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Årsredovisning för

Dual Borgstena Sweden AB

556135-0694

Räkenskapsåret
2024-01-01 - 2024-12-31

Innehållsförteckning: **Sida**

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Fastställelseintyg

Undertecknad styrelseledamot i Dual Borgstena Sweden AB intygar härmed dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultat- och balansräkningen fastställts på årsstämma 16/6-2025. Stämman beslutade också att godkänna styrelsens förslag till resultatdisposition.

Borås den 16/6 - 2025

Jorge Machado
Verkställande direktör

Förvaltningsberättelse

Styrelsen och verkställande direktören för Dual Borgstena Sweden AB, 556135-0694, med säte i Borås, får härmed avge årsredovisning för räkenskapsåret 2024-01-01 - 2024-12-31.

Allmänt om verksamheten

Bolagets verksamhet omfattar utveckling och marknadsföring av textilier till främst fordonsindustrin.

Bolagets säte är Borås.

Bolaget ingår i Borgstenakoncernen som bedriver produktion och försäljning av textilier till främst fordonsindustrin.
Koncernens moderbolag är Dual Borgstena S.A.

Bolaget äger och förvaltar dotterbolag i ovanstående koncern. Beroende på utdelning från dessa bolag varierar bolagets vinst mellan åren.

Utveckling av företagets verksamhet, resultat och ställning

Belopp i Tkr	*2024-12-31*	*2023-12-31*	*2022-12-31*	*2021-12-31*	*2020-12-31*
Nettoomsättning	6 418	7 050	8 744	15 447	12 950
Resultat efter finansiella poster	-34 738,1	-22 395,5	20 262	57 441	59 033
Balansomslutning	154 191	152 063	147 358	155 802	132 653
Soliditet %	45,6	69,1	89	89	61

Definitioner: se not 11

Eget kapital

Bundet eget kapital	*Aktiekapital,*	*Uppskrivnings-fond*	*Reservfond övr bundna fonder*	*Balanserat resultat inkl årets resultat*
Vid årets början	5 000	15 111	1 000	83 985
Årets resultat				-34 738
	5 000	15 111	1 000	49 247
Vid årets slut	**5 000**	**15 111**	**1 000**	**49 247**

Förslag till disposition av företagets vinst eller förlust

Styrelsen föreslår att fritt eget kapital, kronor 49 246 949, disponeras enligt följande:

	Belopp i kr
Utdelning	49 000 000
Balanseras i ny räkning	246 949
Summa	**49 246 949**

Bolagets egna kapital har beräknats i enlighet med svensk lag och bokföringsnämndens uttalande. Styrelsen finner att full täckning finns för bolagets bundna egna kapital efter den föreslagna vinstutdelningen. Styrelsen finner även att den föreslagna utdelningen till aktieägarna är försvarbar med hänsyn till de parametrar (verksamhetens art, omfattning och risker samt konsolideringsbehov, likviditet och ställning i övrigt) som anges i 17 kap 3 §, andra och tredje stycket, i aktiebolagslagen.

Vad beträffar resultat och ställning i övrigt hänvisas till efterföljande resultat- och balansräkning med tillhörande noter

Resultaträkning

Belopp i kr	*Not*	*2024-01-01-2024-12-31*	*2023-01-01-2023-12-31*
Nettoomsättning		6 418 374	7 050 473
Bruttoresultat		6 418 374	7 050 473
Försäljningskostnader		-3 938 878	-1 869 419
Administrationskostnader		-37 026 472	-34 332 310
Övriga rörelseintäkter	*3*	61 394	10 072
Övriga rörelsekostnader		-370 078	-194 444
Rörelseresultat		-34 855 660	-29 335 628
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	*5*	-	2 981 211
Ränteintäkter och liknande resultatposter	*6*	130 808	35 106
Räntekostnader och liknande resultatposter	*7*	-13 275	-878
Resultat efter finansiella poster		-34 738 127	-26 320 189
Resultat före skatt		-34 738 127	-26 320 189
Årets resultat		-34 738 127	-26 320 189

Balansräkning

Belopp i kr	*Not*	*2024-12-31*	*2023-12-31*
TILLGÅNGAR			
Anläggningstillgångar			
Materiella anläggningstillgångar			
Inventarier, verktyg och installationer	*8*	391	12 511
		391	12 511
Finansiella anläggningstillgångar			
Andelar i koncernföretag	*9*	113 187 426	113 187 426
Andelar i intresseföretag och gemensamt styrda företag	*10*	5 878 169	708 974
Fordringar hos intresseföretag och gemensamt styrda företag	*11*	15 564 208	15 035 080
Fordringar hos koncernföretag	*12*	14 243 260	13 759 040
		148 873 063	142 690 520
Summa anläggningstillgångar		148 873 454	142 703 031
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		3 342 529	5 599 867
Övriga fordringar		743 623	757 862
Förutbetalda kostnader och upplupna intäkter		64 195	198 519
		4 150 347	6 556 248
Kassa och bank		1 166 744	2 803 837
Summa omsättningstillgångar		5 317 091	9 360 085
SUMMA TILLGÅNGAR		154 190 545	152 063 116

Balansräkning

Belopp i kr	*Not*	*2024-12-31*	*2023-12-31*
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		5 000 100	5 000 100
Reservfond		1 000 000	1 000 000
Uppskrivningsfond		15 110 649	15 110 649
		21 110 749	21 110 749
Fritt eget kapital			
Balanserad vinst eller förlust		83 985 075	110 305 265
Årets resultat		-34 738 127	-26 320 189
		49 246 948	83 985 076
Summa eget kapital		70 357 697	105 095 825
Kortfristiga skulder			
Leverantörsskulder		254 150	260 388
Skulder till koncernföretag		79 443 338	42 527 913
Övriga kortfristiga skulder		3 096 011	3 089 176
Upplupna kostnader och förutbetalda intäkter		1 039 349	1 089 814
		83 832 848	46 967 291
SUMMA EGET KAPITAL OCH SKULDER		154 190 545	152 063 116

Noter

Not 1 Redovisningsprinciper

Belopp i kr om inget annat anges

Allmänna redovisningsprinciper

Årsredovisningen har upprättats i enlighet med årsredovisningslagen och Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Värderingsprinciper m m

Tillgångar, avsättningar och skulder har värderats utifrån anskaffningsvärden om inget annat anges nedan.

Materiella anläggningstillgångar

Materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar och nedskrivningar. I anskaffningsvärdet ingår förutom inköpspriset även utgifter som är direkt hänförliga till förvärvet.

Tillkommande utgifter

Tillkommande utgifter som uppfyller tillgångskriteriet räknas in i tillgångens redovisade värde. Utgifter för löpande underhåll och reparationer redovisas som kostnader när de uppkommer.

Avskrivningar

Materiella anläggningstillgångar	*År*
Inventarier, verktyg och installationer	3-5

Leasing

Alla leasingavtal redovisas som operationella leasingavtal.

Operationella leasingavtal
Leasingavgifterna enligt operationella leasingavtal, inklusive förhöjd förstagångshyra men exklusive utgifter för tjänster som försäkring och underhåll, redovisas som kostnad linjärt över leasingperioden.

Utländsk valuta

Poster i utländsk valuta
Monetära poster i utländsk valuta räknas om till balansdagens kurs. Icke-monetära poster räknas inte om utan redovisas till kursen vid anskaffningstillfället.

Finansiella instrument

Finansiella instrument som redovisas i balansräkningen inkluderar värdepapper, kundfordringar och övriga fordringar, leverantörsskulder och låneskulder. Instrumenten redovisas i balansräkningen när Dual Borgstena Sweden AB blir part i instrumentets avtalsmässiga villkor. Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförts och koncernen har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten.

Finansiella skulder tas bort från balansräkningen när förpliktelserna har reglerats eller på annat sätt upphört.

Hela effekten av förändringar i valutakurserna redovisas i resultaträkningen när säkringen upphör och säkringsinstrumenten förfaller till betalning.

Andelar i dotterföretag, intresseföretag, gemensamt styrda företag och företag med ägarintresse i

Andelar i dotterföretag, intresseföretag, gemensamt styrda företag och företag det finns ägarintresse i redovisas till anskaffningsvärde minskat med ackumulerade nedskrivningar [med tillägg för uppskrivningar]. I anskaffningsvärdet ingår förutom inköpspriset även utgifter som är direkt hänförliga till förvärvet.

Ersättningar till anställda

Beskrivningen nedan exemplifierar förhållanden som kan förekomma. Beskrivningen av redovisningsprinciperna måste anpassas och förändras utifrån tillämpade planer och förhållanden.

Ersättningar till anställda efter avslutad anställning

Ersättningar till anställda avser alla typer av ersättningar som företaget lämnar till de anställda. Företagets ersättningar innefattar bland annat löner, betald semester, betald frånvaro samt bonus. Redovisning sker i takt med intjänandet.

Eget kapital

Eget kapital delas in i bundet och fritt kapital, i enlighet med ÅRLs indelning.

Skatt

Skatt på årets resultat i resultaträkningen består av aktuell skatt och uppskjuten skatt. Aktuell skatt är inkomstskatt för innevarande räkenskapsår som avser årets skattepliktiga resultat och den del av tidigare räkenskapsårs inkomstskatt som ännu inte har redovisats. Uppskjuten skatt är inkomstskatt för skattepliktigt resultat avseende framtida räkenskapsår till följd av tidigare transaktioner eller händelser.

Uppskjuten skatteskuld redovisas för alla skattepliktiga temporära skillnader, dock inte för temporära skillnader som härrör från första redovisningen av goodwill. Uppskjuten skattefordran redovisas för avdragsgilla temporära skillnader och för möjligheten att i framtiden använda skattemässiga underskottsavdrag. Värderingen baseras på hur det redovisade värdet för motsvarande tillgång eller skuld förväntas återvinnas respektive regleras. Beloppen baseras på de skattesatser och skatteregler som är beslutade före balansdagen och har inte nuvärdesberäknats.

Intäkter

Det inflöde av ekonomiska fördelar som företaget erhållit eller kommer att erhålla för egen räkning redovisas som intäkt. Intäkter värderas till verkliga värdet av det som erhållits eller kommer att erhållas, med avdrag för rabatter.

Om tillämpligt:
I de fall köpevillkoren innebär att köparen erhåller en finansiering är intäktens verkliga värde nuvärdet av alla framtida betalningar.

Tjänsteuppdrag och entreprenadavtal - löpande räkning

Inkomst från uppdrag på löpande räkning redovisas som intäkt i takt med att arbete utförs och material levereras eller förbrukas.

Not 2 Uppgift om moderbolag

Moderföretag i den minsta koncern där företaget ingår och som upprättar koncernredovisning är Dual Borgstena S.A, 514542020, med säte i Nelas, Portugal.

Moderföretag i den största koncern där företaget ingår och som upprättar koncernredovisning är Dual Co Ltd, 220-81-23514, med säte i Seoul, Sydkorea.

Koncernredovisning upprättas ej enl ÅRL 7:2

Not 3 Övriga rörelseintäkter

	2024-01-01-2024-12-31	*2023-01-01-2023-12-31*
Kursvinster på fordringar	57 976	
Bidrag för personal	3 418	10 072
Summa	**61 394**	**10 072**

Not 4 Anställda och personalkostnader

Medelantalet anställda

	2024-01-01-2024-12-31	*2023-01-01-2023-12-31*
Sverige	5	5
Totalt	**5**	**5**

Not 5 Resultat från andelar i koncernföretag

	2024-01-01-2024-12-31	*2023-01-01-2023-12-31*
Utdelning	-	2 981 211
Summa	**-**	**2 981 211**

Not 6 Ränteintäkter och liknande resultatposter

	2024-01-01-2024-12-31	*2023-01-01-2023-12-31*
Ränteintäkter, övriga	130 808	35 106
Summa	**130 808**	**35 106**

Not 7 Räntekostnader och liknande resultatposter

	2024-01-01-2024-12-31	*2023-01-01-2023-12-31*
Räntekostnader, övriga	-13 275	-878
Summa	**-13 275**	**-878**

Not 8 Inventarier, verktyg och installationer

	2024-12-31	*2023-12-31*
Ackumulerade anskaffningsvärden		
-Vid årets början	163 942	163 942
	163 942	163 942
Ackumulerade avskrivningar		
-Vid årets början	-151 431	-139 311
-Årets avskrivning	-12 120	-12 120
	-163 551	-151 431
Redovisat värde vid årets slut	**391**	**12 511**

Not 9 Andelar i koncernföretag

	2024-12-31	*2023-12-31*
Ackumulerade anskaffningsvärden:		
-Vid årets början	113 187 426	113 187 426
Redovisat värde vid årets slut	**113 187 426**	**113 187 426**

Specifikation av moderföretagets innehav av aktier och andelar i koncernföretag
Ägarandelen av kapitalet avses, vilket även överensstämmer med andelen av rösterna för totalt antal aktier.

Dotterföretag / Org nr / Säte	*i %*	*Redovisat värde*
Dual Borgstena Textile Portugal	100	113 097 787
Dual Borgstena Textile CZ	100	-
Dual Borgstema Textile Brail	98	-
Dual Borgstena Textile Brazil	2	89 639
		113 187 426

Not 10 Andelar i intresseföretag och gemensamt styrda företag

	2024-12-31	*2023-12-31*
Ackumulerade anskaffningsvärden:		
-Vid årets början	708 974	708 974
-Förvärv	5 169 195	
Redovisat värde vid årets slut	**5 878 169**	**708 974**

Spec av företagets innehav av andelar i intresseföretag och gemensamt styrda företag
1) Ägarandelen av kapitalet avses, vilket även överensstämmer med andelen av rösterna för totalt antal aktier.
Justerat eget kapital och årets resultat behöver inte anges för intresseföretag som redovisas enligt kapitalandelsmetod i en av moderföretaget upprättad koncernredovisning eller en överordnad koncernredovisning enligt 7 kap. 3 § ÅRL. Vidare behöver inte uppgift lämnas för företag som ägs till mindre än 50% och som inte offentliggör sin balansräkning, se 5 kap. 9 § fjärde stycket ÅRL. Kravet i p. 15.15 uppfylls genom att ägarföretagets andel av årets resultat anges i tabellen.

Intresseföretag/ org nr, säte	*Antal andelar i %1)*	*Redovisat värde*
Direkt ägda		
Duall Borgstena Trimsol Portugal	50	224 205
Dual Borgstena Trim Tunisia	50	5 169 195
Dual Borgstena Trim Romania	50	484 769
Dual Borgstena Turkey	10	-
Ara Borgstena Malaysia	10	-
		5 878 169

Not 11 Fordringar hos intresseföretag och gemensamt styrda företag

	2024-12-31	*2023-12-31*
Ackumulerade anskaffningsvärden:		
-Vid årets början	15 035 080	15 078 847
-Kursdifferenser	529 128	-43 767
Redovisat värde vid årets slut	**15 564 208**	**15 035 080**

Not 12 Fordringar hos koncernföretag

	2024-12-31	*2023-12-31*
Ackumulerade anskaffningsvärden:		
-Vid årets början	13 759 040	13 759 040
-Tillkommande fordringar	484 220	
Redovisat värde vid årets slut	**14 243 260**	**13 759 040**

Not 13 Nyckeltalsdefinitioner

Balansomslutning:
Totala tillgångar

Soliditet:
(Totalt eget kapital + (100 % - aktuell bolagsskattesats av obeskattade reserver)) / Totala tillgångar

Underskrifter

Borås 16/6-2025

Jorge Machado
Verkställande direktör
Datum

Ianhwe Cho
Styrelseordförande
Datum

Kim Namho
Styrelseledamot
Datum

Vår revisionsberättelse har lämnats 16/6-2025

Ernst & Young AB

Peter Emanuelsson
Auktoriserad revisor

Revisionsberättelse

Till bolagsstämman i Dual Borgstena Sweden AB, org.nr 556135-0694

Rapport om årsredovisningen

Vi har utfört en revision av årsredovisningen för Dual Borgstena Sweden AB för räkenskapsåret 2024-01-01 – 2024-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Dual Borgstena Sweden ABs finansiella ställning per den 31 december 2024 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Dual Borgstena Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehålle i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Rapport om andra krav enligt lagar och andra författningar

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning av Dual Borgstena Sweden AB för räkenskapsåret 2024-01-01 – 2024-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Revisorns ansvar

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Dual Borgstena Sweden AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisioner av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Övrigt

Vid ett flertal tillfällen under räkenskapsåret har avdragen källskatt, mervärdesskatt, debiterad skatt och arbetsgivaravgifter inte redovisats och betalats i rätt tid.

Borås den 16/6-2025

Ernst & Young AB

Peter Emanuelsson
Auktoriserad revisor

Dual Co., Ltd. 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

Dual Co., Ltd. and its subsidiaries

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Dual Co., Ltd. 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."

Ian Hwe Cho, Jae Yeol Jeong
Chief Executive Officers
Dual Co., Ltd.

