

# **Youngone Corporation**

**Separate Financial Statements**

**December 31, 2024 and 2023**

**Youngone Corporation**  
**Index**  
**December 31, 2024 and 2023**

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	<b>Page(s)</b>
<b>Independent Auditor's Report .....</b>	<b>1 – 4</b>
<b>Separate Financial Statements</b>	
Separate Statements of Financial Position.....	5
Separate Income Statements.....	6
Separate Statements of Comprehensive Income .....	7
Separate Statements of Changes in Equity .....	8
Separate Statements of Cash Flows .....	9
Notes to the Separate Financial Statements.....	10 – 76
Independent Auditor's Report on Internal Control over Financial Reporting	77 – 78
Management's Report on the Effectiveness of Internal Control over Financial Reporting	79



## **Independent Auditor's Report**

(English Translation of a Report Originally Issued in Korean)

To the Shareholders and Board of Directors of  
Youngone Corporation

### **Opinion**

We have audited the separate financial statements of Youngone Corporation (the Company), which comprise the separate statements of financial position as at December 31, 2024 and 2023, and the separate income statements, separate statements of comprehensive income, separate statements of changes in equity and separate statements of cash flows for the years then ended, and notes to the separate financial statements, including material accounting policy information.

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

We also have audited, in accordance with Korean Standards on Auditing, the Company's Internal Control over Financial Reporting as of December 31, 2024, based on *Conceptual Framework for Designing and Operating Internal Control over Financial Reporting*, and our report dated March 20, 2025 expressed an unqualified opinion.

### **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 Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements of the Republic of Korea that are relevant to our audit of the 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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 investment in subsidiaries**

### **Reason why the matter was determined to be a Key Audit Matter**

Investment in subsidiaries held by the Company as at December 31, 2024, amounts to ₩ 591,740 million. The investment in subsidiaries is measured at cost in the separate financial statements and the recognition of impairment loss is determined with respect to the Company's investment in subsidiaries in accordance with Korea IFRS 1036 '*Impairment of Assets*'. We focused on this area due to the significant size of investment in subsidiaries and because the determination of the recoverable amounts involves significant management's judgments about discount rate, growth rates and future cash flow forecast (Note 19).

In particular, we focused our audit effort on the impairment assessment of SCOTT CORPORATION SA (₩ 130,543 million as at December 31, 2024) in which size of investment in subsidiaries is significant.

### **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 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 design and operating effectiveness for review controls of related management.

### **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 Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statement.

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

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 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 Seung-hwan, Hong, Certified Public Accountant.

Seoul, Korea  
March 20, 2025

This report is effective as of March 20, 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 separate 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 Corporation**  
**Separate Statements of Financial Position**  
**December 31, 2024 and 2023**

<i>(in Korean won)</i>	<b>Notes</b>	<b>2024</b>	<b>2023</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4,7,8	₩ 205,481,517,174	₩ 280,789,541,896
Short-term financial assets	4,7	586,694,000,000	411,624,220,000
Trade receivables	4,7,11,38	335,989,778,338	225,439,474,822
Derivative assets	4,5,7	8,334,557,198	245,218,500
Inventories	14	13,215,746,523	12,676,055,806
Other receivables	4,7,12	14,441,421,232	14,051,246,328
Other current assets	13	13,626,008,479	3,209,367,329
		<u>1,177,783,028,944</u>	<u>948,035,124,681</u>
<b>Non-current assets</b>			
Long-term financial assets	4,7,9	1,308,500,000	607,500,000
Financial assets at fair value through other comprehensive income	4,5,7,10	379,332,898,532	418,809,025,841
Investments in subsidiaries	6,19	591,739,672,295	583,491,447,295
Investments in associates	6,19	45,000,000,000	45,000,000,000
Property, plant and equipment	15,18	102,634,150,576	92,003,600,603
Right-of-use assets	16	8,830,497,201	9,546,379,158
Intangible assets	17	569,860,255	762,581,873
Investment property	18	263,901,808,748	274,140,908,445
Other receivables	4,7,12	236,629,492,718	41,889,561,898
		<u>1,629,946,880,325</u>	<u>1,466,251,005,113</u>
<b>Total assets</b>		<u>₩ 2,807,729,909,269</u>	<u>₩ 2,414,286,129,794</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payable	4,7,20,38	₩ 630,582,189,870	₩ 465,674,385,598
Derivative liabilities	4,5,7	-	167,270,248
Current tax liabilities		52,738,185,211	30,287,217,034
Other payables	4,7,20	23,963,204,697	20,760,291,271
Other current liabilities	21,22	4,300,990,683	1,894,952,756
Current lease liabilities	4,7,16	2,028,214,916	2,068,128,167
		<u>713,612,785,377</u>	<u>520,852,245,074</u>
<b>Non-current liabilities</b>			
Net defined benefit liabilities	23	4,654,722,020	33,058,627
Deferred tax liabilities	24	91,367,978,045	100,332,982,252
Non-current lease liabilities	4,7,16	6,894,182,618	8,300,570,037
		<u>102,916,882,683</u>	<u>108,666,610,916</u>
<b>Total liabilities</b>		<u>816,529,668,060</u>	<u>629,518,855,990</u>
<b>Equity</b>			
Share capital	1,25	22,155,734,000	22,155,734,000
Share premium	25	453,267,231,054	453,267,231,054
Retained earnings	27	1,341,003,324,581	1,062,288,488,201
Other components of equity	26	174,773,951,574	247,055,820,549
<b>Total equity</b>		<u>1,991,200,241,209</u>	<u>1,784,767,273,804</u>
<b>Total liabilities and equity</b>		<u>₩ 2,807,729,909,269</u>	<u>₩ 2,414,286,129,794</u>

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

**Youngone Corporation**  
**Separate Income Statements**  
**Years Ended December 31, 2024 and 2023**

<i>(in Korean won)</i>	<b>Notes</b>	<b>2024</b>		<b>2023</b>	
<b>Revenue</b>	6,38	₩	2,113,886,201,401	₩	1,938,194,719,349
<b>Cost of sales</b>	31,38		<u>1,795,941,203,259</u>		<u>1,630,253,778,802</u>
<b>Gross profit</b>			317,944,998,142		307,940,940,547
Selling and administrative expenses	29,31,32		<u>102,843,512,857</u>		<u>80,676,146,717</u>
<b>Operating profit</b>	6		215,101,485,285		227,264,793,830
Other income	30		194,717,582,401		96,195,804,968
Other expenses	30		117,663,050,367		91,022,114,836
Finance income	33		127,076,451,933		104,562,108,878
Finance costs	33		344,067,162		-
Profit before income tax			<u>418,888,402,090</u>		<u>337,000,592,840</u>
Income tax expense	34		<u>(83,147,686,410)</u>		<u>(83,331,720,318)</u>
<b>Profit for the year</b>		₩	<u>335,740,715,680</u>	₩	<u>253,668,872,522</u>
<b>Earnings per share</b>					
Basic earnings per share	35	₩	7,741	₩	5,783

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

**Youngone Corporation**  
**Separate Statements of Comprehensive Income**  
**Years Ended December 31, 2024 and 2023**

<i>(in Korean won)</i>	<b>Notes</b>	<b>2024</b>	<b>2023</b>
<b>Profit for the year</b>		<u>₩ 335,740,715,680</u>	<u>₩ 253,668,872,522</u>
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of net defined benefit liabilities	23,26	(1,212,212,164)	(4,526,568,144)
Gain (loss) on valuation of financial assets at fair value through other comprehensive income	10	<u>(30,002,513,511)</u>	<u>17,193,730,524</u>
<b>Other comprehensive income for the year, net of tax</b>		<u>(31,214,725,675)</u>	<u>12,667,162,380</u>
<b>Total comprehensive income for the year</b>		<u>₩ 304,525,990,005</u>	<u>₩ 266,336,034,902</u>

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

**Youngone Corporation**  
**Separate Statements of Changes in Equity**  
**Years Ended December 31, 2024 and 2023**

(in Korean won)

	Notes	Share capital	Share premium	Retained earnings	Other components of equity	Total equity
<b>Balance at January 1, 2023</b>		₩ 22,155,734,000	₩ 453,267,231,054	₩ 875,734,689,009	₩ 234,388,658,169	₩ 1,585,546,312,232
<b>Total comprehensive income</b>						
Profit for the year		-	-	253,668,872,522	-	253,668,872,522
Gain on valuation of financial assets at fair value through other comprehensive income	10,26	-	-	-	17,193,730,524	17,193,730,524
Remeasurements of net defined benefit liabilities	23,26	-	-	-	(4,526,568,144)	(4,526,568,144)
<b>Total transactions with owners of the Company, recognized directly in equity</b>						
Dividends paid	27,28	-	-	(67,115,073,330)	-	(67,115,073,330)
<b>Balance at December 31, 2023</b>		<u>₩ 22,155,734,000</u>	<u>₩ 453,267,231,054</u>	<u>₩ 1,062,288,488,201</u>	<u>₩ 247,055,820,549</u>	<u>₩ 1,784,767,273,804</u>
<b>Balance at January 1, 2024</b>		₩ 22,155,734,000	₩ 453,267,231,054	₩ 1,062,288,488,201	₩ 247,055,820,549	₩ 1,784,767,273,804
<b>Total comprehensive income</b>						
Profit for the year		-	-	335,740,715,680	-	335,740,715,680
Loss on valuation of financial assets at fair value through other comprehensive income	10,26	-	-	-	(30,002,513,511)	(30,002,513,511)
Remeasurements of net defined benefit liabilities	23,26	-	-	-	(1,212,212,164)	(1,212,212,164)
<b>Total transactions with owners of the Company, recognized directly in equity</b>						
Dividends paid	27,28	-	-	(57,025,879,300)	-	(57,025,879,300)
Purchase of treasury shares	26	-	-	-	(41,067,143,300)	(41,067,143,300)
<b>Balance at December 31, 2024</b>		<u>₩ 22,155,734,000</u>	<u>₩ 453,267,231,054</u>	<u>₩ 1,341,003,324,581</u>	<u>₩ 174,773,951,574</u>	<u>₩ 1,991,200,241,209</u>

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

**Youngone Corporation**  
**Separate Statements of Cash Flows**  
**Years Ended December 31, 2024 and 2023**

<i>(in Korean won)</i>	Notes	2024	2023
<b>Cash flows from operating activities</b>			
Cash generated from operations	36	₩ 283,425,210,460	₩ 592,891,243,583
Interest received		38,431,050,610	19,881,769,942
Interest paid		(344,067,162)	-
Dividends received		86,070,937,208	78,479,085,443
Income tax paid		(59,839,824,522)	(100,814,466,250)
<b>Net cash inflow from operating activities</b>		<u>347,743,306,594</u>	<u>590,437,632,718</u>
<b>Cash flows from investing activities</b>			
Increase in short-term financial instruments, net		(142,106,780,000)	(162,994,540,000)
Increase in long-term financial instruments		(701,000,000)	-
Decrease in long-term financial instruments		-	2,000,000
Increase in long-term loans		(229,073,810,865)	(39,754,685,000)
Collection of long-term loans		51,206,200,000	-
Collection of current portion of long-term loans		-	1,492,257,143
Payments for property, plant and equipment		(3,292,433,877)	(3,878,067,427)
Proceeds from disposal of property, plant and equipment		87,046,064	3,181,818
Payments for intangible assets		(450,000)	(96,906,500)
Proceeds from disposal of intangible assets		77,900,000	141,246,000
Payments for investment property		(5,002,972,240)	(77,453,434,267)
Increase in guarantee deposits		(8,146,080)	-
Decrease in guarantee deposits		863,748,000	100,000,000
Payment for investments in subsidiaries		(9,948,225,000)	(36,204,131,028)
Increase (decrease) in derivatives		4,768,757,780	(866,500,000)
<b>Net cash outflow from investing activities</b>		<u>(333,130,166,218)</u>	<u>(319,509,579,261)</u>
<b>Cash flows from financing activities</b>			
Repayments of current portion of long-term borrowings		-	(10,000,000,000)
Increase in other deposits		(1,136,467,850)	(581,542,000)
Decrease in other deposits		3,509,634,000	2,783,906,000
Repayments of current lease liabilities		(1,759,489,517)	(1,670,648,355)
Dividends paid		(57,021,232,060)	(67,115,073,330)
Purchase of treasury shares		(41,067,143,300)	-
<b>Net cash outflow from financing activities</b>		<u>(97,474,698,727)</u>	<u>(76,583,357,685)</u>
<b>Effects of exchange rate changes on cash and cash equivalents</b>		<u>7,553,533,629</u>	<u>(2,777,925,146)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>		<u>(75,308,024,722)</u>	<u>191,566,770,626</u>
<b>Cash and cash equivalents at the beginning of the year</b>		<u>280,789,541,896</u>	<u>89,222,771,270</u>
<b>Cash and cash equivalents at the end of the year</b>		<u>₩ 205,481,517,174</u>	<u>₩ 280,789,541,896</u>

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

# Youngone Corporation

## Notes to the Separate Financial Statements

### December 31, 2024 and 2023

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#### 1. The Company

Youngone Corporation (the Company) was established on July 1, 2009, through the spin-off from Youngone Holdings Co., Ltd.'s distribution and garments manufacturing business. On July 30, 2009, the Company was listed on the Korea Exchange. As at December 31, 2024, the Company is headquartered in Jung-gu, Seoul, and the Company has its subsidiaries in Switzerland, Bangladesh and Vietnam, and distribution centers and sales offices in Seoul, Gyeonggi Province and other regions.

The Company's share capital as at December 31, 2024, is ₩ 22,155,734 thousand (2023: ₩ 22,155,734 thousand), and the Company's shareholders and their respective percentage of ownership as at December 31, 2024, are as follows:

	Number of shares	Ownership (%)	Remark
Youngone Holdings Co., Ltd.	22,386,320	50.52	Majority shareholder
Treasury shares	1,561,419	3.52	Treasury shares
Others	20,363,729	45.96	Others
	<u>44,311,468</u>	<u>100.00</u>	

#### 2. Material Accounting Policies

The principal accounting policies applied in the preparation of these separate 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 Company maintains its accounting records in Korean won and prepares statutory 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 separate 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 Company's financial position, financial performance or cash flows, is not presented in the accompanying separate financial statements.

The separate financial statements of the Company 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.

# Youngone Corporation

## Notes to the Separate Financial Statements

### December 31, 2024 and 2023

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

## 2.2 Changes in Accounting Policies and Disclosures

### 2.2.1 New and amended standards adopted by the Company

The Company 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 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 Company is in review for the impact of these amendments on the financial statements. These amendments:

# Youngone Corporation

## Notes to the Separate Financial Statements

### December 31, 2024 and 2023

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- 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).

