accounts of ₩ 14,939 million in 2024 and ₩ 15,584 million in 2023 for financial assets individually assessed in 2024 and 2023. The Group recognizes an allowance for doubtful accounts for other financial assets collectively to evaluate impairment.

The aging analysis of the trade and other receivables that are overdue, but are not impaired, as of December 31, 2024 is as follows:

(in millions of Korean won)	Within 6 months	6 month-1 year	1-3 years	More than 3 years	Total
Trade receivables	₩ 251,478	₩ 1	₩ -	₩ 7,692	₩ 259,171
Allowance for doubtful accounts	(175)	(1)	-	(7,463)	(7,639)
	₩ 251,303	₩ -	₩ -	₩ 229	₩ 251,532

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, to the extent reasonably possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group established short-term and mid-to-long term financial management plans to manage liquidity risk, and continued to analyze actual cash outflows with that of planned financial liabilities. The Group holds overdraft agreements with several financial institutions to manage the temporary liquidity risk.

The Group monitors its risk of shortage of funds and manages its cash flows using L/Cs, overdrafts and other means.

The maturity analysis of contractual maturity of financial liabilities as of December 31, 2024 and 2023 is as follows:

(in millions of Korean won)	December 31, 2024				
	Carrying amount	Within 1 year	1-5 years	More than 5 years	Total
Non-derivative financial liabilities:					
Trade and other payables	₩ 236,796	₩ 232,709	₩ 3,813	₩ 1,453	₩ 237,975
Borrowings	302,487	266,692	38,427	-	305,119
Debentures	539,292	94,516	479,413	-	573,929
Operating lease liabilities	18,545	7,186	9,489	4,205	20,880
Financial guarantee contracts [1]	19	27,500	-	-	27,500
	1,097,139	628,603	531,142	5,658	1,165,403
Derivative financial liabilities:					
Other current financial liabilities	503	503	-	-	503
	₩ 1,097,642	₩ 629,106	₩ 531,142	₩ 5,658	₩ 1,165,906

[1] The amount included above for the financial guarantee contracts is the maximum amount that the Group should pay under the contract if the guarantees claim the full amount of the guarantee. Based on the forecast as of the end of the current term, the Group believes that it is more likely to not pay the guaranteed amount under the financial guarantee contracts. But, the above estimate can change because the probability that the guarantees will claim payment from the guarantee contracts company may vary due to the possibility of incurring credit loss on the financial bonds held by the guarantees.

(in millions of Korean won)	December 31, 2023				
	Carrying amount	Within 1 year	1-5 years	More than 5 years	Total
Non-derivative financial liabilities:					
Trade and other payables	₩ 246,810	₩ 242,123	₩ 4,264	₩ 1,771	₩ 248,158
Borrowings	337,526	242,145	101,111	-	343,256
Debentures	663,283	257,499	383,353	60,530	701,382
Operating lease liabilities	18,498	6,814	8,742	5,713	21,269
Financial guarantee contracts	157	27,500	-	-	27,500
	1,266,274	776,081	497,470	68,014	1,341,565
Derivative financial liabilities:					
Other current financial liabilities	2,843	2,843	-	-	2,843
	₩ 1,269,117	₩ 778,924	₩ 497,470	₩ 68,014	₩ 1,344,408

The total amounts above are different to their carrying amounts as the above maturity analysis is presented at the nominal value of undiscounted future cash flows.

Market risk

Market risk is the risk that changes in market prices will affect the Group's profit or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing returns.

(a) Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group's entities, primarily Korean won. The currencies that the transactions are denominated are USD, EUR, JPY, etc. The Group uses currency forward contracts to hedge 40% to 70% of its estimated foreign currency exposure in respect of forecasted sales and purchases over the following six months.

Assets and liabilities denominated in currencies other than the Group's functional currencies as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)	December 31, 2024		December 31, 2023	
	Assets	**Liabilities**	**Assets**	**Liabilities**
USD	₩ 68,074	₩ 274,865	₩ 60,516	₩ 329,566
EUR	9,566	1,019	12,018	1,966
JPY	16,162	3,711	18,872	5,484
HUF	-	-	84	-
	₩ 93,802	₩ 279,595	₩ 91,490	₩ 337,017

The Group's forward exchange contracts to hedge against currency risk as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)	December 31, 2024		December 31, 2023	
	Short position	**Long position**	**Short position**	**Long position**
USD	₩ 5,137	₩ 89,512	₩ 13,697	₩ 173,353
EUR	753	-	852	-
JPY	7,637	-	7,842	-
	₩ 13,527	₩ 89,512	₩ 22,391	₩ 173,353