Dual Co., Ltd. and its subsidiaries
Consolidated statements of financial position
as of December 31, 2024 and 2023

(Korean won)

	Note		December 31, 2024		December 31, 2023
Assets					
Current assets:					
Cash and cash equivalents	8,33,34,35	₩	71,345,012,143	₩	42,816,509,362
Short-term financial instruments	9,34,35		2,337,969,336		15,281,919,367
Trade and other receivables, net	10,34,35,38		150,526,079,262		150,822,274,763
Inventories, net	11,28		105,823,805,653		92,681,793,892
Other current assets	17		17,957,769,433		10,604,578,409
Current tax assets			943,197,870		1,001,210,228
Non-current assets held for sale	40		2,008,190,336		-
			350,942,024,033		313,208,286,021
Non-current assets:					
Long-term financial instruments	9,34,35		6,000,000		6,000,000
Trade and other receivables, net	10,34,35		4,269,417,108		5,376,835,781
Financial assets measured at fair value through profit or loss	12,34,35		5,005,756,342		5,179,536,647
Property, plant and equipment, net	7,13		89,545,852,808		80,259,124,959
Intangible assets, net	14		33,756,789,394		37,034,039,270
Right-of-use assets, net	15		18,041,206,795		18,813,827,519
Investment properties, net	16		-		1,652,336,615
Other non-current assets	17		5,595,158,095		7,515,704,797
Deferred tax assets	32		7,040,046,925		8,043,989,952
			163,260,227,467		163,881,395,540
Total assets		**₩**	**514,202,251,500**	**₩**	**477,089,681,561**
Liabilities					
Current liabilities:					
Trade and other payables	18,34,35,38	₩	137,914,694,195	₩	115,995,003,804
Short-term borrowings	19,33,34,35,36,39		51,442,281,876		55,818,274,679
Current portion of long-term borrowings	19,33,34,35,36,39		1,119,718,472		1,519,136,230
Lease liabilities	15,34,35,39		4,841,100,216		4,279,516,398
Provision for sales warranties	20		483,025,468		608,313,403
Other current liabilities	21		11,354,742,793		7,022,927,867
Contract liabilities	22		2,739,148,660		3,486,597,910
Other current financial liabilities	23		12,415,383,525		2,483,452,151
Current tax liabilities			3,457,583,253		8,524,889,208
Non-current liabilities held for sale	40		3,624,560,727		-
			229,392,239,185		199,738,111,650
Non-current liabilities:					
Trade and other payables	18,34,35		664,550,282		455,935,255
Long-term borrowings	19,33,34,35,36,39		1,172,403,690		2,558,942,081
Lease liabilities	15,34,35,39		15,628,245,340		16,045,915,208
Contract liabilities	22		5,404,510,378		5,888,384,027
Other non-current financial liabilities	23		-		6,222,032,727
Defined benefit liabilities	29		13,400,948,739		17,961,018,660
Deferred tax liabilities	32		8,127,829,088		12,631,646,088
			44,398,487,517		61,763,874,046
Total liabilities			**273,790,726,702**		**261,501,985,696**
Equity					
Issued capital	24		81,229,017,500		82,666,700,000
Capital surplus	24		17,312,763,823		16,556,127,333
Other components of equity	24		(14,076,797,726)		(16,728,959,768)
Accumulated other comprehensive income	24		22,449,207,780		13,245,705,514
Retained earnings	24		125,620,567,694		113,036,333,371
Equity attributable to owners of the parent company			232,534,759,071		208,775,906,450
Non-controlling interests			7,876,765,727		6,811,789,415
Total equity			**240,411,524,798**		**215,587,695,865**
Total liabilities and equity		**₩**	**514,202,251,500**	**₩**	**477,089,681,561**

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

Dual Co., Ltd. and its subsidiaries
Consolidated statements of comprehensive income
for each of the two years in the period ended December 31, 2024

(Korean won)

	Note		2024		2023
Revenue	7, 26	₩	773,258,596,565	₩	729,863,464,197
Cost of sales	7, 27, 28		645,029,134,659		605,291,975,743
Gross profit			128,229,461,906		124,571,488,454
Selling and administrative expenses	7, 27, 28		85,311,829,980		79,597,142,524
Operating profit	7		42,917,631,926		44,974,345,930
Other income and expenses:					
Other income	30		3,040,405,237		5,664,905,752
Other expenses	30		11,524,706,735		6,043,207,024
Finance income and costs					
Finance income	31		12,785,704,959		8,625,827,795
Finance costs	31		24,349,252,848		15,916,306,300
Profit before income tax			22,869,782,539		37,305,566,153
Income tax expense	32		4,790,911,022		15,534,691,046
Profit for the year from continuing operations			18,078,871,517		21,770,875,107
Loss for the year from discontinued operation	40		(1,402,607,022)		(938,942,399)
Profit for the year			16,676,264,495		20,831,932,708
Other comprehensive income, net of tax					
Items that will not be reclassified to profit or loss:					
Remeasurements of defined benefit plans, net of tax			3,820,116,257		(3,178,475,980)
Items that will be reclassified to profit or loss:					
Gain on translation of foreign operations, net of tax			9,647,246,614		8,713,709,246
Total comprehensive income		**₩**	**30,143,627,366**	**₩**	**26,367,165,974**
Profit attributable to:					
Owners of the parent company			16,135,278,695		20,842,559,657
Non-controlling interests			540,985,800		(10,626,949)
Profit for the year		**₩**	**16,676,264,495**	**₩**	**20,831,932,708**
Total comprehensive income attributable to:					
Owners of the parent company		₩	29,158,063,254	₩	26,506,574,962
Non-controlling interests			985,564,112		(139,408,988)
Total comprehensive income		**₩**	**30,143,627,366**	**₩**	**26,367,165,974**
Earnings per share					
Basic earnings per share	25	₩	530	₩	668
Basic earnings per share from continuing operations			576		698
Basic loss per share from discontinued operation			(46)		(30)

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

Dual Co., Ltd. and its subsidiaries
Consolidated statements of changes in equity
for each of the two years in the period ended December 31, 2024

(Korean won)

	Attributable to owners of the parent company						Non-controlling interests	Total
	Issued capital	Capital surplus	Other components of equity	Accumulated other comprehensive income	Retained earnings	Subtotal		
Balance as of January 1, 2023	₩ 82,888,700,000	₩ 16,556,127,333	₩ (10,373,900,993)	₩ 4,402,212,580	₩ 97,970,932,493	₩ 191,221,971,483	₩ 6,951,199,403	₩ 198,173,169,886
Comprehensive income for the year								
Profit for the year	-	-	-	-	20,842,559,657	20,842,559,657	(10,626,949)	20,831,932,708
Remeasurements of defined benefit plans, net of tax	-	-	-	-	(3,179,477,628)	(3,179,477,628)	1,001,649	(3,178,475,980)
Gain on translation of foreign operations, net of tax	-	-	-	8,843,492,934	-	8,843,492,934	(129,783,688)	8,713,709,246
Transactions with shareholders that are directly recognized in equity								
Acquisitions of treasury stocks	-	-	(6,355,059,875)	-	-	(6,355,059,875)	-	(6,355,059,875)
Cash dividends	-	-	-	-	(2,597,581,120)	(2,597,581,120)	-	(2,597,581,120)
Balance as of December 31, 2023	₩ 82,888,700,000	₩ 16,556,127,333	₩ (16,728,959,768)	₩ 13,245,705,514	₩ 113,036,333,371	₩ 208,775,906,450	₩ 6,811,789,415	₩ 215,587,695,865
Balance as of January 1, 2024	₩ 82,888,700,000	₩ 16,556,127,333	₩ (16,728,959,768)	₩ 13,245,705,514	₩ 113,036,333,371	₩ 208,775,906,450	₩ 6,811,789,415	₩ 215,587,695,865
Comprehensive income for the year								
Profit for the year	-	-	-	-	16,135,279,695	16,135,279,695	540,985,800	16,676,264,495
Remeasurements of defined benefit plans, net of tax	-	-	-	-	3,619,282,293	3,619,282,293	833,954	3,620,116,257
Gain on translation of foreign operations, net of tax	-	-	-	9,203,502,266	-	9,203,502,266	443,744,348	9,647,246,614
Transactions with shareholders that are directly recognized in equity								
Cash dividends	-	-	-	-	(3,653,931,360)	(3,653,931,360)	-	(3,653,931,360)
Retirement of treasury stocks	(1,437,682,500)	-	5,154,077,805	-	(3,716,395,305)	-	-	-
Disposals of treasury stocks	-	756,936,490	5,143,439,647	-	-	5,900,076,137	-	5,900,076,137
Acquisitions of treasury stocks	-	-	(7,845,355,410)	-	-	(7,845,355,410)	-	(7,845,355,410)
Changes in scope of consolidation	-	-	-	-	-	-	79,412,200	79,412,200
Balance as of December 31, 2024	₩ 81,229,017,500	₩ 17,313,763,823	₩ (14,076,797,726)	₩ 22,449,207,780	₩ 125,620,567,694	₩ 232,534,759,071	₩ 7,876,765,727	₩ 240,411,524,798

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

Dual Co., Ltd. and its subsidiaries
Consolidated statements of cash flows
for each of the two years in the period ended December 31, 2024

(Korean won)	Note	2024	2023
Cash flows from operating activities			
Profit for the year		₩ 16,676,264,495	₩ 20,831,932,708
Adjustments	39	50,420,390,468	52,669,867,480
Changes in operating assets and liabilities	39	3,635,492,683	(49,634,381,924)
Interest received		2,007,335,412	2,497,968,921
Interest paid		(2,225,820,890)	(3,070,166,249)
Dividend received		31,088,340	31,088,340
Income taxes paid		(16,610,976,790)	(6,601,382,817)
Net cash flows provided by operating activities		53,933,773,718	16,724,926,459
Cash flows from investing activities			
Collection of short-term loans		1,000,000,000	-
Disposals of short-term financial instruments		63,526,549,580	100,337,537,803
Decrease in deposits provided		642,627,998	405,080,092
Decrease in financial assets measured at fair value through profit or loss		-	1,131,107,895
Disposals of property, plant and equipment		2,297,882,395	280,406,100
Government grants received		213,407,240	-
Acquisitions of short-term financial instruments		(50,824,844,555)	(70,329,240,168)
Increase in financial assets measured at fair value through profit or loss		(877,638,800)	(1,473,248,962)
Acquisitions of property, plant and equipment		(19,025,036,249)	(7,958,982,891)
Acquisitions of intangible assets		(536,798,705)	(469,596,036)
Acquisitions of short-term loans		-	(1,000,000,000)
Increase in deposits provided		(1,070,537,861)	(573,538,534)
Net cash flows (used in) provided by investing activities		(4,654,388,957)	20,349,525,299
Cash flows from financing activities			
Proceeds from short-term borrowings		17,202,514,354	44,429,166,337
Proceeds from long-term borrowings		34,327,703	1,963,225,925
Paid-in capital increase from non-controlling interests		79,412,200	-
Repayments of short-term borrowings		(22,053,041,759)	(39,351,318,723)
Repayments of current portion of long-term borrowings		(2,323,178,980)	(300,000,000)
Repayments of long-term borrowings		-	(1,003,024,754)
Repayments of debentures		-	(30,000,000,000)
Repayments of lease liabilities		(5,880,758,727)	(5,834,005,659)
Payment of cash dividends		(3,653,931,360)	(2,597,581,120)
Acquisitions of treasury stock		(7,645,355,410)	(6,355,058,875)
Net cash flows used in financing activities		(24,240,011,979)	(39,048,596,869)
Cash and cash equivalents classified as disposal groups held for sale		(1,372,855,271)	-
Net increase (decrease) in cash and cash equivalents		23,666,517,511	(1,974,145,111)
Cash and cash equivalents at beginning of the year		42,816,509,362	43,935,502,519
Effect of changes in exchange rates on cash and cash equivalents		4,861,985,270	855,151,954
Cash and cash equivalents at end of the year		₩ 71,345,012,143	₩ 42,816,509,362

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

1. Corporate information

Dual Co., Ltd. (the "Company") was incorporated on February 11, 1983, under the *Commercial Act* of the Republic of Korea to manufacture and sell car seats and fabric in the domestic and foreign markets.

The shares of the Company have been listed on the Korea Exchange since July 29, 2016. The Company owns and operates 4 manufacturing plants (Ganghwa, Ansan, Asan, and Ulsan) and one office in Gangnam, Seoul.

As of December 31, 2024, the amount of issued capital for the Company is ₩81,229 million, and the Company's shareholders and their shareholdings are as follows:

Shareholder's name	Number of shares	Ownership (%)
IHC CO.,LTD	10,100,246	32.26%
Yong Ja Jung	62,100	0.20%
Ian Hwe Cho	3,292,440	10.52%
Seung Hwe Cho	190,180	0.61%
Treasury shares	1,459,719	4.66%
Premier Growth Strategy M&A Fund	4,200,000	13.42%
Others	12,000,299	38.33%
	31,304,984	100.00%

The consolidated financial statements were authorized for issue by the Board of Directors on February 24, 2025 and will be submitted for final approval at the shareholders' meeting to be held on March 26, 2025.

2. Basis of preparation and summary of material accounting policies

2.1 Basis of preparation

The Company and its subsidiaries (hereinafter referred to as the "Group") prepare statutory financial statements in Korean in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS") enacted by the *Act on External Audit of Stock Companies*. The accompanying consolidated financial statements have been translated into English from Korean 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 have been prepared on a historical cost basis, except for the specific items in the statement of financial position, as described in the accounting policy. The consolidated financial statements are presented in Korean won (KRW), 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.

2.2 Basis of consolidation (cont'd)

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and 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(s) 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 financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI 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 in line with the Group's accounting policies. All intra-group assets and 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 related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

2.3 Accounting policies

2.3.1 Business 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 Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

If the measurement of consideration transferred and fair value is not confirmed in a business combination as of the end of the reporting period, the Group shall disclose the provisional amount due to the business combination as of the end of the reporting period and complete the measurement within one year from the acquisition date. The difference between the confirmed measurements and the provisional amount is reflected retrospectively in the consolidated financial statements for the reporting period of which the business combination occurred.

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. This includes the separation of embedded derivatives in host contracts by the acquiree.

2.3.1 Business combinations and goodwill (cont'd)

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of KIFRS 1109 *Financial Instruments*, 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.

2.3.2 Functional currency

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. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

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. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

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.

2.3.3 Fair value measurement

The Group measures financial instruments such as financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive, at fair value at each balance sheet date. 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.

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 statements 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
- 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 at fair value 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.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the following notes:

- Note 35: Quantitative disclosures of fair value measurement hierarchy
- Note 35: Financial instruments (including those instruments carried at amortized cost)

2.3.4 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 consolidated 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. The items and considerations that are most directly impacted by climate-related matters are:

- Useful life of property, plant and equipment. When reviewing the residual values and expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures.

- Impairment of non-financial assets. The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations and changes in demand for the Group's products. Even though the Group has concluded that no single climate-related assumption is a key assumption for the impairment test of goodwill for the year ended December 31, 2024, the Group considered expectations for increased costs of emissions, increased demand for goods sold by the Group's CGU and cost increases due to stricter recycling requirements in the cash-flow forecasts in assessing value-in-use amounts.

- Decommissioning liability. The impact of climate-related legislation and regulations is considered in estimating the timing and future costs of decommissioning one of the Group's manufacturing facilities.

2.3.5 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 highly liquid deposits with a maturity of three months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.3.6 Cash dividend

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.

2.3.7 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, if reissued, is recognized in the other capital surplus.

2.3.8 Inventories

Inventory costs are determined by using the monthly gross average method. The acquisition cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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, and it is re-evaluated at each subsequent period.

The carrying amount of those inventories is recognized as cost of goods sold in the period in which the related revenue is recognized. The amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories arising from an increase in net realizable value is recognized as a reduction in the amount of inventories recognized as a cost of goods sold in the period in which the reversal occurs.

2.3.9 Financial instruments

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.

2.3.9.1 Financial assets

Initial recognition and measurement

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

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 fair value through profit or loss, 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 fair value through OCI, 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. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

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. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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.

2.3.9.1 Financial assets (cont'd)

Subsequent measurement

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

- financial assets at amortized cost (debt instruments);
- financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- financial assets at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- financial assets at fair value through profit or loss.

Financial assets at amortized cost (debt instruments)

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 fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, 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 OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Group does not hold debt instruments at fair value through OCI.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI 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 other 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 OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group may elect to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss

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

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognized as other income in the consolidated statement of profit or loss when the right of payment has been established.

2.3.9.1 Financial assets (cont'd)

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) 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 its 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.

Impairment

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.3.9.1 Financial assets (cont'd)

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group's debt instruments at fair value through OCI comprise solely of quoted bonds that are graded in the top investment category by the credit rating agency and, therefore, are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the credit rating agency both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Group considers a financial asset in default when contractual payments are 1 year past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.3.9.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, 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 payables, net of directly attributable transaction costs.

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 supplier finance arrangement is part of the working capital used in the Group's normal operating cycle, the level of security provided is similar to trade payables and the terms of the liabilities that are part of the supply chain 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.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss 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.

2.3.9.2 Financial liabilities (cont'd)

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in KIFRS 1109 are satisfied. The Group has not designated any financial liability as of fair value through profit or loss.

Financial liabilities at amortized cost

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 amortization process.

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

Financial guarantee liabilities

After initial recognition, financial guarantee liabilities except the financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies and commitments to provide a loan at a below-market interest rate are measured at the higher of:

- the amount of the loss allowance determined in accordance with KIFRS 1109 Section 5.5 and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of KIFRS 1115.

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.

2.3.9.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.3.10 Property, plant and equipment

Property, plant and equipment are initially measured at cost and after initial recognition, are carried at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes expenditures arising directly from the construction or acquisition of the asset, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, when the Company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The cost of replacing a part of an item is recognized in the carrying amount of the item of property, plant and equipment, if the following recognition criteria are met:

- it is probable that future economic benefits associated with the item will flow to the Group; and
- the cost can be measured reliably.