#### *(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 Company does not expect the amendments to have a significant impact on the 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*

#### *(d) 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 financial statements.

#### *(e) 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 financial statements.

# Youngone Corporation

## Notes to the Separate Financial Statements

### December 31, 2024 and 2023

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#### *(f) 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 financial statements.

#### *2.2.2 New standards and interpretations not yet adopted by the Company*

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 Company.

#### *(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.

### **2.3 Subsidiaries, Joint Ventures, and Associates**

The financial statements of the Company are the separate financial statements prepared in accordance with Korean IFRS 1027 *Separate Financial Statements*. Investments in subsidiaries, joint ventures and associates are recognized at cost under the direct equity method. Management applied the carrying amounts under the previous K-GAAP at the time of transition to Korean IFRS as deemed cost of investments. The Company recognizes dividend income from subsidiaries in profit or loss when its right to receive the dividend is established. If there is an objective evidence of impairment for the investment in the subsidiaries, joint ventures and associates, the Company recognizes the difference between the recoverable amount of the subsidiaries, joint ventures and associates and its carrying amount as impairment loss.

### **2.4 Foreign Currency Translation**

#### *(a) Functional and presentation currency*

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which each entity operates (the "functional currency"). The separate 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

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

---

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 statement of profit or loss 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 held at fair value through other comprehensive income are recognized in other comprehensive income.

## **2.5 Financial Assets**

### *(a) Classification*

The Company 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 Company'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 Company 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 Company 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 the fair value of investments in unspecified equity instruments are recognized in profit or loss.

### *(b) Measurement*

At initial recognition, the Company 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.

# Youngone Corporation

## Notes to the Separate Financial Statements

### December 31, 2024 and 2023

---

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 Company's business model for managing the asset and the cash flow characteristics of the asset. The Company 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.
- **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 'other 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 statement of profit or loss within 'other income or expenses' in the year in which it arises.

#### *B. Equity instruments*

The Company subsequently measures all equity investments at fair value. Where the Company'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.

# Youngone Corporation

## Notes to the Separate Financial Statements

### December 31, 2024 and 2023

---

Changes in the fair value of financial assets at fair value through profit or loss are recognized in 'other income and expenses' in the statement of profit or loss 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 Company 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 Company 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 Company determines there has been a significant increase in credit risk.)

#### *(d) Recognition and derecognition*

Regular way purchases and sales of financial assets are recognized or derecognized on trade-date, the date on which the Company 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 Company has transferred substantially all the risks and rewards of ownership.

If a transfer does not result in derecognition because the Company has retained substantially all the risks and rewards of ownership of the transferred asset, the Company continues to recognize the transferred asset in its entirety and recognizes a financial liability for the consideration received. The Company 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 Company or the counterparty.

## **2.6 Derivatives**

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)' or 'finance income (costs)' based on the nature of transactions.

# Youngone Corporation

## Notes to the Separate Financial Statements

### December 31, 2024 and 2023

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#### 2.7 Trade Receivables

Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognized at fair value. Trade receivables are subsequently measured at amortized cost using the effective interest method, less allowance for credit losses. See Note 11 for further information about the Company's accounting for trade receivables and Note 4.1.2 for a description of the Company's accounting policy for impairment.

#### 2.8 Inventories

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

#### 2.9 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.

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 lives
Buildings	20~40 years
Structures	30 years
Facilities	30 years
Machinery	6 years
Vehicles	5 years
Tools and equipment	4 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.

#### 2.10 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.

#### 2.11 Intangible Assets

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

# Youngone Corporation

## Notes to the Separate Financial Statements

### December 31, 2024 and 2023

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Software development costs that are directly attributable to internally generated by the Company are recognized when the criteria; such as, technically feasible, generate probable future economic benefits and other, are met. Membership rights 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 Company amortizes intangible assets with a limited useful life using the straight-line method over the following periods:

	Useful lives
Software	5 years
Industrial property	5 years

#### 2.12 Investment Property

Investment property (including right-of-use assets) 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 Company depreciates investment properties, except for land, using the straight-line method over their useful lives of 40 years.

#### 2.13 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.

#### 2.14 Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company 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.

#### 2.15 Financial Liabilities

##### *(a) Classification and measurement*

The Company 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.

# **Youngone Corporation**

## **Notes to the Separate Financial Statements**

### **December 31, 2024 and 2023**

---

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

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

#### *(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.

## **2.16 Provisions**

Provisions for service warranties, make good obligation, and legal claims are recognized when the Company 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.

## **2.17 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.

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 Company 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.

# **Youngone Corporation**

## **Notes to the Separate Financial Statements**

### **December 31, 2024 and 2023**

---

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 separate 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 Company 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 Company 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 Company 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 where the entity 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.

#### **2.18 Employment Benefits**

The Company operates both defined contribution and defined benefit plans.

For defined contribution plans, the Company pays contribution to publicly or privately administered pension insurance plans on mandatory, contractual or voluntary basis. The Company 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 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.

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

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**2.19 Revenue Recognition**

*(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) Rental income*

Rental income from investment property is recognized as revenue during the rental service period.

*(d) Interest income*

Interest income is recognized using the effective interest method according to the time passed. When a loan and receivable is impaired, the Company 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.

*(e) Dividend income*

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

*(f) Customer loyalty program*

The Company 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 Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

---

**2.20 Leases**

*(a) Lessor*

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

*(b) Lessee*

The Company 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 Company 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 Company is lessee, the Company 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 Company 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 Company 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 Company (the lessee) under residual value guarantees
- The exercise price of a purchase option if the Company (the lessee) is reasonably certain to exercise that option, and

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

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

Measurement of lease liability also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease.

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 Company:

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

The Company 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

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 Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Although the Company elected to apply the revaluation model to its land and buildings that are presented in property, plant and equipment, the Company elected not to apply that revaluation model to buildings held by the Company that are presented in the right-of-use assets.

Payments associated with short-term leases of equipment and vehicles and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT-equipment and small items of office furniture.

*(c) Extension and termination options*

Extension and termination options are included in a number of property leases across the Company. These terms are used to maximize operational flexibility in terms of managing contracts. The majority of extension options held are exercisable only by the Company and not by the respective lessor. Information on critical accounting estimates and assumptions related to the determination of the lease term is presented in Note 3.

# Youngone Corporation

## Notes to the Separate Financial Statements

### December 31, 2024 and 2023

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#### *(d) Residual value guarantees*

To optimize lease costs during the contract period, the Company sometimes provides residual value guarantees in relation to equipment leases. Information on critical accounting estimates and assumptions related to the calculation of the estimated amount payable under the residual value guarantees is presented in Note 3.

#### **2.21 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 steering committee that makes strategic decisions.

#### **2.22 Approval of Issuance of the Financial Statements**

The separate 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 financial statements requires the Company to make estimates and assumptions concerning the future. Management also needs to exercise judgement in applying the Company'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.

#### *(a) Impairment of investments in subsidiaries*

The Company tests whether investments in subsidiaries have suffered any impairment on an annual basis. The recoverable amount is determined based on value-in-use calculations (Note 19).

#### *(b) Income taxes*

The Company'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 24).

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

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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 Company is liable to pay additional income tax calculated based on the tax laws. Accordingly, the measurement of current and deferred income tax is affected by the tax effects from the new tax system. As the Company's income tax is dependent on the investments, increase in wages and dividends, there is an uncertainty measuring the final tax effects.

*(c) 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 Company 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 (Note 5).

*(d) Impairment of financial assets*

The provision for impairment for financial assets is based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period (Note 4.1.2).

*(e) 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 23).

*(f) 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 Company 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.

*(g) Net realizable value of inventories*

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

# Youngone Corporation

## Notes to the Separate Financial Statements

### December 31, 2024 and 2023

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#### 4. Financial Risk Management

##### 4.1 Financial Risk Factors

Following explains the Company's exposure to financial risks and how these risks could affect the Company's future financial performance:

Risk	Exposure arising from	Measurement	Management
Market risk – foreign exchange	Future commercial transactions	Cash flow forecasting	Forward exchange limit management
	Recognized financial assets and liabilities not denominated in functional currency	Sensitivity analysis	
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk – security prices	Investment in equity securities	Sensitivity analysis	Portfolio diversion
Credit risk	Cash equivalents, trade receivables, derivatives, debt investments and contract assets	Aging analysis	Diversification of bank deposits, credit limits and letter of credit
		Credit ratings	
			Investment guidelines for debt investments
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Company's risk management is predominantly controlled by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

##### 4.1.1 Market risk

###### *(a) Foreign exchange risk*

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

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

The Company'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	
<b>Cash and cash equivalents</b>				
USD	₩	173,909,520	₩	245,978,509
EUR		266,972		865,026
JPY		14,652,027		21,850,524
GBP		6,554		4,958
CHF		4,209,170		32,269
SGD		-		2,022
NZD		414		-
	₩	193,044,657	₩	268,733,308
<b>Short-term financial instruments</b>				
USD	₩	433,650,000	₩	301,461,720
	₩	433,650,000	₩	301,461,720
<b>Trade receivables</b>				
USD	₩	335,862,106	₩	225,749,484
EUR		21,784		-
	₩	335,883,890	₩	225,749,484
<b>Other receivables<sup>1</sup></b>				
USD	₩	42,384,743	₩	36,985,968
CHF		195,290,289		-
	₩	237,675,032	₩	36,985,968
<b>Trade payables</b>				
USD	₩	629,179,420	₩	462,862,054
JPY		-		1,081,502
	₩	629,179,420	₩	463,943,556
<b>Other payables</b>				
USD	₩	1,392,331	₩	1,582,891
EUR		580,200		11,717
JPY		-		66,136
CHF		-		421,506
SGD		246,969		-
	₩	2,219,500	₩	2,082,250

<sup>1</sup> Current and non-current amounts are included.

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

As at December 31, 2024 and 2023, if the foreign exchange rate fluctuated by 5% while other variables are fixed, the effects on income before tax would be as follows:

<i>(in thousands of Korean won)</i>	<b>2024</b>		<b>2023</b>	
	<b>5% increase</b>	<b>5% decrease</b>	<b>5% increase</b>	<b>5% decrease</b>
USD	₩ 17,761,731	₩ (17,761,731)	₩ 17,286,537	₩ (17,286,537)
EUR	(14,572)	14,572	42,665	(42,665)
JPY	732,601	(732,601)	1,035,144	(1,035,144)
CHF	9,974,973	(9,974,973)	(19,462)	19,462
GBP	328	(328)	248	(248)
SGD	(12,348)	12,348	101	(101)
NZD	21	(21)	-	-
	<u>₩ 28,442,734</u>	<u>₩ (28,442,734)</u>	<u>₩ 18,345,233</u>	<u>₩ (18,345,233)</u>

*(b) Price risk*

The Company acquires equity securities (including both listed and unlisted) to manage a liquidity risk and for trading. The Company invests in more than one investment vehicle either directly or indirectly, and the fair value of equity securities (excluding subsidiaries and unlisted equity securities) as at December 31, 2024, is ₩ 379,308,071 thousand (2023: ₩ 418,784,199 thousand) (Note 10).

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

<i>(in thousands of Korean won)</i>	<b>2024</b>		<b>2023</b>	
	<b>Increase</b>	<b>Decrease</b>	<b>Increase</b>	<b>Decrease</b>
Effects on other comprehensive income, net of tax				
Financial assets at fair value through other comprehensive income	₩ 58,337,581	₩ (58,337,581)	₩ 64,409,010	₩ (64,409,010)

*(c) Cash flow and fair value interest rate risk*

The Company 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.

# Youngone Corporation

## Notes to the Separate Financial Statements

### December 31, 2024 and 2023

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

(in thousands of Korean won)	2024				2023			
	Increase		Decrease		Increase		Decrease	
Loans	₩	255,832	₩	(255,832)	₩	13,440	₩	(13,440)
	₩	255,832	₩	(255,832)	₩	13,440	₩	(13,440)

#### 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 Company 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 Company 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 receivables and other receivables have been based on shared credit risk characteristics and the days past due. The expected credit losses include forward-looking information.

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

(in thousands of Korean won)	2024				
	Current	Up to 3 months	3 to 6 months	Over 6 months	Total
Trade receivables	₩ 321,968,478	₩ -	₩ 4,423,701	₩ 9,881,878	₩ 336,274,057
Allowance for credit losses	2,057	-	-	282,222	284,279

  

(in thousands of Korean won)	2023				
	Current	Up to 3 months	3 to 6 months	Over 6 months	Total
Trade receivables	₩ 222,003,700	₩ 2,937,368	₩ 502,240	₩ 617,326	₩ 226,060,634
Allowance for credit losses	10,858	-	-	610,301	621,159

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

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

<i>(in thousands of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Beginning balance	₩	621,159	₩	404,834
Provision (reversal) for allowance for doubtful accounts		(336,880)		216,325
Ending balance	₩	284,279	₩	621,159

<sup>1</sup> Provision (reversal) for allowance for doubtful accounts and unused amounts reversed have been included in the income statements within 'selling and administrative expenses' (Note 29).

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company.

*(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 Company has transactions with counterparties that are above certain credit rating in order to mitigate risks of default.

Other financial assets at amortized cost include loans, non-trade receivables and others.

Movements in allowance for credit losses for other financial assets at amortized cost for the years ended December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	<b>2024</b>					
	<b>Loans</b>		<b>Non-trade receivables</b>		<b>Total</b>	
Beginning balance	₩	100,000	₩	183,525	₩	283,525
Provision for allowance for doubtful accounts		-		-		-
Ending balance	₩	100,000	₩	183,525	₩	283,525

  

<i>(in thousands of Korean won)</i>	<b>2023</b>					
	<b>Loans</b>		<b>Non-trade receivables</b>		<b>Total</b>	
Beginning balance	₩	100,000	₩	182,998	₩	282,998
Provision for allowance for doubtful accounts		-		527		527
Ending balance	₩	100,000	₩	183,525	₩	283,525

# Youngone Corporation

## Notes to the Separate Financial Statements

### December 31, 2024 and 2023

#### (c) Maximum exposures to credit risk

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

(in thousands of Korean won)		2024			2023		
		Book amount without deduction	Accumulated impairment loss	Book amount (maximum exposure)	Book amount without deduction	Accumulated impairment loss	Book amount (maximum exposure)
Cash and cash equivalents <sup>1</sup>	₩	205,390,550	₩ -	₩ 205,390,550	₩ 280,648,192	₩ -	₩ 280,648,192
Short-term financial instruments		586,694,000	-	586,694,000	411,624,220	-	411,624,220
Trade receivables		336,274,057	(284,279)	335,989,778	226,060,634	(621,159)	225,439,475
Other receivables <sup>2</sup>		251,354,439	(283,524)	251,070,915	56,224,333	(283,525)	55,940,808
Long-term financial instruments		1,308,500	-	1,308,500	607,500	-	607,500
	₩	1,381,021,546	₩ (567,804)	₩ 1,380,453,743	₩ 975,164,879	₩ (904,684)	₩ 974,260,195

<sup>1</sup> Cash on hand is not included in cash and cash equivalents.