Assuming that foreign currency exchange rates fluctuate by 10% at the end of the reporting period and other variables remain constant, sensitivity analysis of income before taxes to change of foreign currency exchange rates as of December 31, 2024 and 2023 is as follows:

(in millions of Korean won)	**December 31, 2024**		**December 31, 2023**	
	10% increase	**10% decrease**	**10% increase**	**10% decrease**
USD	₩ (20,679)	₩ 20,679	₩ (26,905)	₩ 26,905
EUR	855	(855)	1,005	(1,005)
JPY	1,245	(1,245)	1,339	(1,339)
HUF	-	-	8	(8)
Profit (loss) from exposure	(18,579)	18,579	(24,553)	24,553
Less effect of forward exchange contracts	7,599	(7,599)	15,096	(15,096)
Profit (loss) from exposure, net	₩ (10,980)	₩ 10,980	₩ (9,457)	₩ 9,457

(b) Interest rate risk

The Group is exposed to the interest rate risk related to its borrowings with variable rates. Management monitors the level of interest rate risks regularly and ensures to maintain an optimal balance between borrowings at variable and fixed rates.

Details of the Group's interest-bearing financial liabilities as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)	**December 31, 2024**	**December 31, 2023**
Liabilities with fixed rates:		
Short-term borrowings	₩ 174,907	₩ 200,697
Current portion of long-term borrowings	25,000	25,000
Current portion of debentures	79,991	243,927
Long-term borrowings	31,250	56,250
Debentures	459,301	419,356
	770,449	945,230
Liabilities with variable rates:		
Short-term borrowings	15,326	1,427
Current portion of long-term borrowings	49,554	11,682
Long-term borrowings	6,450	42,470
	₩ 71,330	₩ 55,579

The impact of 1% change in interest rates at the reporting date on equity and profit or loss is shown below. This analysis assumes that all other variables, in particular, foreign currency rates remain constant.

(in millions of Korean won)	2024		2023	
	1% increase	**1% decrease**	**1% increase**	**1% decrease**
Liabilities with variable interest rates	₩ (713)	₩ 713	₩ (556)	₩ 556
Effects of interest rate swap	484	(484)	470	(470)
Net exposure gains and losses	₩ (229)	₩ 229	₩ (86)	₩ 86

The Group does not account for any fixed rate financial liabilities as financial liabilities at fair value through profit or loss. Accordingly, changes in interest rates at the reporting date would not affect equity, profit or loss.

(c) Market price risk

The Group is exposed to equity price risk, which arises from listed equity securities in financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss. Management monitors the risk arising from changes in market prices regularly and approves all equity investment decisions.

As of December 31, 2024, the carrying amount of the listed equity instruments of the financial assets at fair value through other comprehensive income is ₩ 529,860 million, assuming that market price fluctuates by 10% at the end of reporting period and other variables remain constant, the impact of the change on other comprehensive income before taxes amounts to ₩ 52,986 million.

Capital management

The objective of the Group's capital management is to maximize shareholder value through maintaining a sound capital structure. The Group makes necessary improvements to its capital structure through monitoring financial ratios such as debt to equity and net borrowings to equity on a monthly basis in order to achieve an optimal capital structure.

The capital risk ratios the Group monitors as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)	**December 31, 2024**	**December 31, 2023**
Liabilities (A)	₩ 1,372,245	₩ 1,492,907
Equity (B)	1,947,681	1,712,095
Financial deposits and others (C)	475,680	505,118
Borrowings and debentures (D)	841,778	1,000,808
Debt to equity ratio (A/B)	70.46%	87.20%
Net debt to equity ratio ((D-C)/B)	18.80%	28.95%

Transfers of financial assets

Financial assets that are transferred but not derecognized as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)		**December 31, 2024**		**December 31, 2023**
Liabilities with recourse only to the transferred assets				
Fair value of assets	₩	2,708	₩	1,245
Fair value of related liabilities		(2,708)		(1,245)
Net amount	₩	-	₩	-

33.Financial Instruments by Category

Details of the carrying amount of financial assets as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

Category	**Account**		**December 31, 2024**		**December 31, 2023**
Financial asset at amortized cost	Cash and cash equivalents[1]	₩	181,107	₩	174,545
	Trade and other receivables		262,330		293,641
	Other current financial assets[2]		294,562		330,562
	Other non-current receivables		13,733		11,472
	Other non-current financial assets		11		11
			751,743		810,231
Financial assets at FVOCI	Listed equity instruments		529,860		370,991
	Unlisted equity instruments		62,992		59,688
	Debt instruments		985		944
			593,837		431,623
Financial assets at FVPL	Beneficiary certificates, etc.		25,442		19,882
Derivatives	Other current financial assets[3]		14,450		1,563
	Other non-current financial assets[3]		-		2,779
		₩	1,385,472	₩	1,266,078

[1] Cash and cash equivalents consist of cash on hand and demand deposits which are presented net of unused government grants.