The carrying amount of the replaced part is derecognized at the time the replacement part is recognized. The costs of the day-to-day servicing of the item are recognized in profit or loss as incurred.

2.3.10 Property, plant and equipment (cont'd)

Depreciation of property, plant and equipment is recognized in profit or loss on a straight-line basis, which most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset, over the estimated useful lives of each component of an item of property, plant and equipment. Land is not depreciated.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognized.

The estimated useful lives of property, plant and equipment for the years ended December 31, 2024 and 2023 are as follows:

	Estimated useful lives (years)
Buildings	30 ~ 40
Structures	10 ~ 20
Machinery and equipment	4 ~ 8
Vehicles	4 ~ 5
Tools	4 ~ 5

The estimated residual value, useful lives and the depreciation method are reviewed at least at the end of each reporting period and, if expectations differ from previous estimates, the changes are accounted for as changes in accounting estimates. Furthermore, the Group considers climate-related matters, including physical and transition risks.

2.3.11 Intangible assets

Intangible assets are measured initially at cost and, subsequently, are carried at cost less accumulated amortization and accumulated impairment losses.

Amortization of intangible assets is calculated on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The residual value of intangible assets is zero. However, as there are no foreseeable limits to the periods over which club memberships are expected to be available for use, this intangible asset is determined as having an indefinite useful life and not amortized.

The estimated useful lives of intangible assets for the years ended December 31, 2024 and 2023 are as follows:

	Estimated useful lives (years)
Software	5
Industrial property rights	5
Developed technologies	8
Customer relationships	12 ~ 20

Amortization periods and the amortization methods for intangible assets with finite useful lives are reviewed at the end of each reporting period. The useful lives of intangible assets that are not being amortized are reviewed at the end of each reporting period to determine whether events and circumstances continue to support indefinite useful life assessments for those assets. Changes are accounted for as changes in accounting estimates.

2.3.11 Intangible assets (cont'd)

Research and development

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in profit or loss as incurred. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Other development expenditures are recognized in profit or loss as incurred.

Subsequent expenditure

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures, including expenditures on internally generated goodwill and brands, are recognized in profit or loss as incurred.

2.3.12 Investment properties

Property held to earn rentals or for capital appreciation or both is classified as investment property. Investment property is measured initially at its cost. Transaction costs are included in the initial measurement. Subsequently, investment property is carried at depreciated cost less any accumulated impairment losses.

Subsequent costs are recognized in the carrying amount of investment property at cost or, if appropriate, as separate items if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing are recognized in profit or loss as incurred.

Among investment properties, land is not subject to depreciation, while investment properties excluding land are depreciated using the straight-line method over an economic useful life of 30 years.

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting date and adjusted, if appropriate. The change is accounted for as a change in an accounting estimate.

2.3.13 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 CGU's 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.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations are recognized in the consolidated statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date 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

2.3.13 Impairment of non-financial assets (cont'd)

reversal is recognized in the consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives are also tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.3.14 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. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments. When loans or similar assistance are provided by the government or related institutions, with an interest rate below the current applicable market rate, the effect of this preferential interest is regarded as a government grant.

2.3.15 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 for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2.3.15.1 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 shorter of the lease term and the estimated useful lives of the assets.

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.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.3.13.

2.3.15.2 Lease liabilities

At the commencement date of the lease, the Group recognises 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 recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

2.3.15.2 Lease liabilities (cont'd)

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.

The Group's lease liabilities are included in interest-bearing loans and borrowings.

2.3.15.3 Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense 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 term and is included in revenue in the consolidated statement of profit or loss 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.

2.3.16 Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits that are due to be settled within 12 months after the end of the period in which the employees render the related service. When an employee has rendered service to the Group during an accounting period, the Group recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service.

Other long-term employee benefits

The Group's net obligation in respect of other long-term employee benefits that are not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

Retirement benefits: defined benefit plans

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the consolidated 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.

2.3.17 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 a provision is presented in the consolidated statement of profit or loss 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.

Provision for sales warranties

The Group provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions related to these assurance-type warranties are recognized when the product is sold, or the service is provided to the customer. Initial recognition is based on historical experience. The estimate of warranty-related costs is revised annually.

2.3.18 Foreign currency transactions

Foreign currency transactions are initially recorded using the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. At the end of each reporting period, foreign currency monetary items are translated using the closing rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the original transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date fair value was initially determined.

Differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognized in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.

2.3.19 Equity instruments

Capital stock is classified as equity. Incremental costs directly attributable to the transaction of stock are deducted from equity, net of any tax effects.

Preferred stocks are classified as equity if they do not need to be repaid or are repaid only at the option of the Group and if payment is determined by the Group's discretion, and dividends are recognized when the shareholders' meeting approves the dividends. Preferred stocks that are eligible for reimbursement of a defined or determinable amount on or after a certain date are classified as liabilities. The related dividend is recognized in profit or loss at the time of occurrence as interest expense. When the Group has an unconditional right to avoid delivering cash or another financial asset to settle a contractual obligation, the Group's convertible-redeemable preferred stock has been classified as an equity instrument.

If the Group reacquires its own equity instruments, the amount of those instruments ("treasury shares") are presented as a contra equity account. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of its own equity instruments. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase to equity, and the resulting surplus or deficit on the transaction is recorded in capital surplus.

2.3.20 Revenue from contracts with customers

The Group manufactures and provides car seats, fabric, air bags and so on in the domestic and foreign markets. Revenue is measured based on the consideration promised in the contract with the customer. The Group recognizes revenue when the control of a good or service is transferred to the customer. The following are the revenue recognition policies for performance obligations in the contracts with customers.

- Note 3: Significant judgments, estimates and assumptions relating to revenue from contracts with customers

2.3.20.1 Sale of goods

Revenue from sale of goods is recognized when the control of the goods is transferred to the customer generally on delivery of the goods to the customer. Trade receivables from sale of goods are generally due within 30 to 90 days. The Group considers whether its promise to transfer the good or service to the customer is separately identifiable from other promises in the contract. When calculating the transaction price of the sale of goods, the Group considers variable consideration.

Variable consideration

If the consideration promised in a contract includes a variable amount, the Group estimates the amount of consideration to which the Group will be entitled to exchange for transferring the promised goods or services to a customer.

The Group estimates an amount of variable consideration by using the expected value method which the Group expects to better predict the amount of consideration. The Group includes in the transaction price an amount of variable consideration estimated only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur during the return period when the uncertainty associated with the variable consideration is subsequently resolved.

Contract balances

Trade receivables

A receivable is the Group's right to consideration that is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

- Note 2.9: Financial instruments

Contract liabilities

A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional (i.e. a receivable), before the Group transfers a good or service to the customer, the Group shall present the contract as a contract liability when the payment is made or the payment is due (whichever is earlier). The Group shall recognize revenue from the contract liabilities when (or as) the Group satisfies a performance obligation by transferring a promised good or service to a customer.

2.3.20.2 Services and rental income

Revenue from providing the technical information and rental income from investment property are recognized in profit or loss on a straight-line basis over the time period.

2.3.21 Sale tax

Expenses and assets are recognized net of the amount of sales tax, except when the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable, and when receivables and payables are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.3.22 Income taxes

2.3.22.1 Current income tax

Current income tax assets and liabilities 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 the consolidated statement of 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.

2.3.22.2 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
- 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 does not give rise to equal taxable and deductible temporary differences
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when 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 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 does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, 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.

2.3.22.2 Deferred tax (cont'd)

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 OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.3.23 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.

2.3.24 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, which comprise convertible preference shares.

2.3.25 Finance income and finance costs

Finance income comprises interest income on funds invested, dividend income, gain (loss) on valuation of financial instruments measured at fair value through profit or loss, gain (loss) on disposal of financial instruments measured at fair value through profit or loss, and the foreign currency gain on financial assets and financial liabilities. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Dividend income is recognized in profit or loss on the date that the Group's right to receive payment is established.

Finance costs comprise interest expense on borrowings and the foreign currency loss on financial assets and financial liabilities. Interest expenses on borrowings are recognized in profit or loss using the effective interest rate method over the time period.

2.3.26 Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition.

Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

2.3.27 Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorization for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognizes in its consolidated financial statements. The Group will adjust the amounts recognized in its consolidated financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information.

For non-adjusting events after the reporting period, the Group will not change the amounts recognized in its consolidated financial statements, but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

3. Significant accounting judgements, estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment 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 statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

3.1 Defined benefit plans (pension benefits)

The cost of the defined benefit pension plan is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

3.2 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

3.3 Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

3.4 Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

3.5 Measurement of provision

In the consolidated financial statements, provisions are recorded at the end of each reporting period by measuring payments related to product warranties and lawsuits using the current best estimates. These provisions are determined based on estimates based on past experience.

3.6 Impairment of non-financial assets

The Group assesses the existence of impairment signs for all non-financial assets at each reporting date. For goodwill and intangible assets that have an indefinite useful life and assets that are not in ready to use, recoverable amount of assets is assessed annually to determine the impairment amount. It is assessed when facts and circumstances suggest that the carrying amount of an exploration and evaluation assets exceed its recoverable amount, or when events or changes in circumstances indicate that the assets might be impaired after the assets are tested of impairment in every reporting period. The recoverable amounts of assets or cash generating units have been determined based on estimation of future cash flow and appropriate discount rate.

4. New and amended standards and interpretations

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.

4.1 Amendments to KIFRS 1116 *Leases* - Lease Liability in a Sale and Leaseback

The amendments to KIFRS 1116 *Leases* 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.

4.2 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, recognising 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.

4.3 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.

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

5. Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below.

5.1 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. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

5.2 Amendments to KIFRS 1109 and KIFRS 1107– *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, and only the amendments related to the classification of financial assets and associated disclosure requirements may be early adopted. The Group does not plan to early apply the amendments.

In relation to the derecognition of financial liabilities that are settled via electronic payment systems, the Group is performing assessment on all the major electronic payment systems used in various jurisdictions in which the Group operates. The Group is assessing whether the amendments will have a material impact on the current practices and whether the criteria for the accounting policy choice to derecognize financial liabilities are met. In order to assess if a financial asset is derecognized on the date on which the contractual rights to the cash flows expire, and if a financial liability is derecognized on the settlement date, the Group is currently assessing all payment systems such as cheques, credit cards, and debit cards.

Furthermore, the Group is assessing the impact of the amendments on financial assets with ESG-linked and similar contingent features, financial instruments with non-recourse features, and contractually linked financial instruments. The amendments are not expected to have a material impact on its consolidated financial statements based on the initial assessment performed but the assessment has not been completed.

5.3 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.

6. Consolidated subsidiaries

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

Company	Ownership (%)		Region	Reporting date
	2024	2023		
JIANGYIN DUAL TECH	100	100	China	December 31
YANTAI DUAL CAR INTERIOR	100	100	China	December 31
JINAGYIN DUAL AUTOMOTIVE TEXTILE	100	100	China	December 31
BEIJING DUAL CAR INTERIOR	100	100	China	December 31
DUAL BORGSTENA (SHANGHAI) CO., LTD.	100	100	China	December 31
CHONGQING DUAL AUTO PARTS	100	100	China	December 31
CHANGZHOU DUAL CAR INTERIOR	100	100	China	December 31
DUAL BORGSTENA TRIM TURKEY OTOMOTIV SAN. VE TIC. LTD. STI.	99.25	99.25	Turkey	December 31
DUAL BORGSTENA, S.A.	100	100	Portugal	December 31
DUAL BORGSTENA TRIM ROMANIA S.R.L.	96.25	96.25	Romania	December 31
DUAL BORGSTENA TRIM PORTUGAL, S.A.	96.25	96.25	Portugal	December 31
DUAL BORGSTENA SWEDEN AB	92.50	92.50	Sweden	December 31
DUAL BORGSTENA TEXTILE PORTUGAL UNIPESSOAL, LDA	92.50	92.50	Portugal	December 31
DUAL BORGSTENA TEXTILE CZECH REPUBLIC S.R.O.	92.50	92.50	Czech	December 31
DUAL BORGSTENA TEXTILE BRAZIL CONFECCAO DE TECIDOS AUTOMOTIVOS LTDA.	92.50	92.50	Brazil	December 31
DUAL BORGSTENA TEXTILE NORTH AMERICA LLC	92.50	92.50	U.S.A	December 31
DUAL BORGSTENA TIQIAO TEXTILE (JIANGSU) Co., Ltd.	67.37	67.37	China	December 31
DUAL BORGSTENA TRIM BRAZIL CONFECCAO DE CAPAS E TECIDOS AUTOMOTIVOS LTDA	96.25	96.25	Brazil	December 31
DUAL BORGSTENA TRIM CZECH REPUBLIC S.R.O.	96.25	96.25	Czech	December 31
DUAL USA LLC	100	100	U.S.A	December 31
DUAL BORGSTENA TRIM MEXICO, S. DE R.L. DE C.V.	99.89	99.89	Mexico	December 31
DUAL BORGSTENA TRIM BULGARIA EOOD	96.25	96.25	Bulgaria	December 31
DUAL SERIM INDONESIA AUTOMOTIVE(*1)	100	-	Indonesia	December 31
DUAL BORGSTENA TRIM TUNISIA(*2)	96.25	-	Tunisia	December 31
JHIHJBT, LDA(*3)	74	-	Portugal	December 31

(*1) DUAL SERIM INDONESIA AUTOMOTIVE was newly established on March 20, 2024.
(*2) DUAL BORGSTENA TRIM TUNISIA was newly established on July 2, 2024.
(*3) JHIHJBT, LDA was newly established on August 28, 2024.

6.2 Summarized financial information of principal subsidiaries as of and for the years ended December 31, 2024 and 2023 is as follows:

6.2.1 As of and for the year ended December 31, 2024

(In thousands of won)	Assets	Liabilities	Sales	Net income (loss)	Comprehensive Income (loss)
JIANGYIN DUAL TECH	₩ 31,572,530	₩ 8,422,822	₩ 14,409,783	₩ 1,814,868	₩ 2,269,629
YANTAI DUAL CAR INTERIOR	5,102,744	846,994	8,950,492	293,166	419,028
JINAGYIN DUAL AUTOMOTIVE TEXTILE	42,854,321	30,468,739	62,990,304	1,128,858	1,207,324
BEIJING DUAL CAR INTERIOR	2,107,317	4,201,638	5,180,995	(1,402,607)	(314,049)
DUAL BORGSTENA (SHANGHAI) CO., LTD.	10,316,583	10,606,652	19,041,366	2,435,581	(137,062)
CHONGQING DUAL AUTO PARTS	6,636,066	7,630,590	-	(586,504)	(75,034)
CHANGZHOU DUAL CAR INTERIOR	15,821,436	20,754,803	16,645,345	(294,395)	(487,755)
DUAL BORGSTENA TRIM TURKEY OTOMOTIV SAN. VE TIC. LTD. STI.	26,388,226	12,319,590	65,617,382	2,297,338	756,960
DUAL BORGSTENA, S.A.	78,896,655	146,650	-	(83,396)	5,264,313
DUAL BORGSTENA TRIM ROMANIA S.R.L.	50,762,805	25,865,403	123,982,928	4,732,168	1,489,356
DUAL BORGSTENA TRIM PORTUGAL, S.A.	2,024,458	6,239,547	590,714	1,445,619	(329,118)
DUAL BORGSTENA SWEDEN AB	20,526,481	11,112,271	827,841	(4,480,541)	298,203
DUAL BORGSTENA TEXTILE PORTUGAL UNIPESSOAL, LDA	104,613,298	42,284,184	133,064,307	9,788,002	3,842,868
DUAL BORGSTENA TEXTILE CZECH REPUBLIC S.R.O.	4,885,750	2,594,283	3,972,244	543,034	101,299
DUAL BORGSTENA TEXTILE BRAZIL CONFECCAO DE TECIDOS AUTOMOTIVOS LTDA.	1,872,542	491,844	4,418,338	550,342	(184,540)
DUAL BORGSTENA TEXTILE NORTH AMERICA LLC	1,138,767	913,756	554,407	(30,138)	29,292
DUAL BORGSTENA TIQIAO TEXTILE (JIANGSU) Co., Ltd.	24,589,116	19,097,776	20,642,836	(698,992)	588,287
DUAL BORGSTENA TRIM BRAZIL CONFECCAO DE CAPAS E TECIDOSAUTOMOTIVOS LTDA	11,326,923	10,700,512	26,794,404	(959,457)	(118,380)
DUAL BORGSTENA TRIM CZECH REPUBLIC S.R.O.	17,021,339	16,611,515	108,473,540	30,422	19,219
DUAL USA LLC	37,055,423	25,603,831	2,666,635	219,043	1,394,933
DUAL BORGSTENA TRIM MEXICO, S. DE R.L. DE C.V.	47,501,135	62,141,256	54,753,218	(14,905,693)	752,216
DUAL BORGSTENA TRIM BULGARIA EOOD	364,687	1,006,895	1,455,472	(646,097)	(22,448)
DUAL SERIM INDONESIA AUTOMOTIVE	22,823	-	-	(197,060)	4,178
DUAL BORGSTENA TRIM TUNISIA	2,975,551	2,083,725	386,714	(445,101)	(1,045)
JHIHJBT, LDA	392,678	640	-	(5,241)	14,426