<sup>2</sup> Current and non-current amounts are included.

#### 4.1.3 Liquidity Risk

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

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

Details of the Company'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 year and 2 years	Between 2 years and 5 years	Over 5 years	Total
Trade payables	₩	630,582,190	₩ -	₩ -	₩ -	₩ -	₩ 630,582,190
Other payables		23,232,946	-	-	-	-	23,232,946
Lease liabilities		581,066	1,743,197	2,146,596	5,216,355	-	9,687,214
Financial guarantee liabilities		209,024,900	-	-	-	-	209,024,900
Derivatives held for trading							
Outflow		189,940,000	80,910,000	-	-	-	270,850,000
(Inflow)		(188,138,712)	(74,376,731)	-	-	-	(262,515,443)
	₩	1,801,288	₩ 6,533,269	₩ -	₩ -	₩ -	₩ 8,334,557

# Youngone Corporation

## Notes to the Separate Financial Statements

### December 31, 2024 and 2023

(in thousands of Korean won)

(in thousands of Korean won)		2023					Total			
		Less than 3 months	Between 3 months and 1 year	Between 1 year and 2 years	Between 2 years and 5 years	Over 5 years				
Trade payables	₩	465,674,386	₩	-	₩	-	₩	-	₩	465,674,386
Other payables		20,760,291		-		-		-		20,760,291
Lease liabilities		528,552		1,585,656		2,134,442		6,403,325		923,990
Derivatives held for trading										
Outflow		38,561,000		25,349,000		-		-		-
(Inflow)		(38,507,742)		(25,480,206)		-		-		-
	₩	53,258	₩	(131,206)	₩	-	₩	-	₩	-
										(77,948)

## 4.2 Capital Risk Management

The Company's capital risk management purpose is to maximize shareholders' value through maintaining a sound capital structure. The Company 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	₩ 816,529,668	₩ 629,518,856
Total equity	1,991,200,241	1,784,767,274
Debt-to-equity ratio	41.01%	35.27%

## 5. Fair Value

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

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

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

<i>(in thousands of Korean won)</i>	<b>2024</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets				
Financial assets at fair value through other comprehensive income	₩ 379,308,072	₩ -	₩ 24,827	₩ 379,332,899
Derivative assets	-	8,334,557	-	8,334,557
Financial liabilities				
Derivative liabilities	-	-	-	-
 <i>(in thousands of Korean won)</i>				
	<b>2023</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets				
Financial assets at fair value through other comprehensive income	₩ 418,784,199	₩ -	₩ 24,827	₩ 418,809,026
Derivative assets	-	245,219	-	245,219
Financial liabilities				
Derivative liabilities	-	167,270	-	167,270

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

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

The Company'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.

# Youngone Corporation

## Notes to the Separate Financial Statements

### 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		2023	
		Financial assets		Financial assets	
		Financial assets at fair value through other comprehensive income		Financial assets at fair value through other comprehensive income	
Beginning balance	₩		24,827	₩	24,827
Valuation			-		-
Disposal			-		-
Ending balance	₩		24,827	₩	24,827

### 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:

(in thousands of Korean won)		2024				
		Fair value	Level	Valuation techniques	Inputs	Range of inputs
Derivatives						
Derivative assets (liabilities)	₩	8,334,557	2	Option pricing model	Annual rates of credit volatility Credit risk of counterparty	N/A N/A

## 6. Operating Segment Information

(a) The Company's reportable segments are organized into OEM, brand distribution and other business segments.

(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	Brand distribution and others <sup>2</sup>	Total
Sales	₩	2,090,015,966	₩ 23,870,235	₩ 2,113,886,201
Operating income <sup>1</sup>		204,371,057	10,730,428	215,101,485
Depreciation and amortization <sup>2</sup>		2,955,273	5,205,197	8,160,470
Depreciation of right-of-use assets <sup>2</sup>		1,723,965	144,215	1,868,180

<sup>1</sup> Management of the Company evaluates the performance of business segments based on operating income of each segment.

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

<sup>2</sup> Certain depreciation, amortization and depreciation of right-of-use assets expenses that are not distributed to the reporting business are included in 'brand distribution and others'.

(in thousands of Korean won)

	<b>2023</b>		
	<b>OEM</b>	<b>Brand distribution and others<sup>2</sup></b>	<b>Total</b>
Sales	₩ 1,916,767,078	₩ 21,427,641	₩ 1,938,194,719
Operating income <sup>1</sup>	216,636,837	10,627,957	227,264,794
Depreciation and amortization <sup>2</sup>	2,482,753	5,235,896	7,718,649
Depreciation of right-of-use assets <sup>2</sup>	1,678,351	131,388	1,809,739

<sup>1</sup> Management of the Company evaluates the performance of business segments based on operating income of each segment.

<sup>2</sup> Certain depreciation, amortization and depreciation of right-of-use assets expenses that are not distributed to the reporting business are included in 'brand distribution and others'.

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

(in thousands of Korean won)

	<b>2024</b>			
	<b>OEM</b>	<b>Brand distribution and others</b>	<b>Adjustment<sup>3,4</sup></b>	<b>Total</b>
Assets <sup>1</sup>	₩ 1,409,086,409	₩ 117,874,007	₩ 1,280,769,493	₩ 2,807,729,909
Investments in subsidiaries	311,330,093	280,409,579	-	591,739,672
Investments in associates	-	45,000,000	-	45,000,000
Purchase of non-current assets <sup>2</sup>	7,799,174	652,423	-	8,451,597
Liabilities <sup>1</sup>	608,313,035	50,887,083	157,329,550	816,529,668

<sup>1</sup> 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.

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

<sup>3</sup> Assets that are not distributed to the reporting segment such as financial assets at fair value through other comprehensive income and investment property acquired in the current year.

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

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

(in thousands of Korean won)

	<b>2023</b>			
	<b>OEM</b>	<b>Brand distribution and others</b>	<b>Adjustment<sup>3,4</sup></b>	<b>Total</b>
Assets <sup>1</sup>	₩ 1,212,885,954	₩ 94,949,528	₩ 1,106,450,649	₩ 2,414,286,131
Investments in subsidiaries	312,667,668	270,823,779	-	583,491,447
Investments in associates	-	45,000,000	-	45,000,000
Purchase of non-current assets <sup>2</sup>	75,520,602	5,912,053	-	81,432,655
Liabilities <sup>1</sup>	451,149,928	35,317,807	143,051,120	629,518,855

<sup>1</sup> 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.

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

<sup>3</sup> Assets that are not distributed to the reporting segment such as financial assets at fair value through other comprehensive income and investment property acquired in the current year.

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

(d) Details of external customers, who contribute more than 10% of the Company's revenue for the years ended December 31, 2024 and 2023, are as follows:

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

# Youngone Corporation

## Notes to the Separate 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)

(in thousands of

2024

Korean won)

	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial liabilities at amortized cost	Other financial assets and liabilities	Financial liabilities at fair value through profit or loss	Total
Financial assets							
Cash and cash equivalents	₩ 205,481,517	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 205,481,517
Long-term and short-term financial instruments	588,002,500	-	-	-	-	-	588,002,500
Derivative assets	-	8,334,557	-	-	-	-	8,334,557
Financial assets at fair value through other comprehensive income	-	-	379,332,899	-	-	-	379,332,899
Trade receivables	335,989,778	-	-	-	-	-	335,989,778
Other receivables	251,070,914	-	-	-	-	-	251,070,914
	₩ 1,380,544,709	₩ 8,334,557	₩ 379,332,899	₩ -	₩ -	₩ -	₩ 1,768,212,165
Financial liabilities							
Trade payables	₩ -	₩ -	₩ -	₩ 630,582,190	₩ -	₩ -	₩ 630,582,190
Derivative liabilities	-	-	-	-	-	-	-
Other payables	-	-	-	23,963,205	-	-	23,963,205
Lease liabilities	-	-	-	-	8,922,398	-	8,922,398
	₩ -	₩ -	₩ -	₩ 654,545,395	₩ 8,922,398	₩ -	₩ 663,467,793

# Youngone Corporation

## Notes to the Separate Financial Statements

### December 31, 2024 and 2023

(in thousands of

2023

Korean won)

	Financial assets at amortized cost		Financial assets at fair value through profit or loss		Financial assets at fair value through other comprehensive income		Financial liabilities at amortized cost		Other financial assets and liabilities		Financial liabilities at fair value through profit or loss		Total
<b>Financial assets</b>													
Cash and cash equivalents	₩	280,789,542	₩	-	₩	-	₩	-	₩	-	₩	-	₩ 280,789,542
Long-term and short-term financial instruments		412,231,720		-		-		-		-		-	412,231,720
Derivative assets		-		245,219		-		-		-		-	245,219
Financial assets at fair value through other comprehensive income		-		-		418,809,026		-		-		-	418,809,026
Trade receivables		225,439,475		-		-		-		-		-	225,439,475
Other receivables		55,940,808		-		-		-		-		-	55,940,808
	₩	974,401,545	₩	245,219	₩	418,809,026	₩	-	₩	-	₩	-	₩ 1,393,455,790
<b>Financial liabilities</b>													
Trade payables	₩	-	₩	-	₩	-	₩	465,674,386	₩	-	₩	-	₩ 465,674,386
Derivative liabilities		-		-		-		-		-		167,270	167,270
Other payables		-		-		-		20,760,291		-		-	20,760,291
Lease liabilities		-		-		-		-		10,368,698		-	10,368,698
	₩	-	₩	-	₩	-	₩	486,434,677	₩	10,368,698	₩	167,270	₩ 496,970,645

## 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:

(in thousands of Korean won)

2024

2023

Financial assets at fair value through other comprehensive income

Gain (loss) on valuation (other comprehensive income)	₩	(39,476,128)	₩	22,358,557
Dividend income		86,070,937		4,460,405

Derivative assets and liabilities

Gain on valuation		8,334,557		77,948
Gain on transaction		4,690,810		1,207,326

Financial asset at amortized cost

Interest income		40,797,638		26,083,023
Gain on foreign currency transaction		132,480,358		10,983,252

Financial liabilities at amortized cost

Interest expense		2,623		-
Reversal of financial guarantee liabilities		207,877		-
Loss on foreign currency transaction		(68,182,345)		(1,878,117)

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

<i>(in thousands of Korean won)</i>	<b>2024</b>	<b>2023</b>
Other financial liabilities		
Interest expense	341,444	-
Loss on foreign currency transaction	(33,539)	(20,387)

**8. Cash and Cash Equivalents**

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

<i>(in thousands of Korean won)</i>	<b>2024</b>	<b>2023</b>
Cash in hand	₩ 90,968	₩ 141,350
Short-term financial institution deposits	205,390,549	280,648,192
	<u>₩ 205,481,517</u>	<u>₩ 280,789,542</u>

**9. Restricted Financial Instruments**

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

<i>(in thousands of Korean won)</i>	<b>Financial institution</b>	<b>2024</b>	<b>2023</b>	<b>Reason of restriction</b>
Long-term financial instruments and others	Shinhan Bank and others	₩ 7,500	₩ 7,500	Guarantee deposit
	Kookmin Bank	600,000	600,000	Pledged
	Woori Bank	701,000	2,748	Pledged
		<u>₩ 1,308,500</u>	<u>₩ 610,248</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>	<b>2024</b>	<b>2023</b>
Listed securities	₩ 379,308,071	₩ 418,784,199
Unlisted securities	24,827	24,827
	<u>₩ 379,332,898</u>	<u>₩ 418,809,026</u>

# Youngone Corporation

## Notes to the Separate Financial Statements

### December 31, 2024 and 2023

Upon disposal of these equity shares, 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>	<b>2024</b>		<b>2023</b>	
Beginning balance	₩	418,809,026	₩	396,450,469
Acquisition		-		-
Valuation		(39,476,128)		22,358,557
Ending balance	₩	<u>379,332,898</u>	₩	<u>418,809,026</u>

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

<i>(in thousands of Korean won)</i>	<b>2024</b>					<b>2023</b>	
	<b>Number of Shares</b>	<b>Percentage of ownership (%)</b>	<b>Acquisition cost</b>	<b>Fair Value</b>	<b>Book amount</b>	<b>Book amount</b>	
GOLDWIN INC. <sup>1</sup>	4,109,400	8.66	₩ 26,385,268	₩ 340,388,407	₩ 340,388,407	₩	380,111,655
HUVIS CORPORATION	485,708	1.41	5,267,403	1,253,127	1,253,127		2,001,117
ILSHIN SPINNING CO., LTD.	194,530	0.84	2,017,250	1,474,537	1,474,537		1,727,427
HANJINKAL	480,000	0.72	30,015,000	36,192,000	36,192,000		34,944,000
			₩ 63,684,921	₩ 379,308,071	₩ 379,308,071	₩	<u>418,784,199</u>

<sup>1</sup> GOLDWIN INC.'s shares are listed in Japan.

## 11. Trade receivables

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

<i>(in thousands of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Trade receivables	₩	336,274,057	₩	226,060,634
Allowance for doubtful accounts		(284,279)		(621,159)
Trade receivable, net	₩	<u>335,989,778</u>	₩	<u>225,439,475</u>

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

**Youngone Corporation**  
**Notes to the Separate 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>	<b>2024</b>	<b>2023</b>
<b>Current</b>		
Short-term loans	₩ 100,000	₩ 100,000
Allowance for doubtful accounts	(100,000)	(100,000)
Current portion of long-term loans	-	1,373,281
Accrued income	11,637,190	9,385,216
Non-trade receivables	2,987,757	3,476,274
Allowance for doubtful accounts	(183,525)	(183,525)
	<u>14,441,422</u>	<u>14,051,246</u>
<b>Non-current</b>		
Long-term loans	234,662,167	39,306,280
Guarantee deposits	1,727,680	2,583,282
Long-term accrued income	239,646	-
	<u>236,629,493</u>	<u>41,889,562</u>
	<u>₩ 251,070,915</u>	<u>₩ 55,940,808</u>

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

**13. Other Current Assets**

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

<i>(in thousands of Korean won)</i>	<b>2024</b>	<b>2023</b>
<b>Current</b>		
Prepaid expenses	₩ 206,644	₩ 542,792
Advances	13,602,224	3,166,575
Allowance for doubtful accounts	(500,000)	(500,000)
Others	317,140	-
	<u>₩ 13,626,008</u>	<u>₩ 3,209,367</u>

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

**14. Inventories**

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

<i>(in thousands of Korean won)</i>	2024	2023
Merchandise	₩ 3,212,943	₩ 4,777,499
Valuation allowance	(2,595,347)	(3,268,938)
Raw materials	11,747,898	9,556,503
Goods in transit	850,253	1,610,992
	<u>₩ 13,215,747</u>	<u>₩ 12,676,056</u>

(b) The cost of inventories recognized as 'cost of sales' amounted to ₩ 1,795,941,203 thousand (2023: ₩ 1,630,253,779 thousand) (Note 31).

