

Youngone Holdings Co., Ltd. and Subsidiaries

**Consolidated Financial Statements
December 31, 2024 and 2023**

Youngone Holdings Co., Ltd. and Subsidiaries
Index
December 31, 2024 and 2023

	Page(s)
Independent Auditor's Report	1 - 4
Consolidated Financial Statements	
Consolidated Statements of Financial Position.....	5
Consolidated Income Statements	6
Consolidated Statements of Comprehensive Income	7
Consolidated Statements of Changes in Equity	8
Consolidated Statements of Cash Flows	9
Notes to the Consolidated Financial Statements.....	10 - 96



Independent Auditor's Report
(English Translation of a Report Originally Issued in Korean)

To the Shareholders and Board of Directors of
Youngone Holdings Co., Ltd.

Opinion

We have audited the consolidated financial statements of Youngone Holdings Co., Ltd and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Youngone Holdings Co., Ltd. as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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 assessment of goodwill and brand value with indefinite useful lives

Why it is determined to be a key audit matter

The Group determines the recognition of impairment loss on goodwill and brand value with indefinite useful lives in accordance with Korean IFRS 1036 *Impairment of Assets*. We focused on this area due to the significance of size of goodwill and brand value with indefinite useful lives and because the assessment of the 'value in use' of the Group's Cash Generating Units (CGU's) involves management's judgements about the future results of the business and the discount rates applied to future cash flow forecast (Note 17).

In particular, we focused our audit effort on the impairment assessment of intangible assets with indefinite useful lives arising from the acquisition of SCOTT in which size of intangible assets with indefinite useful lives including goodwill is significant, and goodwill and intangible assets with indefinite useful lives held by SCOTT (Note 17).

As a result of the impairment assessment performed as at December 31, 2024, the Group determined that the carrying amount of the cash-generating unit of the SCOTT segment exceeded the recoverable amount, and recognized an impairment loss of ₩ 56,914 million for goodwill and intangible assets with indefinite useful lives (Note 17).

How our audit addressed the key audit matter

We have performed following audit procedures to address the key audit matter. We:

- Evaluated the competency and objectivity of an external valuation expert engaged by management.
- Used internal experts to evaluate the adequacy of valuation model used by management to estimate the recoverable amount.
- Evaluated the reasonableness of key assumptions used to estimate recoverable amount.
- Confirmed the consistency of the sales growth rate, operating profit margin and investment forecasts of target company by comparing these with the past performance and market conditions.
- Compared the discount rates used by management with those calculated independently using observable information.
- Evaluated the effectiveness of the design and operation of the management's internal controls.

Other Matter

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

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

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

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

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 Korean Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements

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

- Identify and assess the risks of material misstatement of the 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 entity'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 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 Minseok Kwak, Certified Public Accountant.

Seoul, Korea
March 21, 2025

This report is effective as of March 21, 2025, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

Youngone Holdings Co., Ltd. and Subsidiaries
Consolidated Statements of Financial Position
December 31, 2024 and 2023

<i>(in Korean won)</i>	Notes	2024	2023
Assets			
Current assets			
Cash and cash equivalents	4,7,8	₩ 1,273,001,203,017	₩ 1,183,867,828,814
Short-term financial instruments	4,7,8	833,009,269,239	833,982,020,902
Derivative assets	4,5,7	8,336,183,578	8,039,634,600
Trade receivables	4,7,11	618,515,212,321	526,160,340,093
Inventories	14	1,420,598,126,236	1,503,172,218,421
Other receivables	4,12	63,959,349,314	56,083,941,963
Other current assets	13	121,406,030,481	76,105,119,834
Current tax assets		33,282,304,112	12,627,331,492
		<u>4,372,107,678,298</u>	<u>4,200,038,436,119</u>
Non-current assets			
Long-term financial instruments	4,7,8	1,312,902,289	611,606,880
Financial assets at fair value through profit or loss	4,5,7,9	55,703,537,913	30,154,755,800
Financial assets at fair value through other comprehensive income	4,5,7,10	493,901,612,721	546,907,156,717
Investments in associate and joint ventures	19	4,256,386,491	1,061,139,900
Property, plant and equipment	15	1,201,098,277,638	1,086,678,790,808
Right-of-use assets	16	80,907,989,535	84,983,267,024
Intangible assets	17	175,978,376,078	210,572,518,294
Investment property	18	131,689,915,046	144,238,949,072
Other receivables	4,12	11,461,872,134	7,088,773,981
Other non-current assets	13	5,249,104,074	4,597,734,868
Deferred tax assets	25	43,047,980,243	62,410,016,638
		<u>2,204,607,954,162</u>	<u>2,179,304,709,982</u>
Total assets		<u>₩ 6,576,715,632,460</u>	<u>₩ 6,379,343,146,101</u>
Liabilities			
Current liabilities			
Trade payables	4,7,20	₩ 428,972,525,429	₩ 434,732,109,155
Short-term borrowings	4,7,23,37	28,104,155,332	400,421,228,237
Current portion of long-term borrowings	4,7,23,37	19,547,825,434	70,620,137,120
Current lease liabilities	16,37	20,037,969,788	20,567,114,313
Derivative liabilities	5,7	113,846,600	1,010,074,888
Current tax liabilities		114,363,987,834	104,161,073,327
Provisions for other liabilities and charges	42	29,357,370,340	32,145,027,200
Other payables	4,7,20	158,698,893,631	134,050,476,393
Other current liabilities	21	29,580,711,442	22,957,882,492
		<u>828,777,285,830</u>	<u>1,220,665,123,125</u>
Non-current liabilities			
Long-term borrowings	4,7,23,37	261,227,823,589	80,864,722,332
Non-current lease liabilities	16,37	65,497,999,339	68,944,813,365
Net defined benefit liabilities	24	105,646,241,428	74,454,284,010
Deferred tax liabilities	25	317,113,697,843	350,399,607,554
Other payables	4,7,20	5,949,473,687	1,010,642,012
Other non-current liabilities	21	5,393,848,271	3,105,027,160
		<u>760,829,084,157</u>	<u>578,779,096,433</u>
Total liabilities		<u>1,589,606,369,987</u>	<u>1,799,444,219,558</u>
Equity attributable to owners of the Parent Company			
Issued capital	1,26	6,817,796,000	6,817,796,000
Share premium	26	113,893,779,001	113,893,779,001
Retained earnings	28,29	2,342,898,222,581	2,064,293,850,799
Other components of equity	27	251,285,397,806	170,451,322,297
		<u>2,714,895,195,388</u>	<u>2,355,456,748,097</u>
Non-controlling interest	39	<u>2,272,214,067,085</u>	<u>2,224,442,178,446</u>
Total equity		<u>4,987,109,262,473</u>	<u>4,579,898,926,543</u>
Total liabilities and equity		<u>₩ 6,576,715,632,460</u>	<u>₩ 6,379,343,146,101</u>

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

Youngone Holdings Co., Ltd. and Subsidiaries
Consolidated Income Statements
Years Ended December 31, 2024 and 2023

<i>(in Korean won)</i>	Notes	2024		2023	
Revenue	6,40	₩	4,306,038,171,138	₩	4,355,478,262,337
Cost of sales	32,40		<u>2,698,418,591,332</u>		<u>2,496,614,929,837</u>
Gross profit			1,607,619,579,806		1,858,863,332,500
Selling and administrative expenses	30,32		<u>1,090,574,128,896</u>		<u>986,281,198,998</u>
Operating income	6		517,045,450,910		872,582,133,502
Other income	31		362,847,438,336		224,186,345,435
Other expenses	31		258,387,999,829		194,036,010,014
Finance income	7,34		66,730,837,513		59,481,367,130
Finance costs	7,34		24,020,973,898		24,462,410,875
Share of profit of associates and joint ventures	19		65,341,203		-
Share of loss of associates and joint ventures	19		<u>296,505,292</u>		<u>920,445,300</u>
Profit before income tax			663,983,588,943		936,830,979,878
Income tax expense	35		<u>168,350,553,002</u>		<u>218,094,352,838</u>
Profit		₩	<u>495,633,035,941</u>	₩	<u>718,736,627,040</u>
Profit is attributable to:					
Owners of the Parent Company		₩	333,959,735,242	₩	371,729,592,797
Non-controlling interests			161,673,300,699		347,007,034,243
Earnings per share attributable to the equity holders of the Parent Company					
Basic earnings per share	36	₩	28,777	₩	32,032

The above consolidated income statements should be read in conjunction with the accompanying notes.

Youngone Holdings Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
Years Ended December 31, 2024 and 2023

<i>(in Korean won)</i>	Notes	2024	2023
Profit		₩ 495,633,035,941	₩ 718,736,627,040
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit liabilities		(4,920,512,919)	(11,242,955,386)
Gain (loss) on valuation of financial assets at fair value through other comprehensive income	10	(40,704,282,135)	19,121,656,719
Items that may be subsequently reclassified to profit or loss			
Gain on exchange differences		180,137,630,061	6,473,636,191
Share of other comprehensive income (loss) of associates and joint ventures	19	-	(7,553,825)
Loss on valuation of derivatives		(3,914,475,000)	(9,221,902,200)
Other comprehensive income, net of tax		<u>130,598,360,007</u>	<u>5,122,881,499</u>
Total comprehensive income		<u>₩ 626,231,395,948</u>	<u>₩ 723,859,508,539</u>
Total comprehensive income attributable to:			
Owners of the Parent Company		₩ 396,559,329,913	₩ 361,567,814,880
Non-controlling interest		229,672,066,035	362,291,693,659

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

Youngone Holdings Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
Years Ended December 31, 2024 and 2023

(in Korean won)

	Note	Attributable to owners of the Parent Company					Non-controlling Interest	Total Equity
		Issued Capital	Share Premium	Retained Earnings	Other Components of Equity	Total		
Balance at January 1, 2023		₩ 6,817,796,000	₩ 113,893,779,001	₩ 1,746,527,033,702	₩ 180,613,100,214	₩ 2,047,851,708,917	₩ 1,938,811,689,477	₩ 3,986,663,398,394
Total comprehensive income								
Profit		-	-	371,729,592,797	-	371,729,592,797	347,007,034,243	718,736,627,040
Gain on valuation of financial assets at fair value through other comprehensive income	10	-	-	-	10,702,462,697	10,702,462,697	8,419,194,022	19,121,656,719
Exchange differences		-	-	-	(11,519,472,697)	(11,519,472,697)	17,993,108,888	6,473,636,191
Share of other comprehensive income of associates and joint ventures		-	-	-	-	-	(7,553,825)	(7,553,825)
Remeasurements of net defined benefit liabilities		-	-	-	(7,001,936,779)	(7,001,936,779)	(4,241,018,607)	(11,242,955,386)
Loss on valuation of derivatives		-	-	-	(2,342,831,138)	(2,342,831,138)	(6,879,071,062)	(9,221,902,200)
Total transactions with owners of the Parent Company, recognized directly in equity								
Dividend paid		-	-	(53,962,775,700)	-	(53,962,775,700)	(76,661,204,690)	(130,623,980,390)
Balance at December 31, 2023		<u>₩ 6,817,796,000</u>	<u>₩ 113,893,779,001</u>	<u>₩ 2,064,293,850,799</u>	<u>₩ 170,451,322,297</u>	<u>₩ 2,355,456,748,097</u>	<u>₩ 2,224,442,178,446</u>	<u>₩ 4,579,898,926,543</u>
Balance at January 1, 2024		₩ 6,817,796,000	₩ 113,893,779,001	₩ 2,064,293,850,799	₩ 170,451,322,297	₩ 2,355,456,748,097	₩ 2,224,442,178,446	₩ 4,579,898,926,543
Total comprehensive income								
Profit		-	-	333,959,735,242	-	333,959,735,242	161,673,300,699	495,633,035,941
Gain on valuation of financial assets at fair value through other comprehensive income	10	-	-	-	(25,759,289,938)	(25,759,289,938)	(14,944,992,197)	(40,704,282,135)
Exchange differences		-	-	-	92,069,751,456	92,069,751,456	88,067,878,605	180,137,630,061
Remeasurements of net defined benefit liabilities		-	-	-	(2,718,476,579)	(2,718,476,579)	(2,202,036,340)	(4,920,512,919)
Loss on valuation of derivatives		-	-	-	(992,390,268)	(992,390,268)	(2,922,084,732)	(3,914,475,000)
Total transactions with owners of the Parent Company, recognized directly in equity								
Interim and annual dividends paid		-	-	(55,355,363,460)	-	(55,355,363,460)	(97,313,185,532)	(152,668,548,992)
Acquisition of treasury shares by subsidiaries		-	-	-	(21,408,263,249)	(21,408,263,249)	(19,658,880,051)	(41,067,143,300)
Changes in ownership interests in subsidiaries		-	-	-	39,642,744,087	39,642,744,087	(64,928,111,813)	(25,285,367,726)
Balance at December 31, 2024		<u>₩ 6,817,796,000</u>	<u>₩ 113,893,779,001</u>	<u>₩ 2,342,898,222,581</u>	<u>₩ 251,285,397,806</u>	<u>₩ 2,714,895,195,388</u>	<u>₩ 2,272,214,067,085</u>	<u>₩ 4,987,109,262,473</u>

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

Youngone Holdings Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2024 and 2023

<i>(in Korean won)</i>	Note	2024	2023
Cash flows from operating activities			
Net cash flows from operations	37 ₩	911,563,169,011	₩ 927,255,949,651
Interest received		62,453,649,762	54,274,592,991
Interest paid		(24,033,063,865)	(24,693,882,738)
Dividends received		9,179,832,169	6,478,285,841
Income tax paid		(178,162,105,589)	(261,501,200,505)
Cash flows from operating activities		781,001,481,488	701,813,745,240
Cash flows used in investing activities			
Increase in short-term financial assets, net		44,659,199,569	(231,145,785,353)
Increase in long-term financial assets, net		(701,000,000)	2,000,000
Decrease in long-term loans		266,438,320	-
Proceeds from sale of property, plant and equipment		8,882,130,408	3,110,750,869
Payments for property, plant and equipment		(136,919,491,859)	(190,452,941,721)
Payments for investment property		(5,015,062,979)	(73,275,118,181)
Proceeds from sale of intangible assets		11,440,000	18,016,847
Payments for intangible assets		(20,806,034,136)	(22,125,267,143)
Decrease in leasehold deposits		129,249,945	285,987,849
Increase in leasehold deposits		(2,799,211,292)	(1,926,812,914)
Proceeds from sale of financial assets at fair value through profit or loss		-	227,320,782
Payments for financial assets at fair value through profit or loss		(23,178,248,099)	(12,141,631,744)
Settlement of derivatives		4,768,757,780	(200,500,000)
Payments for investments in associates		(3,360,000,000)	(949,527,300)
Changes in scope of consolidation		-	213,752,700
Cash flows used in investing activities		(134,061,832,343)	(528,359,755,309)
Cash flows used in financing activities			
Proceeds from short-term borrowings, net		(381,473,211,424)	146,179,382,592
Proceeds from long-term borrowings		184,616,015,963	-
Repayments of current portion of long-term borrowings		(71,619,597,170)	(30,839,796,407)
Dividends paid		(152,663,901,187)	(130,623,980,390)
Repayments of financial lease liabilities		(27,228,190,430)	(20,230,133,095)
Repayments of debentures		-	(10,000,000,000)
Increase in other deposits		3,819,453,977	3,159,331,912
Decrease in other deposits		(1,144,748,850)	(581,542,000)
Payments for treasury shares		(41,067,143,300)	-
Payments for non-controlling interests		(26,856,994,883)	-
Cash flows used in financing activities		(513,618,317,304)	(42,936,737,388)
Changes in cash due to foreign currency translation		(44,187,957,638)	52,480,989,744
Increase in cash and cash equivalents		89,133,374,203	182,998,242,287
Cash and cash equivalents at the beginning of the year		1,183,867,828,814	1,000,869,586,527
Cash and cash equivalents at the end of the year		₩ 1,273,001,203,017	₩ 1,183,867,828,814

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

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

1. General Information

Youngone Holdings Co., Ltd. (the Company) and its 80 subsidiaries (collectively referred to as the "Group"), including Youngone Corporation, are subject to consolidation and four entities including INTERNATIONAL RETAIL CORPORATION, Scott Network Solutions India are accounted for using the equity method in the preparation of the consolidated financial statements.

1.1 The Company

Youngone Holdings Co., Ltd. (formerly, Youngone Corporation, the Company) was established on June 5, 1974 and the Company's headquarters located in Jung-gu, Seoul. On November 7, 1988, the Company was listed on the Korea Exchange.

The Company was mainly engaged in domestic and overseas import and export business, its agency business, and clothing manufacturing and sales business until June 30, 2009, before the spin-off of its operating segment. On July 1, 2009, which was the spin-off registration date, the Company carried out a spin-off of the operating segment to the newly established company, Youngone Corporation. After the spin-off, the Company changed its name to Youngone Holdings Co., Ltd., and the Company converted into a holding company that mainly engaged in the investment business and office renting business.

The Company's issued capital as at December 31, 2024, is ₩ 6,817,796 thousand, and the Company's shareholders and their respective percentage of ownership as at December 31, 2024, are as follows:

	Number of shares	Percentage of ownership (%)	Remark
YMSA	3,966,971	29.09	Majority shareholder
Sung, Ki Hak	2,286,445	16.77	
Youngone Holdings Co., Ltd.	2,030,694	14.89	Treasury shares
Others	5,351,482	39.25	
	<u>13,635,592</u>	<u>100.00</u>	

1.2 Consolidated Subsidiaries

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

Subsidiaries	Number of investment shares			Percentage of ownership		Closing month	Location
	Parents	Subsidiaries	Total	Parents ⁵⁸	Subsidiaries		
Youngone Corporation	22,386,320	-	22,386,320	52.37%	-	December	Korea
Youngone Outdoor	355,814	-	355,814	59.30%	-	December	Korea
KEPZ ¹	4,832,000	-	4,832,000	100.00%	-	December	Bangladesh
Qweto GmbH	18	-	18	51.42%	-	December	Switzerland
PBI ²	600	-	600	100.00%	-	December	Switzerland
Scott North Asia Co.,Ltd.	300,000	200,000	500,000	60.00%	40.00%	December	Korea

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

Subsidiaries	Number of investment shares			Percentage of ownership		Closing month	Location
	Parents	Subsidiaries	Total	Parents ⁵⁸	Subsidiaries		
S-13 ³	-	12,000	12,000	-	100.00%	December	France
SCOTT JAPAN INC.	-	8,001	8,001	-	100.00%	December	Japan
YOH, LLC	6,000,000	-	6,000,000	100.00%	-	December	USA
YOH CVC PTE. LTD.	1,000,000	-	1,000,000	100.00%	-	December	Singapore
YOH CVC Fund 1 Limited Partnership ⁵⁶	-	-	-	47.06%	52.94%	December	Singapore
YCL ⁴	-	2,039,795	2,039,795	-	100.00%	December	Bangladesh
TSL ⁵	-	1,165,504	1,165,504	-	100.00%	December	Bangladesh
KSL ⁶	-	105,064	105,064	-	100.00%	December	Bangladesh
YHT ⁷	-	618,505	618,505	-	100.00%	December	Bangladesh
YPL ⁸	-	514,684	514,684	-	100.00%	December	Bangladesh
YGA ⁹	-	199,595	199,595	-	100.00%	December	Bangladesh
SEL ¹⁰	-	346,802	346,802	-	100.00%	December	Bangladesh
SDF ¹¹	-	619,760	619,760	-	100.00%	December	Bangladesh
YSF ¹²	-	453,722	453,722	-	100.00%	December	Bangladesh
STL ¹³	-	1,706,255	1,706,255	-	100.00%	December	Bangladesh
YSS ¹⁴	-	3,991,663	3,991,663	-	100.00%	December	Bangladesh
AAL ¹⁵	-	2,500,000	2,500,000	-	100.00%	December	Bangladesh
KSI ¹⁶	-	100,000	100,000	-	100.00%	December	Bangladesh
SWL ¹⁷	-	3	3	-	100.00%	December	Bangladesh
SLS ¹⁸	-	771,000	771,000	-	100.00%	December	Bangladesh
APD ¹⁹	-	100,000	100,000	-	100.00%	December	Bangladesh
CPD ²⁰	-	100,000	100,000	-	100.00%	December	Bangladesh
DPD ²¹	-	100,000	100,000	-	100.00%	December	Bangladesh
EPD ²²	-	100,000	100,000	-	100.00%	December	Bangladesh
GPD ²³	-	100,000	100,000	-	100.00%	December	Bangladesh
KPP ²⁴	-	1,000,000	1,000,000	-	100.00%	December	Bangladesh
TWL ²⁵	-	100,000	100,000	-	100.00%	December	Bangladesh
TVL ²⁶	-	100,000	100,000	-	100.00%	December	Bangladesh
ICL ²⁷	-	100,000	100,000	-	100.00%	December	Bangladesh
SAL ²⁸	-	100,000	100,000	-	100.00%	December	Bangladesh
BHL ²⁹	-	100,000	100,000	-	100.00%	December	Bangladesh
KPL ³⁰	-	900,000	900,000	-	100.00%	December	Bangladesh
YSP ^{31,56}	-	-	-	-	100.00%	December	China
GMC ^{32,56}	-	-	-	-	100.00%	December	China
YNL ^{33,56}	-	-	-	-	100.00%	December	Vietnam
YBL ^{34,56}	-	-	-	-	100.00%	December	Vietnam
YHL ^{35,56}	-	-	-	-	100.00%	December	Vietnam
BSL ^{36,56}	-	-	-	-	100.00%	December	Vietnam
YLS ³⁷	-	760,000	760,000	-	100.00%	December	El Salvador
ESL ³⁸	-	390,000	390,000	-	100.00%	December	Hong Kong
DTL ³⁹	-	510,000	510,000	-	100.00%	December	Thailand
YOA ⁴⁰	-	1,000	1,000	-	100.00%	December	USA
MSH ⁴¹	-	40,817,178	40,817,178	-	100.00%	December	USA