6.2.2 As of and for the year ended December 31, 2023

(In thousands of won)	Assets	Liabilities	Sales	Net income (loss)	Comprehensive Income (loss)
JIANGYIN DUAL TECH	₩ 23,594,965	₩ 4,529,755	₩ 3,509,311	₩ (202,576)	₩ (60,199)
YANTAI DUAL CAR INTERIOR	4,235,832	692,276	10,721,840	581,483	(20,532)
JINAGYIN DUAL AUTOMOTIVE TEXTILE	35,458,776	25,409,376	50,437,232	(368,597)	(27,780)
BEIJING DUAL CAR INTERIOR	8,039,388	10,027,213	23,272,178	(938,942)	20,765
DUAL BORGSTENA (SHANGHAI) CO., LTD.	9,226,580	11,815,167	12,834,436	1,312,159	(11,213)
CHONGQING DUAL AUTO PARTS	6,423,615	6,756,601	(96,316)	(1,474,983)	23,363
CHANGZHOU DUAL CAR INTERIOR	5,730,637	9,881,853	11,874,824	(1,275,256)	33,018
DUAL BORGSTENA TRIM TURKEY OTOMOTIV SAN. VE TIC. LTD. STI.	21,749,358	10,735,019	58,358,315	6,490,489	147,506
DUAL BORGSTENA, S.A.	73,703,054	133,967	-	(86,994)	3,891,621
DUAL BORGSTENA TRIM ROMANIA S.R.L.	34,564,695	15,888,816	98,029,249	2,882,257	758,911
DUAL BORGSTENA TRIM PORTUGAL, S.A.	421,373	5,752,963	642,764	169,944	(289,114)
DUAL BORGSTENA SWEDEN AB	19,553,215	5,956,666	869,082	(3,239,091)	875,803
DUAL BORGSTENA TEXTILE PORTUGAL UNIPESSOAL, LDA	82,284,453	33,586,209	131,300,788	3,912,395	2,287,624
DUAL BORGSTENA TEXTILE CZECH REPUBLIC S.R.O.	4,547,376	2,900,242	3,732,124	590,037	24,199
DUAL BORGSTENA TEXTILE BRAZIL CONFECCAO DE TECIDOS AUTOMOTIVOS LTDA.	1,836,738	339,602	3,485,170	700,043	87,794
DUAL BORGSTENA TEXTILE NORTH AMERICA LLC	260,439	34,582	-	(76,146)	6,094
DUAL BORGSTENA TIQIAO TEXTILE (JIANGSU) Co., Ltd.	20,608,183	15,006,137	7,842,882	(1,522,799)	4,393
DUAL BORGSTENA TRIM BRAZIL CONFECCAO DE CAPAS E TECIDOSAUTOMOTIVOS LTDA	12,972,482	11,268,234	29,487,280	610,590	115,574
DUAL BORGSTENA TRIM CZECH REPUBLIC S.R.O.	14,032,393	13,672,211	102,399,761	425,046	4,526
DUAL USA LLC	17,609,998	7,772,383	2,414,524	183,193	163,266
DUAL BORGSTENA TRIM MEXICO, S. DE R.L. DE C.V.	24,118,804	24,605,447	30,065,882	(6,933,337)	735,032
DUAL BORGSTENA TRIM BULGARIA EOOD	595,505	569,168	-	(115,950)	(857)

7. Operating segments

7.1 The Group has five reportable operating segments classified by geographic area – Domestic, Asia, Europe, America and Africa.

7.2 Reportable segments as of and for the years ended December 31, 2024 and 2023 are as follows:

7.2.1 As of and for the year ended December 31, 2024

(In thousands of won)	Domestic	Asia	Europe	America	Africa	Eliminations	Total
Revenue	₩316,761,988	₩142,680,125	₩437,984,428	₩ 89,187,003	₩ 386,714	₩ (213,741,661)	₩ 773,258,597
Cost of sales	252,160,455	122,236,180	385,502,844	87,313,178	673,760	(202,857,282)	645,029,135
Selling and administrative expenses	32,922,937	14,630,143	36,454,635	9,487,565	175,176	(8,358,626)	85,311,830
Operating profit (loss)	31,678,594	5,813,803	16,026,949	(7,613,740)	(462,221)	(2,525,753)	42,917,632
Non-current assets (Property, plant and equipment, net)	28,201,854	25,884,801	28,514,084	5,903,498	1,041,616	-	89,545,853

7.2.2 As of and for the year ended December 31, 2023

(In thousands of won)	Domestic	Asia	Europe	America	Eliminations	Total
Revenue	₩ 347,778,733	₩ 97,124,210	₩ 395,332,083	₩ 65,452,855	₩ (175,824,417)	₩ 729,863,464
Cost of sales	278,130,430	85,501,378	345,377,706	64,146,463	(167,864,002)	605,291,975
Selling and administrative expenses	29,718,069	13,551,900	35,555,094	7,142,501	(6,370,421)	79,597,143
Operating profit (loss)	39,930,234	(1,929,068)	14,399,283	(5,836,109)	(1,589,994)	44,974,346
Non-current assets (Property, plant and equipment, net)	24,253,048	25,244,813	25,477,186	5,326,177	(42,099)	80,259,125

8. Cash and Cash equivalents

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

(In thousands of won)	December 31, 2024	December 31, 2023
Cash	₩ 11,754	₩ 10,203
Demand deposits, etc.	71,333,258	42,806,306
	₩ 71,345,012	₩ 42,816,509

9. Short-term and long-term financial instruments

Details of short-term and long-term financial instruments as of December 31, 2024 and 2023 are as follows:

(In thousands of won)	December 31, 2024	December 31, 2023
Short-term financial instruments		
Ordinary deposits, etc. (*1)	₩ 2,317,751	₩ 11,624,971
Treasury stock trust	20,218	3,656,948
	₩ 2,337,969	₩ 15,281,919
Long-term financial instruments		
Special deposits (*2)	₩ 6,000	₩ 6,000
	₩ 6,000	₩ 6,000

(*1) In connection with the ordinary deposits as of December 31, 2024, ₩806,418 thousand of the ordinary deposits in KOREA SECURITIES FINANCE CORPORATION has been pledged as collateral.
(*2) The special deposit of ₩6,000 thousand is provided as a guarantee deposit for opining checking accounts and, accordingly, the withdrawal of these deposits is restricted.

10. Trade and other receivables

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

(In thousands of won)	December 31, 2024		December 31, 2023	
	Current	Non-current	Current	Non-current
Trade receivables	₩ 142,028,794	₩ 451,867	₩ 136,452,419	₩ 677,801
Allowance for doubtful accounts	(4,841,204)	-	(4,371,142)	-
	₩ 137,187,590	₩ 451,867	₩ 132,081,277	₩ 677,801
Other receivables	11,158,576	2,363,367	15,536,356	3,850,871
Allowance for doubtful accounts	(146,900)	-	(123,112)	-
	₩ 11,011,676	₩ 2,363,367	₩ 15,413,244	₩ 3,850,871
Loans	-	-	1,000,000	-
	₩ -	₩ -	₩ 1,000,000	₩ -
Accrued income	1,159,726	-	1,004,594	-
	₩ 1,159,726	₩ -	₩ 1,004,594	₩ -
Deposits provided	1,167,087	1,530,826	1,323,160	924,807
Allowance for doubtful accounts	-	(76,643)	-	(76,643)
	₩ 1,167,087	₩ 1,454,183	₩ 1,323,160	₩ 848,164
	₩ 150,526,079	₩ 4,269,417	₩ 150,822,275	₩ 5,376,836

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

(In thousands of won)	2024			2023		
	Trade receivable	Other receivables	Total	Trade receivable	Other receivables	Total
Beginning	₩ 4,371,142	₩ 199,755	₩ 4,570,897	₩ 3,617,966	₩ 237,156	₩ 3,855,122
Impairment loss	849,608	139,269	988,877	1,516,240	5,303	1,521,723
Write-off	-	-	-	(811,411)	(42,704)	(854,115)
Exchange differences	(379,546)	(115,481)	(495,027)	48,167	-	48,167
Ending	₩ 4,841,204	₩ 223,543	₩ 5,064,747	₩ 4,371,142	₩ 199,755	₩ 4,570,897

10.3 The aging analysis of allowance for doubtful accounts of trade and other receivables as of December 31, 2024 and 2023 is as follows:

10.3.1 As of December 31, 2024

(In thousands of won)	December 31, 2024					
	Not credit-impaired		Credit-impaired		Total	
	Trade receivable	Other accounts receivable	Trade receivable	Other accounts receivable	Trade receivable	Other accounts receivable
Less than 90 days	₩ 134,196,592	₩ 11,692,959	₩ 1,619,293	₩ 84,077	₩ 135,815,885	₩ 11,777,036
90 days ~ 180 days	1,260,125	1,823,035	-	-	1,260,125	1,823,035
180 days ~ 1 year	469,899	697,527	-	5,195	469,899	702,722
Over 1 year	1,712,841	2,942,518	3,221,911	134,271	4,934,752	3,076,789
	₩ 137,639,457	₩ 17,156,039	₩ 4,841,204	₩ 223,543	₩ 142,480,661	₩ 17,379,582

10.3.2 As of December 31, 2023

(In thousands of won)

	December 31, 2023					
	Not credit-impaired		Credit-impaired		Total	
	Trade receivable	Other accounts receivable	Trade receivable	Other accounts receivable	Trade receivable	Other accounts receivable
Less than 90 days	₩ 130,940,202	₩ 15,308,046	₩ 1,150,054	₩ 12,240	₩ 132,090,256	₩ 15,320,286
90 days ~ 180 days	433,831	5,201,366	-	-	433,831	5,201,366
180 days ~ 1 year	147,411	168,166	-	-	147,411	168,166
Over 1 year	1,237,634	2,762,455	3,221,088	187,515	4,458,722	2,949,970
	₩ 132,759,078	₩ 23,440,033	₩ 4,371,142	₩ 199,755	₩ 137,130,220	₩ 23,639,788

For individually impaired receivables, the Group has calculates the recoverable amount of each receivable and recognizes the difference between the recoverable amount and the carrying amount as an impairment loss.

11. Inventories

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

(In thousands of won)

	December 31, 2024			December 31, 2023		
	Acquisition cost	Allowance for inventories valuation	Book value	Acquisition cost	Allowance for inventories valuation	Book value
Merchandise	₩ 15,905,158	₩ (134,858)	₩ 15,770,300	₩ 14,427,254	₩ (127,496)	₩ 14,299,758
Finished goods	31,860,830	(3,982,612)	27,878,218	25,385,153	(2,746,195)	22,638,958
Semi-finished goods	11,967,314	(1,279,364)	10,687,950	11,058,885	(905,230)	10,153,655
Raw Materials	53,355,379	(3,812,415)	49,542,964	48,312,943	(4,082,725)	44,230,218
Materials-in-transit	1,944,374	-	1,944,374	1,359,205	-	1,359,205
	₩ 115,033,055	₩ (9,209,249)	₩ 105,823,806	₩ 100,543,440	₩ (7,861,646)	₩ 92,681,794

Losses on valuation of inventories recognized in cost of sales for each of the two years in the period ended December 31, 2024 are ₩1,193,210 thousand and ₩2,034,207 thousand, respectively.

12. Financial assets measured at fair value through profit or loss

12.1 Details of financial assets measured at fair value through profit or loss as of December 31, 2024 and 2023 are as follows:

(In thousands of won)

	December 31, 2024	December 31, 2023
Equity security	₩ 996,553	₩ 1,569,961
Equity investments	3,487,249	3,167,000
Debt investments	521,954	442,576
	₩ 5,005,756	₩ 5,179,537

12.2 Changes in the carrying amount of financial assets measured at fair value through profit or loss for each of the two years in the period ended December 31, 2024 are as follows:

(In thousands of won)	2024	2023
Beginning	₩ 5,179,537	₩ 4,310,466
Increase	877,638	1,473,249
Decrease	-	(1,029,610)
Valuation	(1,051,419)	425,432
	₩ 5,005,756	₩ 5,179,537

13. Property, plant and equipment

13.1 Details of changes in the carrying amounts of property, plant and equipment for each of the two years in the period ended December 31, 2024 are as follows:

13.1.1 Acquisition cost

(In thousands of won)	Land	Buildings	Structures	Machinery and equipment	Tools	Others	Construction-in- progress	Total
As of January 1,2023	₩ 8,370,404	₩ 53,821,593	₩ 3,076,468	₩ 125,148,973	₩ 19,001,264	₩1,282,963	₩ 1,372,943	₩ 212,074,608
Acquisitions	-	19,645	17,308	1,980,795	2,175,114	132,606	3,628,479	7,953,947
Transfers	-	107,858	62,661	1,338,984	99,769	111,446	(1,720,718)	-
Disposals	-	-	(4,222)	(8,067,528)	(1,098,924)	(198,724)	(51,563)	(9,420,961)
Exchange differences	44,664	1,114,918	2,552	4,710,396	601,688	32,265	(167,942)	6,338,541
As of December 31, 2023	₩ 8,415,068	₩ 55,064,014	₩ 3,154,767	₩ 125,111,620	₩ 20,778,911	₩1,360,556	₩ 3,061,199	₩ 216,946,135
As of January 1,2024	8,415,068	55,064,014	3,154,767	125,111,620	20,778,911	1,360,556	3,061,199	216,946,135
Acquisitions	-	489,776	52,220	5,450,277	3,061,151	164,479	9,688,975	18,906,878
Transfers(*1)	823,156	5,416,635	664,000	2,203,660	345,090	-	(6,993,809)	2,458,732
Business combinations	-	-	60,090	1,518,170	319,165	-	-	1,897,425
Disposals	-	-	-	(3,426,224)	(1,358,656)	(96,876)	(839,106)	(5,720,862)
Others(*2)	60,511	1,592,041	3,903	7,154,163	888,644	40,159	135,321	9,874,742
As of December 31, 2024	₩ 9,298,735	₩ 62,562,466	₩ 3,934,980	₩ 138,011,666	₩ 24,034,305	₩1,468,318	₩ 5,052,580	₩ 244,363,050

(*1) Including the acquisition cost of ₩2,459 million for items transferred from investment property.

(*2) Including reclassification to non-current assets held for sale, adjustment of foreign currency translation difference and others.

13.1.2 Accumulated depreciation

(In thousands of won)	Buildings	Structures	Machinery and equipment	Tools	Others	Total
As of January 1, 2023	₩ 27,230,402	₩ 1,833,444	₩ 83,346,248	₩ 14,311,649	₩ 912,007	₩ 127,633,750
Depreciation	2,319,049	113,978	8,474,857	1,143,149	151,552	12,202,585
Disposals	-	(4,222)	(7,711,040)	(1,068,507)	(158,812)	(8,942,581)
Exchange differences	592,634	224	2,447,443	460,074	32,845	3,533,220
As of December 31, 2023	₩ 30,142,085	₩ 1,943,424	₩ 86,557,508	₩ 14,846,365	₩ 937,592	₩ 134,426,974
As of January 1, 2024	30,142,085	1,943,424	86,557,508	14,846,365	937,592	134,426,974
Depreciation	2,378,907	177,700	8,877,763	1,818,908	165,812	13,419,090
Transfers(*1)	833,654	-	-	-	-	833,654
Business combinations	-	59,630	1,377,496	303,514	-	1,740,640
Disposals	-	-	(2,260,225)	(1,209,597)	(96,876)	(3,566,698)
Others(*2)	351,735	646	4,881,799	654,006	41,719	5,929,905
As of December 31, 2024	₩ 33,706,381	₩ 2,181,400	₩ 99,434,341	₩ 16,413,196	₩ 1,048,247	₩ 152,783,565

(*1) Including the accumulated depreciation of ₩884 million for items transferred from investment property.

(*2) Including reclassification to non-current assets held for sale, adjustment of foreign currency translation difference and others.