**15. Property, Plant and Equipment**

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

<i>(in thousands of Korean won)</i>	2024								
	Land	Buildings	Structures	Machinery	Vehicles	Tools and equipment	Facilities	Construction in progress	Total
Opening net book amount	₩ 32,150,369	₩ 42,831,249	₩ 601,221	₩ 2,259,815	₩ 831,649	₩ 7,412,559	₩ 342,222	₩ 5,574,517	₩ 92,003,601
Acquisition	-	(139,288)	-	-	-	1,332,261	76,998	2,178,203	3,448,174
Transfer	(3,579,957)	17,251,693	-	5,199,610	-	443,003	-	(7,752,720)	11,561,629
Disposal / discard / impairment	-	-	-	-	(80,865)	(93)	-	-	(80,958)
Depreciation	-	(1,796,758)	(46,639)	(1,398,486)	(200,756)	(835,270)	(20,386)	-	(4,298,295)
Closing net book amount	28,570,412	58,146,896	554,582	6,060,939	550,028	8,352,460	398,834	-	102,634,151
Acquisition cost	28,570,412	74,869,970	1,214,858	27,660,983	2,317,724	28,281,277	759,589	-	163,674,813
Accumulated depreciation	-	(16,723,074)	(660,276)	(21,600,044)	(1,767,696)	(19,928,817)	(360,755)	-	(61,040,662)
Ending net book amount	<u>₩ 28,570,412</u>	<u>₩ 58,146,896</u>	<u>₩ 554,582</u>	<u>₩ 6,060,939</u>	<u>₩ 550,028</u>	<u>₩ 8,352,460</u>	<u>₩ 398,834</u>	<u>₩ -</u>	<u>₩ 102,634,151</u>

<i>(in thousands of Korean won)</i>	2023								
	Land	Buildings	Structures	Machinery	Vehicles	Tools and equipment	Facilities	Construction in progress	Total
Opening net book amount	₩ 32,150,369	₩ 44,618,722	₩ 640,860	₩ 4,560,610	₩ 416,949	₩ 6,120,075	₩ 172,407	₩ 4,411,818	₩ 93,091,810
Acquisition	-	-	-	-	607,112	1,925,857	182,400	1,162,699	3,878,068
Transfer	-	(307,413)	-	-	-	-	-	-	(307,413)
Disposal / discard / impairment	-	-	-	-	(540)	-	-	-	(540)
Depreciation	-	(1,480,060)	(39,639)	(2,300,795)	(191,872)	(633,373)	(12,585)	-	(4,658,324)
Closing net book amount	32,150,369	42,831,249	601,221	2,259,815	831,649	7,412,559	342,222	5,574,517	92,003,601
Acquisition cost	32,150,369	58,503,936	1,214,857	22,461,373	2,444,640	27,265,852	682,591	5,574,517	150,298,135

# Youngone Corporation

## Notes to the Separate Financial Statements

### December 31, 2024 and 2023

(in thousands of  
Korean won)

	2023								
	Land	Buildings	Structures	Machinery	Vehicles	Tools and equipment	Facilities	Construction in progress	Total
Accumulated depreciation	-	(15,672,687)	(613,636)	(20,201,558)	(1,612,991)	(19,853,293)	(340,369)	-	(58,294,534)
Ending net book amount	₩ 32,150,369	₩ 42,831,249	₩ 601,221	₩ 2,259,815	₩ 831,649	₩ 7,412,559	₩ 342,222	₩ 5,574,517	₩ 92,003,601

Depreciation has been included in the 'selling and administrative expenses' (Note 29).

(b) There are no borrowing costs capitalized for property, plant and equipment, which are qualifying assets, during 2024 (2023: ₩ 79,483 thousand).

## 16. Leases

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

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

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

(in thousands of Korean won)	2024		2023	
Right-of-use assets				
Buildings	₩	8,830,497	₩	9,546,379
	₩	8,830,497	₩	9,546,379
(in thousands of Korean won)	2024		2023	
Lease liabilities				
Current	₩	2,324,262	₩	2,114,208
Present value discounts		(296,047)		(46,080)
Non-current		7,362,951		9,461,757
Present value discounts		(468,768)		(1,161,187)
	₩	8,922,398	₩	10,368,698

Additions to the right-of-use assets during the 2024 financial year were ₩ 1,152,298 thousand.

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

(b) Amounts recognized in the separate income statement

The separate income statement shows the following amounts relating to leases:

<i>(in thousands of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Depreciation of right-of-use assets				
Buildings	₩	1,868,180	₩	1,809,739
	₩	1,868,180	₩	1,809,739
Interest expense relating to lease liabilities (included in finance cost) <sup>1</sup>	₩	377,597	₩	456,677
Expense relating to leases of low-value assets that are not short-term leases (included in selling and administrative expenses)		34,051		28,974

<sup>1</sup> Interest expense relating to lease liabilities amounting to ₩ 36,153 thousand (2023: ₩ 456,677 thousand) was transferred as capitalized borrowing costs that are qualifying assets.

The total cash outflow for leases in 2024 was ₩ 2,171,138 thousand (2023: ₩ 2,156,299 thousand).

## 17. Intangible Assets

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

<i>(in thousands of Korean won)</i>	<b>2024</b>				<b>2023</b>			
	<b>Industrial property</b>	<b>Software</b>	<b>Membership rights</b>	<b>Total</b>	<b>Industrial property</b>	<b>Software</b>	<b>Membership rights</b>	<b>Total</b>
Opening net book amount	₩ 4,962	₩ 363,936	₩ 393,684	₩ 762,582	₩ 13,479	₩ 451,597	₩ 393,684	₩ 858,760
Acquisition	-	450	-	450	-	96,907	-	96,907
Amortization	(2,056)	(179,676)	-	(181,732)	(8,517)	(184,568)	-	(193,085)
Disposal	-	-	(11,440)	(11,440)	-	-	-	-
Closing net book amount	2,906	184,710	382,244	569,860	4,962	363,936	393,684	762,582
Acquisition cost	308,250	5,700,513	382,244	6,391,007	308,250	5,700,063	393,684	6,401,997
Accumulated amortization	(305,344)	(5,515,803)	-	(5,821,147)	(303,288)	(5,336,127)	-	(5,639,415)
Net book amount	₩ 2,906	₩ 184,710	₩ 382,244	₩ 569,860	₩ 4,962	₩ 363,936	₩ 393,684	₩ 762,582

Amortization is included in the 'selling and administrative expenses' in the income statement (Note 29).

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

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**18. Investment Property**

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

<i>(in thousands of Korean won)</i>	<b>2024</b>	<b>2023</b>
Opening net book amount	₩ 274,140,908	₩ 199,550,468
Acquisition	5,002,972	77,457,680
Depreciation	(3,680,442)	(2,867,240)
Transfer	(11,561,629)	-
Closing net book amount	<u>263,901,809</u>	<u>274,140,908</u>
Acquisition cost	296,091,553	301,903,839
Accumulated depreciation	<u>(32,189,744)</u>	<u>(27,762,931)</u>
Net book amount	<u>₩ 263,901,809</u>	<u>₩ 274,140,908</u>

(b) Fair value of investment property as at December 31, 2024, is ₩ 381,199,797 thousand (2023: ₩ 393,908,668 thousand).

(c) Rent income from investment property during the year ended December 31, 2024, is ₩ 20,645,008 thousand (2023: ₩ 12,514,966 thousand).

(d) Borrowing costs capitalized for investment property, which are qualifying assets, are ₩ 45,186 thousand (2023: ₩ 448,534 thousand). The capitalized borrowing interest rate used to calculate capitalizable borrowing costs was 3.94% (2023: 3.66%).

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

**19. Investments in Subsidiaries and Associate**

(a) The Company's investments in subsidiaries and associate as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	<b>Ownership</b>		<b>2024</b>		<b>2023</b>	<b>Ending month</b>	<b>Location</b>
<b>Subsidiaries</b>							
YCL <sup>1,32</sup>	49.66%	₩	36,923,591	₩	36,923,591	December	Bangladesh
TSL <sup>2</sup>	100.00%		49,832,269		49,832,269	December	Bangladesh
KSL <sup>3,32</sup>	39.60%		10,056,353		10,056,353	December	Bangladesh
YHT <sup>4</sup>	100.00%		126,945,139		126,945,139	December	Bangladesh
YPL <sup>5</sup>	100.00%		15,862,197		15,862,197	December	Bangladesh
YGA <sup>6</sup>	100.00%		7,521,581		7,521,581	December	Bangladesh
SDF <sup>7</sup>	100.00%		2,511,949		2,511,949	December	Bangladesh
YSF <sup>8,32</sup>	44.06%		3,002,105		3,002,105	December	Bangladesh
STL <sup>9</sup>	100.00%		2,498,825		2,498,825	December	Bangladesh
YSS <sup>10</sup>	93.60%		20,308,641		20,308,641	December	Bangladesh
SLS <sup>11</sup>	100.00%		111,530		111,530	December	Bangladesh
YSP <sup>12</sup>	100.00%		362,425		-	December	China
GMC <sup>13</sup>	100.00%		252,060		252,060	December	China
YNL <sup>14</sup>	100.00%		39,367,253		39,367,253	December	Vietnam
YBL <sup>15</sup>	100.00%		6,625,900		6,625,900	December	Vietnam
YHL <sup>16</sup>	100.00%		8,683,000		8,683,000	December	Vietnam
YLS <sup>17</sup>	100.00%		5,366,035		5,366,035	December	El Salvador
ESL <sup>18</sup>	100.00%		2,314,711		2,314,711	December	Hong Kong
DTL <sup>19</sup>	100.00%		3,254,326		3,254,326	December	Thailand
AAJ <sup>20,32</sup>	40.00%		22,743,740		22,743,740	December	U.K. (IOM)
SQA <sup>21</sup>	100.00%		4,879,758		6,579,758	December	Uzbekistan
MSH <sup>22</sup>	100.00%		55,023,768		55,023,768	December	U.S.A.
SCOTT <sup>23</sup>	50.01%		130,543,000		130,543,000	September	Switzerland
BPL <sup>24</sup>	100.00%		217,707		217,707	December	Taiwan
ESP <sup>25</sup>	100.00%		1,727,669		1,727,669	December	Ethiopia
BKS <sup>26</sup>	100.00%		6,281,757		6,281,757	December	Uzbekistan
DTJ <sup>27</sup>	100.00%		78		78	December	New Zealand
YIA <sup>28</sup>	100.00%		16,163,460		16,163,460	December	Singapore
YES <sup>29</sup>	100.00%		2,772,715		2,772,715	December	Portugal
ASI <sup>30</sup>	100.00%		9,586,130		330	December	Guatemala
			<u>591,739,672</u>		<u>583,491,447</u>		
<b>Associate</b>							
YOH CVC FUND1 LP <sup>31,33</sup>	52.94%		45,000,000		45,000,000	December	Singapore
		₩	<u>636,739,672</u>	₩	<u>628,491,447</u>		

<sup>1</sup> YOUNGONE (CEPZ) LTD.

<sup>2</sup> TITAS SPORTSWEAR INDUSTRIES LTD.

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

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- <sup>3</sup> KARNAPHULI SPORTSWEAR INDUSTRIES LTD.  
<sup>4</sup> YOUNGONE HI-TECH SPORTSWEAR INDUSTRIES LTD.  
<sup>5</sup> YOUNGONE PADDING (CEPZ) LTD.  
<sup>6</sup> YOUNGONE GARMENT ACCESSORIES INDUSTRIES LTD.  
<sup>7</sup> SAVAR DYEING & FINISHING INDUSTRIES LTD.  
<sup>8</sup> YOUNGONE SYNTHETIC FIBRE PRODUCTS INDUSTRIES LTD.  
<sup>9</sup> SUNGNAM TEXTILES MILLS LTD.  
<sup>10</sup> YOUNGONE SPORTS SHOES INDUSTRIES LTD.  
<sup>11</sup> SUNGNAM LEATHER AND SPORTS PRODUCT INDUSTRIES LTD.  
<sup>12</sup> QINGDAO YOUNGONE SPORTS PRODUCTS CO., LTD.  
<sup>13</sup> QINGDAO YOUNGONE SPORTSWEAR CO., LTD.  
<sup>14</sup> YOUNGONE NAM DINH CO., LTD.  
<sup>15</sup> YOUNGONE BAC GIANG CO., LTD.  
<sup>16</sup> YOUNGONE HUNG YEN CO., LTD.  
<sup>17</sup> YOUNGONE (EL SALVADOR) S.A DE C.V.  
<sup>18</sup> EVER SUMMIT (HK) LTD.  
<sup>19</sup> DONGNAMA TRADING CO., LTD.  
<sup>20</sup> ARIRANG AVIATION IOM LTD  
<sup>21</sup> YOUNGONE SAMARKAND LLC.  
<sup>22</sup> MOUNTAIN SUMMIT HOLDINGS, LTD.  
<sup>23</sup> SCOTT CORPORATION SA  
<sup>24</sup> BROAD PEAK INTERNATIONAL LTD.  
<sup>25</sup> EVERTOP SPORTSWEAR PLC.  
<sup>26</sup> BUKA SPORTSWEAR LLC.  
<sup>27</sup> DESIGNER TEXTILES INTERNATIONAL LTD.  
<sup>28</sup> YOUNGONE INTERNATIONAL ASIA PTE LTD  
<sup>29</sup> YOUNGONE CORPORATION EUROPE SGPS  
<sup>30</sup> AMATITLAN SUNGNAM INDUSTRIES SA  
<sup>31</sup> YOH CVC Fund 1 Limited Partnership  
<sup>32</sup> The Company has over a 50% stake, including indirect ownership percentages.  
<sup>33</sup> Although the Company holds more than 50% of ownership for YOH CVC FUND 1 LP, the Company cannot determine operation of fund and composition of investment committee by itself, and Youngone Holdings Co., Ltd., the Parent Company, has controls over YOH CVC FUND 1 LP, therefore, it is classified as an associate.