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

Subsidiaries	Percentage of ownership					Closing month	Location
	Number of investment shares			(%)			
	Parents	Subsidiaries	Total	Parents ⁵⁸	Subsidiaries		
OR ⁴²	-	950	950	-	95.00%	December	USA
OR CANADA ⁴³	-	1,000	1,000	-	100.00%	December	USA
YTL ^{44,56}	-	-	-	-	100.00%	December	Turkey
AAI ⁴⁵	-	66,000,000	66,000,000	-	100.00%	December	UK(IOM)
SQA ^{46,56}	-	-	-	-	100.00%	December	Uzbekistan
BKS ^{47,56}	-	-	-	-	100.00%	December	Uzbekistan
BPL ^{48,56}	-	-	-	-	100.00%	December	Taiwan
ESP ⁴⁹	-	5,352,755	5,352,755	-	100.00%	December	Ethiopia
DTI ⁵⁰	-	102	102	-	100.00%	December	New Zealand
YIA ⁵¹	-	15,300,000	15,300,000	-	100.00%	December	Singapore
ETL ⁵²	-	72,000,000	72,000,000	-	100.00%	December	India
YES ⁵³	-	200,000	200,000	-	100.00%	December	Portugal
YMS ⁵⁴	-	170,000	170,000	-	100.00%	December	Portugal
ASI ⁵⁵	-	1,075,239	1,075,239	-	100.00%	December	Guatemala
SCOTT CORPORATION SA	-	6,251,250	6,251,250	-	50.01%	September	Switzerland
SCOTT SPORTS SA	-	12,001	12,001	-	50.01%	September	Switzerland
SCOTT USA INC.	-	1	1	-	50.01%	September	USA
SSG (EUROPE) DISTRIBUTION CENTER NV	-	250	250	-	50.01%	September	Belgium
SCOTT ITALIA S.R.L.	-	100,000	100,000	-	50.01%	September	Italy
SCOTT SPORTS AB	-	5,000	5,000	-	50.01%	September	Sweden
SCOTT SPORTS AFRICA (PTY) LTD	-	100	100	-	50.01%	September	Republic of South Africa
SCOTT SPORTS INDIA (PVT) LTD	-	10,000	10,000	-	50.01%	September	India
DFG INC.	-	4,438	4,438	-	50.01%	September	USA
BERGAMONT FAHRRAD	-	1	1	-	50.01%	September	Germany
VERTRIEB GMBH ⁵⁶	-	100,000	100,000	-	50.01%	September	Italy
SHEPPARD CYCLES AUSTRALIA PTY LTD ⁵⁷	-	95,000	95,000	-	47.51%	September	Australia
SHEPPARD CYCLES NEW ZEALAND LIMITED ⁵⁷	-	95,000	95,000	-	47.51%	September	New Zealand
SPORT NETWORK SOLUTION SA	-	10,000,000	10,000,000	-	50.01%	September	Switzerland
SCOTT SPORTS DENMARK A/S	-	5,000	5,000	-	50.01%	September	Denmark
SHEPPARD CYCLES RETAIL SERVICES	-	-	-	-	47.51%	September	Australia

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

Subsidiaries	Number of investment shares			Percentage of ownership		Closing month	Location
	Parents	Subsidiaries	Total	Parents ⁵⁸	Subsidiaries		
PTY LTD. ^{56,57}							
BSSH Pty Ltd. ⁵⁷	-	2,280,000	2,280,000	-	47.51%	September	Australia

¹ KOREAN EPZ(KEPZ) CORPORATION(BD) LIMITED

² POIVRE BLANC INTERNATIONAL AG.

³ POIVRE BLANC S-13

⁴ YOUNGONE (CEPZ) LTD.

⁵ TITAS SPORTSWEAR INDUSTRIES LTD.

⁶ KARNAPHULI SPORTSWEAR INDUSTRIES LTD.

⁷ YOUNGONE HI-TECH SPORTSWEAR INDUSTRIES LTD.

⁸ YOUNGONE PADDING (CEPZ) LTD.

⁹ YOUNGONE GARMENT ACCESSORIES INDUSTRIES LTD.

¹⁰ SHINHAN EMULSION CO.,LTD.

¹¹ SAVAR DYEING & FINISHING INDUSTRIES LTD.

¹² YOUNGONE SYNTHETIC FIBRE PRODUCTS INDUSTRIES LTD.

¹³ SUNGNAM TEXTILES MILLS LTD.

¹⁴ YOUNGONE SPORTS SHOES INDUSTRIES LTD.

¹⁵ ARIRANG AVIATION LTD.

¹⁶ KARNAPHULI SHOES INDUSTRIES LTD.

¹⁷ SURMA GARMENTS WASHING & FINISHING CO.,LTD.

¹⁸ SUNGNAM LEATHER AND SPORTS PRODUCT INDUSTRIES LTD.

¹⁹ ALPHA PRODUCT DEVELOPMENT COMPANY (BD) LIMITED

²⁰ CHANG-JO PRODUCT DEVELOPMENT CO.(BD) LIMITED

²¹ DAE-GU PRODUCT DEVELOPMENT CO.(BD) LIMITED

²² EVERTOP PRODUCT DEVELOPMENT CO.(BD) LIMITED

²³ GAYA PRODUCT DEVELOPMENT COMPANY (BD) LIMITED

²⁴ KARNAPHULI POLYESTER PRODUCTS COMPANY LIMITED

²⁵ TEKWIN (BD) LIMITED

²⁶ TEKVISION (BD) LIMITED

²⁷ INCHEON CONTAINERS (BD) LIMITED

²⁸ SUNGNAM APPARELS (BD) LIMITED

²⁹ BUSAN HARBOUR (BD) LIMITED

³⁰ KARNAPHULI PACKAGING IND LTD.

³¹ QINGDAO YOUNGONE SPORTS PRODUCTS CO.,LTD.

³² QINGDAO YOUNGONE SPORTSWEAR CO.,LTD.

³³ YOUNGONE NAM DINH CO.,LTD.

³⁴ YOUNGONE BAC GIANG CO.,LTD.

³⁵ YOUNGONE HUNGYEN CO.,LTD.

³⁶ BROADPEAK SOC TRANG CO.,LTD.

³⁷ YOUNGONE (EL SALVADOR) S.A DE C.V.

³⁸ EVER SUMMIT (HK) LTD.

³⁹ DONGNAMA TRADING CO.,LTD.

⁴⁰ YOUNGONE AMERICA INC.

⁴¹ MOUNTAIN SUMMIT HOLDINGS, LTD.

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

⁴² OUTDOOR RESEARCH, LLC.

⁴³ Outdoor Research-Canada, Inc

⁴⁴ YOUNGONE (ISTANBUL) APPAREL SANAYI VE TICARET LTD. SIRKETI

⁴⁵ ARIRANG AVIATION (IOM) LTD.

⁴⁶ SAMARKAND APPAREL LLC.

⁴⁷ BUKA SPORTSWEAR LLC.

⁴⁸ BROAD PEAK INTL LTD.

⁴⁹ EVERTOP SPORTSWEAR PLC.

⁵⁰ DESIGNER TEXTILES INTERNATIONAL LTD.

⁵¹ YOUNGONE INTERNATIONAL ASIA PTE. LTD.

⁵² EVERTOP TEXTILE & APPAREL COMPLEX PRIVATE LIMITED

⁵³ YOUNGONE CORPORATION EUROPE SGPS S.A.

⁵⁴ YOK MIRAGAIA, S.A.

⁵⁵ AMATITLAN SUNGNAM INDUSTRIES, S. A.

⁵⁶ This subsidiary either does not issue the share certificates or is not a share corporation.
Thus, there is no share.

⁵⁷ The Group has more than 50% of ownership interest of SCOTT CORPORATION SA. Thus, it is
classified as a subsidiary in the scope of consolidation.

⁵⁸ Based on effective consolidated shareholding ratio.

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

1.3 Summary of Financial information of Subsidiaries

Summarized statements of financial position and statements of comprehensive income for consolidated subsidiaries as at and for the years ended December 31, 2024 and 2023, is as follows:

(in thousands of Korean won)

Subsidiaries	2024					
	Assets	Liabilities	Equity	Sales	Profit (loss)	Total comprehensive income (loss)
Youngone Corporation	₩2,807,729,909	₩ 816,529,668	₩1,991,200,241	₩ 2,113,886,201	₩ 335,740,716	₩ 304,525,990
Youngone Outdoor	951,724,377	241,876,140	709,848,237	1,005,180,243	200,755,450	200,394,537
Qweto GmbH	5,341,753	3,293,277	2,048,476	-	-	125,399
PBI ¹	6,309,374	11,877,284	(5,567,910)	6,127,095	(1,614,451)	(2,007,849)
KEPZ	53,277,794	42,241,375	11,036,419	12,561,951	4,447,713	4,931,545
Scott North Asia Co.,Ltd. ¹	16,119,151	12,581,936	3,537,215	10,929,692	(1,745,863)	(1,792,324)
YOH, LLC	7,511,103	5,957	7,505,146	-	(383,480)	559,549
YOH CVC PTE. LTD.	3,017,683	96,245	2,921,438	886,785	544,625	873,765
YOH CVC Fund 1 Limited Partnership	101,508,724	535,124	100,973,600	(3,084,526)	(1,858,692)	10,648,266
YCL	476,415,483	62,527,487	413,887,996	339,964,096	56,396,009	75,329,568
TSL	321,008,918	38,720,067	282,288,850	205,846,363	39,179,226	51,772,666
KSL	179,907,545	36,161,350	143,746,195	166,499,471	18,442,821	24,976,945
YHT	325,403,201	32,117,505	293,285,696	161,866,178	23,016,220	36,491,301
YPL	31,798,723	1,752,636	30,046,087	7,094,921	2,521,117	3,847,024
YGA	35,906,165	1,501,115	34,405,050	8,327,177	4,797,340	6,272,862
SEL	19,186,219	474,190	18,712,029	5,469,125	2,393,169	3,212,510
SDF	48,849,052	9,156,611	39,692,441	47,414,508	7,491,197	9,215,404
YSF	28,644,957	1,726,634	26,918,323	10,022,598	2,623,976	3,813,862
STL	19,245,950	1,468,782	17,777,167	10,134,425	3,578,350	4,354,470
YSS	43,772,500	1,780,600	41,991,900	12,163,591	(3,074,598)	(1,176,119)
AAL	2,799,113	1,409,486	1,389,627	183,018	(196,962)	(133,492)
KSI	509,644,015	311,888,250	197,755,765	422,557,042	44,905,111	54,008,274
SWL	1,499,274	151,399	1,347,875	481,898	158,153	222,586
SLS	89,735	11,163	78,572	-	(1,978)	1,548
YSP	23,062,515	11,669,486	11,393,028	-	(3,089,128)	(1,833,700)
GMC	11,892,113	1,650,787	10,241,327	-	(472,497)	587,932
YNL	425,414,916	45,949,077	379,465,839	446,638,009	71,641,180	99,941,689
YBL	46,524,043	8,667,135	37,856,908	63,921,921	7,619,667	10,404,031
YHL	61,926,946	5,300,651	56,626,295	83,164,122	12,291,669	16,436,792
YLS	42,670,562	2,358,898	40,311,665	46,744,703	169,352	6,259,057
ESL	19,425,663	9,841,808	9,583,855	68,451,313	(313,195)	931,493
DTL	4,214,501	521,420	3,693,081	4,820,352	(7,812)	454,467
YTL	465,843	-	465,843	-	-	57,232

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

2024						
Subsidiaries	Assets	Liabilities	Equity	Sales	Profit (loss)	Total comprehensive income (loss)
AAI	122,192,111	29,920,852	92,271,259	14,508,959	2,970,678	14,144,430
MSH ¹	123,314,622	53,012,467	70,302,155	162,874,509	2,503,557	10,928,815
SQA	12,396,112	6,438,952	5,957,160	668,927	(847,683)	139,644
SCOTT ¹	1,304,683,662	902,613,252	402,070,410	953,661,749	(210,621,041)	(198,213,743)
BPL	1,198,864	224,941	973,923	1,712,864	(23,058)	38,722
ESP	2,176,036	419,161	1,756,875	3,053,411	874,402	(668,488)
APD	25,270,540	26,037,318	(766,778)	386,724	(386,007)	(417,684)
CPD	109,481	1,186	108,294	-	(3,170)	1,694
DPD	5,871,664	4,866,509	1,005,155	2,340,705	701,870	747,785
EPD	20,581,364	24,968,995	(4,387,631)	1,909,048	(1,147,345)	(1,335,781)
GPD	19,483,824	21,209,264	(1,725,441)	596,125	(1,044,078)	(1,114,171)
KPP	140,931,702	164,259,425	(23,327,723)	37,424,846	(1,453,435)	(2,462,072)
BKS	6,509,629	13,199	6,496,430	-	-	590,585
DTI	8,362,446	638,217	7,724,230	4,792,986	1,725,780	1,818,476
BSL	157,067,458	25,041,461	132,025,997	133,153,512	28,825,377	38,486,178
TWL	113,039	1,088	111,951	-	(3,102)	1,925
TVL	7,739,822	10,576,358	(2,836,536)	-	(718,901)	(840,876)
ICL	112,335	1,079	111,257	-	(3,102)	1,894
SAL	51,533,677	69,356,560	(17,822,883)	1,196,712	(6,029,705)	(6,785,887)
BHL	113,285	1,101	112,185	-	(1,122)	3,902
KPL	15,810,313	13,201,743	2,608,570	5,127,188	1,450,868	1,557,700
YIA	22,272,772	4,891,548	17,381,225	11,494,524	(887,960)	825,500
ETL	21,277,631	10,414,108	10,863,523	475,142	(918,068)	195,016
YES	2,859,502	9,056	2,850,446	-	(102,415)	91,398
YMS	2,821,274	163,030	2,658,245	-	(68,918)	396,071
ASI	10,547,218	-	10,547,218	-	-	961,088

¹ Consolidated financial information

(in thousands of Korean won)

2023						
Subsidiaries	Assets	Liabilities	Equity	Sales	Profit (loss)	Total comprehensive income (loss)
Youngone Corporation	₩2,414,286,130	₩ 629,518,856	₩1,784,767,274	₩ 1,938,194,719	₩ 253,668,873	₩ 266,336,035
Youngone Outdoor	927,159,084	247,205,383	679,953,701	961,386,096	191,478,247	188,929,128
Qweto GmbH	5,014,753	3,091,676	1,923,077	-	-	193,905
PBI ¹	5,204,237	8,764,298	(3,560,061)	6,846,808	(1,865,521)	(1,972,874)
KEPZ	45,550,052	39,445,178	6,104,874	9,869,159	2,489,070	2,260,969
Scott North Asia Co.,Ltd. ¹	22,658,990	17,329,451	5,329,539	12,526,006	(338,181)	(376,045)
YOH, LLC	6,982,709	37,112	6,945,597	-	(364,219)	(234,540)

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

2023						
Subsidiaries	Assets	Liabilities	Equity	Sales	Profit (loss)	Total comprehensive income (loss)
YOH CVC PTE. LTD.	2,132,760	85,087	2,047,673	848,706	481,360	502,404
YOH CVC Fund 1 Limited Partnership	90,442,070	116,736	90,325,334	4,306,407	6,346,437	7,709,314
YCL	379,368,223	40,809,795	338,558,428	326,348,539	67,460,302	52,828,286
TSL	254,474,097	23,957,913	230,516,184	187,092,431	40,362,562	30,271,508
KSL	147,069,154	28,299,904	118,769,250	141,554,101	20,691,900	15,841,643
YHT	288,495,614	31,701,219	256,794,395	152,012,196	28,859,356	11,498,342
YPL	27,501,026	1,301,964	26,199,062	7,199,920	2,410,406	1,239,319
YGA	29,306,222	1,174,034	28,132,188	7,475,108	3,287,227	2,005,488
SEL	15,882,845	383,325	15,499,520	6,258,867	3,113,021	2,453,976
SDF	38,127,355	7,650,318	30,477,037	45,109,822	8,405,037	7,181,523
YSF	24,461,887	1,357,427	23,104,460	12,144,841	2,513,476	1,460,422
STL	14,488,474	1,065,776	13,422,698	8,258,092	2,522,126	1,928,847
YSS	48,979,797	5,811,778	43,168,019	32,103,727	(2,293,301)	(4,365,760)
AAL	1,727,410	204,291	1,523,119	380,884	(163,528)	(236,369)
KSI	385,951,523	242,204,032	143,747,491	356,923,673	50,984,623	45,264,678
SWL	1,269,167	143,878	1,125,289	268,385	(75,278)	(128,302)
SLS	87,186	10,162	77,024	-	(6,900)	(10,560)
YSP	23,171,992	10,307,688	12,864,304	-	(851,950)	(881,775)
GMC	11,146,995	1,493,600	9,653,395	195,685	(278,832)	(306,653)
YNL	386,940,383	39,656,234	347,284,149	393,152,398	62,671,348	57,999,798
YBL	32,912,279	5,459,402	27,452,877	57,914,055	7,636,789	7,225,480
YHL	44,965,883	4,776,379	40,189,504	59,765,504	6,078,808	5,579,068
YLS	47,585,253	2,071,057	45,514,196	48,181,972	4,835,576	5,474,508
ESL	15,041,539	6,389,177	8,652,362	52,607,172	(4,567,773)	(4,321,149)
DTL	3,801,192	562,578	3,238,614	4,027,296	(363,068)	(321,439)
YTL	408,611	-	408,611	-	-	7,003
AAI	106,294,435	28,167,606	78,126,829	6,131,747	(4,291,043)	(2,826,696)
MSH ¹	151,730,953	66,644,999	85,085,954	156,536,958	3,492,896	4,087,077
SQA	10,169,891	4,352,375	5,817,516	244,414	(627,729)	(1,209,480)
SCOTT ¹	1,608,799,546	1,008,032,520	600,767,026	1,242,422,301	35,514,938	77,747,488
BPL	1,648,985	713,784	935,201	3,159,146	118,954	132,927
ESP	3,609,631	1,172,925	2,436,706	3,214,728	(411,414)	(502,137)
APD	20,757,439	21,106,533	(349,094)	-	(335,806)	(325,600)
CPD	107,188	587	106,601	-	(8,426)	(13,472)
DPD	5,243,253	4,985,883	257,370	1,838,670	58,381	46,438
EPD	5,922,040	8,973,890	(3,051,850)	1,184,792	(1,122,787)	(1,002,051)
GPD	13,668,318	14,279,587	(611,269)	15,861	(478,739)	(458,969)
KPP	121,312,036	142,177,686	(20,865,650)	29,462,121	(2,638,844)	(1,723,364)
BKS	5,917,845	11,999	5,905,846	-	-	(590,585)
DTI	6,493,942	588,189	5,905,753	4,577,683	419,894	509,685
BSL	102,725,282	9,185,463	93,539,819	145,304,131	35,533,229	33,940,838

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

2023						
Subsidiaries	Assets	Liabilities	Equity	Sales	Profit (loss)	Total comprehensive income (loss)
TWL	110,614	587	110,027	-	(4,100)	(9,228)
TVL	7,526,117	9,521,777	(1,995,660)	-	(1,547,590)	(1,482,778)
ICL	109,951	588	109,363	-	(4,743)	(9,851)
SAL	47,030,847	58,067,843	(11,036,996)	592,417	(3,574,168)	(3,129,070)
BHL	114,351	6,069	108,282	-	(5,629)	(10,704)
KPL	13,175,846	12,124,976	1,050,870	3,029,656	62,496	15,287
YIA	19,299,781	2,744,057	16,555,724	8,719,827	1,595,827	1,612,593
ETL	10,792,914	124,407	10,668,507	-	(113,841)	(155,466)
YES	2,782,925	23,877	2,759,048	-	(93,193)	56,648
YMS	2,457,112	195,138	2,261,974	-	120,871	209,209
ASI	331	-	331	-	-	-

¹ Consolidated financial information

1.4 Changes in scope of consolidation

(a) There are no subsidiaries newly included in the consolidation for the year ended December 31, 2024.