13.1.3 Government grants

(In thousands of won)		**Machinery and equipment**
As of January 1, 2023	₩	2,601,094
Amortization		(480,992)
Exchange differences		139,934
As of December 31, 2023	₩	2,260,036
As of January 1, 2024		2,260,036
Amortization		(587,676)
Proceeds from government grants		213,407
Exchange differences		147,865
As of December 31, 2024	₩	2,033,632

13.1.4 Book value

(In thousands of won)	**Land**	**Buildings**	**Structures**	**Machinery and equipment**	**Tools**	**Others**	**Construction-in-progress**	**Total**
As of December 31, 2023	₩ 8,415,068	₩ 24,921,929	₩ 1,211,343	₩ 36,294,076	₩ 5,932,546	₩ 422,964	₩ 3,061,199	₩ 80,259,125
As of December 31, 2024	9,298,735	28,856,085	1,753,580	36,543,693	7,621,109	420,071	5,052,580	89,545,853

13.2 Assets pledged as collateral as of December 31, 2024 are as follows:

(In thousands of won except USD and CNY)	**Book value**	**Pledged amount**	**Collateral right holder**
Land and buildings	₩ 5,237,305	₩ 7,620,000	SHINHAN BANK
Land and buildings	9,631,520	11,100,000 USD 1,100,000	KDB

14. Intangible assets

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

14.1.1 Acquisition cost

(In thousands of won)	**Software**	**Intellectual property rights**	**Membership**	**Others**	**Customer relationships**	**Developed technologies**	**Goodwill**	**Total**
As of January 31, 2023	₩ 4,456,192	₩ 75,000	₩ 1,985,431	₩ 29,619	₩ 34,028,502	₩ -	₩ 26,354,742	₩ 66,929,486
Acquisitions	269,975	-	-	199,621	-	-	-	469,596
Transfers	199,621	-	-	(199,621)	-	-	-	-
Disposals	(87,207)	-	-	-	-	-	-	(87,207)
Exchange differences	157,181	-	-	1,652	1,924,971	-	1,572,605	3,656,409
As of December 31, 2023	₩ 4,995,762	₩ 75,000	₩ 1,985,431	₩ 31,271	₩ 35,953,473	₩ -	₩ 27,927,347	₩ 70,968,284
As of January 31, 2024	4,995,762	75,000	1,985,431	31,271	35,953,473	-	27,927,347	70,968,284
Acquisitions	649,499	-	50,000	-	-	-	-	699,499
Business combinations	232,447	-	-	-	2,040,000	3,325,000	150,294	5,747,741
Disposals	(157,512)	-	-	-	-	-	-	(157,512)
Exchange differences	256,860	-	-	2,239	2,187,260	-	1,636,654	4,083,013
As of December 31, 2024	₩ 5,977,056	₩ 75,000	₩ 2,035,431	₩ 33,510	₩ 40,180,733	₩ 3,325,000	₩ 29,714,295	₩ 81,341,025

14.1.2 Accumulated amortization and impairment loss

(In thousands of won)	Software	Intellectual property rights	Membership	Customer relationships	Developed technologies	Goodwill	Total
As of January 31, 2023	₩ 3,790,552	₩ 75,000	₩ 36,797	₩ 10,271,158	₩ -	₩ 12,047,988	₩ 26,221,495
Amortization	440,040	-	-	2,183,741	-	-	2,623,781
Disposals	(87,207)	-	-	-	-	-	(87,207)
Impairment loss	-	-	-	-	-	3,600,000	3,600,000
Exchange differences	128,534	-	-	592,663	-	843,613	1,564,810
As of December 31, 2023	₩ 4,271,919	₩ 75,000	₩ 36,797	₩ 13,047,562	₩ -	₩ 16,491,601	₩ 33,922,879
As of January 31, 2024	4,271,919	75,000	36,797	13,047,562	-	16,491,601	33,922,879
Amortization	392,962	-	-	2,355,276	242,448	-	2,990,686
Business combinations	231,860	-	-	-	-	-	231,860
Disposals	(157,512)	-	-	-	-	-	(157,512)
Impairment loss	-	-	-	338,146	-	7,526,606	7,864,752
Exchange differences	217,156	-	-	847,362	-	1,658,786	2,723,304
As of December 31, 2024	₩ 4,956,385	₩ 75,000	₩ 36,797	₩ 16,588,346	₩ 242,448	₩ 25,676,993	₩ 47,575,969

14.1.3 Government grants

(In thousands of won)	Software
As of January 1, 2023	₩ 14,467
Amortization	(3,100)
As of December 31, 2023	₩ 11,367
As of January 1, 2024	11,367
Amortization	(3,100)
As of December 31, 2024	₩ 8,267

14.1.4 Book value

(In thousands of won)	Software	Membership	Others	Customer relationships	Developed technologies	Goodwill	Total
As of December 31, 2023	₩ 712,476	₩ 1,948,634	₩ 31,271	₩ 22,905,911	₩ -	₩ 11,435,746	₩ 37,034,038
As of December 31, 2024	1,012,404	1,998,634	33,510	23,592,387	3,082,552	4,037,302	33,756,789

14.1.5 The Group recognizes other intangible assets of ₩33 million and goodwill of ₩4,037 million as intangible assets with indefinite useful lives.

14.2 Impairment test for CGUs with goodwill

For the purposes of impairment test, goodwill has been allocated to the CGUs (operating divisions) that are deemed to have synergies within the Group as of December 31, 2024 and 2023 as follows:

(In thousands of won)	December 31, 2024	December 31, 2023
Beijing Dual Car interior(*1)	₩ -	₩ 4,300
Borgstena Sweden Group(*1)(*2)	-	7,707,462
Trimsol Europe(*2)	3,887,008	3,691,218
Trimsol Brazil(*2)	-	32,766
Dual Co., Ltd.	150,294	-
	₩ 4,037,302	₩ 11,435,746

(*1) As a result of the impairment test of the goodwill allocated to Beijing Dual Car interior, BORGSTENA SWEDEN GROUP and Trimsol Brazil during the year ended December 31, 2024, it was found that the carrying amount exceeded the recoverable amount, so an impairment losses of ₩7,527 million for goodwill and ₩338 million for the customer relationships were recognized.
(*2) These are the CGUs to which the goodwill recognized in the business combination with DUAL BORGSTENA SWEDEN AB is allocated.

The recoverable amount of each CGU to which goodwill recognized in the business combination with DUAL BORGSTENA SWEDEN AB is allocated was based on the value-in-use. The value-in-use is a discounted future cash flows to be generated from the continuous use of the relevant CGU.

	Perpetual growth rate	Discount rate (*)
Borgstena Sweden Group	1.00%	9.21%
Trimsol Europe	1.00%	7.20%
Trimsol Brazil	1.00%	15.80%

(*) The Group used a discount rate that is applied in calculating the expected cash flows.

The recoverable amounts according to changes in the perpetual growth rate and discount rate, which are major assumptions for calculating the recoverable amount of each CGU by operating segment, are as follows:

(In millions of won)		Discount rate		
CGU of Borgstena Sweden Group		5.50%	6.50%	7.50%
	0.0%	₩ 38,019	₩ 34,684	₩ 32,087
Perpetual growth rate	1.0%	59,955	51,567	45,592
	2.0%	94,233	75,856	63,953

(In millions of won)		Discount rate		
CGU of Trimsol Europe		6.20%	7.20%	8.20%
	0.0%	₩ 94,203	₩ 82,459	₩ 73,560
Perpetual growth rate	1.0%	105,279	90,004	78,939
	2.0%	121,580	100,430	86,041

(In millions of won)		Discount rate		
CGU of Trimsol Brazil		14.80%	15.80%	16.80%
	0.0%	₩ 3,827	₩ 3,561	₩ 3,326
Perpetual growth rate	1.0%	3,932	3,646	3,396
	2.0%	4,053	3,743	3,474

14.3 Impairment test on a CGU which is DUAL BORGSTENA TRIM MEXICO, S. DE R.L. DE C.V.

The Group has executed the impairment test on a CGU which is DUAL BORGSTENA TRIM MEXICO, S. DE R.L. DE C.V., a segment located in Mexico, as it has incurred continuous operating losses. The recoverable amount used in the impairment test of DUAL BORGSTENA TRIM MEXICO, S. DE R.L. DEC.V. was calculated based on cash flow projections based on a five-year business plan approved by the management. The growth rate for cash flows over a period exceeding five years is estimated within a range that does not exceed the long-term average growth rate of the industry in the region to which DUAL BORGSTENA TRIM MEXICO, S. DE R.L. DE C.V. belongs.

The recoverable amount of DUAL BORGSTENA TRIM MEXICO, S. DE R.L. DE C.V. was determined as discounted future cash flows to be generated from the continuous use of the relevant CGU.

	Perpetual growth rate	Discount rate (*)
DUAL BORGSTENA TRIM MEXICO, S. DE R.L. DE C.V.	1.00%	11.90%

(*) The Group used a discount rate that is applied in calculating the expected cash flows.

The recoverable amount according to changes in the perpetual growth rate and discount rate, which are major assumptions for the CGU by operating segment, is as follows:

(In millions of won)		Discount rate		
CGU of DUAL BORGSTENA TRIM MEXICO, S. DE R.L. DE C.V.		10.90%	11.90%	12.90%
	0.0%	₩ 37,138	₩ 33,147	₩ 29,792
Perpetual growth rate	1.0%	40,741	36,063	32,189
	2.0%	45,155	39,568	35,025

15. Leases

15.1 The lease activities by the nature of leased assets are categorized into leases for buildings and leases for vehicles both of which are used for business purposes.

15.2 Changes in the carrying amount of right-of-use assets presented as property, plant, and equipment for each of the two years in the period ended December 31, 2024 are as follows:

(In thousands of won)	Buildings	Vehicles	Total
As of January 1, 2023	₩ 17,963,781	₩ 579,417	₩ 18,543,198
Acquisitions	4,450,126	555,324	5,005,450
Depreciation	(5,012,779)	(430,603)	(5,443,382)
Early termination	(60,829)	(48,834)	(109,663)
Exchange differences	784,872	33,353	818,225
As of December 31, 2023	₩ 18,125,171	₩ 688,657	₩ 18,813,828
As of January 1, 2024	18,125,171	688,657	18,813,828
Acquisitions	3,392,649	678,266	4,070,915
Depreciation	(5,035,615)	(496,526)	(5,532,141)
Early termination	(262,080)	(10,390)	(272,470)
Exchange differences	944,167	16,908	961,075
As of December 31, 2024	₩ 17,164,292	₩ 876,915	₩ 18,041,207

15.3 Changes in the carrying amount of lease liabilities for each of the two years in the period ended December 31, 2024 are as follows:

(In thousands of won)	Buildings	Vehicles	Total
As of January 1, 2023	₩ 19,621,630	₩ 554,770	₩ 20,176,400
Acquisitions	4,450,126	555,324	5,005,450
Interest expenses	594,354	25,833	620,187
Repayments	(5,429,475)	(404,531)	(5,834,006)
Early termination	(60,829)	(48,834)	(109,663)
Exchange differences	454,998	12,066	467,064
As of December 31, 2023	₩ 19,630,804	₩ 694,628	₩ 20,325,432
As of January 1, 2024	19,630,804	694,628	20,325,432
Acquisitions	3,392,649	678,266	4,070,915
Interest expenses	728,919	38,361	767,280
Repayments	(5,340,407)	(540,352)	(5,880,759)
Early termination	(262,080)	(10,390)	(272,470)
Exchange differences	1,442,140	16,808	1,458,948
As of December 31, 2024	₩ 19,592,025	₩ 877,321	₩ 20,469,346

15.4 Short-term leases and leases of low-value assets

Amounts recognized in profit or loss arising from short-term leases and leases of low-value assets for each of the two years in the period ended December 31, 2024 are as follows:

(In thousands of won)	2024	2023
Short-term leases	₩ 1,770,371	₩ 784,222
Leases of low-value assets	146,786	170,456
	₩ 1,917,157	₩ 954,678

The number of contracts for short-term leases is 33 including lease of buildings, while the number of lease contracts of low-value assets is 53 including multifunction printers. Short-term leases of low-value assets are included in expenses related to short-term leases.

16. Investment properties

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

16.1.1 Acquisition cost

(In thousands of won)	Land	Buildings & Structures	Total
As of January 1, 2023	₩ 823,156	₩ 1,635,575	₩ 2,458,731
As of December 31, 2023	₩ 823,156	₩ 1,635,575	₩ 2,458,731
As of January 1, 2024	823,156	1,635,575	2,458,731
Transfers(*)	(823,156)	(1,635,575)	(2,458,731)
As of December 31, 2024	₩ -	₩ -	₩ -

(*) Transferred to property, plant and equipment in their entirety.

16.1.2 Accumulated depreciation

(In thousands of won)	Buildings & Structures
As of January 1, 2023	₩ 751,875
Depreciation	54,519
As of December 31, 2023	₩ 806,394
As of January 1, 2024	806,394
Depreciation	27,260
Transfers(*)	(833,654)
As of December 31, 2024	₩ -

(*) Transferred to the depreciation of property, plant and equipment in their entirety.

16.1.3 Book value

(In thousands of won)	Land	Buildings & Structures	Total
As of December 31, 2023	₩ 823,156	₩ 829,181	₩ 1,652,337
As of December 31, 2024	-	-	-

16.2 Details of gains and losses related to investment properties, which are recognized in other revenue, for each of the two years in the period ended December 31, 2024 are as follows:

(In thousands of won)	2024	2023
Rental income	₩ 39,549	₩ 87,348
Maintenance cost (Depreciation)	27,260	54,519

17. Other assets

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

(In thousands of won)	December 31, 2024			December 31, 2023		
	Current	Non-current	Total	Current	Non-current	Total
Advance payments						
Advance payments	₩ 18,649,242	₩ 2,833,431	₩ 21,482,673	₩ 10,651,172	₩ 3,786,431	₩ 14,437,603
Allowance for doubtful accounts	(2,880,954)	-	(2,880,954)	(885,701)	-	(885,701)
	₩ 15,768,288	₩ 2,833,431	₩ 18,601,719	₩ 9,765,471	₩ 3,786,431	₩ 13,551,902
Prepaid expenses	2,189,481	2,476,765	4,666,246	839,107	3,410,859	4,249,966
Other non-current assets	-	284,962	284,962	-	318,415	318,415
	₩ 17,957,769	₩ 5,595,158	₩ 23,552,927	₩ 10,604,578	₩ 7,515,705	₩ 18,120,283

18. Trade and other payables

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

(In thousands of won)	December 31, 2024			December 31, 2023		
	Current	Non-current	Total	Current	Non-current	Total
Trade payable	₩ 101,066,090	₩ -	₩ 101,066,090	₩ 84,941,206	₩ -	₩ 84,941,206
Other payable	15,901,682	509,643	16,411,325	13,999,396	172,324	14,171,720
Accrued expenses	20,946,923	154,907	21,101,830	17,054,402	283,611	17,338,013
	₩ 137,914,694	₩ 664,550	₩ 138,579,244	₩ 115,995,004	₩ 455,935	₩ 116,450,939

18.2 A substantial portion of the Group's trade payables are included in the Group's supplier finance arrangement with a single counterparty rather than individual suppliers. This results in the Group being required to settle a significant amount with a single counterparty, rather than less significant amounts with several counterparties. However, the Group's payment terms for trade payables covered by the arrangement are identical to the payment terms for other trade payables. Management does not consider the supplier finance arrangement will result in excessive concentrations of liquidity risk, and the arrangement has been established to ease the administrative burden of managing invoices from a significant number of suppliers, rather than to obtain financing.

As of December 31, 2024, the Group has entered into a supplier finance arrangement, but there is no limit and execution amount.

19. Borrowings

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

(In thousands of won)	December 31, 2024		December 31, 2023	
	Current	Non-current	Current	Non-current
Short-term borrowings	₩ 51,442,282	₩ -	₩ 55,818,275	₩ -
Long-term borrowings	1,119,718	1,172,404	1,519,136	2,558,942
	₩ 52,562,000	₩ 1,172,404	₩ 57,337,411	₩ 2,558,942

19.2 Details of maturity period and interest rate of borrowings as of December 31, 2024 and 2023 are as follows:

19.2.1 Short-term borrowings

(In thousands of won)		Interest rate (%)	Maturity period	Dec. 31, 2024	Dec. 31, 2023
	General loan	-	-	₩ -	₩ 723,360
SHINHAN BANK	General loan	-	-	-	7,000,000
	General loan	6-month financial bonds+0.97	25.9.19	4,000,000	-
INDUSTRIAL BANK OF KOREA	General loan	Industrial financial debenture 3.64+0.6	25.4.29	10,000,000	14,200,000
KDB	General loan	3-month KORIBOR+1.197	25.7.12	3,000,000	4,000,000
	General loan	3-month KORIBOR+2.098	25.8.26	3,000,000	2,000,000
KEB Hana Bank	General loan	4.30	25.5.29~25.7.17	9,057,150	8,137,800
AGRICULTURAL BANK OF CHINA	General loan	-	-	-	1,356,300
	General loan	-	-	-	1,989,240
KOOKMIN BANK	General loan	3.4~3.65	25.3.7~25.12.19	7,849,530	4,819,913
	General loan	3.75	25.12.26	1,006,350	113,203
	General loan	3.70~4.30	25.2.19~25.5.9	10,063,500	6,691,080
Woori Bank	General loan	3.90	25.4.13	644,064	614,856
	Trade finance	-	-	-	1,000,000
CAIXA GERAL DEPOSITOS	General loan	-	-	-	1,010,523
EuroBIC, etc.	General loan	1.00~4.40	25.1.31~25.12.31	2,821,688	2,161,999
				₩ 51,442,282	₩ 55,818,274

19.2.2 Long-term borrowings

(In thousands of won)		Interest rate (%)	Maturity period	Dec. 31, 2024	Dec. 31, 2023
HYUNDAI TRANSYS	General loan	-	-	₩ -	₩ 1,925,099
Jiangyin Canyu	General loan	-	-	-	46,823
CAIXA GERAL DEPOSITOS	General loan	1.00	25.12.31~26.12.29	2,256,545	2,106,156
EuroBIC, etc.	General loan	1.00	25.12.31~29.7.25	35,577	-
Sub-total				2,292,122	4,078,078
Less : current portion				(1,119,718)	(1,519,136)
				₩ 1,172,404	₩ 2,558,942

19.3 A maturity profile of the Group's long-term borrowings as of December 31, 2024 is summarized as follows:

(In thousands of won)	Amount
Within a year	₩ 1,119,718
More than a year less than two years	-
More than two years less than three years	1,140,844
More than three years	31,560
	₩ 2,292,122

20. Provision for sales warranties

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

(In thousands of won)	2024	2023
Beginning	₩ 608,313	₩ 638,990
Increase	329,489	636,668
Utilization	(462,780)	(667,649)
Exchange differences	8,003	304
Ending	₩ 483,025	₩ 608,313

A provision for sales warranties is recognized when the underlying products are sold. The provision is based on historical warranty.