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

<i>(in thousands of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Beginning balance	₩	628,491,447	₩	593,554,228
Acquisition		9,948,225		36,537,219
Impairment loss		(1,700,000)		(1,600,000)
Ending balance	₩	<u>636,739,672</u>	₩	<u>628,491,447</u>

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

**20. Trade and Other Payables**

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

<i>(in thousands of Korean won)</i>	<b>2024</b>	<b>2023</b>
<b>Current</b>		
Trade payables	₩ 630,582,190	₩ 465,674,386
Other payables		
Non-trade payables	7,631,606	2,220,108
Dividend payable	4,647	3,346
Accrued expenses	-	5,313,311
Leasehold deposits	15,596,692	13,223,526
Financial guarantee liabilities	730,259	-
	<u>23,963,204</u>	<u>20,760,291</u>
	<u>₩ 654,545,394</u>	<u>₩ 486,434,677</u>

**21. Other Current Liabilities**

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

<i>(in thousands of Korean won)</i>	<b>2024</b>	<b>2023</b>
<b>Current</b>		
Customer advances	₩ 408,759	₩ 160,042
Withholdings	3,892,232	1,734,911
	<u>₩ 4,300,991</u>	<u>₩ 1,894,953</u>

**22. Contract Assets and Liabilities**

(a) The Company has recognized the contract assets and liabilities as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>	<b>2024</b>	<b>2023</b>
Contract liabilities – unsatisfied performance obligations <sup>1</sup>	₩ 393,759	₩ 144,101

<sup>1</sup> The Company does not have contract assets, and contract liabilities are included in other current liabilities.

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

(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>	<b>2024</b>	<b>2023</b>
Revenue recognized that was included in the contract liability balance at the beginning of the year		
Unsatisfied performance obligations as at December 31, 2023	₩ 144,101	₩ 872,355

**23. Net Defined Benefit Liabilities (Assets)**

(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>	<b>2024</b>	<b>2023</b>
Present value defined benefit obligations	₩ 38,082,023	₩ 27,906,579
Fair value of plan assets	(33,427,301)	(27,873,520)
Net defined benefit liabilities on the separate statement of financial position	₩ 4,654,722	₩ 33,059

(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>	<b>2024</b>	<b>2023</b>
Beginning balance	₩ 27,906,579	₩ 20,630,282
Current service cost	3,193,562	2,068,694
Interest expense	1,489,822	1,053,723
Remeasurements:		
Actuarial losses arising from change in financial assumptions	2,722,946	3,147,216
Actuarial gains arising from change in demographic assumptions	(177,866)	-
Actuarial losses (gains) arising from experience adjustments	(1,036,383)	2,499,617
Payments from plans:		
Benefit payments	(975,309)	(1,767,697)
Effect of plans revision	5,494,493	-
Effect of transfer from and to associates	(535,821)	274,744
Ending balance	₩ 38,082,023	₩ 27,906,579

**Youngone Corporation**  
**Notes to the Separate 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>	<b>2024</b>		<b>2023</b>	
Beginning balance	₩	27,873,520	₩	23,404,040
Interest income		1,184,902		1,166,627
Remeasurements:				
Return on plan assets (excluding amounts included in interest income)		(51,799)		(239,471)
Contributions:				
Employers		6,361,000		4,600,000
Payments from plans:				
Benefit payments		(1,404,501)		(1,332,419)
Effect of transfer from and to associates		(535,821)		274,743
Ending balance	₩	<u>33,427,301</u>	₩	<u>27,873,520</u>

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

	<b>2024</b>	<b>2023</b>
Discount rate	4.40%	4.93%
Salary growth rate <sup>1</sup>	8.79%	6.53%

<sup>1</sup> Weighted average of salary growth rate of executives and employees.

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

<i>(in thousands of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Cash and cash equivalents	₩	33,427,301	₩	27,873,520

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

<i>(in thousands of Korean won)</i>		<b>Impact on defined benefit obligation</b>					
		<b>2024</b>			<b>2023</b>		
		<b>Changes in assumption</b>	<b>Increase in assumption</b>	<b>Decrease in assumption</b>	<b>Changes in assumption</b>	<b>Increase in assumption</b>	<b>Decrease in assumption</b>
Discount rate	1%p	₩ (2,318,730)	₩ 2,644,091		₩ (1,606,832)	₩ 1,827,113	
Salary growth rate	1%p		2,505,796	(2,251,311)		1,763,818	(1,585,922)

# Youngone Corporation

## Notes to the Separate Financial Statements

### December 31, 2024 and 2023

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The decrease in discount rate, using the rate of return of high-quality credit bonds, partially offsets by increasing the value of the debt securities held by the plan. However, the most significant risk exposure is due to the increase in defined benefit liabilities.

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 Company reviews the funding level on an annual basis and has a policy of eliminating deficit from the fund.

The expected maturity analysis of undiscounted pension benefits as at December 31, 2024, is as follows:

<i>(in thousands of Korean won)</i>		<b>Less than 1 year</b>	<b>Between 1-2 years</b>	<b>Between 2-5 years</b>	<b>Between 5-10 years</b>	<b>Total</b>
Pension benefits	₩	3,765,713	₩ 9,002,883	₩ 9,936,023	₩ 17,316,226	₩ 40,020,845

The weighted average duration of the defined benefit obligation is 6.52 years.

(h) The expenses recognized in the current period in relation to defined contribution plan and others were ₩ 92,167 thousand (2023: ₩ 83,690 thousand). There are no expenses recognized as retirement bonus in the current period.

(i) Expected contributions to post-employment benefit plans for the year ending December 31, 2025, are ₩ 4,086 million.

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

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**24. 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>	<b>2024</b>	<b>2023</b>
Deferred tax assets		
Deferred tax asset to be recovered within 12 months	₩ 789,100	₩ 970,140
Deferred tax asset to be recovered after more than 12 months	12,372,150	10,371,553
	<u>13,161,250</u>	<u>11,341,693</u>
Deferred tax liabilities		
Deferred tax liability to be recovered within 12 months	(2,656,252)	(2,157,466)
Deferred tax liability to be recovered after more than 12 months	(101,872,976)	(109,517,209)
	<u>(104,529,228)</u>	<u>(111,674,675)</u>
Deferred tax liabilities, net	<u>₩ (91,367,978)</u>	<u>₩ (100,332,982)</u>

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

<i>(in thousands of Korean won)</i>	<b>2024</b>	<b>2023</b>
Beginning balance	₩ (100,332,982)	₩ (93,885,452)
Income statement charge (Note 34)	(856,894)	(2,642,440)
Tax charged/(credited) directly to equity	9,821,898	(3,805,090)
Ending balance	<u>₩ (91,367,978)</u>	<u>₩ (100,332,982)</u>

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

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

(in thousands of Korean won)

	2024			
	Beginning balance	Income statement	Equity	Ending balance
<b>Deferred tax assets</b>				
Agent cost of goods sold	₩ (35,020)	₩ 35,193	₩ -	₩ 173
Loss on valuation of inventories	758,394	(158,869)	-	599,525
Gain (loss) on valuation of financial assets at fair value through other comprehensive income	970,999	(4,185)	231,203	1,198,017
Interest related to loan for construction	17,910	(1,068)	-	16,842
Post-employment benefit obligations	6,034,136	1,976,234	348,284	8,358,654
Accrued expenses	168,815	20,586	-	189,401
Depreciation	419,172	(98,056)	-	321,116
Lease liabilities	2,405,538	(344,464)	-	2,061,074
Non-trade payables	60,672	(39,381)	-	21,291
Investments in subsidiaries	463,126	(228,994)	-	234,132
Others	-	161,025	-	161,025
	<u>11,263,742</u>	<u>1,318,021</u>	<u>579,487</u>	<u>13,161,250</u>
<b>Deferred tax liabilities</b>				
Agent sales	42,931	(43,144)	-	(213)
Accrued income	(2,122,446)	(469,388)	-	(2,591,834)
Advanced depreciation provision	(2,645,112)	11,401	-	(2,633,711)
Investments in subsidiaries	(15,367,207)	-	-	(15,367,207)
Gain (loss) on valuation of financial assets at fair value through other comprehensive income	(83,208,050)	4,027	9,242,411	(73,961,612)
Insurance for retirement	(6,034,136)	(1,687,570)	-	(7,721,706)
Right-of-use assets	(2,214,760)	174,915	-	(2,039,845)
Depreciation	(47,944)	(284)	-	(48,228)
Others	-	(164,872)	-	(164,872)
	<u>(111,596,724)</u>	<u>(2,174,915)</u>	<u>9,242,411</u>	<u>(104,529,228)</u>
	<u>₩ (100,332,982)</u>	<u>₩ (856,894)</u>	<u>₩ 9,821,898</u>	<u>₩ (91,367,978)</u>

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

(in thousands of Korean won)

	<b>2023</b>			
	<b>Beginning balance</b>	<b>Income statement</b>	<b>Equity</b>	<b>Ending balance</b>
<b>Deferred tax assets</b>				
Agent sales	₩ 71,680	₩ (28,749)	₩ -	₩ 42,931
Loss on valuation of inventories	1,080,573	(322,179)	-	758,394
Interest related to loan for construction	18,905	(995)	-	17,910
Post-employment benefit obligations	4,310,701	363,699	1,359,736	6,034,136
Accrued expenses	163,748	5,067	-	168,815
Depreciation	467,369	(48,197)	-	419,172
Gain on valuation of financial assets at fair value through other comprehensive income	820,711	646	149,642	970,999
Lease liabilities	2,788,402	(382,864)	-	2,405,538
Non-trade payables	115,199	(54,527)	-	60,672
Others	-	463,126	-	463,126
	<u>9,837,288</u>	<u>(4,973)</u>	<u>1,509,378</u>	<u>11,341,693</u>
<b>Deferred tax liabilities</b>				
Accrued income	(760,422)	(1,362,024)	-	(2,122,446)
Agent cost of goods sold	(59,169)	24,149	-	(35,020)
Advanced depreciation provision	(2,645,112)	-	-	(2,645,112)
Investments in subsidiaries	(15,367,207)	-	-	(15,367,207)
Loss on valuation of financial assets at fair value through other comprehensive income	(77,870,576)	(23,006)	(5,314,468)	(83,208,050)
Insurance for retirement	(4,337,687)	(1,696,449)	-	(6,034,136)
Right-of-use assets	(2,634,623)	419,863	-	(2,214,760)
Depreciation	(47,944)	-	-	(47,944)
	<u>(103,722,740)</u>	<u>(2,637,467)</u>	<u>(5,314,468)</u>	<u>(111,674,675)</u>
	<u>₩ (93,885,452)</u>	<u>₩ (2,642,440)</u>	<u>₩ (3,805,090)</u>	<u>₩ (100,332,982)</u>

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

(in thousands of Korean won)	<b>2024</b>	<b>2023</b>	<b>Remarks</b>
Investments in subsidiaries and others	₩ 239,099,410	₩ 232,295,538	No plan for disposal
Commission expenses, amortization of bad debts	727,769	727,769	No tax effect
Tax credit carry forwards <sup>1</sup>	<u>₩ 3,333,387</u>	<u>₩ 3,333,878</u>	Uncertainty of future taxable profit

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

<sup>1</sup> The maturity of tax credit carry forwards is as follows:

<i>(in thousands of Korean won)</i>		<b>2024</b>
2028-12-31	₩	133,092
2029-12-31		2,994
2030-12-31		3,196,042
2031-12-31		650
2032-12-31		609
	₩	<u>3,333,387</u>

**25. Share Capital and Share Premium**

(a) Changes in share capital and share premium as at December 31, 2024 and 2023, are as follows:

<i>(in thousands of Korean won)</i>		<b>Number of shares (unit: shares)</b>	<b>Share capital</b>	<b>Share premium</b>	<b>Total</b>
January 1, 2023	Beginning balance	<u>44,311,468</u>	₩ 22,155,734	₩ 453,267,231	₩ 475,422,965
December 31, 2023	Ending balance	<u>44,311,468</u>	₩ 22,155,734	₩ 453,267,231	₩ 475,422,965
January 1, 2024	Beginning balance	<u>44,311,468</u>	₩ 22,155,734	₩ 453,267,231	₩ 475,422,965
December 31, 2024	Ending balance	<u>44,311,468</u>	₩ 22,155,734	₩ 453,267,231	₩ 475,422,965

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

<i>(in Korean won, except for number of shares)</i>	<b>2024</b>	<b>2023</b>
Number of shares authorized to issue	100,000,000	100,000,000
Par value per share	₩ 500	₩ 500
Number of shares outstanding	44,311,468	44,311,468
Share capital	₩ 22,155,734,000	₩ 22,155,734,000
Share premium	₩ 453,267,231,054	₩ 453,267,231,054

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

**26. 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>	<b>2024</b>	<b>2023</b>
Other comprehensive income:		
Gain on valuation of financial assets at fair value through other comprehensive income	₩ 242,352,090	₩ 272,354,603
Remeasurements of net defined benefit liabilities	<u>(10,574,532)</u>	<u>(9,362,320)</u>
Capital adjustments:		
Treasury shares <sup>1</sup>	<u>(57,003,606)</u>	<u>(15,936,462)</u>
	<u>₩ 174,773,952</u>	<u>₩ 247,055,821</u>

<sup>1</sup> Details of treasury shares whose voting power is limited by regulations as at December 31, 2024, are as follows:

<b>Owner</b>	<b>Number of shares</b>	<b>Ownership</b>	<b>Reason for restriction</b>
Treasury shares	1,561,419	3.52%	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>	<b>2024</b>		
	<b>Beginning</b>	<b>Decrease</b>	<b>Ending</b>
Gain on valuation of financial assets at fair value through other comprehensive income	₩ 272,354,603	₩ (30,002,513)	₩ 242,352,090
Remeasurements of net defined benefit liabilities	(9,362,320)	(1,212,213)	(10,574,533)

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

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

**27. Retained Earnings**

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

<i>(in thousands of Korean won)</i>	<b>2024</b>	<b>2023</b>
Legal reserves <sup>1</sup>	₩ 11,920,000	₩ 11,920,000
Discretionary reserves <sup>2</sup>	984,000,000	787,000,000
Unappropriated retained earnings	345,083,325	263,368,488
	<u>₩ 1,341,003,325</u>	<u>₩ 1,062,288,488</u>

<sup>1</sup> 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.