(b) A subsidiary excluded from the consolidation for the year ended December 31, 2024.

Subsidiary	Reason
POIVRE BLANC LOGISTICS	Liquidation of a subsidiary

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

2. Material Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

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

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

The consolidated financial statements of the Group have been prepared in accordance with Korean IFRS. These are the standards, subsequent amendments and related interpretations issued by the International Accounting Standards Board (IASB) that have been adopted by the Republic of Korea.

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments), certain classes of property, plant and equipment and investment property – measured at fair value
- Assets held for sale – measured at fair value less costs to sell, and
- Defined benefit pension plans – plan assets measured at fair value.

The preparation of consolidated financial statements requires the use of critical accounting estimates. Management also needs to exercise judgement in applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

2.2 Changes in Accounting Policies and Disclosures

2.2.1 New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing January 1, 2024.

(a) Amendments to Korean IFRS 1001 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current, Non-current Liabilities with Covenants

The amendments clarify that liabilities are classified as either current or non-current, depending on the substantive rights that exist at the end of the reporting period. Classification is unaffected by the likelihood that an entity will exercise right to defer settlement of the liability or the expectations of management. Also, the settlement of liability includes the transfer of the entity's own equity instruments, however, it would be excluded if an option to settle them by the entity's own equity instruments if compound financial instruments is met the definition of equity instruments and recognized separately from the liability. In addition, covenants that an entity is required to comply with after the end of the reporting period would not affect classification of a liability as current or non-current at the reporting date. When an entity classifies a liability that is subject to the covenants which an entity is required to comply with within twelve months of the reporting date as non-current at the end of the reporting period, the entity shall disclose information in the notes to understand the risk that non-current liabilities with covenants could become repayable within twelve months after the reporting period. The amendments do not have a significant impact on the consolidated financial statements.

(b) Amendments to Korean IFRS 1007 Statement of Cash Flows, Korean IFRS 1107 Financial Instruments: Disclosures – Supplier finance arrangements

When applying supplier finance arrangements, an entity shall disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk. The amendments do not have a significant impact on the consolidated financial statements.

(c) Amendments to Korean IFRS 1116 Leases – Lease Liability in a Sale and Leaseback

When subsequently measuring lease liabilities arising from a sale and leaseback, a seller-lessee shall determine lease payments or revised lease payments in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not have a significant impact on the consolidated financial statements.

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

(d) Amendments to Korean IFRS 1001 Presentation of Financial Statements – Disclosure of Cryptographic Assets

The amendments require an additional disclosure if an entity holds cryptographic assets, or holds cryptographic assets on behalf of the customer, or issues cryptographic assets. The amendments do not have a significant impact on the consolidated financial statements.

2.2.2 New standards and interpretations not yet adopted by the Group

The following new accounting standards and interpretations have been published that are not mandatory for December 31, 2024 reporting periods and have not been early adopted by the Group.

(a) Amendments to Korean IFRS 1021 The Effects of Changes in Foreign Exchange Rates and 1101 First-time Adoption of International Financial Reporting Standards – Lack of Exchangeability

When an entity estimates a spot exchange rate because exchangeability between two currencies is lacking, the entity shall disclose related information. The amendments should be applied for annual periods beginning on or after January 1, 2025, and earlier application is permitted. The amendments do not have a significant impact on the financial statements.

(b) Amendments to Korean IFRS 1109 Financial Instruments, Korean IFRS 1107 Financial Instruments: Disclosures

Korean IFRS 1109 *Financial Instruments* and Korean IFRS 1107 *Financial Instruments: Disclosures* have been amended to respond to recent questions arising in practice, and to include new requirements. The amendments should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The Group is in review for the impact of these amendments on the consolidated financial statements.

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures of impact on the entity and the extent to which the entity is exposed for each type of financial instruments if the timing or amount of contractual cash flow changes due to amendment of contract term; and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

(c) Annual Improvements to Korean IFRS -Volume 11

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

- Korean IFRS 1101 *First-time Adoption of International Financial Reporting Standards: Hedge accounting by a first-time adopter*
- Korean IFRS 1107 *Financial Instruments: Disclosures: Gain or loss on derecognition and implementation guidance*
- Korean IFRS 1109 *Financial Instruments: Derecognition of lease liabilities and definition of transaction price*
- Korean IFRS 1110 *Consolidated Financial Statements: Determination of a 'de facto agent'*
- Korean IFRS 1007 *Statement of Cash Flows: Cost method*

2.3 Consolidation

The Group has prepared the consolidated financial statements in accordance with Korean IFRS 1110 *Consolidated Financial Statements*.

(a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred is measured at the fair values of the assets transferred, and identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. All other non-controlling interests are measured at fair values, unless otherwise required by other standards. Acquisition-related costs are expensed as incurred.

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

The excess of consideration transferred, amount of any non-controlling interest in the acquired entity and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in the profit or loss as a bargain purchase.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interest in the subsidiary. Any difference between the amount of the adjustment to non-controlling interest and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the Parent Company.

(b) Associates

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. If the Group's share of losses of an associate equals or exceeds its interest in the associate (including long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If there is an objective evidence of impairment for the investment in the associate, the Group recognizes the difference between the recoverable amount of the associate and its book amount as impairment loss. If an associate uses accounting policies other than those of the Group for like transactions and events in similar circumstances, if necessary, adjustments shall be made to make the associate's accounting policies conform to those of the Group when the associate's financial statements are used by the Group in applying the equity method.

(c) Joint Arrangements

A joint arrangement, wherein two or more parties have joint control, is classified as either a joint operation or a joint venture. A joint operator recognizes its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. Interests in joint ventures are accounted for using the equity method, after initially being recognized at cost in the consolidated statement of financial position.

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

(d) Business combination of entities under common control

The Group applies the book amount method to account for business combinations of entities under a common control. Identifiable assets acquired and liabilities assumed in a business combination are measured at their book amounts on the consolidated financial statements of the Ultimate Parent Company. However, if the consolidated financial statements are not available, the Group applies the carrying amount of assets and liabilities accounted on acquiree's financial statements. In addition, the difference between the sum of consolidated book amounts of the assets and liabilities transferred and accumulated other comprehensive income; and the consideration paid is recognized as reserves.

2.4 Segment Reporting

Information of each operating segment is reported in a manner consistent with the internal business segment reporting provided to the chief operating decision-maker (Note 6). The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.

2.5 Foreign Currency Translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss. They are deferred in other comprehensive income if they relate to qualifying cash flow hedges and qualifying effective portion of net investment hedges, or are attributable to monetary part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement, within finance costs. All other foreign exchange gains and losses are presented in the income statement within 'other income or other expenses'.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

financial assets are recognized in other comprehensive income.

2.6 Financial Assets

(a) Classification

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

- those to be measured at fair value through profit or loss
- those to be measured at fair value through other comprehensive income, and
- those to be measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For financial assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. The Group reclassifies debt investments when, and only when its business model for managing those assets changes.

For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. Changes in fair value of non-designated equity investment are recognized in profit or loss.

(b) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

A. Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into one of the following three measurement categories:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in 'finance income' using the effective interest rate method.

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

- Fair value through other comprehensive income: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment loss (reversal of impairment loss), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'finance income' using the effective interest rate method. Foreign exchange gains and losses are presented in 'other income or expenses' and impairment losses are presented in 'other expenses'.
- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the income statement within 'other income or expenses' in the year in which it arises.

B. Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments, which held for long-term investment or strategic purpose, in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividend income from such investments continue to be recognized in profit or loss as 'finance income' when the right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in 'other income and expenses' in the income statement as applicable. Impairment loss (reversal of impairment loss) on equity investments measured at fair value through other comprehensive income are not reported separately from other changes in fair value.

(c) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables and lease receivables, the Group applies the simplified approach, which requires expected lifetime credit losses to be recognized from initial recognition of the receivables (Note 4.1.2 provides more detail of how the Group determines there has been a significant increase in credit risk).

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

(d) Recognition and Derecognition

Regular way purchases and sales of financial assets are recognized or derecognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

If a transfer does not result in derecognition because the Group has retained substantially all the risks and rewards of ownership of the transferred asset, the Group continues to recognize the transferred asset in its entirety and recognizes a financial liability for the consideration received. The Group classified the financial liability as “borrowings” in the statement of financial position.

(e) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.7 Derivative Instruments

Derivatives are initially recognized at fair value on the date when a derivative contract is entered into and are subsequently remeasured at their fair value at the end of each reporting period. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognized immediately in profit or loss within 'other non-operating income (expenses)' based on the nature of transactions.

2.8 Trade Receivables

Trade receivables are recognized initially at fair value. And trade receivables are subsequently measured at amortized cost using the effective interest method, less loss allowance. See Note 11 for further information about the Group's accounting for trade receivables and Note 4.1.2 for a description of the Group's accounting policy for impairment.

2.9 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the moving-weighted average method.

2.10 Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

Depreciation of all property, plant and equipment, except for land, is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

	Useful life
Buildings	20 - 40 years
Structures	30 years
Facilities	30 years
Machinery	4 - 10 years
Vehicles	4 - 15 years
Tools and equipment	3 - 7 years

The assets' depreciation method, residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. If necessary, it will be accounted for as a change in estimates.

2.11 Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Investment income earned on the temporary investment of specific borrowings on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

2.12 Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants related to assets are presented in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset, and government grants related to income are deferred and later deducted from the related expense.

2.13 Intangible Assets

Goodwill is measured as described in Note 2.3(a), and carried at cost less accumulated impairment losses.

Intangible assets, except for goodwill, are initially recognized at its historical cost, and carried at cost less accumulated amortization and accumulated impairment losses

Software development costs that are directly attributable to internally generated by the Group are recognized when the criteria; such as, technically feasible, generate probable future economic benefits and other, are met. Customer contracts acquired in a business combination are recognized at fair value at the acquisition date. Membership rights and brand value that have an indefinite useful life are not subject to amortization because there is no foreseeable limit to the period over which the assets are expected to be utilized. The Group amortizes intangible assets with a limited

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

useful life using the straight-line method over the following periods:

	Useful lives
Software, development costs and industrial property rights	5 years
Customer relationships	15 – 20 years
Brand value ¹	10 – 15 years

¹ Particular brand value that have a definite useful life.

2.14 Investment Properties

Investment property is property held to earn rentals or for capital appreciation or both. An investment property is measured initially at its cost. An investment property is measured after initial measurement at depreciated cost (less any accumulated impairment losses). After recognition as an asset, investment property is carried at cost less accumulated depreciation and impairment losses. The Group depreciates investment properties, except for land, using the straight-line method over their useful lives of 25~40 years.

2.15 Impairment of Non-financial Assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.16 Financial Liabilities

(a) Classification and measurement

The Group's financial liabilities at fair value through profit or loss are financial instruments held for trading. A financial liability is held for trading if it is incurred principally for the purpose of repurchasing in the near term. A derivative that is not a designated as hedging instruments and an embedded derivative that is separated are also classified as held for trading.

The Group classifies non-derivative financial liabilities, except for financial liabilities at fair value through profit or loss, financial guarantee contracts and financial liabilities that arise when a transfer of financial assets does not qualify for derecognition, as financial liabilities carried at amortized cost and present as 'trade and other payables', and 'borrowings' in the statement of financial position.

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

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

(b) Derecognition

Financial liabilities are removed from the statement of financial position when it is extinguished; for example, when the obligation specified in the contract is discharged or cancelled or expired or when the terms of an existing financial liability are substantially modified. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

2.17 Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of reporting period which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities, unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.18 Financial Guarantee Contracts

Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value, subsequently at the higher of following and recognized in the statement of financial position within 'other payables'.

- the amount determined in accordance with the expected credit loss model under Korean IFRS 1109 *Financial Instruments* and
- the amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with Korean IFRS 1115 *Revenue from Contracts with Customers*

2.19 Provisions

Provisions for service warranties, make good obligation, and legal claims are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period, and the increase in the provision due to the passage of time is recognized as interest expense.

2.20 Current and Deferred Tax

The tax expense for the period consists of current and deferred tax. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

The current income tax expense is measured at the amount expected to be paid to the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

The Group recognizes a deferred tax liability all taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint arrangements, except to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. In addition, The Group recognizes a deferred tax asset for all deductible temporary differences arising from such investments to the extent that it is probable the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset when the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the assets and settle the liability simultaneously.

2.21 Net defined benefit liabilities

The Group operates both defined contribution and defined benefit pension plans.

For defined contribution plans, the Group pays contribution to publicly or privately administered pension insurance plans on mandatory, contractual or voluntary basis. The Group has no further payment obligation once the contribution has been paid. The contribution is recognized as employee benefit expense when they are due.

A defined benefit plan is a pension plan that is not a defined contribution plan. Generally, post-employment benefits are payable after the completion of employment, and the benefit amount depended on the employee's age, periods of service or salary levels. The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs.

2.22 Revenue Recognition

The Group has applied Korean IFRS 1115 *Revenue from Contracts with Customers*.

(a) Sales of goods – Export

The export transactions represent selling outdoor and sports clothing to global brand companies such as THE NORTH FACE through Original Equipment Manufacturing (OEM). All of export transactions consist of FOB and others under INCOTERMS 2000, and the revenue is recognized when the goods are delivered to the specified location, and the risks and controls of the goods are transferred to the customer. Since the transaction is based on the price stated in the order and the related payment is redeemed within one year, there are no other significant factors that affect the transaction price, such as a price discount or significant financing component.

(b) Sales of goods - Domestic

Revenue are recognized when control of the products has transferred, being when the products are delivered to the customers.

(c) Interest income

Interest income is recognized using the effective interest method according to the time passed. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognized using the original effective interest rate.

(d) Dividend income

Dividend income is recognized when the right to receive payment is established.

(e) Customer loyalty program

The Group operates a customer loyalty program in which customers are granted rewards to receive discounts on future purchases when purchasing products. The fair value of consideration to give or given for the initial sale is allocated to the reward points and remaining of initial sale, and the consideration allocated to the reward points is measured based on the fair value of reward in exchange of reward points, which is the fair value of reward points considered the proportion of reward points that are not expected to be redeemed. Revenue from the award credits is recognized when the points are redeemed.

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

(f) Rental income

Rental income from investment properties is recognized as revenue over the period during which the rental services are provided.

2.23 Leases

(a) Lessor

Lease income from operating leases where the Group is a lessor is recognized in income on a straight-line basis over the lease term. The respective leased assets are included in the consolidated statement of financial position based on their nature.

(b) Lessee

The Group leases various offices. Lease contracts are typically made for fixed periods of 2 to 6 years, but may have extension options as described in below.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is lessee, the Group applies the practical expedient which has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

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

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the Group (the lessee) under residual value guarantees
- The exercise price of a purchase option if the Group (the lessee) is reasonably certain to

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

exercise that option, and

- Payments of penalties for terminating the lease, if the lease term reflects the Group (the lessee) exercising that option

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

To determine the incremental borrowing rate, the Group:

- The lease period is reflected in the interest rate of the public bond considering the Group's credit rating.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The Group elected not to apply that revaluation model to buildings held by the Group that are presented in the right-of-use assets.

Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT-equipment.

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

(c) Extension options

Extension and termination options are included in a number of property leases across the Group. These terms are used to maximize operational flexibility in terms of managing contracts. The majority of extension options held are exercisable only by the Group and not by the respective lessor.

2.24 Approval of Issuance of the Financial Statements

The consolidated financial statements 2024 were approved for issue by the Board of Directors on March 11, 2025 and are subject to change with the approval of shareholders at their Annual General Meeting.

3. Critical Accounting Estimates and Assumptions

The preparation of consolidated financial statements requires the Group to make estimates and assumptions concerning the future. Management also needs to exercise judgement in applying the Group's accounting policies. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. As the resulting accounting estimates will, by definition, seldom equal the related actual results, it can contain a significant risk of causing a material adjustment.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. Additional information of significant judgement and assumptions of certain items are included in relevant notes.

3.1 Impairment loss on goodwill and intangible assets with indefinite useful lives

The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations.

3.2 Income taxes

The Group's taxable income generated from these operations are subject to income taxes based on tax laws and interpretations of tax authorities in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain (Note 25).

If certain portion of the taxable income is not used for investments or increase in wages or dividends in accordance with the *Tax System For Recirculation of Corporate Income*, the Group is liable to pay additional income tax calculated based on the tax laws. The new tax system is effective for three years from 2015. Accordingly, the measurement of current and deferred income tax is affected by the tax effects from the new tax system. As the Group's income tax is dependent on the investments, increase in wages and dividends, there is an uncertainty measuring the final tax effects.

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

3.3 Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

3.4 Impairment of financial assets

The provision for impairment for financial assets is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

3.5 Net defined benefit liability (Asset)

The present value of net defined benefit liability (asset) depends on a number of factors that are determined on an actuarial basis using a number of assumptions including the discount rate (Note 24).

3.6 Leases

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

3.7 Net realizable value of inventories

The net realizable value of inventory is determined by the estimated selling price in the market where the Group's inventory is mainly sold.

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

4. Financial Risk Management

4.1 Financial Risk Factors

The Group is exposed to credit risk, liquidity risk, and market risk (including foreign currency risk, price risk, and interest rate risk) due to various activities. In order to manage these factors, the Group operates risk management policies that closely monitor and respond to each risk factor.

4.1.1 Market risk

(a) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Also, subsidiaries regularly valuates, manages and reports on the foreign exchange risks for the receivables and payables in foreign currencies.