21. Other liabilities

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

(In thousands of won)	December 31, 2024	December 31, 2023
Advances received	₩ 896,469	₩ 356,353
Withholdings	10,430,422	6,631,426
Unearned revenue	27,852	35,149
	₩ 11,354,743	₩ 7,022,928

22. Contract liabilities

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

(In thousands of won)		**2024**		**2023**
Beginning	₩	9,374,982	₩	5,033,355
Increase		739,047		8,104,557
Revenue recognized		(1,970,370)		(3,762,930)
Ending	₩	8,143,659	₩	9,374,982
Current	₩	2,739,149	₩	3,486,598
Non-current	₩	5,404,510	₩	5,888,384

23. Other financial liabilities

(In thousands of won)	**December 31, 2024**		**December 31, 2023**	
	Current	Non-current	Current	Non-current
Financial liabilities of non-controlling interest	₩ 12,415,384	₩ -	₩ 2,483,452	₩ 6,222,033

DUAL BORGSTENA, S.A issued a put option for its interest in DUAL BORGSTENA SWEDEN AB. The Group recognized the present value of the amount that the Group would have to pay when the put option is exercised as other financial liabilities as of December 31, 2024. Accordingly, the Group recognized a loss on valuation of other financial liabilities of ₩3,710 million for the year ended December 31, 2024.

24. Equity

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

(In won, except for number of shares)		**Dec. 31, 2024**		**Dec. 31, 2023**
Authorized shares		100,000,000		100,000,000
Par value	₩	2,500	₩	2,500
Issued common stocks		31,304,984		33,066,680
Issued capital(*1)	₩	81,229,017,500	₩	82,666,700,000
Capital surplus		16,556,127,333		16,556,127,333
Gain on disposal of treasury shares(*2)	₩	756,636,490	₩	-

(*1) The Company retired 1,186,623 shares during the year ended December 31, 2024, so the Company's issued capital as of December 31, 2024 does not match the total par value of the issued shares.
(*2) The Company disposed of 1,659,863 treasury shares during the year ended December 31, 2024 and recognized a gain on the disposal of treasury shares.

24.2 Changes in issued capital and capital surplus for each of the two years in the period ended December 31, 2024 are as follows:

(In thousands of won)	**Issued common stocks**	**Share capital**	**Share Premium**	**Gain on disposal of treasury shares**
As of January 1, 2023	33,066,680	₩ 82,666,700	₩ 16,556,127	₩ -
As of December 31, 2023	33,066,680	82,666,700	16,556,127	-
As of January 1, 2024	33,066,680	82,666,700	16,556,127	-
Disposal of treasury stocks	-	-	-	756,636
Profit retirement	(1,186,623)	-	-	-
Capital reduction without refund	(575,073)	(1,437,682)	-	-
As of December 31, 2024	31,304,984	₩ 81,229,018	16,556,127	₩ 756,636

24.3 Other components of equity as of December 31, 2024 and 2023 are as follows:

(In thousands of won)	**Dec. 31, 2024**	**Dec. 31, 2023**
Gain on capital reduction	₩ -	₩ 417,900
Loss on capital reduction	(47,786)	-
Other capital surplus	(9,192,088)	(9,192,088)
Treasury stock(*)	(4,836,924)	(7,954,772)
	₩ (14,076,798)	₩ (16,728,960)

(*1) During the year ended December 31, 2024, the Company recognized the acquisition of treasury stocks of ₩7,645,355 thousand, the retirement of treasury stocks of ₩5,619,763 thousand, and the disposal of treasury stocks of ₩5,143,440 thousand, resulting in a decrease of treasury stocks of ₩3,117,848 thousand.

24.4 Accumulated other comprehensive loss

Changes in accumulated other comprehensive loss for each of the two years in the period ended December 31, 2024 are as follows:

(In thousands of won)	**2024**	**2023**
Gain on translation of foreign operations		
Beginning	₩ 13,245,706	₩ 4,402,213
Total comprehensive income	9,203,502	8,843,493
Ending	₩ 22,449,208	₩ 13,245,706

24.5 Retained earnings

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

(In thousands of won)	**Dec. 31, 2024**	**Dec. 31, 2023**
Other legal reserve	₩ 3,612,751	₩ 3,612,751
Legal reserve	9,365,391	8,999,998
Voluntary reserves	9,161,332	9,161,332
Revaluation reserves	3,470,877	3,470,877
Actuarial loss	(4,010,342)	(7,829,624)
Retained earnings	104,020,559	95,621,000
	₩ 125,620,568	₩ 113,036,334

24.6 Dividend

Dividend proposed for approval at the shareholders' meeting of the Company for each of the two years in the period ended December 31, 2024 is as follows:

(In thousands of won)	**2024**	**2023**
Common stocks(2024: ₩120, 2023: ₩120)	₩ 3,581,432	₩ 3,653,931

25. Earnings per share

25.1 Basic earnings per share for each of the two years in the period ended December 31, 2024 are as follows:

(In thousands of won)	**2024**	**2023**
Profit attributable to owners of the parent company	₩ 16,135,278,695	₩ 20,842,559,657
Profit from continuing operations attributable to owners of the parent company	₩ 17,537,885,717	₩ 21,781,502,056
Loss from discontinued operations attributable to owners of the parent company	(1,402,607,022)	(938,942,399)
Weighted-average number of common shares outstanding	30,448,439	31,208,219
Basic earnings per share	₩ 530	₩ 668
Basic earnings per share for continuing operations	₩ 576	₩ 698
Basic earnings per share for discontinued operations	(46)	(30)

25.2 The weighted-average number of common shares used to calculate basic earnings per share for each of the two years in the period ended December 31, 2024 are as follows:

(Number of shares)	**2024**	**2023**
Total number of common shares issued	32,456,690	33,066,680
Weighted-average number of treasury stock	(2,008,251)	(1,858,461)
Weighted-average number of common shares outstanding	30,448,439	31,208,219

25.3 As there were no potential common share which had dilutive effects as of December 31, 2024 and 2023, diluted earnings per share for each of the two years in the period ended December 31, 2024 are equal to basic earnings per share.

26. Revenue from contracts with customers

26.1 Revenue from contracts with customers for each of the two years in the period ended December 31, 2024 is as follows:

(In thousands of won)		**2024**		**2023**
Types of revenue				
Sales of finished goods	₩	625,062,724	₩	609,690,073
Sales of merchandise		144,666,677		117,434,576
Others		3,529,195		2,738,815
	₩	773,258,597	₩	729,863,464
Geographical market				
Domestic	₩	197,200,922	₩	219,728,881
Overseas		576,057,675		510,134,583
	₩	773,258,597	₩	729,863,464
Timing of revenue recognition				
Goods transferred at a point in time	₩	772,952,743	₩	729,500,888
Services transferred over time		305,854		362,576
	₩	773,258,597	₩	729,863,464

26.2 Details of major customers who account for 10 per cent or more of the Group's revenues for each of the two years in the period ended December 31, 2024 are as follows:

(In thousands of won)		**2024**		**2023**
HYUNDAI MOTOR CO and its subsidiaries	₩	210,500,733	₩	205,008,264
HYUNDAI TRANSYS INC. and its subsidiaries		262,098,175		268,674,167

27. Cost of sales and selling and administrative expenses

27.1 Cost of sales for each of the two years in the period ended December 31, 2024 is as follows:

(In thousands of won)		**2024**		**2023**
Cost of finished goods sold	₩	529,982,675	₩	519,320,639
Cost of merchandise sold		115,046,459		85,971,337
	₩	645,029,135	₩	605,291,976

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

(In thousands of won)		**2024**		**2023**
Wages and salaries	₩	32,458,620	₩	28,512,208
Retirement benefits		1,687,937		1,501,442
Employee welfare		6,693,292		4,880,624
Supplies		2,372,500		1,932,345
Travel		2,231,337		2,089,485
Communication		241,082		220,244
Taxes and dues		826,499		629,062
Publication		25,847		27,489
Utilities		233,591		152,710
Repairs		394,119		231,687
Rental expenses		1,543,506		1,320,716
Depreciation		771,531		496,950
Amortization of intangible assets		2,900,647		2,575,733
Insurance premium		669,379		535,721
Service fees		6,342,133		7,203,676
Training		150,560		136,651
Freight		7,624,018		6,083,685
Advertising expenses		47,271		73,599
Vehicle maintenance		433,013		326,560
Sample expenses		12,235		45,953
Packaging		304,166		268,569
Research and development		9,423,822		8,488,735
Bad debt expenses		849,608		1,516,420
Increase in provision for warranties		329,489		636,668
Miscellaneous expenses		3,777,933		5,610,260
Entertainment		776,917		920,366
Industry association fee		189,978		178,707
Lease payments		99,978		113,005
Depreciation of right-of-use assets		1,900,822		2,887,873
	₩	85,311,830	₩	79,597,143

28. Expenses by nature

Expenses that are recorded by nature as cost of sales and selling and administrative expenses in the consolidated statements of comprehensive income for each of the two years in the period ended December 31, 2024 are as follows:

(In thousands of won)		**2024**		**2023**
Changes in inventories	₩	(8,707,616)	₩	(5,425,990)
Raw materials and consumables used		338,137,863		337,495,876
Purchase of merchandise		112,226,877		94,411,064
Salaries		143,920,382		125,978,428
Employee welfare		17,770,933		14,657,550
Depreciation		18,253,890		17,042,905
Amortization of intangible assets		2,987,586		2,620,681
Outsourcing and service fees		24,854,789		27,070,987
Utilities and electricity expenses		11,717,543		9,976,898
Travel and vehicles maintenance		5,191,431		5,595,211
Rental expenses and lease payments		3,127,396		2,529,550
Taxes and dues		2,377,959		2,762,788
Freight		16,831,086		14,835,364
Others		41,650,845		35,337,806
	₩	730,340,965	₩	684,889,118

29. Employee benefits

29.1 Employee benefits for each of the two years in the period ended December 31, 2024 are as follows:

(In thousands of won)		**2024**		**2023**
Salaries	₩	139,761,764	₩	122,186,127
Expenses related to defined benefit plans		4,158,618		3,792,301
	₩	143,920,382	₩	125,978,428

29.2 Liabilities related to employee benefits as of December 31, 2024 and 2023 are as follows:

(In thousands of won)		**Dec. 31, 2024**		**Dec. 31, 2023**
Unpaid salaries	₩	3,176,341	₩	2,785,539
Net defined benefit liabilities		13,400,949		17,961,019
Liabilities for annual paid leave and long-term employee benefits		1,541,012		1,684,410
	₩	18,118,302	₩	22,430,968

29.3 The amounts recognized in relation to net defined benefit liabilities in the consolidated statements of financial position as of December 31, 2024 and 2023 are as follows:

(In thousands of won)		**Dec. 31, 2024**		**Dec. 31, 2023**
Present value of defined benefit obligations	₩	29,391,821	₩	30,285,484
Prepayments to National Pension Service		(13,993)		(13,790)
Fair value of plan assets		(15,976,879)		(12,310,675)
Net defined benefit liabilities	₩	13,400,949	₩	17,961,019

29.4 The fair value of plan assets as of December 31, 2024 and 2023 are as follows:

(In thousands of won)	**Dec. 31, 2024**	**Dec. 31, 2023**
Ordinary deposits	₩ 15,976,879	₩ 12,310,675

29.5 Changes in net defined benefit liabilities for each of the two years in the period ended December 31, 2024 are as follows:

(In thousands of won)	**Funded obligations**		**Plan assets**		**Net defined benefit liabilities**	
	2024	2023	2024	2023	2024	2023
Beginning	₩ 30,285,484	₩ 24,551,523	₩ (12,324,466)	₩ (9,283,569)	₩ 17,961,018	₩ 15,267,954
Included in profit or loss						
Current service cost	3,603,636	3,254,860	-	-	3,603,636	3,254,860
Interest costs (income)	967,013	933,663	(487,445)	(435,786)	479,568	497,877
Costs of managing the plan assets	-	-	75,414	39,563	75,414	39,563
	4,570,649	4,188,523	(412,031)	(396,223)	4,158,618	3,792,300
Included in OCI						
Remeasurements						
-Actuarial loss (gain) arising from:						
Demographic assumptions	60,294	84,163	-	-	60,294	84,163
Financial assumptions	(739,879)	752,395	-	-	(739,879)	752,395
Experience adjustment	(4,177,424)	3,057,316	-	-	(4,177,424)	3,057,316
Remeasurement of plan assets	-	-	(1,848)	15,108	(1,848)	15,108
	(4,857,009)	3,893,874	(1,848)	15,108	(4,858,857)	3,908,982
Other						
Transfer from affiliates	-	-	-	-	-	-
Contributions to plan assets	-	-	(3,727,184)	(5,053,402)	(3,727,184)	(5,053,402)
Benefits paid	(2,359,768)	(2,427,940)	2,032,701	2,391,631	(327,067)	(36,309)
Business combinations	1,606,294	-	(1,557,842)	-	48,452	-
Others	-	-	(202)	1,989	(202)	1,989
Exchange differences, etc.	146,171	79,504	-	-	146,171	79,504
	(607,303)	(2,348,436)	(3,252,527)	(2,659,782)	(3,859,830)	(5,008,218)
Ending	₩ 29,391,821	₩ 30,285,484	₩ (15,990,872)	₩ (12,324,466)	₩ 13,400,949	₩ 17,961,018

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

(In thousands of won)	**Dec. 31, 2024**	**Dec. 31, 2023**
Discount rate	4.36%	4.18%
Mortality	Korea Insurance Development Institute	Korea Insurance Development Institute
Retirement	Experience rate	Experience rate
Expected future increase in salaries	Experience rate	Experience rate

29.7 Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding the other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(In thousands of won)	**1% Increase**	**1% Decrease**
Discount rate	₩ (1,313,260)	₩ 1,501,941
Expected future increase in salaries	1,492,851	(1,328,674)

29.8 As of December 31, 2024 and 2023, the weighted-average duration of the defined benefit obligation was 7.18 years and 7.36 years, respectively.

30. Other income and expenses

30.1 Other income for each of the two years in the period ended December 31, 2024 are as follows:

(In thousands of won)		**2024**		**2023**
Gain on disposal of property, plant and equipment	₩	178,947	₩	110,307
Miscellaneous gain		2,806,109		5,391,292
Rental income		55,349		163,307
	₩	3,040,405	₩	5,664,906

30.2 Other expenses for each of the two years in the period ended December 31, 2024 are as follows:

(In thousands of won)		**2024**		**2023**
Donations	₩	142,700	₩	29,269
Other bad debt expenses		2,134,522		45,009
Miscellaneous loss		1,341,996		1,996,271
Loss on disposal of property, plant and equipment		40,571		311,245
Loss on obsolescence of property, plant and equipment		166		61,412
Impairment loss on intangible assets		7,864,752		3,600,000
	₩	11,524,707	₩	6,043,206

31. Finance income and costs

31.1 Finance income for each of the two years in the period ended December 31, 2024 is as follows:

(In thousands of won)		**2024**		**2023**
Interest income	₩	2,501,566	₩	2,425,934
Gain on foreign currency transactions		5,888,327		4,980,237
Gain on foreign currency translations		4,362,986		661,639
Dividend income		31,088		31,088
Gain on valuation of financial assets measured at fair value through profit or loss		1,738		425,432
Gain on disposal of financial assets measured at fair value through profit or loss		-		101,498
	₩	12,785,705	₩	8,625,828

31.2 Finance costs for each of the two years in the period ended December 31, 2024 are as follows:

(In thousands of won)		**2024**		**2023**
Interest expenses	₩	3,389,940	₩	3,710,388
Loss on foreign currency translations		6,345,128		2,620,634
Loss on foreign currency transactions		9,851,128		6,593,840
Loss on valuation of other financial liabilities		3,709,899		2,991,444
Loss on valuation of financial assets measured at fair value through profit or loss		1,053,157		-
	₩	24,349,252	₩	15,916,306

31.3 Finance income and finance costs by categories of financial instruments for each of the two years in the period ended December 31, 2024 are as follows:

(In thousands of won)	Finance income		Finance costs	
	2024	2023	2024	2023
Financial assets measured at amortized cost	₩ 12,752,879	₩ 8,067,810	₩ -	₩ -
Financial assets measured at fair value through profit or loss	32,826	558,018	1,053,157	-
Financial liabilities measured at amortized cost	-	-	23,296,095	15,916,306
	₩ 12,785,705	₩ 8,625,828	₩ 24,349,252	₩ 15,916,306

32. Income taxes

32.1 The components of income tax expense for each of the two years in the period ended December 31, 2024 are as follows:

(In thousands of won)	2024	2023
Current income taxes:	₩ 10,665,916	₩ 13,631,123
Items recorded directly in equity	(199,920)	-
	₩ 10,465,996	₩ 13,631,123
Deferred taxes:		
Deferred tax due to temporary differences(*)	₩ (4,636,344)	₩ 1,173,062
Items recorded directly in equity	(1,038,741)	730,506
	₩ (5,675,085)	₩ 1,903,568
Income tax expense	₩ 4,790,911	₩ 15,534,691
Income tax expense for continuing operations	₩ 4,790,911	₩ 15,534,691

(*) Deferred income tax of ₩1,136 million recognized due to business combinations that occurred during the year ended December 31, 2024 was not included.