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

(b) Retained earnings for the year ended December 31, 2024, is expected to be appropriated at the shareholders' meeting on March 31, 2025. The appropriation date for the year ended December 31, 2023, was March 29, 2024.

<i>(in Korean won)</i>	<b>2024</b>	<b>2023</b>
Unappropriated retained earnings carried over from prior year	₩ 9,342,608,901	₩ 9,699,615,679
Profit for the year	335,740,715,680	253,668,872,522
Retained earnings available for appropriation	<u>345,083,324,581</u>	<u>263,368,488,201</u>
Discretionary reserves	276,000,000,000	197,000,000,000
Dividends cash dividend (%):		
₩ 1,400 (280.0%) in 2024		
₩ 1,300 (260.0%) in 2023	59,850,068,600	57,025,879,300
Appropriation of retained earnings	<u>335,850,068,600</u>	<u>254,025,879,300</u>
Unappropriated retained earnings to be carried forward	<u>₩ 9,233,255,981</u>	<u>₩ 9,342,608,901</u>

**28. Dividends**

Dividends paid amount to ₩ 57,025,879 thousand (₩ 1,300 per share) and ₩ 67,115,073 thousand (₩ 1,530 per share) in 2024 and 2023, respectively. A dividend in respect of the year ended December 31, 2024, is to be proposed to shareholders at the 2024 annual general meeting on March 31, 2025. These separate financial statements do not reflect this dividend payable.

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

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**29. Selling and Administrative Expenses**

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

<i>(in thousands of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Salaries	₩	35,237,954	₩	30,088,443
Post-employment benefits		9,085,143		2,039,480
Welfare benefit expenses		3,397,475		2,894,295
Travel expense		73,212		64,025
Communications		575,722		580,741
Utilities		1,092,948		837,391
Tax and duties		2,917,795		5,531,927
Rent expenses		75,033		35,047
Depreciation		7,978,738		7,525,564
Depreciation of right-of-use assets		1,868,180		1,809,739
Repair and maintenance		3,551,478		3,056,076
Vehicle maintenance		98,702		115,109
Entertainment		910,103		904,809
Supplies		429,272		263,322
Insurance		535,711		697,118
Publications		54,184		46,340
Training		293,470		209,484
Commission expenses		25,089,078		14,266,505
Sales commissions		12,985		116,388
Samples		613		609
Advertising costs		39,091		47,000
Transportation		101,658		96,667
Exports		173,644		244,140
Shipping		1,083,238		1,725,033
Amortization		181,732		193,085
Research expenses		157,211		156,319
Overseas marketing		4,692,783		4,056,479
Packaging		-		245
Overseas trips		3,473,241		2,857,914
Bad debt expenses (reversal)		(336,881)		216,853
	₩	<u>102,843,513</u>	₩	<u>80,676,147</u>

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

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**30. 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>	<b>2024</b>	<b>2023</b>
Import commission	₩ 126,347	₩ 69,030
Gain on foreign currency transactions	98,107,823	78,378,284
Gain on foreign currency translations	76,542,928	15,880,298
Gain on transaction of derivatives	4,690,810	1,207,326
Gain on valuation of derivatives	8,334,557	245,219
Gain on lease modification	614,175	-
Gain on disposal of plant, property and equipment	18,721	2,643
Gain on disposal of intangible assets	77,900	141,246
Claim income	37,254	55,504
Miscellaneous income	6,167,067	216,255
	<u>₩ 194,717,582</u>	<u>₩ 96,195,805</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>	<b>2024</b>	<b>2023</b>
Loss on foreign currency transactions	₩ 67,852,177	₩ 69,339,357
Loss on foreign currency translations	42,534,100	15,834,477
Impairment loss in investment in subsidiaries	1,700,000	1,600,000
Loss on disposal of plant, property and equipment	12,633	-
Loss on transaction of derivatives	-	167,270
Donations	5,497,013	3,945,455
Claim expenses	54,271	114,703
Miscellaneous expenses	12,856	20,853
	<u>₩ 117,663,050</u>	<u>₩ 91,022,115</u>

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

**31. 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>	<b>2024</b>	<b>2023</b>
Changes in inventories	₩ (539,691)	₩ 694,219
Raw materials and merchandises purchased	1,796,480,894	1,629,559,560
Employee benefits (Note 32)	44,323,097	32,127,923
Welfare benefit expenses	3,397,475	2,894,295
Depreciation (Notes 15 and 18)	7,978,738	7,525,564
Amortization (Note 17)	181,732	193,085
Depreciation of right-of-use assets (Note 16)	1,868,180	1,809,739
Commission expenses	25,089,078	14,266,505
Sales commissions	12,985	116,388
Shipping	1,083,238	1,725,033
Overseas marketing	4,692,783	4,056,479
Advertising costs	39,091	47,000
Exports	173,644	244,140
Other expenses	14,003,472	15,669,996
Total of cost of sales and selling and administrative expenses	₩ 1,898,784,716	₩ 1,710,929,926

**32. Employee Benefits**

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

<i>(in thousands of Korean won)</i>	<b>2024</b>	<b>2023</b>
Short-term employee benefits	₩ 35,237,954	₩ 30,088,443
Post-employment benefits	9,085,143	2,039,480
	₩ 44,323,097	₩ 32,127,923

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

**33. Financial Income and Costs**

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

<i>(in thousands of Korean won)</i>	<b>2024</b>	<b>2023</b>
Interest income on short-term bank deposits	₩ 27,816,667	₩ 25,133,458
Interest income on loans	12,980,971	949,566
Dividend income	86,070,937	78,479,085
Reversal of financial guarantee liabilities	207,877	-
	<u>₩ 127,076,452</u>	<u>₩ 104,562,109</u>

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

<i>(in thousands of Korean won)</i>	<b>2024</b>	<b>2023</b>
Interest expense on borrowings and others	₩ 11,656	₩ 71,301
Interest expense on lease liabilities	377,597	456,672
Less: capitalization amount for qualifying asset	(45,186)	(527,973)
	<u>₩ 344,067</u>	<u>₩ -</u>

**34. Income Tax Expense**

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

<i>(in thousands of Korean won)</i>	<b>2024</b>	<b>2023</b>
Current tax:		
Current tax on profits for the year	₩ 82,917,662	₩ 58,819,809
Additional payment of income taxes	-	21,869,938
Adjustments in respect of prior years	(626,870)	(467)
Deferred tax:		
Origination and reversal of temporary differences (Note 24)	856,894	2,642,440
Income tax expense <sup>1</sup>	<u>₩ 83,147,686</u>	<u>₩ 83,331,720</u>

<sup>1</sup> Includes the global minimum tax.

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

(b) The reconciliation between the net 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>	<b>2024</b>		<b>2023</b>	
Profit before income tax	₩	418,888,402	₩	337,000,593
Tax at domestic tax rates applicable to profits in the respective countries		100,224,538		78,606,157
Tax effects of:				
Non-taxable income (dividends received deduction and others)		(17,479,896)		(16,326,166)
Expenses not deductible for tax purposes		288,930		439,046
Additional payment of income taxes		1,756,843		21,869,938
Adjustments in respect of prior years		-		(467)
Unrecognized temporary differences		473,500		371,200
Tax credit and tax exemption		(953,025)		(617,175)
Others		(1,163,204)		(1,010,813)
Income tax expense	₩	83,147,686	₩	83,331,720

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

<i>(in thousands of Korean won)</i>	<b>2024</b>			<b>2023</b>		
	<b>Before tax</b>	<b>Tax effect</b>	<b>After tax</b>	<b>Before tax</b>	<b>Tax effect</b>	<b>After tax</b>
Gain (loss) on valuation of financial assets at fair value through other comprehensive income	₩ (39,476,128)	₩ 9,473,614	₩ (30,002,514)	₩ 22,358,557	₩ (5,164,827)	₩ 17,193,730
Remeasurements of net defined benefit liabilities	(1,560,496)	348,284	(1,212,212)	(5,886,304)	1,359,736	(4,526,568)
	₩ (41,036,624)	₩ 9,821,898	₩ (31,214,726)	₩ 16,472,253	₩ (3,805,091)	₩ 12,667,162

(d) Impact of Pillar Two income taxes

Under the Pillar Two legislation, the Company 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 Company recognized income tax expense amounting to ₩ 1,544 million for the year ended December 31, 2024. The Company applied the exception to recognizing and disclosing information about deferred tax and assets and liabilities related to Pillar Two income Taxes.

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

**35. Earnings per Share**

Basic earnings per share is calculated by dividing profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the period excluding ordinary shares purchased by the Company and held as treasury shares. The Company 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:

<i>(in Korean won, number of shares)</i>	<b>2024</b>	<b>2023</b>
Profit attributable to ordinary shares	₩ 335,740,715,680	₩ 253,668,872,522
Weighted average number of ordinary shares outstanding <sup>1</sup>	43,373,280	43,866,061
Basic earnings per share	₩ 7,741	₩ 5,783

<sup>1</sup> Weighted average number of ordinary shares outstanding:

<i>(in number of shares)</i>	<b>2024</b>	<b>2023</b>
Number of ordinary shares outstanding	44,311,468	44,311,468
Weighted average number of treasury shares	(938,188)	(445,407)
Weighted average number of ordinary shares outstanding	43,373,280	43,866,061

**36. Cash Flows**

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

<i>(in thousands of Korean won)</i>	<b>2024</b>	<b>2023</b>
Profit for the year	₩ 335,740,716	₩ 253,668,873
Adjustments for:		
Income tax expense	83,147,686	83,331,720
Interest income	(40,797,638)	(26,083,023)
Dividend income	(86,070,937)	(78,479,085)
Interest expense	344,067	-
Depreciation	7,978,738	7,525,564
Depreciation of right-of-use assets	1,868,180	1,809,739
Amortization	181,732	193,085
Post-employment benefits	8,992,975	1,955,790
Gain on disposal of property, plant and equipment	(18,721)	(2,643)
Loss on disposal of property, plant and equipment	12,632	-

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

Gain on disposal of intangible assets	(77,900)	(141,246)
Gain on lease modification	(614,175)	-
Bad debt expenses (reversal of allowance for doubtful accounts)	(336,881)	216,853
Gain on foreign currency translation	(76,542,928)	(15,880,298)
Loss on foreign currency translation	42,534,100	15,834,477
Gain on foreign currency transaction	(189,446)	-
Gain on transaction of derivatives	(4,690,810)	(1,207,326)
Gain on valuation of derivatives	(8,334,557)	(245,219)
Loss on valuation of derivatives		167,270
Impairment loss in investment in subsidiaries	1,700,000	1,600,000
Reversal of financial guarantee liabilities	(207,877)	-
Miscellaneous income	(258,473)	(25,676)
Miscellaneous expenses	11,440	-
	<u>(71,368,793)</u>	<u>(9,430,018)</u>
Changes in operating assets and liabilities:		
Increase in trade receivables	(96,059,193)	(3,849,136)
Decrease in non-trade receivables	1,203,993	831,513
Increase in advances	(10,435,648)	(493,696)
Increase in VAT refund	(317,140)	-
Decrease (increase) in inventories	(539,691)	694,219
Decrease in prepaid expenses	336,147	142,543
Increase in trade payables	128,229,066	358,935,561
Increase (decrease) in non-trade payables	5,247,948	(3,260,881)
Increase (decrease) in customer advances	248,716	(765,295)
Increase (decrease) in withholdings	2,157,322	(93,612)
Increase (decrease) in accrued expenses	(5,308,809)	1,546,450
Increase in financial guarantee liabilities	222,384	-
Decrease in net defined benefit liabilities	(5,931,808)	(5,035,278)
	<u>19,053,287</u>	<u>348,652,388</u>
	<u>₩ 283,425,210</u>	<u>₩ 592,891,243</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>	<b>2024</b>	<b>2023</b>
Gain (loss) on valuation of financial assets at fair value through other comprehensive income	₩ (39,476,127)	₩ 22,358,557
Reclassification of current portion of long-term loans	(1,373,281)	899,829
Reclassification of construction in progress	46,305,227	-

**Youngone Corporation**  
**Notes to the Separate 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)

	<b>2024</b>					
	<b>Leasehold deposits</b>		<b>Lease liabilities</b>		<b>Total</b>	
At January 1, 2024	₩	13,223,526	₩	10,368,698	₩	23,592,224
Cash flows		2,373,167		(1,759,490)		613,677
Exchange differences		-		222,985		222,985
Interest expenses		-		-		-
Other non-financial changes		-		90,205		90,205
At December 31, 2024	₩	15,596,693	₩	8,922,398	₩	24,519,091

(in thousands of Korean won)

(in thousands of Korean won)	2024							
	Current portion of debentures		Leasehold deposits	Lease liabilities	Total			
At January 1, 2023	₩	9,995,754	₩	11,021,162	₩	12,018,976	₩	33,035,892
Cash flows		(10,000,000)		2,202,364		(1,670,649)		(9,468,285)
Exchange differences		-		-		20,387		20,387
Interest expenses		4,246		-		-		4,246
Other non-financial changes		-		-		(16)		(16)
At December 31, 2023	₩	-	₩	13,223,526	₩	10,368,698	₩	23,592,224

### 37. Contingencies and Commitment

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

(in thousands of Korean won, and in USD)

	<b>Financial institution</b>	<b>Credit line</b>		<b>Outstanding Balance</b>	
Overdrafts		KRW	3,000,000	KRW	-
Limit loans	Woori Bank and other	KRW	10,000,000	KRW	-
L/C	financial institutions	USD	27,000,000	USD	2,116,044
D/A,O/A		USD	15,000,000	USD	-

(b) As at December 31, 2024, the Company is involved in two lawsuits as a plaintiff with litigation amount of ₩ 9,454 million in relation to its business. The outcomes of litigations cannot be reasonably estimated; however, the Company expects that these cases would not have any material impact on its separate financial statements.

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

(c) As at December 31, 2024, the Company requested arbitration for the second-largest shareholder of SCOTT CORPORATION SA, a consolidated subsidiary, 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 Company 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 violated the contract between shareholders by voluntarily disclosing the fact that the Company had applied for arbitration with the International Chamber of Commerce in 2022 even though the Company is not obligated to do so. In January 2025, the arbitration tribunal issued an arbitration award regarding the Company's request for arbitration against the second-largest shareholder of SCOTT CORPORATION SA and the opposition to arbitration filed by the second-largest shareholder. The Company received this award in February. The arbitration tribunal recognized the serious violation of the shareholder agreement by the second-largest shareholder and confirmed the Company'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 the Company as per the shareholder agreement. The arbitration tribunal also dismissed all opposition claims filed by the second-largest shareholder against the Company. On February 6, 2025, the Company'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, the Company has not recognized derivative assets for the call option as of the end of the reporting period.