The Group's financial instruments denominated in major foreign currencies except for functional currency as at December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)

		2024		2023
Cash and cash equivalents				
USD	₩	475,998,914	₩	419,648,557
EUR		13,548,976		10,400,514
HKD		4,808		4,193
JPY		34,595,113		71,044,241
CHF		4,210,058		33,805
GBP		6,554		4,958
NZD		414		-
SGD		39,283		125,390
	₩	<u>528,404,121</u>	₩	<u>501,261,658</u>
Short-term financial instruments				
USD	₩	492,450,000	₩	452,966,220
	₩	<u>492,450,000</u>	₩	<u>452,966,220</u>
Trade and other receivables				
USD	₩	364,563,284	₩	214,817,924
EUR		81,642,743		118,671,288
	₩	<u>446,206,027</u>	₩	<u>333,489,212</u>
Trade and other payables				
USD	₩	131,643,489	₩	223,181,079
EUR		169,149,396		161,512,501
JPY		1,498,368		11,308
CHF		109,793		-

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

<i>(in thousands of Korean won)</i>	2024		2023	
SGD		265,331		19,614
	₩	302,666,377	₩	384,724,502
Borrowings				
USD	₩	19,306,798	₩	4,182,943
EUR		240,710,559		238,903,472
CHF		541,409		641,914
	₩	260,558,766	₩	243,728,329

As at December 31, 2024 and 2023, if the foreign exchange rate fluctuated by 5% with all other variables held constant, the effects on profit before income tax would be as follows:

<i>(in thousands of Korean won)</i>	2024		2023	
	Increase	Decrease	Increase	Decrease
USD	₩ 58,864,714	₩ (58,864,714)	₩ 43,003,434	₩ (43,003,434)
EUR	(15,733,412)	15,733,412	(13,567,209)	13,567,209
HKD	240	(240)	210	(210)
JPY	1,654,837	(1,654,837)	3,551,647	(3,551,647)
CHF	177,943	(177,943)	(30,405)	30,405
GBP	328	(328)	248	(248)
NZD	21	(21)	-	-
SGD	(11,302)	11,302	5,289	(5,289)
	₩ 44,953,369	₩ (44,953,369)	₩ 32,963,214	₩ (32,963,214)

(b) Price risk

The Group acquires equity securities (including both listed and unlisted) to manage a liquidity risk and for trading. The Group invests in more than one investment vehicle either directly or indirectly, and the fair value of equity securities (excluding investments in subsidiaries and associates and unlisted securities) as at December 31, 2024 is ₩ 493,375,544 thousand (2023: ₩ 546,163,320 thousand) (Note 10).

As at December 31, 2024 and 2023, if the price of equity securities fluctuated by 20%, the effects on post-tax other comprehensive income would be as follows:

<i>(in thousands of Korean won)</i>	2024		2023	
	Increase	Decrease	Increase	Decrease
Effects on post-tax other comprehensive income				
Financial assets at fair value through other comprehensive income	₩ 78,052,011	₩ (78,052,011)	₩ 86,403,037	₩ (86,403,037)

Youngone Holdings Co., Ltd and Subsidiaries **Notes to the Consolidated Financial Statements** **December 31, 2024 and 2023**

(c) Cash flow and fair value interest rate risk

The Group is exposed to changes in value risk on statement of financial position (financial assets, liabilities) through changes in price and interest rate risk through changes in interest income (expense) generated from investments and borrowings. The risk mainly arises from investments of floating rate receivables and borrowings of floating rate payables.

As at December 31, 2024 and 2023, if the interest rate fluctuated by 0.1% with all other variables held constant, the effects on profit before income tax would be as follows:

<i>(in thousands of Korean won)</i>	2024		2023	
	Increase	Decrease	Increase	Decrease
Borrowings	₩ (196,329)	₩ 196,329	₩ (216,878)	₩ 216,878

4.1.2 Credit Risk

Credit risk is the risk of possible loss to portfolio due to counterparty's default, breach of covenant and loss of credibility. The Group controls the credit concentration risk exposure by applying and managing total exposure limits to prevent the excessive risk concentration to industry and borrowers.

(a) Trade receivables and other receivables

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and other receivables. To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses include forward-looking information.

Details of the loss allowance on trade receivables as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024				
	Current	Up to 3 months	3 to 6 months	Over 6 months	Total
Trade receivables	₩ 509,070,693	₩ 78,218,886	₩ 20,383,131	₩ 25,869,085	₩ 633,541,795
Allowance for credit losses	768,513	528,574	8,132	13,721,364	15,026,583

<i>(in thousands of Korean won)</i>	2023				
	Current	Up to 3 months	3 to 6 months	Over 6 months	Total
Trade receivables	₩ 435,670,078	₩ 77,405,308	₩ 14,282,250	₩ 11,658,793	₩ 539,016,429
Allowance for credit losses	852,803	2,172,665	54,625	9,775,996	12,856,089

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

Movements in the loss allowance for trade receivables for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>		2024		2023
Beginning balance	₩	12,856,089	₩	4,627,000
Allowance for trade receivables during the year ¹		5,912,087		7,954,905
Reversal ¹		(5,848)		-
Write-off		(4,188,121)		(31,644)
Exchange differences		452,376		305,828
Ending balance	₩	<u>15,026,583</u>	₩	<u>12,856,089</u>

¹ Loss allowance and unused amounts reversed have been included in the income statement within 'selling and administrative expenses' (Note 30).

Movements in the loss allowance for other receivables for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>		2024		
		Loans	Non-trade receivables	Total
Beginning balance	₩	13,328,368	₩ 1,089,439	₩ 14,417,807
(Reversal of) Allowance for other receivables during the year ¹		238,555	1,116,986	1,355,541
Exchange differences		872,869	100,881	973,750
Ending balance	₩	<u>14,439,792</u>	₩ 2,307,306	₩ 16,747,098

¹ Loss allowance and unused amounts reversed for other receivables have been included in the income statement within 'other expenses' (Note 31).

<i>(in thousands of Korean won)</i>		2023		
		Loans	Non-trade receivables	Total
Beginning balance	₩	11,783,124	₩ 1,069,703	₩ 12,852,827
(Reversal of) Allowance for other receivables during the year ¹		223,931	24,963	248,894
Exchange differences		1,321,313	(5,227)	1,316,086
Ending balance	₩	<u>13,328,368</u>	₩ 1,089,439	₩ 14,417,807

¹ Loss allowance and unused amounts reversed for other receivables have been included in the income statement within 'other expenses' (Note 31).

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

(b) Other financial assets at amortized cost

Credit risk can arise from transaction with financial institution such as cash and cash equivalents, deposits with banks, derivative financial instruments. The Group has transactions with counterparties that are above certain credit rating in order to mitigate risks of default.

There is no loss allowance arising from other financial assets measured at amortized cost for the years ended December 31, 2024 and 2023.

(c) Maximum exposures to credit risk

The Group's maximum exposures of financial instruments to credit risk without consideration of collaterals' values as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>		2024		
		Book amount without deduction	Allowance for trade receivables	Book amount (Maximum exposure)
Cash and cash equivalents ¹	₩	1,251,194,187	₩ -	₩ 1,251,194,187
Short-term financial instruments		833,009,269	-	833,009,269
Financial assets at fair value through profit or loss		55,703,538	-	55,703,538
Financial assets at fair value through other comprehensive income		493,901,613	-	493,901,613
Derivative assets		8,336,184	-	8,336,184
Long-term financial instruments		1,312,902	-	1,312,902
Trade receivables		633,541,795	(15,026,583)	618,515,212
Other receivables ²		92,168,320	(16,747,098)	75,421,222
	₩	<u>3,369,167,808</u>	<u>₩ (31,773,681)</u>	<u>₩ 3,337,394,127</u>

<i>(in thousands of Korean won)</i>		2023		
		Book amount without deduction	Allowance for trade receivables	Book amount (Maximum exposure)
Cash and cash equivalents ¹	₩	1,143,141,121	₩ -	₩ 1,143,141,121
Short-term financial instruments		833,982,021	-	833,982,021
Financial assets at fair value through profit or loss		30,154,756	-	30,154,756
Financial assets at fair value through other comprehensive income		546,907,157	-	546,907,157
Derivative assets		8,039,635	-	8,039,635
Long-term financial instruments		611,607	-	611,607
Trade receivables		539,016,429	(12,856,089)	526,160,340

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

(in thousands of Korean won)

	2023		
	Book amount without deduction	Allowance for trade receivables	Book amount (Maximum exposure)
Other receivables ²	77,590,523	(14,417,807)	63,172,716
	<u>₩ 3,179,443,248</u>	<u>₩ (27,273,896)</u>	<u>₩ 3,152,169,352</u>

¹ Cash on hand is not included in cash and cash equivalents.

² Current and non-current amounts are included.

4.1.3 Liquidity Risk

Liquidity risk is defined as the risk that the Group is unable to meet its short-term payment obligations on time due to deterioration of its business performance or inability to access financing.

The Group forecasts its cash flow and liquidity status, and sets action plans on a regular basis to manage liquidity risk proactively.

Details of the Group's liquidity risk analysis as at December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)	2024				
	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Over 2 years	Total
Borrowings ¹	₩ 42,969,602	₩ 20,868,740	₩ 252,125,934	₩ 9,320,424	₩ 325,284,700
Trade payables	378,071,169	50,901,356	-	-	428,972,525
Other payables	93,962,458	64,736,436	5,253,105	696,368	164,648,367
Financial lease liabilities	8,601,260	12,746,986	30,424,546	46,054,134	97,826,926
Derivative financial instruments held for trading					
Outflow	₩ 189,940,000	₩ 80,910,000	₩ -	₩ -	₩ 270,850,000
(Inflow)	(188,138,712)	(74,376,731)	-	-	(262,515,443)
	<u>₩ 1,801,288</u>	<u>₩ 6,533,269</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ 8,334,557</u>
Derivatives held for hedging					
Outflow	₩ 3,969,180	₩ 3,969,180	₩ -	₩ -	₩ 7,938,360
(Inflow)	(3,913,070)	(3,913,070)	-	-	(7,826,140)
	<u>₩ 56,110</u>	<u>₩ 56,110</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ 112,220</u>

¹ Short-term and long-term borrowings, current portion of borrowings and debentures are included.

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

(in thousands of Korean won)	2023					Total
	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Over 2 years		
Borrowings ¹	₩ 45,153,265	₩ 430,685,621	₩ 74,278,994	₩ 7,295,532	₩	557,413,412
Trade payables	308,565,588	126,166,521	-	-		434,732,109
Other payables	96,131,943	37,393,263	532,090	1,003,820		135,061,116
Financial lease liabilities	7,627,212	13,937,406	24,078,205	55,459,433		101,102,256
Derivative financial instruments held for trading						
Outflow	₩ 107,545,781	₩ 25,349,000	₩ -	₩ -	₩	132,894,781
(Inflow)	(109,998,035)	(25,480,206)	-	-		(135,478,241)
	<u>₩ (2,452,254)</u>	<u>₩ (131,206)</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩</u>	<u>(2,583,460)</u>
Derivatives held for hedging						
Outflow	₩ 115,313,081	₩ 43,277,713	₩ -	₩ -	₩	158,590,794
(Inflow)	(120,008,052)	(43,028,841)	-	-		(163,036,893)
	<u>₩ (4,694,971)</u>	<u>₩ 248,872</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩</u>	<u>(4,446,099)</u>

¹ Current portion of borrowings and debentures are included.

4.2 Capital Risk Management

The Group's capital risk management purpose is to maximize shareholders' value through maintaining a sound capital structure. The Group uses debt-to-equity ratio as indicator of capital management. This ratio is calculated from total liabilities divided by total equity which are posted in the financial statements.

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

(in thousands of Korean won)	2024	2023
Total liabilities	₩ 1,589,606,370	₩ 1,799,444,220
Total equity	4,987,109,262	4,579,898,927
Debt-to-equity ratio	31.87%	39.29%

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

5. Fair Value Estimation

5.1 Fair Value Hierarchy

Items that are measured at fair value are categorized by the fair value hierarchy levels, and the defined levels are as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities at the measurement date, which reflects market assumptions about changes in the economic environment such as rising interest rates, inflation, and ESG-related risks (Level 1).
- Inputs other than quoted prices of Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2).
- Unobservable inputs to assets or liabilities, such as unlisted equity securities and financial instruments that reflect significant unobservable adjustments due to ESG-related risks (Level 3).

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

(in thousands of Korean won)

	2024			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through other comprehensive income	₩ 493,375,545	₩ 501,241	₩ 24,827	₩ 493,901,613
Financial assets at fair value through profit or loss	-	-	55,703,538	55,703,538
Derivative assets	-	8,336,184	-	8,336,184
Financial liabilities				
Derivative liabilities	-	113,847	-	113,847

(in thousands of Korean won)

	2023			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through other comprehensive income	₩ 546,163,320	₩ 719,010	₩ 24,827	₩ 546,907,157
Financial assets at fair value through profit or loss	-	-	30,154,756	30,154,756
Derivative assets	-	8,039,635	-	8,039,635
Financial liabilities				
Derivative liabilities	-	1,010,075	-	1,010,075

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

As at December 31, 2024 and 2023, there is no significant difference between the fair values and book amounts of financial instruments held by the Group.

5.2 Transfers Between Fair Value Hierarchy Levels of Recurring Fair Value Measurements

The Group's policy is to recognize transfers between levels of the fair value at the end of the reporting period.

Details of transfers between levels of each fair value hierarchy of financial instruments are as follows:

There were no transfers between levels 1 and 2 for recurring fair value measurements for the years ended December 31, 2024 and 2023.

Changes in level 3 for recurring fair value measurements for the years ended December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)

	2024	
	Financial assets	
	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss
Beginning balance	₩ 24,827	30,154,756
Amount recognized in profit or loss	-	(2,860,082)
Purchases	-	23,178,247
Exchange differences	-	5,230,617
Ending balance	₩ 24,827	55,703,538
Unrealized gains or losses	-	-

(in thousands of Korean won)

	2023	
	Financial assets	
	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss
Beginning balance	₩ 24,827	13,204,399
Amount recognized in profit or loss	-	4,630,052
Purchases	-	12,141,632
Sales	-	(241,162)
Exchange differences	-	419,835
Ending balance	₩ 24,827	30,154,756
Unrealized gains or losses	-	-

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

5.3 Valuation Techniques and the Inputs

Valuation techniques and inputs used in the recurring and non-recurring fair value measurements categorized within Level 2 and Level 3 of the fair value hierarchy as at December 31, 2024, are as follows:

		2024			
		Fair value	Level	Valuation techniques	Range of inputs
Financial assets at fair value through other comprehensive income					
Equity	₩	501,241	2	Market value method	Discount rate reflecting credit risk
Equity		24,827	3	Present value technique	Annual risk-free interest rate Risk premium
Derivative instruments					
Derivative assets		8,336,184	2	Market approach	Foreign currency forwards exchange rate, discount rate and others
Derivative liabilities		113,847	2	Market approach	Foreign currency forwards exchange rate, discount rate and others
Financial assets at fair value through profit or loss					
Funds and others		16,292,794	3	Asset approach	Net asset fair value
Equity		39,410,744	3	Market approach (Option pricing model) and others	Implied volatility PE multiples

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

6. Operating Segment Information

(a) The Group's reportable segments are organized into OEM, SCOTT, and domestic retail segment and others.

(b) Profit or loss by each segment for the years ended December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)	2024					
	OEM	SCOTT	Domestic retail	Others ²	Consolidation adjustment	Total
Sales	₩ 4,405,930,493	₩ 953,661,749	₩ 1,016,109,935	₩ 369,388,811	₩ (2,439,052,817)	₩ 4,306,038,171
Operating income ¹	501,700,825	(212,281,633)	218,106,633	12,468,165	(2,948,539)	517,045,451
Depreciation and amortization ²	48,797,710	20,616,440	4,947,122	19,253,179	542,220	94,156,671
Depreciation of right- of-use asset ²	5,069,456	14,897,310	15,026,922	3,760,181	(16,520,620)	22,233,249

¹ Management of the Group evaluates the performance of business segments based on operating income of each segment.

² Certain depreciation and amortization expenses, depreciation of right-of-use asset, that are not distributed to the reporting business are included in 'others.'

(in thousands of Korean won)	2023					
	OEM	SCOTT	Domestic retail	Others ²	Consolidation adjustment	Total
Sales	₩ 4,016,704,307	₩ 1,242,422,301	₩ 973,912,101	₩ 316,400,481	₩ (2,193,960,928)	₩ 4,355,478,262
Operating income ¹	559,785,677	58,726,737	243,089,614	117,941,543	(106,961,437)	872,582,134
Depreciation and amortization ²	45,595,507	18,584,852	4,034,185	14,345,951	571,688	83,132,183
Depreciation of right-of- use asset ²	4,997,685	13,293,382	13,804,606	3,452,678	(14,732,130)	20,816,221

¹ Management of the Group evaluates the performance of business segments based on operating income of each segment.

² Certain depreciation and amortization expenses, depreciation of right-of-use asset, that are not distributed to the reporting business are included in 'others.'

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

(c) Assets and liabilities by business segment as at December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)	2024						
	OEM	SCOTT	Domestic retail	Others ²	Adjustment ^{3,4}	Consolidation adjustment	Total
Assets ¹	₩ 4,596,908,763	₩ 1,304,683,662	₩ 967,843,528	₩ 1,291,722,025	₩ 1,280,769,493	₩ (2,865,211,839)	₩ 6,576,715,632
Investment in associates and joint ventures	-	2,977,902	-	468,641,463	-	(467,362,979)	4,256,386
Increase of non-current assets ²	103,106,063	15,594,387	17,529,137	24,205,874	-	(77,899)	160,357,562
Liabilities ¹	1,565,692,675	902,613,252	254,458,075	239,916,293	157,329,551	(1,530,403,476)	1,589,606,370

¹ The segment's assets and liabilities reported to the Board of directors are calculated with the same method used for the assets and liabilities on the financial statements and distributed based on the segment sales.

² The financial instruments are excluded from the acquisition cost of non-current assets.

³ Assets that are not distributed to the reporting segment such as available-for-sale financial assets.

⁴ Liabilities that are not distributed to the reporting segment such as deferred income tax, income tax expense, short-term and long-term borrowings.

(in thousands of Korean won)	2023						
	OEM	SCOTT	Domestic retail	Others ²	Adjustment ^{3,4}	Consolidation adjustment	Total
Assets ¹	₩ 3,822,197,888	₩ 1,608,799,546	₩ 949,818,075	₩ 1,192,104,635	₩ 1,106,450,649	₩ (2,300,027,647)	₩ 6,379,343,146
Investment in associates and joint ventures	-	3,603,295	-	45,000,000	-	(47,542,155)	1,061,140
Increase of non-current assets ²	152,654,599	20,517,351	7,111,839	107,198,344	-	(1,148,372)	286,333,761
Liabilities ¹	1,188,347,752	1,008,032,520	264,534,835	228,128,678	143,051,120	(1,032,650,685)	1,799,444,220

¹ The segment's assets and liabilities reported to the Board of directors are calculated with the same method used for the assets and liabilities on the financial statements and distributed based on the segment sales.

² The financial instruments are excluded from the acquisition cost of non-current assets.

³ Assets that are not distributed to the reporting segment such as available-for-sale financial assets.

⁴ Liabilities that are not distributed to the reporting segment such as deferred income tax, income tax expense, short-term and long-term borrowings.

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

(d) Sales and non-current assets as at and for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	Sales		Non-current assets¹	
	2024	2023	2024	2023
Korea	₩ 3,281,456,919	₩ 3,022,158,992	₩ 506,595,529	₩ 483,259,203
Bangladesh	1,459,567,710	1,329,123,261	491,049,121	431,801,853
Vietnam	726,877,563	656,136,087	105,560,735	97,254,375
China	-	195,685	18,904,665	17,365,099
Switzerland	953,661,749	1,242,422,301	313,754,724	311,370,510
Others	323,527,045	299,402,863	198,022,243	169,461,950
Consolidation adjustment	<u>(2,439,052,815)</u>	<u>(2,193,960,927)</u>	<u>(44,212,458)</u>	<u>15,960,535</u>
	<u>₩ 4,306,038,171</u>	<u>₩ 4,355,478,262</u>	<u>₩ 1,589,674,559</u>	<u>₩ 1,526,473,525</u>

¹ Financial instrument was excluded from non-current asset.