32.2 The income taxes credited directly to equity for each of the two years in the period ended December 31, 2024 are as follows:

(In thousands of won)	2024			2023		
	Before	Income tax	After	Before	Income tax	After
Actuarial loss	₩ 4,858,857	₩ (1,038,741)	₩ 3,820,116	₩ (3,908,982)	₩ 730,507	₩ (3,178,475)
Gain on disposal of treasury shares	956,557	(199,920)	756,637	-	-	-
	₩ 5,815,414	₩ (1,238,661)	₩ 4,576,753	₩ (3,908,982)	₩ 730,507	₩ (3,178,475)

32.3 The income tax expense calculated by applying statutory tax rates to the Group's profit before income taxes differs from the actual tax expense in the consolidated statements of comprehensive income for each of the two years in the period ended December 31, 2024 for the following reasons:

(In thousands of won)		**2024**		**2023**
Profit from continuing operations before income tax expense	₩	22,869,783	₩	37,305,566
Loss from discontinued operations before income tax expense		(1,402,607)		(938,942)
Profit before income tax expense	₩	21,467,176	₩	36,366,624
Income tax expense computed at statutory rate		4,538,718		7,976,206
Adjustments:				
Tax effect due to permanent differences		2,326,076		(2,314,714)
Unrealizable deferred income tax effect		(717,959)		1,381,351
Tax credit		(866,306)		(288,447)
Investment in subsidiaries		825,423		8,939,170
Others		(1,315,041)		(158,875)
	₩	252,193	₩	7,558,485
Income tax expense	₩	4,790,911	₩	15,534,691
Effective tax rate (income tax expense/profit before income tax expense)		22.32%		42.72%

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

32.4.1 For the year ended December 31, 2024

(In thousands of won)	**Beginning**	**Included in profit or loss**	**Included in OCI**	**Business combinations**	**Ending**
Accrued income	₩ (64,179)	₩ (96,573)	₩ -	₩ -	₩ (160,752)
Allowance for doubtful accounts	2,041,266	485,043	-	-	2,526,309
Allowance for inventories valuation	773,746	790,915	-	-	1,564,660
Financial assets measured at FVPL	123,866	(4,698)	-	-	119,168
Land	(134,367)	5,096	-	-	(129,271)
Buildings	(164,861)	6,253	-	-	(158,608)
Accrued expenses	434,507	(82,206)	-	-	352,301
Provision for sales warranties	120,098	(35,315)	-	-	84,783
Government grants	1,953	(996)	-	-	957
Defined benefit liabilities	3,537,721	(148,327)	(1,038,741)	-	2,350,653
Depreciation	240,244	(24,155)	-	-	216,089
Impairment loss on intangible assets	5,597	(213)	-	-	5,384
Gain on foreign currency translations	396,155	(1,042,244)	-	-	(646,089)
Gain on valuation of financial assets	(2,581)	98	-	-	(2,483)
Intangible assets	(5,274,292)	163,722	-	-	(5,110,570)
Others	(6,622,529)	5,658,685	-	(1,136,468)	(2,100,312)
	₩ (4,587,656)	₩ 5,675,085	₩ (1,038,741)	₩ (1,136,468)	₩ (1,087,780)

32.4.2 For the year ended December 31, 2023

(In thousands of won)	Beginning	Included in profit or loss	Included in OCI	Ending
Accrued income	₩ (68,570)	₩ 4,391	₩ -	₩ (64,179)
Allowance for doubtful accounts	1,785,838	255,428	-	2,041,266
Allowance for inventories valuation	515,039	258,707	-	773,746
Financial assets measured at FVPL	120,883	2,983	-	123,866
Land	(131,131)	(3,236)	-	(134,367)
Buildings	(160,890)	(3,971)	-	(164,861)
Accrued expenses	338,865	95,642	-	434,507
Provision for sales warranties	135,687	(15,589)	-	120,098
Government grants	2,842	(889)	-	1,953
Defined benefit liabilities	2,996,772	(189,557)	730,506	3,537,721
Depreciation	236,698	3,546	-	240,244
Impairment loss on intangible assets	5,462	135	-	5,597
Gain on foreign currency translations	38,944	357,211	-	396,155
Gain on valuation of financial assets	(2,519)	(62)	-	(2,581)
Intangible assets	(5,041,043)	(233,249)	-	(5,274,292)
Others	(4,187,471)	(2,435,058)	-	(6,622,529)
	₩ (3,414,594)	₩ (1,903,568)	₩ 730,506	₩ (4,587,656)

32.5 As of December 31, 2024 and 2023, deferred tax assets of ₩ 7,171,733 thousand and ₩ 6,871,941 thousand and deferred tax liabilities of ₩ 1,118,134 thousand and ₩ 100,383 thousand were not recognized, respectively.

33. Capital management

The fundamental goal of capital management is the maximization of shareholders' value by means of a stable dividend policy and the retirement of treasury shares. The capital structure of the Group consists of equity and net debt, deducting cash and cash equivalents and short-term financial assets from borrowings. The Group applied the same financial risk management strategy that was applied in the previous period.

The equity attributable to owners as of December 31, 2024 and 2023 is as follows:

(In thousands of won)	Dec. 31, 2024	Dec. 31, 2023
Total liabilities	₩ 273,790,727	₩ 261,501,986
Total equity	240,411,525	215,587,696
Liability-to-equity ratio	113.88%	121.30%
Total borrowings	₩ 53,734,404	₩ 59,896,353
Less: Cash and cash equivalents	(71,345,012)	(42,816,509)
Net-borrowings	(17,610,608)	17,079,844
Total equity	240,411,525	215,587,696
Net borrowing-to-equity ratio(*)	-	7.92%

(*) Not presented as net borrowings-to-equity ratio is negative amounts.

34. Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- market risk
- credit risk
- liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

34.1 Market risk

34.1.1 Currency risk

The Group is exposed to currency risk from sales, purchases and borrowings in a currency other than the functional currency. The currencies in which these transactions primarily are denominated are USD, EUR, SEK and CNY.

The Group has exposure to the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The exposure to currency risk as of December 31, 2024 and 2023 are as follows:

(In thousands of won)	**December 31, 2024**			**December 31, 2023**		
	Assets	Liabilities	Net assets	Assets	Liabilities	Net assets
USD	₩ 24,738,424	₩ 15,418,728	₩ 9,319,696	₩ 8,251,441	₩ 12,011,785	₩ (3,760,344)
EUR	25,118,874	26,879,757	(1,760,883)	12,502,695	12,587,533	(84,838)
SEK	5,786	-	5,786	5,878	-	5,878
CNY	6,398	-	6,398	5,163	-	5,163
	₩ 49,869,482	₩ 42,298,485	₩ 7,570,997	₩ 20,765,177	₩ 24,599,318	₩ (3,834,141)

Foreign currency exchange rates as of December 31, 2024 and 2023 are as follows:

(In won)	**Exchange rate(year-end)**		**Exchange rate(year-average)**	
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
USD	₩ 1,470.00	₩ 1,289.40	₩ 1,363.98	₩ 1,305.41
EUR	1,528.73	1,426.59	1,475.05	1,412.36
SEK	133.23	129.00	128.98	123.09
CNY	201.27	180.84	189.20	184.22

The Group internally investigates the currency risk caused by foreign currency exchange rate variances regularly. For each of the two years in the period ended December 31, 2024, the effects of a hypothetical 10% strengthening or weakening of functional currency against foreign currencies other than functional currency on profit before tax are as follows:

(In thousands of won)	**2024**		**2023**	
	10% increase	10% decrease	10% increase	10% decrease
USD	₩ 931,970	₩ (931,970)	₩ (376,034)	₩ 376,034
EUR	(176,088)	176,088	(8,484)	8,484
SEK	579	(579)	588	(588)
CNY	640	(640)	516	(516)
	₩ 757,100	₩ (757,100)	₩ (383,414)	₩ 383,414

34.1.2 Interest rate risk

The Group manages the exposure to interest rate risk by adjusting of borrowing structure ratio between borrowings at fixed interest rate and variable interest rate. The Group monitors interest rate risks regularly in order to avoid exposure to interest rate risk on borrowings at variable interest rate.

The carrying amount of interest-bearing financial instruments as of December 31, 2024 and 2023 are as follows:

(In thousands of won)	December 31, 2024		December 31, 2023	
	Fixed rate	Variable rate	Fixed rate	Variable rate
Financial assets:				
Demand deposits	₩ 9,000,000	₩ 62,333,258	₩ -	₩ 42,806,306
Short-term and long-term financial instruments	812,148	1,531,821	6,000	15,281,919
Loans	-	-	1,000,000	-
	₩ 9,812,148	₩ 63,865,079	₩ 1,006,000	₩ 58,088,225
Financial liabilities				
Short-term borrowings	₩ -	₩ 51,442,282	₩ -	₩ 55,818,275
Long-term borrowings	1,172,404	1,119,718	2,558,942	1,519,136
	₩ 1,172,404	₩ 52,562,000	₩ 2,558,942	₩ 57,337,411

Provided that other factors remain the same and the interest rate of borrowings with floating rates increases or decreases by 1%, the changes in interest expense for each of the two years in the period ended December 31, 2024 are as follows:

(In thousands of won)	2024		2023	
	1% increase	1% decrease	1% increase	1% decrease
Interest income	₩ 638,651	₩ (638,651)	₩ 580,882	₩ (580,882)
interest expenses	(525,620)	525,620	(573,374)	573,374

34.1.3 Other price risk

The Group's listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions. The Group holds the equity instruments for strategic purposes, not trading purposes, and is not actively trading the investment assets.

34.2 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of a nation or an industry in which a customer operates its business does not have a significant influence on credit risk. The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness. The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for companies 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. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as of December 31, 2024 and 2023 is as follows:

(In thousands of won)		**Dec. 31, 2024**		**Dec. 31, 2023**
Cash and cash equivalents(*)	₩	71,333,258	₩	42,806,306
Short-term and long-term financial instruments		2,343,969		15,287,919
Trade and other receivables		154,795,496		156,199,111
Financial assets measured at fair value through profit or loss		5,005,756		5,179,537
	₩	233,478,479	₩	219,472,873

(*) Cash on hand held by the Group as of December 31, 2024 and 2023 was excluded.

34.3 Liquidity risk

The Group has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by continuously monitoring forecasted and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Contractual maturities for financial liabilities as of December 31, 2024 and 2023 are as follows:

34.3.1 December 31, 2024

(In thousands of won)	**Book value**	**Contractual cash flow**	**Within 1 year**	**1 year~2 years**	**After 2 years**
Trade and other payables	₩ 138,579,244	₩ 138,579,244	₩ 137,914,694	₩ 664,550	₩ -
Short-term and long-term borrowings	53,734,404	54,679,582	53,484,288	22,080	1,173,214
Non-controlling equity financial liabilities(*)	12,415,384	12,806,165	12,806,165	-	-
Lease liabilities	20,469,346	23,741,173	5,474,506	4,419,538	13,847,129
	₩ 225,198,378	₩ 229,806,163	₩ 209,679,652	₩ 5,106,168	₩ 15,020,343

(*) For non-controlling equity financial liabilities, the maximum amount of the liabilities is allocated to the earliest period in which the liabilities could be called.

34.3.2 December 31, 2023

(In thousands of won)	**Book value**	**Contractual cash flow**	**Within 1 year**	**1 year~2 years**	**After 2 years**
Trade and other payables	₩ 116,450,939	₩ 116,450,940	₩ 115,995,005	₩ 455,935	₩ -
Short-term and long-term borrowings	59,896,353	61,277,102	58,560,266	1,610,794	1,106,042
Non-controlling equity financial liabilities(*)	8,705,485	9,357,947	2,483,452	6,874,495	-
Lease liabilities	20,325,432	21,013,323	4,308,014	2,921,643	13,783,666
	₩ 205,378,209	₩ 208,099,312	₩ 181,346,737	₩ 11,862,867	₩ 14,889,708

(*) For non-controlling equity financial liabilities, the maximum amount of the liabilities is allocated to the earliest period in which the liabilities could be called.

35. Classification and fair value of financial instruments

35.1 The carrying amount and the fair values of financial assets and financial liabilities by fair value hierarchy as of December 31, 2024 and 2023 are as follows:

(In thousands of won)		Dec. 31, 2024		Dec. 31, 2023
Financial assets:				
Financial assets measured at fair value through profit or loss:				
Equity security	₩	996,554	₩	1,569,961
Equity investments		3,487,249		3,167,000
Debt investments		521,953		442,575
	₩	5,005,756	₩	5,179,536
Financial assets measured at amortized cost:				
Cash and cash equivalents	₩	71,345,012	₩	42,816,509
Trade and other receivables		154,795,495		156,199,112
Short-term and long-term financial instruments		2,343,969		15,287,919
	₩	228,484,476	₩	214,303,540
	₩	233,490,232	₩	219,483,076
Financial liabilities:				
Financial liabilities measured at amortized cost:				
Trade and other payables	₩	133,861,891	₩	111,980,990
Borrowings		53,734,404		59,896,353
Lease liabilities		20,469,346		20,325,431
Other financial liabilities		12,415,384		8,705,485
	₩	220,481,025	₩	200,908,259

Fair value of financial assets and liabilities measured at amortized cost approximates carrying amounts.

35.2 The fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in measurements.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs, other than quoted prices, that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

35.3 Fair value measurement and input

Financial assets classified as fair value hierarchy Level 3 are measured using the derivatives instrument valuation model such as discounted cash flow method. Inputs of the financial instrument valuation model include forward rate, interest rate and others. It may change depending on the type of derivatives and the nature of the underlying assets.

35.4 The fair value measurements classified by the level of fair value hierarchy as of December 31, 2024 and 2023 are as follows:

(In thousands of won)	Level 1	Level 2	Level 3	Total
December 31, 2024				
Financial assets measured at fair value through profit or loss	₩ 996,554	₩ 521,953	₩ 3,487,249	₩ 5,005,756
Financial liabilities measured at amortized cost (other financial liabilities)	-	-	12,415,384	12,415,384
December 31, 2023				
Financial assets measured at fair value through profit or loss	1,569,961	442,575	3,167,000	5,179,536
Financial liabilities measured at amortized cost (other financial liabilities)	-	-	8,705,485	8,705,485

35.5 Changes in fair value of financial instruments classified as Level 3 for each of the two years in the period ended December 31, 2023 were as follows:

35.5.1 For the year ended December 31, 2024

(In thousands of won)	Beginning	Acquisition	Valuation	Ending
Financial assets measured at fair value through profit or loss	₩ 3,167,000	₩ 800,000	₩ (479,751)	₩ 3,487,249
Other financial liabilities	8,705,485	-	3,709,899	12,415,384

35.5.2 For the year ended December 31, 2023

(In thousands of won)	Beginning	Acquisition	Valuation	Ending
Financial assets measured at fair value through profit or loss	₩ 2,801,000	₩ 400,000	₩ (34,000)	₩ 3,167,000
Other financial liabilities	5,714,041	-	2,991,444	8,705,485

The fair value of financial instruments that are not traded in active markets is measured using valuation techniques, and if one or more significant inputs are not based on observable market information, the financial instruments are classified as Level 3.

36. Commitments and contingencies

36.1 Assets pledged as collateral as of December 31, 2024 are as follows:

(In thousands of won except USD)	Book value	Pledged amount	Provider	Collateral right holder
Land and buildings	₩ 5,237,305	₩ 7,620,000	Dual Co., Ltd.	SHINHAN BANK
	9,631,520	11,100,000		KDB
		USD 1,100,000		

36.2 As of December 31, 2024, ₩806,148 thousand of the ordinary deposits in KOREA SECURITIES FINANCE CORPORATION has been pledged as collateral in relation to employee stock ownership (see Note 8).

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

(In thousands of won, except USD)	Provider	Description		Limit of guaranteed amount
SHINHAN BANK	Ian Hwe Cho	Payment guarantee	₩	4,445,900
SHINHAN BANK	Ian Hwe Cho	Payment guarantee		4,800,000
KDB	Ian Hwe Cho	Payment guarantee		5,644,800
INDUSTRIAL BANK OF KOREA	Ian Hwe Cho	Payment guarantee		12,000,000
Woori Bank	Ian Hwe Cho	Payment guarantee		4,800,000
SAMCHULLY CO., LTD	Seoul Guarantee Insurance	Payment performance guarantee		82,100
Asan-si, Chungcheongnam-do	Seoul Guarantee Insurance	License guarantee		84,921
KOREA PALLET POOL Co.,LTD.	Seoul Guarantee Insurance	Payment guarantee		2,000
			₩	31,859,721
KOOKMIN BANK	Ian Hwe Cho	Payment guarantee	USD	19,800,000

36.4 Lines of credits provided by financial institutions as of December 31, 2024 are as follows:

(In thousands of won)	Type	Credit lines	Borrowing amount	Unused balance
SHINHAN BANK	Trading finance	₩ 4,000,000	₩ -	₩ 4,000,000
	Purchasing fund	3,000,000	-	3,000,000
	General loan	4,000,000	4,000,000	-
KDB	General loan	10,000,000	10,000,000	-
	Automatic loan	2,000,000	-	2,000,000
INDUSTRIAL BANK OF KOREA	General loan	6,000,000	6,000,000	-
	Trading finance	4,000,000	-	4,000,000
KOOKMIN BANK	General loan	7,849,530	7,849,530	-
	General loan	1,006,350	1,006,350	-
	General loan	-	10,063,500	(10,063,500)
KEB Hana Bank	General loan	9,057,150	9,057,150	-
Woori Bank	Trading finance	4,000,000	-	4,000,000
	General loan	644,064	644,064	-
CAIXA GERAL DEPOSITOS	General loan	2,256,545	2,256,545	-
EuroBIC, etc.	General loan	2,857,265	2,857,265	-
		₩ 60,670,904	₩ 53,734,404	₩ 6,936,500

36.5 As of December 31, 2024, the Group is involved in one lawsuit for damages arising from a collision with the Group as the defendant, and the expected outcome of the lawsuit is uncertain.