(d) As at December 31, 2024, the Company provided SCOTT CORPORATION SA, a consolidated subsidiary, a support letter to commit in necessary financial support to continue as a going concern.

(e) As at December 31, 2024, the Company has entered into performance guarantee insurance according to product supply contract, amounting to ₩ 412 million to Seoul Guarantee Insurance Corp.

(f) As at December 31, 2024, the Company has entered into a management advisory contract with the Parent Company and recognized management consulting fees as non-operating expenses.

(g) As at December 31, 2024, payment guarantees provided by the Company to its subsidiaries are as follows (Note 33):

(in thousands of Korean won)

Subsidiaries	2024		
	Guarantee limit	Guaranteed amount	Debt guarantee period
SCOTT SPORTS SA	₩ 220,137,120	₩ 183,447,600	2024.06.28~2026.06.26
	91,723,800	15,287,300	2024.12.24~2025.12.24
ETL	36,750,000	10,290,000	2024.02.16~2027.02.16
	<u>₩ 348,610,920</u>	<u>₩ 209,024,900</u>	

# Youngone Corporation

## Notes to the Separate Financial Statements

### December 31, 2024 and 2023

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

<i>(in thousands of Korean won)</i>	2024	2023
Property, plant and equipment	₩ -	₩ 30,000
Investment properties	934,000	1,426,300

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

	2024				
	Contract exchange rate	Valuation exchange rate	Purchase amount	Sale amount	
				USD	KRW
			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	-
	1,377.40	1,415.48	10,000,000	13,774,000,000	-

### 38. Related Party Transactions

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

2024	
Categories	Name
Parent Company	Youngone Holdings Co., Ltd.
Subsidiaries	YCL, TSL, KSL, YHT, SSL, YPL, YGA, SDF, YSF, STL, YSS, SLS, YSP, GMC, YNL, YBL, YHL, YLS, ESL, DTL, YTL, AAI, SQA, MSH, SCOTT, BPL, ESP, BKS, DTI, AAL <sup>1</sup> , KSI <sup>2</sup> , SEL <sup>3</sup> , SWL <sup>4</sup> , OR <sup>5</sup> , APD <sup>6</sup> , CPD <sup>7</sup> , DPD <sup>8</sup> , EPD <sup>9</sup> , GPD <sup>10</sup> , KPP <sup>11</sup> , SCOTT SPORTS SA, SCOTT USA INC., SSG (EUROPE) DISTRIBUTION CENTER NV, SCOTT ITALIA S.R.L., SCOTT SPORTS AB, SCOTT SPORTS AFRICA (PTY) LTD., SCOTT SPORTS INDIA (PVT) LTD., DFG INC., BERGAMONT FAHRRAD VERTRIEB GMBH, DOLOMITE S.R.L., SHEPPARD CYCLES AUSTRALIA PTY LTD., SHEPPARD CYCLES NEW ZEALAND LIMITED, SPORT NETWORK SOLUTION SA,BSL <sup>12</sup> , SCOTT SPORTS DENMARK A/S, SHEPPARD CYCLES RETAIL SERVICES PTY LTD., YIA <sup>13</sup> , TWL <sup>14</sup> , TVL <sup>15</sup> , ICL <sup>16</sup> , SAL <sup>17</sup> , BHL <sup>18</sup> , KPL <sup>19</sup> , YOA WA <sup>20</sup> , ETL <sup>21</sup> , YES <sup>22</sup> , YMS <sup>23</sup> , BSSH PTY LTD,

# Youngone Corporation

## Notes to the Separate Financial Statements

### December 31, 2024 and 2023

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	ASI <sup>24</sup> , OR CANADA <sup>25</sup>
<b>Associate</b>	YOH CVC FUND 1 LP <sup>26</sup>
<b>Others</b> <sup>34</sup>	Youngone Outdoor, KEPZ <sup>27</sup> , PBI <sup>28</sup> , Qweto GmbH, YMSA, Scott North Asia Ltd., SCOTT JAPAN INC., S-13 <sup>29</sup> , PBL <sup>29</sup> , INTERNATIONAL RETAIL CORPORATION SA, TRANSA BACKPACKING SA, SKI-SERVICE SA, SKI+VELO CENTER SVC AG, TROPHY SCHWEIZ, YMSA USA, SCOTT NETWORK SOLUTIONS INDIA (PVT) LTD., RAY&CO., YSC <sup>30</sup> , EL MEROSI <sup>31</sup> , YOH LLC, YOH CVC <sup>32</sup> , BIKE SPORT TRAVEL AG <sup>33</sup> , GOLDWIN KOREA CO.,LTD.

<sup>1</sup> ARIRANG AVIATION LTD.

<sup>2</sup> KARNAPHULI SHOES INDUSTRIES LTD.

<sup>3</sup> SHINHAN EMULSION CO., LTD.

<sup>4</sup> SURMA GARMENTS WASHING & FINISHING CO., LTD.

<sup>5</sup> OUTDOOR RESEARCH LLC.

<sup>6</sup> ALPHA PRODUCT DEVELOPMENT COMPANY (BD) LIMITED

<sup>7</sup> CHANG-JO PRODUCT DEVELOPMENT CO.(BD) LIMITED

<sup>8</sup> DAE-GU PRODUCT DEVELOPMENT CO.(BD) LIMITED

<sup>9</sup> EVERTOP PRODUCT DEVELOPMENT CO.(BD) LIMITED

<sup>10</sup> GAYA PRODUCT DEVELOPMENT COMPANY (BD) LIMITED

<sup>11</sup> KARNAPHULI POLYESTER PRODUCTS COMPANY (BD) LIMITED

<sup>12</sup> BROADPEAK SOC TRANG CO., LTD.

<sup>13</sup> YOUNGONE INTERNATIONAL ASIA PTE LTD.

<sup>14</sup> TEKWIN (BD) LIMITED

<sup>15</sup> TEKVISION (BD) LIMITED

<sup>16</sup> INCHEON CONTAINERS (BD) LTD

<sup>17</sup> SUNGNAM APPARELS (BD) LTD

<sup>18</sup> BUSAN HARBOUR (BD) LIMITED

<sup>19</sup> KARNAPHULI PACKAGING IND, LTD

<sup>20</sup> YOUNGONE AMERICA, INC

<sup>21</sup> EVERTOP TEXTILE & APPAREL COMPLEX PRIVATE LIMITED

<sup>22</sup> YOUNGONE CORPORATION EUROPE SGPS S.A.

<sup>23</sup> The entity name changed from YOK REAL ESTATE EUROPE, S.A. to YOK MIRAGAIA, S.A.

<sup>24</sup> AMATITLAN SUNGNAM INDUSTRIES SA

<sup>25</sup> OUTDOOR RESERACH CANADA

<sup>26</sup> YOH CVC FUND 1 LIMITED PARTNERSHIP

<sup>27</sup> KOREAN EPZ(KEPZ) CORPORATION(BD) LIMITED

<sup>28</sup> POIVRE BLANC INTERNATIONAL AG.

<sup>29</sup> POIVRE BLANC S-13

<sup>30</sup> YOUNGONE SOURCING COMPANY(BANGLADESH) LTD.

<sup>31</sup> EL MEROSI SAMARKAND LLC.

<sup>32</sup> YOH CVC PTE LTD.

<sup>33</sup> BIKE SPORT TRAVEL AG

<sup>34</sup> Other related parties are mainly related companies under the common control.

# Youngone Corporation

## Notes to the Separate Financial Statements

### December 31, 2024 and 2023

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

(in thousands of  
Korean won)

		2024					
		Sales	Purchases	Other income	Other expense	Dividends paid	Dividends received
Parent Company	Young-one Holdings Co., Ltd.	₩ 816,286	₩ -	₩ 77,900	₩ 5,681,100	₩ 29,102,216	₩ -
Subsidiaries	SDF	12,773	2,441	-	-	-	-
	TSL	273,198	179,248,065	-	-	-	-
	YSS	1,693	9,851,305	-	-	-	-
	YNL	254,229	389,401,054	-	-	-	67,760,000
	YLS	14,982	46,197,414	-	-	-	11,461,589
	STL	20,754	-	-	-	-	-
	YCL	294,988	337,511,134	-	7,179	-	-
	YPL	9,206	-	-	-	-	-
	KSL	726,717	121,588,410	-	-	-	-
	YHT	149,742	110,521,906	-	558	-	-
	YSF	6,989	-	-	-	-	-
	YGA	3,522	15,731	-	-	-	-
	DTL	2,487	-	-	-	-	-
	ETL	80,429	-	40,966	-	-	-
	ESL	-	120,902	-	-	-	-
	KSI	692,236	364,125,949	-	-	-	-
	SEL	6,244	-	-	-	-	-
	YBL	26,275	39,254,009	-	-	-	-
	SQA	41,454	499,414	237,938	-	-	-
	YHL	21,875	69,510,930	-	-	-	-
	OR LLC	18,104,028	-	10	-	-	-
	SCOTT SPORTS SA	-	-	15,920,485	-	-	-
	ESP	55	1,207,358	-	-	-	380,000
	KPP	368,145	3,408,369	-	-	-	-
	BSL	106,780	113,369,316	-	-	-	-
	AAI	-	-	2,234,079	-	-	-
	SAL	107,300	-	-	-	-	-
	YIA	-	-	-	1,798,972	-	-
	APD	7,898	-	-	-	-	-
	DPD	3,441	-	-	-	-	-
	GPD	9,374	-	-	-	-	-
	EPD	13,654	-	-	-	-	-

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

(in thousands of  
Korean won)

		2024					
		Sales	Purchases	Other income	Other expense	Dividends paid	Dividends received
Other related parties	KPL	658	-	-	-	-	-
	YMSA	479,616	-	-	-	-	-
	Young-one Outdoor	21,699,718	-	209,542	336,958	-	-
	Scott North Asia Ltd.	208,834	-	528,286	-	-	-
	SCOTT JAPAN	38,557	-	-	-	-	-
	YMSA USA	-	-	-	216,885	-	-
	YOA	-	-	-	1,306,180	-	-
	KEPZ	1,929	-	-	-	-	-
	Others <sup>1</sup>						
	OPEN PLUS ARCHITECT CO.,LTD.	-	-	-	430,000	-	-
	WOONAM B&E	-	-	-	2,800	-	-
	PRUON CO.,LTD.	-	-	-	29,988	-	-
		<u>₩ 44,606,066</u>	<u>₩ 1,785,833,707</u>	<u>₩ 19,249,206</u>	<u>₩ 9,810,620</u>	<u>₩ 29,102,216</u>	<u>₩ 79,601,589</u>

<sup>1</sup> Although the entity is not the related party of the Company in accordance with Korean IFRS 1024, the entity belongs to the Large Enterprise Group to which the Company also belongs in accordance with the Monopoly Regulation and Fair-Trade Act.

# Youngone Corporation

## Notes to the Separate Financial Statements

### December 31, 2024 and 2023

(in thousands of  
Korean won)

		2023							
		Sales	Purchases	Other income	Other expense	Acquisition of investment property	Dividends paid	Dividends received	
Parent Company	Young-one Holdings Co., Ltd.	₩ 1,231,602	₩ -	₩ 141,246	₩ 5,568,551	₩ -	₩ 34,251,070	₩ -	
Subsidiaries	SDF	62,979	19,208	101	-	-	-	-	
	TSL	152,258	161,486,756	-	-	-	-	-	
	YSS	13,107	14,429,503	-	-	-	-	-	
	YNL	662,713	342,446,548	-	-	-	-	64,720,000	
	YLS	118,190	48,187,850	-	-	-	-	-	
	STL	18,548	-	-	-	-	-	-	
	YCL	250,649	323,487,545	30,781	-	-	-	-	
	YPL	6,882	-	-	-	-	-	-	
	KSL	190,135	111,638,091	-	71	-	-	-	
	YHT	137,899	106,980,205	-	658	-	-	-	
	YSF	2,015	-	-	-	-	-	-	
	YGA	9,053	81,230	-	-	-	-	-	
	DTL	-	-	-	-	-	-	9,298,680	
	ESL	-	364,989	6,676	-	-	-	-	
	KSI	380,371	296,842,775	13,917	123	-	-	-	
	SEL	746	-	-	-	-	-	-	
	SWL	420	-	-	-	-	-	-	
	YBL	22,423	44,698,959	-	-	-	-	-	
	SQA	76,109	1,193,777	110,909	-	-	-	-	
	YHL	27,789	46,536,439	56,504	-	-	-	-	
	BKS	28,539	-	-	-	-	-	-	
	OR LLC	22,957,996	-	30,540	-	-	-	-	
	SCOTT SPORTS SA	2,856,262	-	-	-	-	-	-	
	BPL	-	-	-	173	-	-	-	
	ESP	864	3,334,235	-	-	-	-	-	
	KPP	574,646	812,418	-	-	-	-	-	
	BSL	183,750	122,677,631	54	-	-	-	-	
	AAI	-	-	652,934	-	-	-	-	
	SAL	24,248	-	-	-	-	-	-	
	APD	4,854	-	-	-	-	-	-	
	DPD	7,428	-	-	-	-	-	-	
	GPD	6,519	-	-	-	-	-	-	
	EPD	7,837	-	-	-	-	-	-	
	TVL	503	-	-	-	-	-	-	

# Youngone Corporation

## Notes to the Separate Financial Statements

### December 31, 2024 and 2023

(in thousands of  
Korean won)

		2023						
		Sales	Purchases	Other income	Other expense	Acquisition of investment property	Dividends paid	Dividends received
Other related parties	KPL	6,315	-	-	-	-	-	-
	YMSA	776,865	-	-	97,605	58,749,000	-	-
	Young-one Outdoor	34,793,983	-	69,030	355,442	-	-	-
	Scott North Asia Ltd.	210,691	-	129,219	23,347	-	-	-
	SCOTT JAPAN	39,605	-	-	-	-	-	-
	YMSA USA	-	-	-	200,209	-	-	-
	YOA	-	-	-	1,278,810	-	-	-
	OPEN PLUS ARCHITECT CO.,LTD.	-	-	-	440,000	-	-	-
Others	PRUON CO.,LTD.	-	-	-	22,596	-	-	-
		<u>₩ 65,844,793</u>	<u>₩ 1,625,218,159</u>	<u>₩ 1,241,911</u>	<u>₩ 7,987,585</u>	<u>₩ 58,749,000</u>	<u>₩ 34,251,070</u>	<u>₩ 74,018,680</u>

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

(in thousands of Korean won)