(e) Details of external customers, who contribute more than 10% of the Group revenue (OEM segment), for the years ended December 31, 2024 and 2023, are as follows:

<i>(in billions of Korean won)</i>	2024	2023	Segments
Customer 1	₩ 537.6	₩ 452.3	OEM
Customer 2	365.9	328.0	OEM
Customer 3	251.3	252.9	OEM

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

7. Financial Instruments by Category

7.1 Carrying Amounts of Financial Instruments by Category

Categorizations of financial assets and liabilities as at December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)	2024					
	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Total
Financial assets						
Cash and cash equivalents	₩ 1,273,001,203	₩ -	₩ -	₩ -	₩ -	₩ 1,273,001,203
Long-term and short-term financial instruments	834,322,172	-	-	-	-	834,322,172
Derivative assets	-	-	8,336,184	-	-	8,336,184
Financial assets at fair value through other comprehensive income	-	493,901,613	-	-	-	493,901,613
Financial assets at fair value through profit or loss	-	-	55,703,538	-	-	55,703,538
Trade receivables	618,515,212	-	-	-	-	618,515,212
Other receivables	75,421,221	-	-	-	-	75,421,221
	<u>₩ 2,801,259,808</u>	<u>₩ 493,901,613</u>	<u>₩ 64,039,722</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ 3,359,201,143</u>
Financial liabilities						
Trade payables	₩ -	₩ -	₩ -	₩ 428,972,525	₩ -	₩ 428,972,525
Short-term borrowings	-	-	-	28,104,155	-	28,104,155
Derivative liabilities	-	-	-	-	113,847	113,847
Other payables	-	-	-	164,648,367	-	164,648,367
Long-term borrowings ¹	-	-	-	280,775,649	-	280,775,649
	<u>₩ -</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ 902,500,696</u>	<u>₩ 113,847</u>	<u>₩ 902,614,543</u>

¹ Current portion of long-term borrowings are included.

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

(in thousands of Korean won)

2023

	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Total
Financial assets						
Cash and cash equivalents	₩ 1,183,867,829	₩ -	₩ -	₩ -	₩ -	₩ 1,183,867,829
Long-term and short-term financial instruments	834,593,628	-	-	-	-	834,593,628
Derivative assets	-	-	8,039,635	-	-	8,039,635
Financial assets at fair value through other comprehensive income	-	546,907,157	-	-	-	546,907,157
Financial assets at fair value through profit or loss	-	-	30,154,756	-	-	30,154,756
Trade receivables	526,160,340	-	-	-	-	526,160,340
Other receivables	63,172,716	-	-	-	-	63,172,716
	<u>₩ 2,607,794,513</u>	<u>₩ 546,907,157</u>	<u>₩ 38,194,391</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ 3,192,896,061</u>
Financial liabilities						
Trade payables	₩ -	₩ -	₩ -	₩ 434,732,109	₩ -	₩ 434,732,109
Short-term borrowings	-	-	-	400,421,228	-	400,421,228
Derivative liabilities	-	-	-	-	1,010,075	1,010,075
Other payables	-	-	-	135,061,118	-	135,061,118
Long-term borrowings ¹	-	-	-	151,484,859	-	151,484,859
	<u>₩ -</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ 1,121,699,314</u>	<u>₩ 1,010,075</u>	<u>₩ 1,122,709,389</u>

¹ Current portion of long-term borrowings are included.

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

7.2 Net Gains or Losses by Category of Financial Instruments

Net gains or losses on each category of financial instruments for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024	2023
Financial assets at fair value through profit or loss		
Gain (loss) on valuation ¹	₩ (2,860,082)	₩ 4,630,052
Gain (loss) on transaction	-	(13,842)
Financial assets at fair value through other comprehensive income		
Gain (loss) on valuation (other comprehensive income)	(53,005,544)	24,644,467
Dividend income	7,047,148	6,478,286
Derivative assets and liabilities		
Gain on valuation	9,668,055	77,948
Loss on valuation (other comprehensive income)	(5,000,366)	(11,462,670)
Gain on transaction	4,665,454	1,873,326
Financial asset at amortized cost		
Interest income	59,683,690	54,437,867
Foreign exchange gain	186,505,323	16,555,810
Bad debt expenses (reversal)	(7,261,780)	(8,203,798)
Financial liabilities at amortized cost		
Interest expense	(19,449,571)	(19,626,607)
Foreign exchange gain (loss)	(46,284,526)	19,377,088

¹ The amount of ₩ 224 million has been reflected in other income and expenses, while the remaining amount has been adjusted from operating revenue.

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

8. Cash and Cash Equivalents and Short-term financial instruments

(a) Cash and cash equivalents as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>		2024		2023	
Cash and cash equivalent	Cash on hand	₩	21,807,016	₩	40,726,708
	Short-term financial institution deposits		1,251,194,187		1,143,141,121
			<u>1,273,001,203</u>		<u>1,183,867,829</u>
Short-term financial instruments	Time deposits and others		833,009,269		833,982,021
			<u>₩ 2,106,010,472</u>		<u>₩ 2,017,849,850</u>

(b) Restricted financial instruments as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	Financial institution	2024		2023		Reason of restriction
Long-term financial instruments and others	Shinhan	₩	112,400	₩	138,440	Guarantee deposit
	Bank and others		600,000		600,000	Pledged
			701,000		2,748	Pledged
			<u>1,105,938</u>		<u>1,029,077</u>	Lease contracts
			<u>₩ 2,519,338</u>		<u>₩ 1,770,265</u>	

9. Financial Assets at Fair Value through Profit or Loss

(a) Financial assets at fair value through profit or loss as at December 31, 2024 and 2023, consist of:

<i>(in thousands of Korean won)</i>	2024		2023	
Unlisted securities and others	₩	55,703,538	₩	30,154,756

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

- (b) The changes in financial assets at fair value through profit or loss for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>		2024		2023
Beginning balance	₩	30,154,756	₩	13,204,399
Valuation		(2,860,082)		4,630,052
Acquisitions		23,178,247		12,141,632
Disposals		-		(241,162)
Changes in exchange rate		5,230,617		419,835
Ending balance	₩	<u>55,703,538</u>	₩	<u>30,154,756</u>

10. Financial Assets at Fair Value through Other Comprehensive Income

- (a) Financial assets at fair value through other comprehensive income as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>		2024		2023
Listed securities	₩	493,375,545	₩	546,163,320
Unlisted securities		526,068		743,837
	₩	<u>493,901,613</u>	₩	<u>546,907,157</u>

Upon disposal of these equity securities, any balance within the accumulated other comprehensive income for these equity investments is reclassified to retained earnings and is not reclassified to profit or loss.

- (b) Changes in financial assets at fair value through other comprehensive income for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>		2024		2023
Beginning balance	₩	546,907,157	₩	522,262,690
Gain on valuation		(53,005,544)		24,644,467
Ending balance	₩	<u>493,901,613</u>	₩	<u>546,907,157</u>

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

(c) The details of listed securities as at December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)

	2024				2023	
	Number of Shares	Percentage of ownership (%)	Acquisition cost	Market Value	Book amount	Book amount
GOLDWIN INC. ¹	5,486,500	11.56%	₩ 29,925,366	₩ 454,455,880	₩ 454,455,880	₩ 507,490,776
HUVIS CORPORATION	485,708	1.41%	5,267,403	1,253,127	1,253,127	2,001,117
ILSHIN SPINNING CO., LTD. ²	194,530	0.81%	2,017,250	1,474,538	1,474,538	1,727,427
HANJINKAL	480,000	0.72%	30,015,000	36,192,000	36,192,000	34,944,000
			₩ 67,225,019	₩ 493,375,545	₩ 493,375,545	₩ 546,163,320

¹ GOLDWIN INC.'s shares are listed in Tokyo Stock Exchange in Japan.

² The number of shares held by ILSHIN SPINNING CO., LTD. increased due to the share split.

11. Trade Receivables

(a) Trade receivables and its loss allowance as at December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)

	2024	2023
Trade receivables	₩ 633,541,795	₩ 539,016,429
Less: Loss allowance	(15,026,583)	(12,856,089)
Trade receivables, net	₩ 618,515,212	₩ 526,160,340

¹ The Group's trade receivables have been pledged as collateral in relation to borrowings and others as at December 31, 2024 and 2023 (Note 23).

(b) See Note 4.1.2 for the impairment of trade receivables and the Group's exposure to credit risk.

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

12. Other Receivables

(a) Other receivables as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024	2023
Current		
Short-term loans	₩ 100,000	₩ 100,000
Provision for impairment	(100,000)	(100,000)
Accrued income	14,504,864	16,892,098
Non-trade receivables	40,882,652	36,974,800
Provision for impairment	(2,307,306)	(1,089,439)
Current portion of rent deposits	5,910,638	-
Deposits received for margin accounts	4,968,501	3,306,483
	<u>63,959,349</u>	<u>56,083,942</u>
Non-current		
Long-term loans	15,424,588	14,434,556
Provision for impairment	(14,339,792)	(13,228,368)
Rent deposits	3,692,039	1,146,815
Other deposits	6,078,298	4,735,771
Long-term accrued income	606,740	-
	<u>11,461,873</u>	<u>7,088,774</u>
	<u>₩ 75,421,222</u>	<u>₩ 63,172,716</u>

(b) See Note 4.1.2 for the impairment of other receivables and the Group's exposure to credit risk.

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

13. Other Assets

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

<i>(in thousands of Korean won)</i>	2024	2023
Current		
Advances	₩ 95,730,158	₩ 53,446,365
Provision for impairment	(500,000)	(500,000)
Prepaid expenses	7,212,154	4,647,351
Prepaid VAT	15,798,424	13,975,018
Contract assets	977,282	763,186
Others	2,188,012	3,773,200
	<u>121,406,030</u>	<u>76,105,120</u>
Non-current		
Prepaid expenses	4,870,792	3,948,748
Others	378,312	648,987
	<u>5,249,104</u>	<u>4,597,735</u>
	<u>₩ 126,655,134</u>	<u>₩ 80,702,855</u>

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

14. Inventories

(a) Inventories as at December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)

	2024		
	Before valuation	Valuation allowance	Book amount
Merchandise and Finished goods	₩ 1,060,328,975	₩ (128,836,478)	₩ 931,492,497
Raw materials	264,111,633	(25,270,033)	238,841,600
Work in progress	118,071,124	(8,624,248)	109,446,876
Supplies	36,174,441	-	36,174,441
Goods in transit	104,642,712	-	104,642,712
	<u>₩ 1,583,328,885</u>	<u>₩ (162,730,759)</u>	<u>₩ 1,420,598,126</u>

(in thousands of Korean won)

	2023		
	Before valuation	Valuation allowance	Book amount
Merchandise and Finished goods	₩ 1,238,289,441	₩ (70,552,738)	₩ 1,167,736,703
Raw materials	190,719,186	(24,018,493)	166,700,693
Work in progress	84,278,372	-	84,278,372
Supplies	30,659,082	-	30,659,082
Goods in transit	53,797,368	-	53,797,368
	<u>₩ 1,597,743,449</u>	<u>₩ (94,571,231)</u>	<u>₩ 1,503,172,218</u>

As at December 31, 2024 and 2023, the Group's inventories are pledged as collateral in relation to borrowings (Note 23).

(b) The cost of inventories recognized as 'cost of sales' amounted to ₩ 2,092,903,457 thousand (2023: ₩ 1,956,007,642 thousand) (Note 32).

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

15. Property, Plant and Equipment

(a) Changes in property, plant and equipment for the years ended December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)

	2024									
	Land	Buildings	Structures	Machinery	Vehicles	Tools and equipment	Facilities	Construction in progress	Total	
Opening net book amount	₩ 211,384,347	₩ 438,795,588	₩ 966,254	₩ 160,397,766	₩ 102,044,695	₩ 33,107,964	₩ 17,661,690	₩ 122,320,487	₩ 1,086,678,791	
Acquisitions	8,012,357	12,901,998	-	33,134,453	837,497	16,731,156	1,333,484	64,268,214	137,219,159	
Disposals	-	(3,974,916)	-	(1,333,232)	(152,780)	(409,108)	(191,590)	(3,831,247)	(9,892,873)	
Depreciation	-	(17,315,431)	(73,000)	(41,961,763)	(8,090,791)	(11,361,807)	(2,814,365)	-	(81,617,157)	
Transfer	(13,024,077)	42,867,519	-	17,979,534	614,292	2,269,773	2,387,168	(37,679,989)	15,414,220	
Exchange differences	3,042,228	19,407,420	-	8,633,876	13,217,384	836,202	1,362,809	6,796,218	53,296,137	
Closing net book amount	209,414,855	492,682,178	893,254	176,850,634	108,470,297	41,174,180	19,739,196	151,873,683	1,201,098,277	
Acquisition cost	209,414,855	674,544,774	1,999,619	584,638,769	163,439,105	137,934,587	54,319,520	151,873,683	1,978,164,912	
Accumulated depreciation	-	(181,862,596)	(1,106,365)	(407,788,135)	(54,968,808)	(96,760,407)	(34,580,324)	-	(777,066,635)	
Ending net book amount	₩ 209,414,855	₩ 492,682,178	₩ 893,254	₩ 176,850,634	₩ 108,470,297	₩ 41,174,180	₩ 19,739,196	₩ 151,873,683	₩ 1,201,098,277	

(in thousands of Korean won)

	2023									
	Land	Buildings	Structures	Machinery	Vehicles	Tools and equipment	Facilities	Construction in progress	Total	
Opening net book amount	₩ 208,118,440	₩ 429,441,460	₩ 1,032,574	₩ 165,009,613	₩ 27,178,882	₩ 28,720,379	₩ 14,448,761	₩ 114,814,507	₩ 988,764,616	
Acquisitions	8,414,356	13,848,292	-	31,564,871	78,660,329	12,759,943	1,992,850	43,191,667	190,432,308	
Disposals	-	(1,533,712)	-	(1,033,716)	(144,531)	(53,851)	(8,955)	(729,507)	(3,504,272)	
Depreciation	-	(16,161,204)	(66,320)	(41,822,648)	(3,515,018)	(9,089,288)	(2,526,804)	-	(73,181,282)	
Transfer	(5,134,939)	9,928,821	-	8,977,483	386,796	843,797	4,120,340	(29,861,399)	(10,739,101)	
Changes in scope of consolidation	-	-	-	725,596	-	-	-	-	725,596	
Exchange differences	(13,510)	3,271,931	-	(3,023,433)	(521,763)	(73,016)	(364,502)	(5,094,781)	(5,819,074)	
Closing net book amount	211,384,347	438,795,588	966,254	160,397,766	102,044,695	33,107,964	17,661,690	122,320,487	1,086,678,791	
Acquisition cost	211,384,347	603,955,975	1,999,618	541,560,438	146,253,037	118,491,659	43,006,428	122,320,487	1,788,971,989	
Accumulated depreciation	-	(165,160,387)	(1,033,364)	(381,162,672)	(44,208,342)	(85,383,695)	(25,344,738)	-	(702,293,198)	
Ending net book amount	₩ 211,384,347	₩ 438,795,588	₩ 966,254	₩ 160,397,766	₩ 102,044,695	₩ 33,107,964	₩ 17,661,690	₩ 122,320,487	₩ 1,086,678,791	

The Group's property, plant and equipment have been pledged as collateral in relation to borrowings and others as at December 31, 2024 and 2023 (Note 23).

Depreciation of ₩ 31,789,146 thousand (2023: ₩ 24,477,079 thousand) was charged to 'selling and administrative expenses' and ₩ 49,828,011 thousand (2023: ₩ 48,704,202 thousand) was charged to 'cost of sales'.

(b) As at December 31, 2024 and 2023, the details of construction-in-progress assets are construction of headquarters building, expansion of overseas manufacturing plant of subsidiaries and others.

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

16. Leases

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

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

<i>(in thousands of Korean won)</i>	2024	2023
Right-of-use assets		
Land	₩ 44,580,841	₩ 43,317,816
Buildings	32,958,725	35,767,100
Machinery	12,000	140,928
Vehicles	1,992,647	2,807,822
Tools and equipment	966,070	2,007,768
Facilities	397,707	941,833
	<u>₩ 80,907,990</u>	<u>₩ 84,983,267</u>

<i>(in thousands of Korean won)</i>	2024	2023
Lease liabilities		
Current	₩ 20,037,970	₩ 20,567,114
Non-current	65,497,999	68,944,813
	<u>₩ 85,535,969</u>	<u>₩ 89,511,927</u>

Additions to the right-of-use assets during the 2024 financial year were ₩ 16,201,557 thousand (2023: ₩ 36,532,514 thousand).

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

(b) Amounts recognized in the consolidated income statements

The consolidated income statements show the following amounts relating to leases:

<i>(in thousands of Korean won)</i>	2024	2023
Depreciation of right-of-use assets		
Land	₩ 2,036,766	₩ 2,350,610
Buildings ¹	16,701,200	14,661,662
Machinery	137,593	350,810
Vehicles	1,641,712	1,582,061
Tools and equipment	1,107,578	1,329,047
Facilities	608,400	542,031
	<u>₩ 22,233,249</u>	<u>₩ 20,816,221</u>
Interest expense relating to lease liabilities (included in finance cost)	₩ 4,571,403	₩ 4,835,804
Expense relating to short-term leases (included in cost of goods sold and selling and administrative expenses)	4,511,248	2,441,847
Expense relating to leases of low-value assets that are not short-term leases (included in administrative expenses)	271,046	301,407
Expense relating to variable lease payments not included in lease liabilities (included in sales commissions)	152,335,512	149,675,624

¹ Depreciation for right-of-use assets of ₩ 2,026,763 thousand (2023: ₩ 1,866,275 thousand) was charged to 'sales commissions'.

The total cash outflow for leases in 2024 was ₩ 188,917,399 thousand (2023: ₩ 177,484,815 thousand).

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

17. Intangible Assets

(a) Changes in intangible assets for the years ended December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)

	2024									
	Industrial property	Software	Development costs	Membership rights	Brand value	Customer Relationships	Goodwill	Others and construction in progress	Total	
Opening net book amount	₩ 779,060	₩ 5,167,990	₩ 1,044,469	₩ 393,684	₩ 121,259,367	₩ 29,843,336	₩ 20,266,950	₩ 31,817,662	₩ 210,572,518	
Acquisitions	12,155	638,086	59,000	-	-	-	-	17,414,099	18,123,340	
Amortization	(723,489)	(5,014,939)	(460,737)	-	(625,820)	(2,814,071)	-	(4,825)	(9,643,881)	
Impairment loss	-	-	-	-	(38,643,258)	-	(18,270,753)	-	(56,914,011)	
Disposals/Transfer	-	17,718,266	-	(11,440)	-	-	-	(17,718,266)	(11,440)	
Exchange differences	14,523	328,964	-	-	8,606,635	1,869,771	1,514,676	1,517,281	13,851,850	
Closing net book amount	82,249	18,838,367	642,732	382,244	90,596,924	28,899,036	3,510,873	33,025,951	175,978,376	
Acquisition cost	9,330,551	50,112,293	642,732	382,244	97,396,819	58,187,660	3,510,873	33,048,119	252,611,291	
Accumulated amortization	(9,248,302)	(31,273,926)	-	-	(6,799,895)	(29,288,624)	-	(22,168)	(76,632,915)	
Ending net book amount	₩ 82,249	₩ 18,838,367	₩ 642,732	₩ 382,244	₩ 90,596,924	₩ 28,899,036	₩ 3,510,873	₩ 33,025,951	₩ 175,978,376	

(in thousands of Korean won)

	2024									
	Industrial property	Software	Development costs	Membership rights	Brand value	Customer Relationships	Goodwill	Others and construction in progress	Total	
Opening net book amount	₩ 1,640,330	₩ 5,641,570	₩ 1,558,723	₩ 393,684	₩ 110,566,465	₩ 29,413,841	₩ 23,691,194	₩ 10,157,077	₩ 183,062,884	
Acquisitions	-	1,843,608	416,200	-	-	-	-	20,366,527	22,626,335	
Amortization	(994,397)	(2,482,269)	(930,454)	-	(759,040)	(2,644,995)	-	(628)	(7,811,783)	
Impairment loss	-	-	-	-	-	-	(4,997,742)	-	(4,997,742)	
Disposals/Transfer	-	(4,996)	-	-	-	-	-	(13,021)	(18,017)	
Exchange differences	133,127	170,077	-	-	11,451,942	3,074,490	1,573,498	1,307,707	17,710,841	
Closing net book amount	779,060	5,167,990	1,044,469	393,684	121,259,367	29,843,336	20,266,950	31,817,662	210,572,518	
Acquisition cost	8,793,551	33,445,861	8,508,629	393,684	127,026,166	54,439,451	20,266,950	31,818,959	284,693,251	
Accumulated amortization	(8,014,491)	(28,277,871)	(7,464,160)	-	(5,766,799)	(24,596,115)	-	(1,297)	(74,120,733)	
Ending net book amount	₩ 779,060	₩ 5,167,990	₩ 1,044,469	₩ 393,684	₩ 121,259,367	₩ 29,843,336	₩ 20,266,950	₩ 31,817,662	₩ 210,572,518	

The Group's intangible assets have been pledged as collateral in relation to borrowings and others as at December 31, 2024 and 2023 (Note 23).