37. Business combinations

37.1 General information

On June 14, 2024, the Group acquired the airbag business, and the assets and liabilities identified on the acquisition date of the airbag business include inputs (self-developed technology, relationships with customers, etc.), production processes, and organized labor. The Group jointly determined whether the acquired inputs and production processes significantly contribute to the ability to generate profits, and this set of acquisitions meets the definition of a business.

37.2 Accounting for the business combinations

As of December 31, 2024, the accounting treatment reflected in the consolidated financial statements for the year ended December 31, 2024 due to business combination is as follows:

(In thousands of won)		**Amount**
Ⅰ. Consideration transferred	₩	6,326,834
Ⅱ. Identifiable assets acquired and liabilities assumed		
Trade and other receivables, net	₩	1,167,354
Property, plant and equipment, net		156,786
Intangible assets, net		587
Inventories, net		1,498,703
Customer relationships		2,040,000
Developed technologies		3,325,000
Net defined benefit liabilities		(46,510)
Trade and other payables		(782,062)
Long-term employee benefits		(46,850)
Deferred tax liabilities		(1,136,468)
Total identifiable net assets	₩	6,176,540
Goodwill	₩	150,294
Total net assets from business combinations	₩	6,326,834

37.3 Assumptions for fair value assessment

The key assumptions for evaluating the airbag business unit are as follows:

- Sales: annual sales estimates based on long-term contracts with major customers and OEM production plans
- Cost of sales and selling and administrative expenses: estimated by considering past sales cost rate, fixed costs, labor costs, etc.
- WACC: Calculating the weighted average cost of capital using CAPM

37.4 Costs related to business combination

During the year ended December 31, 2024, expenses related to the business combination, including consulting fees were ₩45 million, which the Group recognized as selling and administrative expenses.

38. Related party transactions

38.1 Details of related parties with the Group as of December 31, 2024 are as follows:

	Name
Entity with significant influence over the Group	IHC CO., LTD
Other related parties	Jiangyin Canyu International Trading Co., Ltd, TRIMSOL SP.ZO.O., CHEMGAS KOREA CO.,LTD, SOOPSORI CO.,LTD.
Key management officer	Ian Hwe Cho, etc.

38.2 Significant transactions between the Group and related parties for each of the two years in the period ended December 31, 2024 are as follows:

38.2.1 For the year ended December 31, 2024

(In thousands of won)	**Sales**	**Purchase**	**Interest income**	**Other income**	**Other expenses**
Entity with significant influence over the Group:					
IHC CO.,LTD(*)	₩ 5,763,392	₩ 1,304,469	₩ 147,418	₩ 78,424	₩ 669,988
Other related parties:					
Jiangyin Canyu International Trading Co., Ltd,	-	161,706	-	5,406	-
TRIMSOL SP.ZO.O.	5,586,786	22,019	-	-	-
	₩ 11,350,178	₩ 1,488,194	₩ 147,418	₩ 83,830	₩ 669,988

(*) In addition to the above transaction, there was a business transfer transaction with IHC CO., LTD (transaction amount ₩6,326,834 thousand) as described in Note 3, and ₩6,099,997 thousand of the transaction amount was paid in treasury stocks.

38.2.2 For the year ended December 31, 2023

(In thousands of won)	**Sales**	**Purchase**	**Interest income**	**Other income**	**Other expenses**
Entity with significant influence over the Group:					
IHC CO.,LTD	₩ 12,721,466	₩ 1,404,358	₩ 230,340	₩ 82,893	₩ 738,651
Other related parties:					
Jiangyin Canyu International Trading Co., Ltd,	-	141,896	-	5,263	-
TRIMSOL SP.ZO.O.	2,123,880	6,032,016	-	9,272	6,028
	₩ 14,845,346	₩ 7,578,270	₩ 230,340	₩ 97,428	₩ 744,679

38.3 The balances of significant transactions between the Group and the related parties as of December 31, 2024 and 2023 are as follows:

38.3.1 December 31, 2024

(In thousands of won)	**Receivables**		**Payables**	
	Trade receivables	Other receivables	Trade payables	Other payables
Entity with significant influence over the Group:				
IHC CO.,LTD	₩ 677,867	₩ 2,593,300	₩ -	₩ -
Other related parties:				
Jiangyin Canyu International Trading Co., Ltd,	-	-	327,475	171,080
TRIMSOL SP.ZO.O.	1,800,977	-	-	-
	₩ 2,478,844	₩ 2,593,300	₩ 327,475	₩ 171,080

38.3.2 December 31, 2023

(In thousands of won)	Receivables		Payables	
	Trade receivables	Other receivables	Trade payables	Other payables
Entity with significant influence over the Group:				
IHC CO.,LTD	₩ 1,930,077	₩ 3,914,856	₩ 92,122	₩ 397,435
Other related parties:				
Jiangyin Canyu International Trading Co., Ltd,	-	-	294,235	46,823
TRIMSOL SP.ZO.O.	1,176,512	-	487,807	-
	₩ 3,106,589	₩ 3,914,856	₩ 874,164	₩ 444,258

38.4 Significant financial transactions between the Group and the related parties for each of the two years in the period ended December 31, 2024 are as follows:

(In thousands of won)	Description	2024	2023
IHC CO.,LTD	Payment of dividends	₩ 1,012,847	₩ 675,231

38.5 The Group provides surety in the amount of ₩806 million for the related parties as of December 31, 2024 (see Note 36).

38.6 The related parties provide payment guarantees amounting to USD 19,800,000 and ₩31,691 million for the Group as of December 31, 2024 (see Note 36).

38.7 For each of the two years in the period December 31, 2024, details of compensation to key management officers are as follows:

(In thousands of won)	2024	2023
Short-term benefits	₩ 1,443,498	₩ 1,425,877
Retirement benefits	414,891	498,632
	₩ 1,858,389	₩ 1,924,509

Key management officers include directors (including non-standing directors), members of the Board, executive officers in finance and executive officer in internal audit who have significant influences and responsibilities in the Group's business and operations.

39. Consolidated statements of cash flows

The Group prepared the information on cash flows from operating activities using the indirect method. The adjustments related to cash flows from operating activities and changes in assets and liabilities resulting from operating activities for each of the two years in the period ended December 31, 2024 are as follows:

39.1 Adjustments

(In thousands of won)	2024	2023
Loss on foreign currency translations	₩ 6,345,128	₩ 2,620,634
Bad debt expenses	849,608	1,516,420
Loss on valuation of inventories	1,193,210	2,034,207
Loss on valuation of financial liabilities	3,709,899	2,991,444
Loss on valuation of financial assets measured at fair value through profit or loss	1,053,157	-
Depreciation	12,858,675	11,776,112
Loss on disposal of property, plant and equipment	40,571	311,245
Loss on obsolescence of property, plant and equipment	165	61,412
Impairment loss on intangible assets	7,864,752	3,600,000
Amortization	2,987,586	2,620,681
Depreciation of right-of-use assets	5,532,141	5,443,382
Miscellaneous loss	251,656	251,645
Interest expenses	3,489,640	3,810,699
Increase in provision for sales warranties	329,489	636,668
Retirement benefits	4,158,618	3,792,301
Salaries	68,806	39,166
Other bad debt expenses	2,134,522	45,009
Gain on foreign currency translations	(4,362,985)	(661,639)
Interest income	(2,522,450)	(2,471,746)
Dividend income	(31,088)	(31,088)
Miscellaneous gain	(7,406)	(613,187)
Gain on valuation of financial assets measured at fair value through profit or loss	(1,738)	(425,432)
Gain on disposal of financial assets measured at fair value through profit or loss	-	(101,498)
Gain on disposal of property, plant and equipment	(312,477)	(111,259)
Income tax expenses	4,790,911	15,534,691
	₩ 50,420,390	₩ 52,669,867

39.2 Changes in operating assets and liabilities

(In thousands of won)		**2024**		**2023**
Increase in trade receivables	₩	(21,900,427)	₩	(30,886,229)
Decrease in other receivables		2,316,240		2,808,741
Increase in accrued income		(3,073,691)		(3,657,843)
Decrease in long-term other receivables		576,606		441,591
Increase in advanced payments		(7,534,369)		(7,616,649)
Increase in prepaid expenses		(1,219,951)		(60,585)
Increase in inventories		(9,505,155)		(8,397,894)
Decrease (increase) in long-term prepaid expenses		1,189,423		(464,091)
Decrease in other non-current assets		54,276		136,708
Increase (decrease) in trade payables		34,273,098		(2,773,325)
Increase (decrease) in other payables		731,139		(10,836,896)
Increase in accrued expenses		8,397,676		9,827,609
Increase (decrease) in long-term other payables		289,699		(164,545)
Increase (decrease) in long-term accrued expenses		(105,633)		301,327
Increase (decrease) in advances received		626,868		(974,293)
Increase in withholdings		4,276,902		4,106,047
Increase (decrease) in contract liabilities		(1,231,323)		4,341,628
Utilization of provision for sales warranties		(462,780)		(667,649)
Decrease in unearned income		(10,593)		(10,313)
Increase in plan assets		(1,692,744)		(2,659,781)
Payment of retirement benefits		(2,361,758)		(2,429,930)
Decrease in prepayments to NPS		1,990		1,990
	₩	3,635,493	₩	(49,634,382)

39.3 Significant non-cash transactions from investing and financing activities for each of the two years in the period ended December 31, 2024 are as follows:

(In thousands of won)		**2024**		**2023**
Effect of KIFRS 1116	₩	4,070,915	₩	5,005,450
Reclassification of construction-in-progress to property, plant and equipment		6,993,809		1,720,718
Transfers from other payables to property, plants, and equipment		(118,157)		(5,037)
Transfers from other payables to intangible assets		162,700		-
Transfers from property, plants, and equipment to other receivables		128,022		-
Payment in treasury stocks in connection with business combinations		6,099,997		-

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

39.4.1 For the year ended December 31, 2024

(In thousands of won)	Borrowings	Unpaid dividends	Lease liabilities
Beginning	₩ 59,896,353	₩ -	₩ 20,325,432
Changes from financing cash flows	(7,139,379)	(3,653,931)	(5,880,759)
Dividends	-	3,653,931	-
Exchange differences	(1,840,350)	-	1,458,948
Transfers	2,817,780	-	3,798,445
Finance costs	-	-	767,280
	₩ 53,734,404	₩ -	₩ 20,469,346

39.4.2 For the year ended December 31, 2023

(In thousands of won)	Borrowings	Debentures	Unpaid dividends	Lease liabilities
Beginning	₩ 54,033,041	₩ 29,884,539	₩ -	₩ 20,176,400
Changes from financing cash flows	5,738,049	(30,000,000)	(2,597,581)	(5,834,006)
Dividends	-	-	2,597,581	-
Exchange differences	125,263	-	-	467,064
Transfers	-	-	-	4,895,787
Finance costs	-	115,461	-	620,187
	₩ 59,896,353	₩ -	₩ -	₩ 20,325,432

40. Discontinued operation and disposal groups held for sale

On December 10, 2024, the Board of Directors of the Company approved the sale of all shares in BEIJING DUAL CAR INTERIOR. The sale is expected to be completed within one year from December 31, 2024. Accordingly, as of December 31, 2024, BEIJING DUAL CAR INTERIOR was classified as a disposal group of assets held for sale and discontinued operation, and the consolidated statement of comprehensive income presented for comparative purposes was also restated.

40.1 Loss from discontinued operation for each of the two years in the period ended December 31, 2024 are as follows:

(In thousands of won)	2024	2023
Revenue	₩ 5,180,995	₩ 23,272,178
Cost of sales	4,698,031	22,398,806
Gross profit	₩ 482,964	₩ 873,372
Selling and administrative expenses	₩ 1,968,919	₩ 1,759,473
Operating profit	₩ (1,485,955)	₩ (886,101)
Other income	₩ 168,741	₩ 1,479
Other expenses	6,577	-
Finance income	20,884	45,990
Finance costs	99,700	100,310
Profit before income tax	₩ (1,402,607)	₩ (938,942)
Loss from discontinued operation	₩ (1,402,607)	₩ (938,942)

40.2 The assets and liabilities included in disposal group held for sale as of December 31, 2024 are as follows:

(In thousands of won)		**Amount**
Assets		
Current assets:		
Cash and cash equivalents	₩	1,372,855
Trade and other receivables, net		72,354
Inventories, net		80,749
	₩	1,525,959
Non-current assets:		
Other assets	₩	94,331
Property, plant and equipment, net		387,901
	₩	482,232
Total assets	₩	2,008,191
Liabilities		
Current liabilities:		
Trade and other payables	₩	803,305
Short-term borrowings		2,817,780
Other liabilities		3,476
Total liabilities	₩	3,624,561

40.3 Cash flow provided by (used in) discontinued operation for each of the two years in the period ended December 31, 2024 is as follows :

(In thousands of won)	**2024**	**2023**
Net cash used in operating activities	₩ (204,560)	₩ (754,758)
Net cash provided by investing activities	750,804	913,742
Net cash provided by financing activities	567,600	-

41. Events after the reporting period

The Company entered into a contract to sell all of the shares in BEIJING DUAL CAR INTERIOR on January 10, 2025, and the sale process is in progress as of the date of issuance of the consolidated financial statements.

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Independent auditor's report

(English translation of a report originally issued in Korean)

The Shareholders and Board of Directors
Dual Co., Ltd.

Opinion

We have audited the consolidated financial statements of Dual Co., Ltd. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statements 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 a 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").

Basis for opinion

We conducted our audit in accordance with Korean Standards on Auditing ("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 matters

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

- **Impairment test of cash-generating units to which goodwill recognized in the business combination of DUAL BORGSTENA SWEDEN AB has been allocated**

As stated in Note 14 to the consolidated financial statements, the beginning balance of goodwill recognized in the business combination of the Group's subsidiary DUAL BORGSTENA SWEDEN AB is 11,431 million KRW, which has been allocated to three cash-generating units: BORGSTENA SWEDEN GROUP (7,707 million KRW), TRIMSOL EUROPE (3,691 million KRW), and TRIMSOL BRAZIL (33 million KRW).

As stated in Note 2. (3) 13), the Group recognizes the difference between the recoverable amount and the carrying amount of goodwill as an impairment loss, regardless of any indications of asset impairment at the end of each reporting period.

The Group performed impairment test for the cash-generating units to which goodwill has been allocated, using calculations based on methods such as discounted cash flow. Since the value-in-use involves significant

judgments of the Group's management and estimates regarding discount rates, growth rates and future cash flow projections, we have determined that the impairment test of the cash-generating units to which goodwill recognized in the business combination of DUAL BORGSTENA SWEDEN AB has been allocated is a key audit matter.

As the key audit procedures to address the key audit matter, we did:

- Understand and evaluate the controls related to the recoverable amount assessment process for the Group's cash-generating units.
- Assess the valuation model that management used for estimating the recoverable amount.
- Corroborate if the estimated future cash flows are consistent with the business plans approved by management.
- Compare the actual performance for the current period with the estimates made in the previous period to retrospectively assess if optimistic assumptions were included in the estimates.
- Assess the key assumptions used in the value-in-use estimation, such as revenue growth rates, operating margins and growth rates.
- Assess the results of sensitivity analysis performed by management on discount rates and perpetual growth rates to evaluate the impact of changes in key assumptions on the impairment test.

➢ **Impairment test of the cash-generating unit of DUAL BORGSTENA TRIM MEXICO, S. DE R.L. DE C.V.**

As stated in Note 14 to the consolidated financial statements, due to the operating losses continuously incurred from the Group's subsidiary DUAL BORGSTENA TRIM MEXICO, S. DE R.L. DE C.V., the Group has determined that there are significant indicators of impairment for the cash-generating unit of DUAL BORGSTENA TRIM MEXICO, S. DE R.L. DE C.V. and has assessed the recoverable amount.

The Group conducted an impairment test for the cash-generating unit of DUAL BORGSTENA TRIM MEXICO, S. DE R.L. DE C.V. using calculations based on the discounted cash flow method and other approaches related to impairment indicators. The recoverable amount involves significant judgments of the Group's management and estimates regarding discount rates, growth rates, and future cash flow projections. Therefore, we have determined the impairment test of the cash-generating unit of DUAL BORGSTENA TRIM MEXICO, S. DE R.L. DE C.V. to be a key audit matter.

As the key audit procedures to address the key audit matter, we did:

- Understand and evaluate the controls related to the assessment process for the recoverable amount of the Group's cash-generating unit.
- Assess the valuation model used by management for estimating the recoverable amount.
- Corroborate if the estimated future cash flows are consistent with the business plans approved by management.
- Compare the actual performance for the current period with the estimates made in the previous period to retrospectively assess if optimistic assumptions were included in the estimates.
- Assess the key assumptions used in the value-in-use estimation, such as revenue growth rates, operating margins, and growth rates.
- Assess the results of sensitivity analysis performed by management on discount rates and perpetual growth rates to evaluate the impact of changes in key assumptions on the impairment test.

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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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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, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public

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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 *Min Sung Kim.*

Ernst & Young Han Young

March 18, 2025

This audit report is effective as of March 18, 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.