		2024							
		Trade receivables <sup>1</sup>	Non-trade receivables	Loans <sup>2</sup>	Guarantee deposits	Trade payables	Non-trade payables	Leasehold deposits	Lease liabilities
Parent Company	Young-one Holdings Co., Ltd.	₩ 23,330	₩ 55,990	₩ -	₩ 1,610,400	₩ -	₩ 1,677,415	₩ 730,000	₩ 7,923,212
Subsidiaries	SDF	22,862	-	-	-	-	-	-	-
	TSL	953,813	-	-	-	39,323,225	-	-	-
	YSS	-	-	-	-	109,909	-	-	-
	YNL	520,897	-	-	-	138,699,337	41,404	-	-
	YLS	199,720	-	-	-	19,325,422	-	-	-
	STL	80,546	-	-	-	-	-	-	-
	YCL	1,090,958	-	-	-	114,304,642	45,902	-	-
	YPL	10,148	-	-	-	-	-	-	-
	KSL	1,264,022	-	-	-	30,637,502	90,657	-	-
	YHT	446,649	-	-	-	39,836,566	-	-	-
	YSF	95,601	-	-	-	-	-	-	-
	YGA	28,215	-	-	-	-	-	-	-
	ESL	-	-	-	-	26,232	-	-	-
	KSI	4,242,424	273	-	-	130,726,060	43,776	-	-
	YBL	49,930	-	-	-	2,918,233	-	-	-

# Youngone Corporation

## Notes to the Separate Financial Statements

### December 31, 2024 and 2023

(in thousands of Korean won)

		2024							
		Trade receivables <sup>1</sup>	Non-trade receivables	Loans <sup>2</sup>	Guarantee deposits	Trade payables	Non-trade payables	Leasehold deposits	Lease liabilities
	YHL	-	-	-	-	26,349,437	14,594	-	-
	SAL	252,066	-	-	-	-	-	-	-
	OR	1,456,260	-	-	-	-	-	-	-
	SCOTT			195,165,60					
	SPORTS SA	3,358,531	681,018	0	-	-	-	-	-
	ESP	-	-	-	-	466,090	-	-	-
	KPP	2,117,820	-	-	-	250,140	-	-	-
	BSL	-	-	-	-	83,948,591	161	-	-
	APD	107,430	-	-	-	-	-	-	-
	DPD	17,956	-	-	-	-	-	-	-
	GPD	46,870	-	-	-	-	-	-	-
	EPD	70,430	-	-	-	-	-	-	-
	SQA	1,646,093	117,071	3,296,567	-	-	-	-	-
	BKS	1,336,334	5,505	-	-	-	-	-	-
	KPL	3,878	-	-	-	-	-	-	-
	AAI	-	192,080	29,400,000	-	-	-	-	-
	YIA	-	5,689	-	-	-	246,969	-	-
Other related parties	YMSA	119,400	9,290	-	-	-	-	386,800	-
	Young-one Outdoor	1,077,520	1,582,210	-	-	-	46,087	9,839,690	-
	Scott North Asia Ltd.	1,287	23,121	6,800,000	-	-	-	120,000	-
	YMSA USA	-	-	-	-	-	-	-	999,186
		20,640,99		234,662,16		626,921,38		11,076,49	
		₩ 0	₩ 2,672,247	₩ 7	₩ 1,610,400	₩ 6	₩ 2,206,965	₩ 0	₩ 8,922,398

(in thousands of Korean won)

		2023							
		Trade receivables	Non-trade receivables	Loans <sup>1</sup>	Guarantee deposits	Trade payables	Non-trade payables	Leasehold deposits	Lease liabilities
Parent Company	Young-one Holdings Co., Ltd.	₩ -	₩ 169,031	₩ -	₩ 1,610,400	₩ -	₩ 682,895	₩ 788,600	₩ 9,278,384
Subsidiaries	SDF	33,495	-	-	-	-	-	-	-
	TSL	1,532,021	-	-	-	23,214,163	3,072	-	-
	YSS	-	-	-	-	3,808,204	-	-	-
	YSP	-	599	-	-	-	-	-	-
	YNL	2,616,746	43,300	-	-	130,382,653	91,950	-	-
	YLS	1,353,517	-	-	-	25,967,663	161,272	-	-
	STL	132,379	-	-	-	-	-	-	-
	YCL	956,094	-	-	-	83,568,313	47,909	-	-
	YPL	35,227	-	-	-	-	-	-	-

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

(in thousands of Korean won)

		2023						
	Trade receivables	Non-trade receivables	Loans <sup>1</sup>	Guarantee deposits	Trade payables	Non-trade payables	Leasehold deposits	Lease liabilities
KSL	-	-	-	-	24,284,051	71,343	-	-
YHT	59,754	-	-	-	18,483,690	185,674	-	-
YGA	14,446	-	-	-	-	-	-	-
KSI	5,216,481	1,547	-	-	80,617,946	565,716	-	-
SEL	8,147	-	-	-	-	-	-	-
SWL	4,955	-	-	-	-	-	-	-
YBL	79,711	9,450	-	-	3,799,959	337,186	-	-
YHL	-	9,450	-	-	14,046,006	1,715	-	-
SAL	278,794	-	-	-	-	-	-	-
OR	1,766,969	-	-	-	-	-	-	-
SCOTT								
SPORTS SA	3,327,717	-	-	-	-	-	-	-
ESP	-	-	-	-	518,104	-	-	-
KPP	3,666,456	-	-	-	308,030	-	-	-
BSL	459,779	9,450	-	-	50,587,708	-	-	-
APD	56,364	-	-	-	-	-	-	-
DPD	55,684	-	-	-	-	-	-	-
GPD	76,904	-	-	-	-	-	-	-
EPD	59,039	-	-	-	-	-	-	-
SQA	936,452	73,528	2,891,561	-	-	-	-	-
BKS	1,172,156	13,521	-	-	-	-	-	-
KPL	54,306	-	-	-	-	-	-	-
TVL	5,924	-	-	-	-	-	-	-
AAI	-	163,217	25,788,000	-	-	-	-	-
Other related parties								
YMSA	85,360	13,912	-	-	-	-	413,016	-
Young-one Outdoor	999,781	1,788,166	-	-	97,645	13,306	8,597,860	-
Scott North Asia Ltd.	-	22,932	12,000,000	-	17,694	-	120,000	-
YMSA USA	-	-	-	-	-	-	-	1,090,314
	<u>₩ 25,044,658</u>	<u>₩ 2,318,103</u>	<u>₩ 40,679,561</u>	<u>₩ 1,610,400</u>	<u>₩ 459,701,829</u>	<u>₩ 2,162,038</u>	<u>₩ 9,919,476</u>	<u>₩ 10,368,698</u>

<sup>1</sup> Loans to related parties as at December 31, 2024 and 2023, are as follows:

(in thousands of  
Korean won)

		2024	2023
Subsidiaries	AAI	₩ 29,400,000	₩ 25,788,000
	SQA	3,296,567	2,891,561
	SCOTT SPORTS SA	195,165,600	-
Others	Scott North Asia Ltd.	6,800,000	12,000,000
		<u>₩ 234,662,167</u>	<u>₩ 40,679,561</u>

**Youngone Corporation**  
**Notes to the Separate Financial Statements**  
**December 31, 2024 and 2023**

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There are is allowance for doubtful accounts made for loans to related parties as at December 31, 2024.

# Youngone Corporation

## Notes to the Separate Financial Statements

### December 31, 2024 and 2023

(d) 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		Equity contributions in cash
		Loans	Collections	Borrowings	Repayments	
Parent						
Company	Youngone Holdings Co., Ltd. <sup>1</sup>	₩ -	₩ -	₩ -	₩ 1,605,346	₩ -
Subsidiaries	SCOTT SPORTS SA	229,073,811	46,006,200	-	-	-
	ASI	-	-	-	-	9,585,800
	YSP	-	-	-	-	362,425
Other	YMSA USA <sup>2</sup>	-	-	-	154,144	-
	Scott North Asia Ltd.	-	5,200,000	-	-	-
		<u>₩ 229,073,811</u>	<u>₩ 51,206,200</u>	<u>₩ -</u>	<u>₩ 1,759,490</u>	<u>₩ 9,948,225</u>

<sup>1</sup> During 2024, the repayment of lease liabilities of ₩ 1,605,346 thousand and interest expense amounts of ₩ 342,926 thousand are recognized in respect to building lease agreements which the Company has entered with the Parent Company.

<sup>2</sup> During 2024, there are no right-of-use assets in respect to building lease agreements, which the Company has entered with other related parties. The repayment of lease liabilities during the year is ₩ 154,144 thousand and interest expenses amount to ₩ 34,671 thousand.

(in thousands of Korean won)

		2023				
		Loan transactions		Borrowing transactions		Equity contributions in cash
		Loans	Collections	Borrowings	Repayments	
Parent						
Company	Youngone Holdings Co., Ltd. <sup>1</sup>	₩ -	₩ -	₩ -	₩ 1,509,251	₩ -
Subsidiaries	AAI	25,788,000	-	-	-	-
	SQA	1,289,400	231,844	-	-	332,789
	YHL	-	1,311,800	-	-	-
	MSH	-	-	-	-	25,912,000
	YIA	-	-	-	-	10,292,100
	ASI	-	-	-	-	330
Other	YMSA USA <sup>2</sup>	-	-	-	161,414	-
	Scott North Asia Ltd.	12,000,000	-	-	-	-
		<u>₩ 39,077,400</u>	<u>₩ 1,543,644</u>	<u>₩ -</u>	<u>₩ 1,670,665</u>	<u>₩ 36,537,219</u>

<sup>1</sup> During 2023, the repayment of lease liabilities of ₩ 1,509,251 thousand and interest expense amounts of ₩ 423,229 thousand are recognized in respect to building lease agreements which the Company has entered with the Parent Company.

# Youngone Corporation

## Notes to the Separate Financial Statements

### December 31, 2024 and 2023

<sup>2</sup> During 2023, there are no right-of-use assets in respect to building lease agreements, which the Company has entered with other related parties. The repayment of lease liabilities during the year is ₩ 161,414 thousand and interest expenses amount to ₩ 33,448 thousand.

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

<i>(in thousands of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Salaries	₩	9,996,290	₩	8,000,000
Post-employment benefits		4,560,694		2,724,722

(f) With acquisition of management of SCOTT CORPORATION SA in 2015, the Company 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.

(g) As at December 31, 2024, payment guarantees provided by the Company to its subsidiaries are as follows (Note 33):

<i>(in thousands of Korean won)</i>		<b>2024</b>		
<b>Subsidiaries</b>	<b>Guarantee limit</b>	<b>Guaranteed amount</b>	<b>Debt guarantee period</b>	
SCOTT SPORTS SA	₩ 220,137,120	₩ 183,447,600	2024.06.28~2026.06.26	
	91,723,800	15,287,300	2024.12.24~2025.12.24	
ETL	36,750,000	10,290,000	2024.02.16~2027.02.16	
	₩ 348,610,920	₩ 209,024,900		

## **Independent Auditor's Report on Internal Control over Financial Reporting**

(English Translation of a Report Originally Issued in Korean)

To the Board of Directors and Shareholders of  
Youngone Corporation

### **Opinion on Internal Control over Financial Reporting**

We have audited Youngone Corporation (the "Company") Internal Control over Financial Reporting as at December 31, 2024, based on *Conceptual Framework for Designing and Operating Internal Control over Financial Reporting*.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as at December 31, 2024, based on *Conceptual Framework for Designing and Operating Internal Control over Financial Reporting*.

We also have audited, in accordance with Korean Standards on Auditing, the separate financial statements of the Company, which comprise the separate statement of financial position as at December 31, 2024, and the separate income statement, statement of comprehensive income, separate statement of changes in equity and separate statement of cash flow for the year then ended, and notes to the separate financial statements including material accounting policy information and our report dated March 20, 2025 expressed an unqualified opinion.

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

We conducted our audit in accordance with Korean Standards on Auditing. Our responsibility under these standards are further described in the *Auditor's Responsibilities for the Audit of Internal Control over Financial Reporting* section of our report. We are independent of the Company in accordance with the ethical requirements of the Republic of Korea that are relevant to our audit of internal control over financial reporting 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.

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

Management is responsible for designing, implementing and maintaining effective internal control over financial reporting, and for its assessment about the effectiveness of internal control over financial reporting, included in the accompanying Report on the Effectiveness of Internal Control over Financial Reporting.

Those charged with governance have the responsibilities for overseeing internal control over financial reporting.

**Auditor's Responsibilities for the Audit of Internal Control over Financial Reporting**

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

An audit of internal control over financial reporting involves performing procedures to obtain audit evidence about whether a material weakness exists. The procedures selected depend on the auditor's judgment, including the assessment of the risks that a material weakness exists. An audit includes obtaining an understanding of internal control over financial reporting and testing and evaluating the design and operating effectiveness of internal control over financial reporting based on the assessed risk.

**Definition and Inherent Limitations of Internal Control over Financial Reporting**

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

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

The engagement partner on the audit resulting in this independent auditor's report is Seung-hwan, Hong, Certified Public Accountant.

Samil PricewaterhouseCoopers  
Seoul, Korea  
March 20, 2025

This report is effective as at March 20, 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 Company's internal control over financial reporting 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.

## **Management's Report on the Effectiveness of Internal Control over Financial Reporting**

(English Translation of a Report Originally Issued in Korean)

To the Shareholders, Board of Directors and Audit Committee of  
Youngone Corporation

We, as the Chief Executive Officer ("CEO") and the Internal Control over Financial Reporting Officer of Youngone Corporation (the "Company"), assessed the effectiveness of the design and operation of the Company's Internal Control over Financial Reporting ("ICFR") for the year ended December 31, 2024.

The Company's management, including ourselves, is responsible for designing and operating ICFR. We assessed the design and operating effectiveness of ICFR in the prevention and detection of an error or fraud which may cause material misstatements in the preparation and disclosure of reliable financial statements. We designed and operated ICFR in accordance with *Conceptual Framework for Designing and Operating Internal Control over Financial Reporting* established by the Operating Committee of Internal Control over Financial Reporting in Korea (the ICFR Committee). And, we conducted an evaluation of ICFR based on *Best Practice Guideline for Evaluating and Reporting Effectiveness of Internal Control over Financial Reporting* established by the ICFR Committee.

Based on the assessment results, we believe that the Company's ICFR, as at December 31, 2024, is designed and operating effectively, in all material respects, in accordance with *Conceptual Framework for Designing and Operating Internal Control over Financial Reporting*.

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

March 11, 2025

Sung, Ki Hak  
Chief Executive Officer

Shin, Suk Been  
Internal Control over Financial Reporting Officer