Amortization of ₩ 9,521,431 thousand (2023: ₩ 7,661,758 thousand) is included in 'selling and administrative expenses' and ₩ 122,450 thousand (2023: ₩ 150,025 thousand) is included in the 'cost of sales' in the income statements.

Intangible assets with indefinite useful lives of ₩ 87,856,473 thousand (2023: ₩ 118,069,841 thousand) are included in brand value.

Youngone Holdings Co., Ltd and Subsidiaries **Notes to the Consolidated Financial Statements** **December 31, 2024 and 2023**

(b) The details of impairment tests for goodwill and intangible assets with indefinite useful lives are as follows:

Goodwill is monitored by the management at the operating segment level. The following is a summary of goodwill allocation for each operating segment (cash-generating unit):

<i>(in thousands of Korean won)</i>	2024		2023	
SCOTT ¹	₩	-	₩	17,187,413
MSH		3,510,873		3,079,537
	₩	3,510,873	₩	20,266,950

¹ Cash-generating unit including subsidiaries of BERGAMONT and DOLOMITE

Details of intangible assets with indefinite useful lives as at December 31, 2024 and 2023, consist of as follows:

<i>(in thousands of Korean won)</i>	2024		2023	
SCOTT brand held by the Parent Company	₩	27,922,848	₩	62,491,216
DOLOMITE brands and others held by SCOTT		48,802,785		45,815,288
Outdoor Research brand held by MSH		11,130,840		9,763,337
	₩	87,856,473	₩	118,069,841

The Group annually performs impairment test on the intangible assets with indefinite useful lives such as goodwill and others. As a result of the impairment test, the carrying amount of the SCOTT segment's cash-generating unit exceeded its value in use by ₩ 56,914,011 thousand and the amount is recognized in other expenses in the consolidated income statement.

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on business budgets approved by management covering a five-year period. The assumption of certain growth rate was made (only when, not exceeding long-term average inflation rate) to calculate perpetual cash flows for the periods, exceeding the five-year period.

The Group's revenue included in the value-in-use estimation is estimated considering economic uncertainties such as inflation.

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

The key assumptions on CGU(s) which significant goodwill was allocated to, perpetual growth rate and discount rate used in assessment of value-in-use, are as follows:

<i>(in thousands of Korean won)</i>	2024		2023	
	Perpetual growth rate¹	Discount rate before tax²	Perpetual growth rate¹	Discount rate before tax²
SCOTT	1.60%	9.74%	1.80%	10.31%
SHEPPARD AUSTRALIA	-	-	2.60%	12.75%
MSH	3.00%	18.58%	3.00%	18.81%

¹ The projected growth rate beyond five years

² Discount rate applied to the pre-tax cash flow projections

Sales growth rate was determined on the basis of past performance and expectations of market. The growth rate is consistent with estimates included in the industry report. The discount rate reflects pre-tax rate and the special risk related to the division.

18. Investment Properties

Changes in investment properties for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024	2023
Opening net book amount	₩ 144,238,949	₩ 62,098,508
Acquisition	5,015,063	73,275,118
Depreciation ¹	(2,895,636)	(2,139,117)
Transfer	(15,797,547)	10,431,688
Changes in exchange rate	1,129,086	572,752
Ending net book amount	<u>131,689,915</u>	<u>144,238,949</u>
Acquisition cost	155,296,471	158,264,913
Accumulated depreciation	<u>(23,606,556)</u>	<u>(14,025,964)</u>
Ending net book amount	<u>₩ 131,689,915</u>	<u>₩ 144,238,949</u>

¹ Depreciation for investment properties was fully included in 'selling and administrative expenses'.

The Group's investment properties have been pledged as collateral in relation to borrowings and others as at December 31, 2024 and 2023 (Note 23).

Fair value of investment properties as at December 31, 2024, is ₩ 203,684,238 thousand (2023: ₩ 177,369,106 thousand).

Youngone Holdings Co., Ltd and Subsidiaries **Notes to the Consolidated Financial Statements** **December 31, 2024 and 2023**

Rent income from investment property during the year ended December 31, 2024, is ₩ 6,757,537 thousand (2023: ₩ 3,033,236 thousand).

19. Investments in Associates and Joint Ventures

(a) The Group's investments in associates and joint ventures as at December 31, 2024 and 2023, are as follows:

Investee	Percentage of ownership		Location	Date of financial statements
	2024	2023		
INTERNATIONAL RETAIL CORPORATION SA	30.0%	30.0%	Switzerland	September 30
SCOTT Network Solutions India PVT LTD	49.0%	49.0%	India	September 30
BIKE SPORT TRAVEL AG	45.0%	45.0%	Switzerland	September 30
Goldwin Korea Corporation	40.0%	-	Korea	December 31

(b) Changes in investments in associates and joint ventures for the years ended December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)

	2024					
	Beginning balance	Acquisition	Share of profit of associates and joint ventures	Share of other comprehensive income of associates and joint ventures	Exchange differences	Ending balance
INTERNATIONAL RETAIL CORPORATION SA ¹	₩ -	₩ -	₩ -	₩ -	₩ -	-
SCOTT Network Solutions India PVT LTD ¹	-	-	-	-	-	-
BIKE SPORT TRAVEL AG	1,061,140	-	(55,766)	-	66,410	1,071,784
Goldwin Korea Corporation	-	3,360,000	(175,398)	-	-	3,184,602
	₩ 1,061,140	₩ 3,360,000	₩ (231,164)	₩ -	₩ 66,410	₩ 4,256,386

¹ Equity method accounting was discontinued.

Youngone Holdings Co., Ltd and Subsidiaries **Notes to the Consolidated Financial Statements** **December 31, 2024 and 2023**

(in thousands of
Korean won)

	2023					
	Beginning balance	Acquisition	Share of profit of associates and joint ventures	Share of other comprehensive income of associates and joint ventures	Exchange differences	Ending balance
INTERNATIONAL RETAIL CORPORATION SA ¹	₩ -	₩ -	₩ -	₩ -	₩ -	-
SCOTT Network Solutions India PVT LTD ¹	-	-	-	-	-	-
BIKE SPORT TRAVEL AG	926,687	949,527	(920,445)	-	105,371	1,061,140
	₩ 926,687	₩ 949,527	₩ (920,445)	₩ -	₩ 105,371	₩ 1,061,140

¹ Equity method accounting was discontinued.

(c) The summary of financial information on principal of investments in associates and joint ventures as at and for the years ended December 31, 2024 and 2023, is as follows:

(in thousands of Korean won)

	2024				
	Assets	Liabilities	Revenues	Profit (loss)	Other comprehensive income (loss)
INTERNATIONAL RETAIL CORPORATION SA	₩ 144,440,434	₩ 174,891,147	₩ -	₩ -	(1,864,062)
SCOTT Network Solutions India PVT LTD.	84,572	161,012	29,432	(6,196)	(30,546)
BIKE SPORT TRAVEL AG	4,207,445	1,860,579	91,395	(43,374)	2,247,140
Goldwin Korea Corporation.	8,140,738	179,233	67,458	(438,495)	-

(in thousands of Korean won)

	2023				
	Assets	Liabilities	Revenues	Profit (loss)	Other comprehensive income (loss)
INTERNATIONAL RETAIL CORPORATION SA	₩ 135,598,411	₩ 164,185,062	₩ 166,144,012	₩ (5,659,357)	₩ (3,037,153)
SCOTT Network Solutions India PVT LTD.	70,234	109,931	-	-	(4,003)
BIKE SPORT TRAVEL AG	2,818,930	2,675,830	9,364	164	-

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

(d) The Group has discontinued to use the equity method. Accumulated share of losses of associate and jointly controlled entities unrecognized due to the discontinuance of equity method are as follows:

(in thousands of Korean won)	2024				2023			
	Unrecognized share of loss		Unrecognized accumulated share of losses		Unrecognized share of loss		Unrecognized accumulated share of losses	
INTERNATIONAL RETAIL CORPORATION SA	₩	(559,219)	₩	(9,135,214)	₩	(2,608,953)	₩	(8,575,995)
SCOTT Network Solutions India PVT LTD.		(18,004)		(37,456)		(1,962)		(19,452)

20. Trade and Other Payables

Trade payables and other payables as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024		2023	
Current				
Trade payables	₩	428,972,525	₩	434,732,109
		<u>428,972,525</u>		<u>434,732,109</u>
Other payables				
Non-trade payables		51,826,008		35,210,092
Accrued expense		103,094,778		92,403,588
Rent deposits		2,345,656		5,599,188
Deposits provided for business		170,768		-
Financial guarantee liabilities		<u>1,261,684</u>		<u>837,608</u>
		<u>158,698,894</u>		<u>134,050,476</u>
Non-current				
Long-term accrued expense		-		6,560
Rent deposits		<u>5,949,474</u>		<u>1,004,082</u>
		<u>5,949,474</u>		<u>1,010,642</u>
	₩	593,620,893	₩	569,793,227

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

21. Other Liabilities

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

<i>(in thousands of Korean won)</i>		2024		2023
Current				
Customer advances	₩	2,614,077	₩	961,704
Unearned revenue		85,135		-
Withholdings		10,658,969		7,295,512
Value added tax withheld		14,477,358		14,285,628
Others		1,745,172		415,038
		<u>29,580,711</u>		<u>22,957,882</u>
Non-current				
Unearned revenue		1,770,875		2,579
Others		3,622,973		3,102,448
		<u>5,393,848</u>		<u>3,105,027</u>
	₩	<u>34,974,559</u>	₩	<u>26,062,909</u>

22. Contract Assets and Liabilities

(a) The Group has recognized the following contract assets and liabilities:

<i>(in thousands of Korean won)</i>		2024		2023
Contract liabilities – unsatisfied performance obligations ¹	₩	2,172,429	₩	746,631
Contract liabilities – customer loyalty program ¹		2,364,088		1,992,900

¹ The Group does not have contract assets, and the contract liabilities are included in other current liabilities (Note 21) and other provisions (Note 41).

(b) Revenue recognized in relation to contract liabilities

Details of amounts recognized as revenue in relation to contract liabilities for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>		2024		2023
Revenue recognized that was included in the contract liability balance at the beginning of the year				
Unsatisfied performance obligations	₩	734,832	₩	2,132,340
Customer loyalty program		1,992,900		1,603,235

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

23. Borrowings

(a) Details of borrowings as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024		2023	
Current				
Bank overdrafts	₩	7,320,271	₩	67,297
Bank borrowings		20,608,368		400,204,427
Current portion of long-term borrowings		19,547,825		70,620,137
Other borrowings		175,516		149,504
		<u>47,651,980</u>		<u>471,041,365</u>
Non-current				
Bank borrowings		261,227,824		80,864,722
		<u>261,227,824</u>		<u>80,864,722</u>
	₩	308,879,804	₩	551,906,087

(b) Details of bank borrowings as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	Creditor	Annual interest rate (%) December 31, 2024	2024	2023
Current				
Overdrafts	Wells Fargo Bank and others	SOFR + 1.35%, SOFR + 2.3%, 7.61%, 8.14%, Euribor 3M + 0.05%, Euribor 1M + 0.03%	₩ 7,320,271	₩ 67,297
Borrowings from financial institutions ^{1,2,3,4}	Citibank and others	SOFR + 1.5%,	20,608,368	400,204,427
Current portion of long-term borrowings ^{1,2,3,4}	BCF and others	SARON + 0.45%, Euribor 3M + 1.60%, 1.00%, 1.44%, 2.75%	19,547,825	70,620,137
Other borrowings	Borrowings from shareholders and others	-	175,516	149,504
			<u>47,651,980</u>	<u>471,041,365</u>
Non-current				
Borrowings from financial institutions ¹	Woori Bank and others	SOFR + 1.3%, Euribor 3M + 1.60%, SARON + 0.05%, 1.00%, 1.44%, 2.75%	261,227,824	80,864,722
			<u>261,227,824</u>	<u>80,864,722</u>
			₩ <u>308,879,804</u>	₩ <u>551,906,087</u>

¹ Borrowings are collateralized with property, plant and equipment and investment properties. (Note 15 and 18)

Youngone Holdings Co., Ltd and Subsidiaries **Notes to the Consolidated Financial Statements** **December 31, 2024 and 2023**

² Borrowings are collateralized with inventories (Note 14).

³ Borrowings are collateralized with trade receivables (Note 11).

⁴ Borrowings are collateralized with trademarks (Note 17).

24. Net Defined Benefit Liabilities

(a) Details of **net** defined benefit liabilities (assets) recognized in the statements of financial position as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024	2023
Present value of defined benefit liabilities	₩ 237,612,524	₩ 191,970,766
Fair value of plan assets	(132,026,628)	(117,587,403)
Net defined benefit liabilities	105,646,242	74,454,284
Net defined benefit assets ¹	₩ (60,346)	₩ (70,921)

¹ ₩ 60,346 thousand (2023: ₩ 70,921 thousand) of plan assets in excess of the defined benefit obligations is included in other non-current assets.

(b) Movements in the defined benefit obligations for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024	2023
Beginning balance	₩ 191,970,766	₩ 134,692,012
Current service cost	25,844,800	40,873,912
Interest expense	8,709,496	6,050,084
Remeasurements:		
Actuarial loss (gain) from change in demographic assumptions	(297,073)	40,715
Actuarial loss from change in financial assumptions	14,946,109	10,030,012
Actuarial loss (gain) from experience adjustments	(3,739,962)	5,984,349
Contributions:		
Employees	2,151,644	2,086,634
Payments from plans:		
Benefit payments	(19,226,823)	(7,214,052)
Past service cost:		
Effect of policy amendment	11,485,606	-
Exchange differences	5,767,961	(572,900)
Ending balance	₩ 237,612,524	₩ 191,970,766

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

(c) Movements in the fair value of plan assets for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024		2023	
Beginning balance	₩	117,587,403	₩	95,491,760
Interest income		3,504,419		3,461,750
Remeasurements:				
Return on plan assets (excluding amounts included in interest income)		4,212,400		1,726,334
Contributions:				
Employers		16,030,780		11,635,900
Employees		2,151,644		2,086,634
Payments from plans:				
Benefit payments		(14,758,648)		(2,048,237)
Exchange differences		3,298,630		5,233,262
Ending balance	₩	<u>132,026,628</u>	₩	<u>117,587,403</u>

(d) The significant actuarial assumptions as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	Local		Foreign	
	2024	2023	2024	2023
Discount rate	4.33%~4.60%	4.93%~5.16%	1.10%~7.00%	2.00%~7.00%
Salary growth rate	5.3%~11.36%	4.58%~8.70%	2.30%~6.00%	2.50%~6.00%

(e) Plan assets as at December 31, 2024 and 2023, consist of the following:

<i>(in thousands of Korean won)</i>	2024		2023	
Property	₩	24,654,294	₩	24,707,001
Current assets		75,038,273		58,907,130
Securities		14,347,924		12,971,863
Loan assets		16,961,517		19,147,850
Others		1,024,620		1,853,559
	₩	<u>132,026,628</u>	₩	<u>117,587,403</u>

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

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

*(in thousands of
Korean won)*

	Effect on defined benefit obligation			
	Changes in assumption		Increase in assumption	Decrease in assumption
Discount rate	1%p	₩	(30,491,219)	₩ 36,955,868
Salary growth rate	1%p	₩	26,929,569	₩ (23,729,923)

A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings. However, the Group is exposed to the most significant risk through increase of the defined benefit pension plan.

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

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

(g) The Effects of Future Cash Flows on Defined Benefit Plans

The Group reviews the funding level on an annual basis and has a policy to eliminate deficit in the fund.

The weighted average duration of the defined benefit obligation is 10.62 years.

(h) The expenses recognized in the current period in relation to defined contribution plan and others were ₩ 3,879,984 thousand (2023: ₩ 3,979,264 thousand).

(i) Expected contributions to post-employment benefit plans for the year ending December 31, 2025, are ₩ 11,099 million.

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

25. Deferred Tax

(a) Deferred tax assets and deferred tax liabilities as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024	2023
Deferred tax assets		
Deferred tax asset to be recovered within 12 months	₩ 23,587,355	₩ 71,689,115
Deferred tax asset to be recovered after more than 12 months	83,492,224	47,384,281
	<u>107,079,579</u>	<u>119,073,396</u>
Deferred tax liabilities		
Deferred tax liability to be recovered within 12 months	(27,242,101)	(21,344,465)
Deferred tax liability to be recovered after more than 12 months	(353,903,196)	(385,718,522)
	<u>(381,145,297)</u>	<u>(407,062,987)</u>
Deferred tax assets, net	<u>43,047,980</u>	<u>62,410,017</u>
Deferred tax liabilities, net	<u>₩ (317,113,697)</u>	<u>₩ (350,399,608)</u>

(b) The gross movement on the deferred tax for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024	2023
Beginning balance	₩ (287,989,591)	₩ (283,497,995)
Exchange differences	955,070	(2,648,475)
Tax credited to income statement (Note 35)	(2,194,511)	(1,646,865)
Tax credited directly to equity	15,163,315	(196,256)
Ending balance	<u>₩ (274,065,717)</u>	<u>₩ (287,989,591)</u>

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

(c) The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

(in thousands of Korean won)

	January 1, 2024	Income statements	Other comprehensive income (loss)	Foreign currency translation	December 31, 2024
Deferred tax assets					
Provision for sales promotion	₩ -	₩ 295,002	₩ -	₩ 2,308	₩ 297,310
Department store and agent sales	49,389,689	(49,311,566)	-	-	78,123
Loss on valuation of inventories	20,066,414	(389,810)	-	76,321	19,752,925
Bad debt expenses (reversal)	1,204,555	312,397	-	(17,004)	1,499,949
Impairment loss on financial assets at fair value through other comprehensive income	228,262	-	-	-	228,262
Interest related to loan for construction	490,253	191,914	-	(1,828)	680,339
Post-employment benefit obligation	20,050,142	6,923,979	1,760,168	(680,031)	28,054,258
Provision for sales returns (revenue)	676,447	(1,452)	-	-	674,995
Unearned revenue	460,359	85,744	-	-	546,103
Depreciation	90,087	(10,902)	-	-	79,185
Loss on retirement of property, plant and equipment	12,406	-	-	-	12,406
Accrued expenses	1,096,206	(359,077)	-	821	737,950
Gain (loss) on valuation of financial assets at fair value through other comprehensive income	825,017	(15,719)	231,203	-	1,040,501
Gain (loss) on valuation of financial assets at fair value through profit or loss	(26,102)	27,879	-	-	1,777
Lease liabilities	18,529,497	(4,156,575)	-	(401,085)	13,971,838
Others	5,954,061	33,578,137	-	(108,538)	39,423,659
	₩ 119,047,293	₩ (12,830,049)	₩ 1,991,371	₩ (1,129,036)	₩ 107,079,580
Deferred tax liabilities					
Accrued income	₩ (3,218,653)	₩ 25,455	₩ -	₩ -	₩ (3,193,198)
Short-term employee benefits	(321,884)	-	-	-	(321,884)
Department store and agent cost of goods sold	(17,626,680)	17,548,516	-	-	(78,164)
Payment of guaranteed fees	(412,067)	-	-	-	(412,067)
Land advanced depreciation provision	(4,865,156)	843,700	-	(17,315)	(4,038,771)
Investments in subsidiaries	(199,914,229)	(9,452,896)	-	-	(209,367,125)
Retirement pension plan assets	(10,789,419)	(3,491,964)	15,994	1,200	(14,264,189)
In-kind contribution assets	(63,953)	-	-	-	(63,953)
Gain (loss) on valuation of financial assets at fair value through other comprehensive income	(108,811,133)	(44,636)	12,070,059	-	(96,785,710)
Provision for returns (cost of goods sold)	(177,248)	(49,456)	-	-	(226,704)
Depreciation	(5,855,976)	(241,302)	-	(51,712)	(6,148,990)

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

(in thousands of Korean won)