A reconciliation of cash and cash equivalents reported in the statements of cash flows and financial position for each of the two years in the period ended December 31, 2024 is as follows:

(in millions of Korean won)		**2024**		**2023**
Cash and cash equivalents in the consolidated statements of cash flows	₩	181,113	₩	174,981
Government subsidy		(6)		(436)
Cash and cash equivalents in the consolidated statements of financial position	₩	181,107	₩	174,545

[2] Consist of short-term deposits to financial institutions such as time deposits.
[3] Consist of derivatives which are not accounted for using hedge accounting.

Details of the carrying amount of financial liabilities as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

Category	**Account**		**December 31, 2024**		**December 31, 2023**
Financial liabilities at amortized cost	Trade and other payables	₩	232,709	₩	242,123
	Short-term borrowings		190,233		202,124
	Current portion of long-term borrowings		74,554		36,682
	Other non-current payables		4,087		4,687
	Long-term borrowings		37,700		98,720
	Current portion of debentures		79,991		243,927
	Debentures		459,301		419,356
	Other current financial liabilities[1]		6,640		6,375
	Other non-current financial liabilities[1]		11,924		12,280
			1,097,139		1,266,274
Derivatives	Other current financial liabilities[2]		503		2,843
		₩	1,097,642	₩	1,269,117

[1] Other non-current financial liabilities consist of lease liabilities and financial guarantee liabilities.
[2] The above other current financial liabilities consist of derivatives which are not accounted for hedge accounting.

Gains and losses from financial instruments by category for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)	2024					
	Financial assets			Financial liabilities		
	Financial assets measured at amortized cost	Financial assets at fair value	Derivative instruments	Financial liabilities measured at amortized cost	Derivative instruments	Total
Interest income	₩ 13,983	₩ -	₩ -	₩ -	₩ -	₩ 13,983
Interest cost	-	-	-	(32,394)	-	(3,394)
Dividend income	-	33,084	-	-	-	33,084
Bad debt expense	631	-	-	-	-	631
Gain on foreign currency translation	4,714	-	-	(16,032)	-	(11,318)
Net changes in FVPL	-	2,561	27,308	-	(6,068)	23,801
Net change in FVOCI	-	162,213	-	-	-	162,213
	₩ 19,328	₩ 197,858	₩ 27,308	₩ (48,426)	₩ (6,068)	₩ 190,000

(in millions of Korean won)	2023					
	Financial assets			Financial liabilities		
	Financial assets measured at amortized cost	Financial assets at fair value	Derivative instruments	Financial liabilities measured at amortized cost	Derivative instruments	Total
Interest income	₩ 14,979	₩ -	₩ -	₩ -	₩ -	₩ 14,979
Interest cost	-	-	-	(33,485)	-	(33,485)
Dividend income	-	26,953	-	-	-	26,953
Gain on disposal	473	-	-	-	-	473
Gain (loss) on foreign currency translation	607	-	-	2,795	-	3,402
Net changes in FVPL	-	(1,106)	23,409	-	(17,195)	5,108
Net change in FVOCI	-	103,354	-	-	-	103,354
	₩ 16,059	₩ 129,201	₩ 23,409	₩ (30,690)	₩ (17,195)	₩ 120,784

34. Events after reporting period

The Group decided to issue corporate bonds in accordance with the resolution of the Board of Directors in February 2025 and issued them in March 2025. The total amount of issuance is KRW 160,000 million.