	January 1, 2024	Income statements	Other comprehensive income (loss)	Foreign currency translation	December 31, 2024
Intangible assets	(7,347,058)	(21,704)	-	(578,916)	(7,947,678)
Right-of-use asset	(16,352,176)	1,126,422	-	351,041	(14,874,713)
Others	(31,281,253)	4,393,403	1,085,891	2,379,808	(23,422,151)
	<u>₩ (407,036,885)</u>	<u>₩ 10,635,538</u>	<u>₩ 13,171,944</u>	<u>₩ 2,084,106</u>	<u>₩ (381,145,297)</u>

(in thousands of Korean won)

	January 1, 2023	Income statements	Other comprehensive income (loss)	Foreign currency translation	December 31, 2023
Deferred tax assets					
Provision for sales promotion	₩ 76,675	₩ (78,983)	₩ -	₩ 2,308	₩ -
Department store and agent sales	40,583,806	8,805,883	-	-	49,389,689
Loss on valuation of inventories	5,369,808	14,620,285	-	76,321	20,066,414
Service fees	26,591	(26,591)	-	-	-
Bad debt expenses (reversal)	(889,272)	2,110,831	-	(17,004)	1,204,555
Interest related to loan for construction	153,140	338,942	-	(1,829)	490,253
Post-employment benefit obligation	12,573,343	5,103,212	3,053,619	(680,032)	20,050,142
Provision for sales returns	162,780	513,667	-	-	676,447
Unearned revenue	371,950	88,409	-	-	460,359
Depreciation	5,401	84,686	-	-	90,087
Loss on retirement of property, plant and equipment	12,406	-	-	-	12,406
Accrued expenses	855,933	239,452	-	821	1,096,206
Gain (loss) on valuation of financial assets at fair value through other comprehensive income	3,021,310	(2,117,673)	149,642	-	1,053,279
Lease liabilities	3,427,266	15,503,316	-	(401,085)	18,529,497
Others	984,651	5,077,948	-	(108,537)	5,954,062
	<u>₩ 66,735,788</u>	<u>₩ 50,263,384</u>	<u>₩ 3,203,261</u>	<u>₩ (1,129,037)</u>	<u>₩ 119,073,396</u>

Deferred tax liabilities

Accrued income	₩ (1,688,522)	₩ (1,530,131)	₩ -	₩ -	₩ (3,218,653)
Department store and agent cost of goods sold	(14,936,954)	(2,689,726)	-	-	(17,626,680)
Land advanced depreciation provision	(4,766,085)	(81,756)	-	(17,315)	(4,865,156)
Investments in subsidiaries	(189,337,121)	(10,577,108)	-	-	(199,914,229)
Retirement pension plan assets	(7,716,802)	(3,105,984)	32,167	1,200	(10,789,419)
In-kind contribution assets	(64,259)	306	-	-	(63,953)
Gain (loss) on valuation of financial assets at fair value through other comprehensive income	(105,233,994)	2,095,313	(5,672,452)	-	(108,811,133)
Provision for returns (cost of goods sold)	(39,516)	(137,732)	-	-	(177,248)
Depreciation	(12,377,753)	6,573,489	-	(51,712)	(5,855,976)

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

(in thousands of Korean won)

	January 1, 2023	Income statements	Other comprehensive income (loss)	Foreign currency translation	December 31, 2023
Intangible assets	(3,870,121)	(2,898,021)	-	(578,916)	(7,347,058)
Right-of-use asset	(1,580,008)	(15,123,208)	-	351,040	(16,352,176)
Gain (loss) on valuation of financial assets at fair value through profit or loss	-	(26,102)	-	-	(26,102)
Payment of guaranteed fees	(251,890)	(160,177)	-	-	(412,067)
Short-term employee benefits	(321,884)	-	-	-	(321,884)
Others	(8,048,874)	(24,249,411)	2,240,768	(1,223,736)	(31,281,253)
	<u>₩ (350,233,783)</u>	<u>₩ (51,910,248)</u>	<u>₩ (3,399,517)</u>	<u>₩ (1,519,439)</u>	<u>₩ (407,062,987)</u>

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

(in thousands of Korean won)

	2024	2023	Reason
Tax loss carry forwards ¹	₩ 33,725,338	₩ 28,459,857	Uncertainty of future taxable profit
Tax credit carry forwards ²	3,333,387	3,333,878	Uncertainty of future taxable profit
Service fees, bad debt expenses and others	8,458,132	6,060,950	No tax effect

¹ The maturity of tax loss carryforwards is as follows:

(in thousands of Korean won)

	2024	2023
2026	₩ 6,373,347	₩ 4,840,371
2027	3,718,560	3,505,148
2028	10,828,438	10,165,568
2029	8,134,861	5,886,122
Over 2030	4,670,132	4,062,648
	<u>₩ 33,725,338</u>	<u>₩ 28,459,857</u>

² The maturity of tax credit carry forwards is as follows:

(in thousands of Korean won)

	2024	2023
2028	₩ 133,092	₩ 136,577
2029	2,994	-
2030	3,196,042	3,196,042
2031	650	650
2032	609	609
	<u>₩ 3,333,387</u>	<u>₩ 3,333,878</u>

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

26. Issued Capital and Share Premium

(a) Changes in issued capital and share premium for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>		No. of shares (unit: shares)	Ordinary shares	Share premium	Total
January 1, 2023	Beginning balance	13,635,592	₩ 6,817,796	₩ 113,893,779	₩ 120,711,575
December 31, 2023	Ending balance	13,635,592	6,817,796	113,893,779	120,711,575
January 1, 2024	Beginning balance	13,635,592	6,817,796	113,893,779	120,711,575
December 31, 2024	Ending balance	13,635,592	₩ 6,817,796	₩ 113,893,779	₩ 120,711,575

(b) The details of issued capital and share premium as at December 31, 2024 and 2023, are as follows:

<i>(in Korean won, except for number of shares)</i>	2024	2023
Number of shares authorized to issue	100,000,000	100,000,000
Par value per share	₩ 500	₩ 500
Number of shares outstanding	13,635,592	13,635,592
Issued capital	₩ 6,817,796,000	₩ 6,817,796,000
Share premium	₩ 113,893,779,001	₩ 113,893,779,001

¹ As at December 31, 2024, number of shares issued by the Group, whose voting power is limited under the Commercial Law, is 2,030,694 shares (2023: 2,030,694 shares).

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

27. Other Components of Equity

(a) The details of other components of equity as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>		2024		2023
Reserve in equity				
Revaluation reserve	₩	20,674,485	₩	20,674,485
Gain on disposal of treasury shares		6,332,674		6,332,674
Others		28,001,020		9,766,539
Accumulated other comprehensive income				
Gain on valuation of financial assets at fair value through other comprehensive income		209,523,908		235,283,198
Gain (loss) on foreign currency translation		14,740,762		(77,328,989)
Remeasurements of net defined benefit liabilities		(19,420,345)		(16,701,868)
Loss on valuation of derivatives		(3,535,555)		(2,543,165)
Capital adjustments				
Treasury shares ¹		(5,031,552)		(5,031,552)
	₩	<u>251,285,397</u>	₩	<u>170,451,322</u>

¹ Details of treasury shares whose voting power is limited by regulations as at December 31, 2024 and 2023, are as follows:

Owner	Number of shares	Ownership	Reason for restriction
Treasury shares	2,030,694	14.89%	Commercial Law Article 369, Part II

(b) Changes in accumulated other comprehensive income for the year ended December 31, 2024, is as follows:

<i>(in thousands of Korean won)</i>		Beginning balance		Increase (Decrease)		Ending balance
Gain (loss) on valuation of financial assets at fair value through other comprehensive income	₩	235,283,198	₩	(25,759,290)	₩	209,523,908
Gain (loss) on foreign currency translation		(77,328,989)		92,069,751		14,740,762
Remeasurements of net defined benefit liabilities		(16,701,868)		(2,718,477)		(19,420,345)
Loss on valuation of derivatives		(2,543,165)		(992,390)		(3,535,555)
	₩	<u>138,709,176</u>	₩	<u>62,599,594</u>	₩	<u>201,308,770</u>

Changes in accumulated other comprehensive income represent net of tax effect amounts.

Youngone Holdings Co., Ltd and Subsidiaries **Notes to the Consolidated Financial Statements** **December 31, 2024 and 2023**

28. Retained Earnings

Retained earnings as at December 31, 2024 and 2023, consist of:

<i>(in thousands of Korean won)</i>	2024	2023
Legal reserves ¹	₩ 19,844,200	₩ 19,844,200
Discretionary reserves ²	1,329,483,613	1,086,483,613
Unappropriated retained earnings	993,570,410	957,966,038
	<u>₩ 2,342,898,223</u>	<u>₩ 2,064,293,851</u>

¹ The Commercial Code of the Republic of Korea requires the Company to appropriate, as a legal reserve, an amount equal to a minimum of 10% of cash dividends paid until such reserve equals 50% of its issued share capital. The reserve is not available for the payment of cash dividends, but may be transferred to share capital or used to reduce accumulated deficit, if any, with the ratification of the Company's majority shareholders.

² Discretionary reserves are the retained earnings that are allowed to be distributed on dividend with the approval of the shareholders.

29. Dividends

Dividends paid amount to ₩ 55,353,743 thousand (₩ 4,770 per share) and ₩ 53,962,776 thousand (₩ 4,650 per share) in 2024 and 2023, respectively. Dividends per share and total dividends in respect of the year ended December 31, 2024, are ₩ 2,950 and ₩ 34,234,449 thousand, respectively, and are expected to be proposed to shareholders at the annual general meeting on March 31, 2025. These consolidated financial statements do not reflect this dividend payable.

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

30. Selling and Administrative Expenses

Selling and administrative expenses for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>		2024		2023
Salaries	₩	273,297,194	₩	243,961,328
Post-employment benefits		27,387,911		13,535,360
Employee benefits		32,604,525		18,289,180
Travel expense		3,278,337		2,694,428
Communications		4,747,269		4,626,985
Utilities		28,494,478		21,686,772
Tax and duties		7,026,721		7,640,690
Rent expenses		7,309,240		5,958,803
Depreciation		34,684,782		26,616,196
Depreciation of right-of-use asset		17,226,896		16,344,467
Repair and maintenance		19,327,272		16,644,610
Vehicle maintenance		5,320,673		5,577,972
Entertainment		2,659,708		2,306,690
Supplies		3,866,844		2,748,709
Insurance		6,381,521		5,733,460
Publications		736,577		755,124
Training		1,326,749		796,579
Service fees		184,417,306		168,279,592
Sales commissions		245,863,297		243,888,784
Samples		9,040,319		10,201,740
Advertising costs		74,143,828		72,739,010
Transportation		11,927,095		12,557,015
Exports		30,751,566		27,572,973
Shipping		2,958,896		2,532,191
Amortization		9,521,431		7,661,758
Research expenses		2,156,414		5,572,911
Overseas marketing		4,211,587		4,056,479
Packaging		5,983,014		5,220,986
Overseas trips		10,955,147		11,416,490
Sales promotion		1,777,937		1,553,570
Miscellaneous expenses		15,050,086		9,155,443
Bad debt expense		6,139,509		7,954,904
	₩	<u>1,090,574,129</u>	₩	<u>986,281,199</u>

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

31. Other Income and Expenses

(a) Details of other income for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>		2024		2023
Gain on valuation of derivatives	₩	9,695,332	₩	245,219
Gain on derivative transactions		4,722,190		2,717,326
Gain on valuation of financial asset at fair value through profit or loss		474,012		1,210,646
Gain on disposal of property, plant and equipment		34,632		344,035
Gain on disposal of right-of-use assets		614,175		-
Gain on foreign currency translation		140,769,608		90,812,274
Gain on foreign currency transaction		184,037,582		113,017,181
Import commission		918		5,108
Rental income		1,467,568		1,538,734
Claim income		1,018,076		1,010,326
Miscellaneous income		20,013,345		13,285,496
	₩	<u>362,847,438</u>	₩	<u>224,186,345</u>

(b) Details of other expenses for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>		2024		2023
Loss on valuation of derivatives	₩	27,277	₩	167,270
Loss on derivative transactions		56,736		844,000
Loss on disposal of financial asset at fair value through profit or loss		-		13,842
Loss on valuation of financial asset at fair value through profit or loss		249,568		887,001
Loss on disposal of property, plant and equipment		1,139,871		738,877
Impairment loss on intangible assets		56,914,011		4,997,742
Other bad debt expenses		1,122,271		248,894
Loss on foreign currency translation		94,017,743		81,575,256
Loss on foreign currency transaction		90,568,652		86,341,688
Donations		8,223,998		10,968,248
Claim expenses		131,500		563,801
Miscellaneous expenses		5,936,373		6,689,391
	₩	<u>258,388,000</u>	₩	<u>194,036,010</u>

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

32. Breakdown of Expenses by Nature

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

<i>(in thousands of Korean won)</i>	2024	2023
Changes in inventories of inventories	₩ 82,574,093	₩ (382,719,017)
Raw materials and Merchandise purchased	2,010,329,364	2,338,726,659
Employee benefits expense	735,424,123	621,921,464
Welfare benefit expenses	51,288,604	32,427,915
Depreciation, amortization, and depreciation of right-of-use assets	114,363,157	103,948,403
Service fees	213,604,313	197,860,584
Sales commissions	245,863,297	242,022,509
Advertising costs	74,143,828	72,739,010
Freight charge	18,724,850	24,885,135
Other expenses	242,677,091	231,083,467
Total of cost of sales, selling and administrative expenses	₩ 3,788,992,720	₩ 3,482,896,129

33. Employee Benefits

Employee benefits for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024	2023
Short-term employee benefits	₩ 692,831,150	₩ 559,922,757
Post-employment benefits and retirement bonus	42,592,973	61,998,707
	₩ 735,424,123	₩ 621,921,464

34. Finance Income and Costs

(a) Finance income for the years ended December 31, 2024 and 2023, consists of:

<i>(in thousands of Korean won)</i>	2024	2023
Interest income from bank deposits	₩ 59,683,689	₩ 54,437,867
Dividend income	7,047,148	5,043,500
	₩ 66,730,837	₩ 59,481,367

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

(b) Finance costs for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024	2023
Interest expense on borrowings	₩ 19,449,571	₩ 19,626,607
Interest expense on lease liabilities	4,571,403	4,835,804
	<u>₩ 24,020,974</u>	<u>₩ 24,462,411</u>

35. Tax Expense

(a) Income tax expense for the years ended December 31, 2024 and 2023, consists of:

<i>(in thousands of Korean won)</i>	2024	2023
Current tax:		
Current tax on profit	₩ 201,396,530	₩ 185,321,252
Adjustments in respect of prior years	(35,240,486)	31,126,236
Deferred tax:		
Changes in deferred tax due to temporary differences	2,194,509	1,646,864
Income tax expense	<u>₩ 168,350,553</u>	<u>₩ 218,094,353</u>

(b) Reconciliation between the profit before income tax and income tax expense for the years ended December 31, 2024 and 2023, is as follows:

<i>(in thousands of Korean won)</i>	2024	2023
Profit before income tax expense	₩ 663,983,589	₩ 936,830,980
Tax at domestic tax rates applicable to profits in the respective countries	170,333,437	237,470,791
Tax effects of:		
Income not subject to tax	(47,560,460)	(37,453,848)
Expenses not deductible for tax purposes	1,402,540	2,267,067
Adjustments in respect of prior years	(35,240,486)	31,126,236
Tax credit and tax exemption	(1,095,539)	(617,175)
Tax effect of investments in subsidiaries	9,990,152	12,024,049
Temporary difference for which no deferred tax is recognized	1,242,718	1,493,765
Others	69,278,191	(28,216,532)
Income tax expense	<u>₩ 168,350,553</u>	<u>₩ 218,094,353</u>
Effective tax rate	25.4%	23.3%

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

(c) Income tax (charged)/credited directly to equity as at December 31, 2024 and 2023, is as follows:

(in thousands of Korean won)

	2024			2023		
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
Gain (loss) on valuation of financial assets at fair value through other comprehensive income	₩ (53,005,545)	₩ 12,301,262	₩ (40,704,283)	₩ 24,644,467	₩ (5,522,810)	₩ 19,121,657
Remeasurements of net defined benefit liabilities	(6,696,675)	1,776,162	(4,920,513)	(14,328,741)	3,085,786	(11,242,955)
Derivatives	(5,000,366)	1,085,891	(3,914,475)	(11,462,670)	2,240,768	(9,221,902)
	<u>₩ (64,702,586)</u>	<u>₩ 15,163,315</u>	<u>₩ (49,539,271)</u>	<u>₩ (1,146,944)</u>	<u>₩ (196,256)</u>	<u>₩ (1,343,200)</u>

(d) Impact of Pillar Two income taxes

Under the Pillar Two legislation, the Group is liable to pay a top-up tax for the difference between their GloBE effective tax rate per jurisdiction and the 15% minimum rate. The Group recognized income tax expense amounting to ₩ 4,798 million for the year ended December 31, 2024. The Group applied the exception to recognizing and disclosing information about deferred tax and assets and liabilities related to Pillar Two income Taxes.

36. Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Group by the weighted average number of ordinary shares outstanding during the financial year excluding treasury shares. The Group did not issue any potential ordinary shares. Therefore, basic earnings per share is identical to diluted earnings per share.

Basic earnings per share for the years ended December 31, 2024 and 2023, is as follows:

(in Korean won)	2024	2023
Profit attributable to equity holders of the Parent Company	₩ 333,959,735,242	₩ 371,729,592,797
Weighted average number of ordinary shares outstanding ¹ (in shares) ¹	<u>11,604,898</u>	<u>11,604,898</u>
Basic earnings per share	<u>₩ 28,777</u>	<u>₩ 32,032</u>

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

¹ Weighted average number of ordinary shares outstanding

<i>(in number of shares)</i>	2024		2023	
Number of ordinary shares outstanding	₩	13,635,592	₩	13,635,592
Weighted average number of treasury shares		(2,030,694)		(2,030,694)
Weighted average number of ordinary shares outstanding	₩	11,604,898	₩	11,604,898

37. Cash Flow Information

(a) Cash generated from operations for the years ended December 31, 2024 and 2023, is as follows:

<i>(in thousands of Korean won)</i>	2024		2023	
Profit	₩	495,633,036	₩	718,736,627
Adjustments for				
Tax expense	₩	168,350,553	₩	218,094,353
Interest income		(59,683,689)		(54,437,867)
Dividend income		(9,179,832)		(6,478,286)
Interest expense		24,020,974		24,462,411
Depreciation		84,512,792		75,320,400
Amortization		9,643,881		7,811,783
Depreciation of right-of-use asset		22,233,248		20,816,221
Post-employment benefits		42,537,032		43,482,818
Gain on disposal of property, plant and equipment		(34,632)		(344,035)
Loss on disposal of property, plant and equipment		1,139,871		738,877
Impairment loss on intangible assets		56,914,011		4,997,742
Loss on disposal of right-of-use assets		(614,175)		-
Bad debt expense		6,139,509		7,954,904
Other bad debt expenses		1,122,271		248,894
Gain on foreign currency translation		(140,769,608)		(90,812,274)
Loss on foreign currency translation		94,017,743		81,575,256
Gain on valuation of derivatives		(9,695,332)		(245,219)
Loss on valuation of derivatives		27,277		167,270
Gain on transaction of derivatives		(4,722,190)		(2,717,326)
Loss on transaction of derivatives		56,736		844,000
Gain on valuation of financial assets at fair value through profit or loss		(474,012)		(5,517,053)
Loss on disposal of financial assets at fair value through profit or loss		-		13,842
Loss on valuation of financial assets at fair value		3,334,094		887,001

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

<i>(in thousands of Korean won)</i>	2024	2023
through profit or loss		
Service fees	23,500	-
Share of loss of associates and joint ventures	231,164	920,445
	<u>₩ 289,131,186</u>	<u>₩ 327,784,157</u>
Changes in operating assets and liabilities		
Decrease (increase) in trade receivables	₩ (16,724,373)	₩ 67,731,365
Decrease (increase) in inventories	153,639,523	(331,005,821)
Decrease in other receivables	5,048,900	3,729,434
Decrease (increase) in other current assets	(41,434,348)	81,590,818
Increase in other non-current assets	(163,929)	(8,865,689)
Increase (decrease) in trade payables	(1,279,299)	56,261,863
Increase (decrease) in provisions for other liabilities and charges	(4,582,636)	1,523,021
Increase in other current liabilities	6,654,801	3,177,853
Increase in other current payables	25,711,121	16,230,100
Increase in other non-current payables	1,957,205	339,306
Decrease in net defined benefit obligations	(2,068,570)	(9,977,084)
Increase in other non-current liabilities	40,552	-
	<u>126,798,947</u>	<u>(119,264,834)</u>
Net cash flows from operations	<u>₩ 911,563,169</u>	<u>₩ 927,255,950</u>

(b) Significant non-cash transactions for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024	2023
Gain (loss) on valuation of financial assets at fair value through other comprehensive income	₩ (53,005,544)	₩ 24,644,467
Reclassification from construction-in-progress to plant	37,679,988	29,861,399
Reclassification of current portion of long-term borrowings	139,177	67,457,750
Changes in non-trade payables related to intangible assets	(2,682,695)	501,067
Newly acquired lease contracts and others	12,471,518	35,439,141

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

(c) Changes in liabilities arising from financial activities for the years ended December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)

	Short-term borrowings	Current portion of long-term borrowings	Long-term borrowings	Lease liabilities	Other deposits	Total
At January 1, 2024	₩ 400,421,228	₩ 70,620,137	₩ 80,864,722	₩ 89,511,928	₩ 6,603,269	₩ 648,021,284
Cash flows	(381,473,211)	(71,619,597)	184,616,016	(27,228,190)	2,674,705	(293,030,277)
Exchange differences	10,525,014	2,346,069	14,271,132	10,231,970	386,121	37,760,306
Other non-financial changes	(1,368,876)	18,201,216	(18,524,046)	13,020,261	(1,198,197)	10,130,358
At December 31, 2024	₩ 28,104,155	₩ 19,547,825	₩ 261,227,824	₩ 85,535,969	₩ 8,465,898	₩ 402,881,671

(in thousands of Korean won)

	Short-term borrowings	Current portion of long-term borrowings	Long-term borrowings	Debentures	Lease liabilities	Other deposits	Total
At January 1, 2023	₩ 225,446,775	₩ 28,929,517	₩ 136,390,464	₩ 9,995,754	₩ 69,252,717	₩ 4,019,332	₩ 474,034,559
Cash flows	146,179,383	(30,839,796)	-	(10,000,000)	(20,230,133)	2,577,790	87,687,244
Exchange differences	25,167,901	5,072,666	11,932,008	-	2,352,872	(232,107)	44,293,340
Other non-financial changes	1,245,330	67,457,750	(67,457,750)	4,246	35,058,404	238,254	36,546,234
Changes in scope of consolidation	2,381,839	-	-	-	3,078,068	-	5,459,907
At December 31, 2023	₩ 400,421,228	₩ 70,620,137	₩ 80,864,722	₩ -	₩ 89,511,928	₩ 6,603,269	₩ 648,021,284

38. Contingencies and Commitment

(a) The Group's major agreements with domestic financial institutions as at December 31, 2024, are as follows:

(in thousands of Korean won and in US dollars)

	Financial institution	Credit line	Outstanding Balance
Overdrafts		KRW 3,000,000	KRW -
Limit loan	Woori Bank and others	KRW 10,000,000	KRW -
L/C		USD 28,000,000	USD 2,116,044
D/A,O/A		USD 15,000,000	USD -

Youngone Holdings Co., Ltd and Subsidiaries **Notes to the Consolidated Financial Statements** **December 31, 2024 and 2023**

(b) The Group's major agreements with foreign financial institutions as at December 31, 2024, are as follows:

(in US dollars, CHF and JPY)

	Financial institution	Credit line		Outstanding Balance	
Borrowings		USD	113,000,000	USD	19,800,938
Borrowings		CHF	2,208,832	CHF	2,208,832
L/C		CHF	616,000	CHF	616,000
Comprehensive limit ¹	Standard Chartered Bank and others	USD	101,000,000	USD	1,062
Comprehensive limit		CHF	174,967,000	CHF	168,783,000
FX		CHF	71,000	CHF	71,000
Borrowings		JPY	200,000,000	JPY	160,000,000

¹ USD 85,000,000 out of USD 101,000,000 is only available for short-term borrowing and bank overdraft and USD 54,000,000 is available for L/C.

(c) As at December 31, 2024, the Group has entered into performance guarantee insurance according to product supply contracts, amounting to ₩ 864 million, contract guarantee insurance amounting to ₩ 3 million, and deposit amounting to ₩ 18 million.

(d) As at December 31, 2024, the Group is involved in four lawsuits as a plaintiff with litigation amount of ₩ 12,520 million and two lawsuit as a defendant with litigation amount of ₩ 18,066 million in relation to its business. The outcome of the pending litigations cannot be reasonably estimated; however, the Group expects that this case would not have any material impact on its consolidated financial statements.

(e) Capital expenditure contracted for at the end of the reporting period but not recognized as liabilities is as follows:

(in thousands of Korean won)

		2024		2023
Property, plant and equipment	₩	9,614,608	₩	85,749,744
Investment properties		934,000		1,426,300

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

(f) As at December 31, 2024, the details of Group's derivative contracts are as follows:

	Contract exchange rate	Valuation exchange rate	2024			
			Purchase amount	Sale amount		
				USD	KRW	CHF
Foreign exchange forwards						
Held for trading	1,308.00	1,465.82	20,000,000	26,160,000,000	-	
	1,321.55	1,465.14	10,000,000	13,215,500,000	-	
	1,354.00	1,462.36	10,000,000	13,540,000,000	-	
	0.8635	0.87	138,969,311	-	120,000,000	
	1,388.30	1,431.69	20,000,000	27,766,000,000	-	
	1,377.4	1,415.48	10,000,000	13,774,000,000	-	

(g) As at December 31, 2024, the details of the technology license agreement that the Group has entered into, related to the use of trademark rights and others, are as follows.

Technology or trademark provider	Expiration date	Remark
GOLDWIN Inc.	The date of expiration of the joint venture agreement or termination of the License Agreement	Royalty of Goldwin Brand ¹
	December 31, 2032	Royalty of The North Face Brand

¹ The license agreement was terminated as at December 31, 2024.

According to this contract, GOLDWIN Inc. is obligated to provide not only trademark rights but also technical tasks for product production, sales, and advertising to the Group. In return, the Group pays a certain percentage of its sales to GOLDWIN Inc. as royalty fees (2024: ₩ 35,041 million, 2023: ₩ 33,608 million).

Meanwhile, the contract includes an annual minimum royalty agreement, and the annual minimum royalty amount to be paid after the end of December 31, 2024 is as follows:

(in thousands of Korean won)

Provider of technology or trademark	Brand	Up to 1 year	1 to 5 years	Over 5 years	Total
GOLDWIN Inc.	The North Face	₩ 13,906,795	₩ 86,414,762	₩ 85,333,941	₩ 185,655,498

¹ The Group has extended its contract with GOLDWIN INC. for The North Face Brand until the end of 2032, on July 1, 2024.

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

(h) Limitation on disposal of investments in subsidiaries

The Parent company may sell equity shares of Youngone Outdoor Corporation after obtaining approval from Board of Directors of Youngone Outdoor Corporation. The equity share can be sold only to the existing shareholders, and if there is no the existing shareholders who purchase, it can be sold to a third party through the approval of the Board of Directors.

(i) As at December 31, 2024, Youngone Corporation, a subsidiary, requested arbitration for the second-largest shareholder of SCOTT CORPORATION SA, a subsidiary of Youngone Corporation, to International Chamber of Commerce. The request is for confirmation of fact that the second-largest shareholder has seriously violated the shareholder's agreement with the Group and confirmation of the right of call option for the shares of SCOTT CORPORATION SA held by the second-largest shareholder and others. Meanwhile, the second largest shareholder of SCOTT CORPORATION SA filed an opposition to arbitration on the grounds that the Company had seriously violated the agreement between shareholders by voluntarily disclosing the fact that it had applied for arbitration with the International Chamber of Commerce in 2022, even though it was not required to do so. In January 2025, the arbitration tribunal issued an arbitration award regarding Youngone Corporation's request for arbitration against the second-largest shareholder of SCOTT CORPORATION SA and the opposition to arbitration filed by the second-largest shareholder. Youngone Corporation received this award in February. The arbitration tribunal recognized the serious violation of the shareholder agreement by the second-largest shareholder and confirmed Youngone Corporation's right to a call option for the shares of SCOTT CORPORATION SA held by the second-largest shareholder. Additionally, the second-largest shareholder is required to pay the predetermined damages for the serious violation of the shareholder agreement to Youngone Corporation as per the shareholder agreement. The arbitration tribunal also dismissed all opposition claims filed by the second-largest shareholder against Youngone Corporation. On February 6, 2025, Youngone Corporation's Board of Directors resolved to exercise the call option for the entire shares of SCOTT CORPORATION SA, but the exercise price has not been determined yet. Considering the uncertainties regarding the acquisition value calculation method, timing, and others, as per the shareholder agreement, Youngone Corporation has not recognized derivative assets for the call option as of the end of the reporting period.

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

39. Non-controlling Interests

(a) The profit or loss allocated to non-controlling interests and accumulated non-controlling interests of subsidiaries that are material to the Group for the years ended December 31, 2024 and 2023, is as follows:

(in thousands of Korean won)

		2024				
	Non-controlling interests percentage	Accumulated non-controlling interests at the beginning of the year	Profit or loss allocated to non-controlling interests	Dividends paid to non-controlling interests	Other components of equity to non-controlling interests	Accumulated non-controlling interests at the end of the year
Youngone Corporation ¹	47.63%	₩ 1,921,767,106	₩ 80,479,517	₩ (27,923,663)	₩ (18,997,160)	₩ 1,955,325,800
Youngone Outdoor	40.70%	276,737,788	82,123,142	(69,389,522)	(146,883)	289,324,525
Scott North Asia Co., Ltd. ¹	29.52%	1,587,738	(462,836)	-	(19,840)	1,105,062
Qweto	48.57%	934,039	-	-	60,906	994,945
YOH CVC Fund 1 Limited Partnership	25.22%	23,415,507	(466,522)	-	2,514,750	25,463,735
		₩ 2,224,442,178	₩ 161,673,301	₩ (97,313,185)	₩ (16,588,227)	₩ 2,272,214,067

¹ Consolidated financial information.

(in thousands of Korean won)

		2023				
	Non-controlling interests percentage	Accumulated non-controlling interests at the beginning of the year	Profit or loss allocated to non-controlling interests	Dividends paid to non-controlling interests	Other components of equity to non-controlling interests	Accumulated non-controlling interests at the end of the year
Youngone Corporation ¹	48.97%	₩ 1,671,209,837	₩ 267,535,384	₩ (32,864,004)	₩ 15,885,889	₩ 1,921,767,106
Youngone Outdoor	40.70%	243,645,243	77,927,179	(43,797,201)	(1,037,433)	276,737,788
Scott North Asia Co., Ltd. ¹	29.89%	1,699,767	(100,749)	-	(11,280)	1,587,738
Qweto	48.57%	839,861	-	-	94,178	934,039
YOH CVC Fund 1 Limited Partnership	25.92%	21,416,981	1,645,220	-	353,306	23,415,507
		₩ 1,938,811,689	₩ 347,007,034	₩ (76,661,205)	₩ 15,284,660	₩ 2,224,442,178

¹ Consolidated financial information.

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

(b) The summarized financial information for each subsidiary with non-controlling interests that are material to the Group before inter-company eliminations is as follows:

Summarized statements of financial position as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024		2023	
	Youngone Corporation	Youngone Outdoor	Youngone Corporation	Youngone Outdoor
Current assets	₩ 3,429,710,996	₩ 844,468,558	₩ 3,346,930,109	₩ 804,641,508
Non-current assets	1,960,011,912	107,255,819	1,950,193,532	122,517,577
Current liabilities	727,832,707	195,818,810	1,123,291,101	208,768,959
Non-current liabilities	766,237,111	46,057,330	585,862,019	38,436,425
Equity	₩ 3,895,653,090	₩ 709,848,238	₩ 3,587,970,521	₩ 679,953,701

Summarized statements of comprehensive income for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024		2023	
	Youngone Corporation	Youngone Outdoor	Youngone Corporation	Youngone Outdoor
Sales	₩ 3,517,837,283	₩1,005,180,243	₩ 3,604,377,025	₩ 961,386,096
Profit	294,535,557	200,755,450	533,070,681	191,478,247
Other comprehensive income (loss)	138,097,030	(360,914)	7,710,772	(2,549,119)
Total comprehensive income	₩ 432,632,587	₩ 200,394,536	₩ 540,781,453	₩ 188,929,128

Summarized cash flows for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	2024		2023	
	Youngone Corporation	Youngone Outdoor	Youngone Corporation	Youngone Outdoor
Cash flows from operating activities	₩ 623,729,053	₩ 160,112,252	₩ 525,111,273	₩ 192,938,246
Cash flows from (used in) investing activities	(254,622,686)	211,206,626	(437,489,586)	1,437,884
Cash flows from (used in) financing activities	(412,050,018)	(183,596,538)	21,233,872	(120,570,253)
Effects of exchange rate changes on cash and cash equivalents	(53,925,287)	6,478,136	51,593,755	(27,865)
Increase (decrease) in cash and cash equivalents	(96,868,938)	194,200,474	160,449,314	73,778,012
Cash and cash equivalents at the beginning of the year	896,394,078	220,544,611	735,944,764	146,766,599
Cash and cash equivalents at the end of the year	₩ 799,525,140	₩ 414,745,085	₩ 896,394,078	₩ 220,544,611

Youngone Holdings Co., Ltd and Subsidiaries

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

40. Related Party Transactions

(a) Related parties of the Group as at December 31, 2024 and 2023, are as follows:

Categories	Name
Entity with significant influence over the Group	YMSA
Associate and joint ventures	INTERNATIONAL RETAIL CORPORATION SA, TRANSA Backpacking SA, Ski-service SA, Trophy Schweiz SA, Ski+Velo-Center SVC AG, SCOTT NETWORK SOLUTIONS INDIA PVT LTD., BIKE SPORT TRAVEL AG, Goldwin Korea Corporation
Others	GOLDWIN INC., RAY&CO., YMSA USA LLC, YSC ¹ , EL MEROSI ²

¹ YOUNGONE SOURCING COMPANY(BANGLADESH) LTD.

² EL MEROSI SAMARKAND LLC.

(b) Significant transactions with related parties for the years ended December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)		Sales		Purchases		Other income		Other expenses ²		Acquisition of investment property	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Entity with significant influence over the Group											
YMSA ¹	₩	489,183	₩ 777,843	₩ 50,252,927	₩ 40,847,258	₩ -	₩ -	₩ 20,316,016	₩ 19,930,820	₩ -	₩ 58,749,000
Associate											
Goldwin Korea Corporation.		9,820	-	-	-	-	-	-	-	-	-
Others											
GOLDWIN INC		211,161	115,258	313,445	1,945,703	8,415,409	5,716,327	104,790,269	77,986,432	-	-
RAY&CO.		140,889	206,874	-	-	-	-	130,576	136,309	-	-

¹ Consolidated financial information.

² Other expenses include royalty fees under the license agreement, management consulting fees, and dividends.

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

(c) The balances of significant transactions as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	Receivables		Payables	
	2024	2023	2024	2023
Entity with significant influence over the Group				
YMSA ¹	₩ 756,850	₩ 562,174	₩ 10,287,673	₩ 8,582,839
Associate				
Goldwin Korea Corporation	10,802	-	-	-
Others				
Others ²	349,672	328,266	16,264	-
GOLDWIN INC	112,482	-	20,941,569	21,272,146
RAY&CO.	-	-	458,500	474,674

¹ Consolidated financial information.

² Includes borrowings from shareholders of SCOTT.

(d) Loans for related parties as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>		2024	2023
Associate and joint ventures	IRC ¹	₩ -	₩ -
Others	Others ²	349,672	328,266

¹ In 2024, allowance for trade receivables was recognized for the loans to IRC, amounting ₩ 14,339,792 thousand.

² Loans to executives and employees of subsidiaries

(e) Borrowings from related parties as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>		2024	2023
Others	Others ¹	₩ 16,264	₩ -

¹ Includes borrowings from shareholders of SCOTT.

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

(f) The fund transactions with related parties for the years ended December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)

		2024						
		Loan transactions		Borrowing transactions		Contributions in cash		
		Loans	Recovery	Borrowings	Repayments			
Entity with significant influence over the Group	YMSA ¹	₩	- ₩	- ₩	- ₩	751,567 ₩		
Associate and joint ventures	Goldwin Korea Corporation		-	-	-		3,360,000	
Others	Others		-	-	15,491	-		-

¹ There are no right-of-use assets in respect to building lease agreements which the Group has entered with YMSA. The repayment of lease liabilities during the year is ₩ 751,567 thousand and interest expenses amount to ₩ 246,088 thousand.

(in thousands of Korean won)

		2023						
		Loan transactions		Borrowing transactions		Contributions in cash		
		Loans	Recovery	Borrowings	Repayments			
Entity with significant influence over the Group	YMSA ¹	₩	- ₩	- ₩	- ₩	985,526 ₩		
Associate and joint ventures	IRC	223,931	-	-	-			-

¹ There are no right-of-use assets in respect to building lease agreements which the Group has entered with YMSA. The repayment of lease liabilities during the year is ₩ 985,526 thousand and interest expenses amount to ₩ 184,654 thousand.

(g) Key management compensation for the years ended December 31, 2024 and 2023, consists of:

(in thousands of Korean won)

	2024		2023	
Salaries	₩	25,626,958	₩	18,103,403
Post-employment benefits		10,415,694		4,703,621
	₩	36,042,652	₩	22,807,024

(h) As at December 31, 2024, there are no pledges and guarantees for related parties provided by the Group.

Youngone Holdings Co., Ltd and Subsidiaries
Notes to the Consolidated Financial Statements
December 31, 2024 and 2023

(i) With acquisition of management of Scott Corporation SA in 2015, the Group has entered into an agreement between a founder of merged company and shareholders for maximizing the shareholders' value and mutual cooperation of shareholders. The agreement includes the following details; organization and operation of Board of Directors, restriction of share transaction (for 10 years after transaction), Right of First Refusal after restriction period, Tag along, Call option under limited circumstances as bankruptcy and others.

41. Provisions

Details and changes in provisions for other liabilities and charges for the years ended December 31, 2024 and 2023, are as follows:

(in thousands of Korean won)

	2024				
	Provision for sales returns	Provision for product warranties	Bonuses	Others	Total
Beginning balance	₩ 3,649,159	₩ 8,140,388	₩ 16,934,026	₩ 3,421,454	₩ 32,145,027
Increase (decrease)	(222,799)	(3,184,991)	(1,732,448)	625,345	(4,514,893)
Changes in exchange rate	70,259	404,073	1,092,348	160,556	1,727,236
Ending balance	<u>₩ 3,496,619</u>	<u>₩ 5,359,470</u>	<u>₩ 16,293,926</u>	<u>₩ 4,207,355</u>	<u>₩ 29,357,370</u>
Current	₩ 3,496,619	₩ 5,359,470	₩ 16,293,926	₩ 4,207,355	₩ 29,357,370
Non-current	-	-	-	-	-

(in thousands of Korean won)

	2023				
	Provision for sales returns	Provision for product warranties	Bonuses	Others	Total
Beginning balance	₩ 533,218	₩ 8,657,974	₩ 15,458,204	₩ 1,424,548	₩ 26,073,944
Increase (decrease)	3,109,352	(1,360,067)	(181,218)	2,001,861	3,569,928
Changes in exchange rate	6,589	842,481	1,657,040	(4,955)	2,501,155
Ending balance	<u>₩ 3,649,159</u>	<u>₩ 8,140,388</u>	<u>₩ 16,934,026</u>	<u>₩ 3,421,454</u>	<u>₩ 32,145,027</u>
Current	₩ 3,649,159	₩ 8,140,388	₩ 16,934,026	₩ 3,421,454	₩ 32,145,027
Non-current	-	-	-	-	-

Provisions for bonus include vacation pay, bonus and others.