Audit opinion on internal control over financial reporting

The accompanying independent auditor's report on internal control over financial reporting is attached as a result of auditing the internal control over financial reporting of Samyang Corporation (the Company") and its subsidiaries (collectively referred to as the "Group") and the consolidated financial statements of the Group for the year ended December 31, 2024 in accordance with the Article 8 of the *Act on External Audit of Stock Companies.*

Attachments:

1. Independent auditor's report on internal control over financial reporting
2. Management's report on the effectiveness of the internal control over financial reporting (ICFR) for consolidation purposes

EY 한영
Shape the future with confidence

Ernst & Young Han Young
2-3F, 7-8F, Taeyoung Building, 111, Yeouigongwon-ro,
Yeongdeungpo-gu, Seoul 07241 Korea

Tel: +82 2 3787 6600
Fax: + 82 2 783 5890
ey.com/kr

Independent auditor's report on internal control over financial reporting

(English translation of a report originally issued in Korean)

Samyang Corporation
The Shareholders and Board of Directors

Opinion on internal control over financial reporting

We have audited the internal control over financial reporting ("ICFR") of Samyang Corporation (the "Company") and its subsidiaries (collectively referred to as the "Group") based on the *Conceptual Framework for Design and Operation of ICFR* established by the Operating Committee of ICFR in Korea (the "ICFR Committee") as of December 31, 2024.

In our opinion, the Group's ICFR has been effectively designed and operated, in all material respects, in all material respects, as of December 31, 2024, in accordance with the *Conceptual Framework for Design and Operation of ICFR.*

We also have audited, in accordance with Korean Standards on Auditing ("KSA"), the consolidated statement of financial position as of December 31, 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including material accounting policy information, of the Group, and our report dated March 19, 2025, expressed an unqualified opinion thereon.

Basis for opinion on ICFR

We conducted our audit in accordance with KSA. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of ICFR section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of ICFR in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of management and those charged with governance for ICFR

Management is responsible for designing, implementing and maintaining an effective ICFR, and for assessing the effectiveness of the ICFR included in the accompanying management's report on the effectiveness of the internal control over financial reporting for consolidation purposes.

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

Auditor's responsibilities for the audit of ICFR

Our responsibility is to express an opinion of the Group's ICFR based on our audit. We conducted our audit in accordance with KSA. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective ICFR was maintained in all material respects.

An audit of the ICFR involves performing procedures to obtain audit evidence as to whether a material weakness exists. The procedures selected depend on the auditor's judgment, including the assessment of the risks that a material weakness exists. An audit also includes testing and evaluating the design and operation of ICFR based on obtaining an understanding of ICFR and the assessed risk.

EY 한영
Shape the future
with confidence

ICFR definition and inherent limitations

An ICFR of a company and its subsidiaries is implemented by those charged with governance, management, and other employees and 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 International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS"). The ICFR of the company and its subsidiaries 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 company and its subsidiaries; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with KIFRS, and that receipts and expenditures of the company and its subsidiaries are being made only in accordance with authorizations of management and directors of the company and its subsidiaries; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the assets of the company and its subsidiaries that could have a material effect on the consolidated financial statements.

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

The engagement partner on the audit resulting in this independent auditor's report is Heekyun Shin.

Ernst & Young Han Young

March 19, 2025

This audit report is effective as of March 19, 2025, the independent auditor's report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's report to the time this report is used. Such events and circumstances could significantly affect the Group's ICFR and may result in modifications to this report.

Management's report on the effectiveness of internal control over financial reporting for consolidation purposes

(English translation of a report originally issued in Korean)

The Shareholders, Board of Directors and Audit Committee
Samyang Corporation

We, as Chief Executive Officer ("CEO") and Officer for Internal Control over Financial Reporting ("ICFR Officer") (hereinafter referred to as "we") of Samyang Corporation and its subsidiaries (the "Group"), assessed the effectiveness of the design and operation of the Group's ICFR for consolidation purposes for the year ended December 31, 2024.

The design and operation of ICFR for consolidation purposes is the responsibility of the Group's management, including the CEO and the ICFR Officer.

We assessed whether the Group's ICFR for consolidation purposes has been designed and is operating effectively in order to prevent and detect errors or frauds which may result in a misstatement of the consolidated financial statements to ensure preparation and disclosure of reliable consolidated financial statements.

We used the Conceptual Framework for Design and Operation of ICFR as established by the Operating Committee of ICFR (the "ICFR Committee") as the standard for the design and operation of the Group's ICFR for consolidation purposes. In assessing the design and operation of the ICFR for consolidation purposes, we assessed ICFR for consolidation purposes based on the Management Guideline for Evaluation and Reporting of ICFR as announced by the ICFR Committee.

Based on our assessment, we concluded that the Group's ICFR for consolidation purposes has been designed and is operating effectively as of December 31, 2024, in all material respects, in accordance with the Conceptual Framework for Design and Operation of ICFR.

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

March 17, 2025

Choi Nag Hyun,
Chief Executive Officer

Lee Youn Woo,
Officer for ICFR