

**Hyundai Corporation and Subsidiaries**  
**Consolidated Financial Statements**

**December 31, 2024 and 2023**

**Hyundai Corporation and Subsidiaries**  
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**December 31, 2024 and 2023**

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## Independent Auditor's Report

(English Translation of a Report Originally Issued in Korean)

To the Board of Directors and Shareholders of Hyundai Corporation

### Opinion

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

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

### Basis for Opinion

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

### Key Audit Matters

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

## **Occurrence of revenue from merchandise**

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

As described in Note 28 to the consolidated financial statements, revenue from merchandise, which approximately accounts for 95% of the total revenue of the Group, arises from various customers and contract conditions. Accordingly, there is a potential risk that the revenue recognition may not be appropriate. Therefore, we focused on this area because we determined that there is a significant risk in relation to occurrence of revenue from merchandise.

### *(b) How our audit addressed the Key Audit Matter*

We have performed the following audit procedures to address the Key Audit Matter.

- We obtained understanding and assessed the revenue recognition process and the Group's accounting policies related to revenue from the sale of goods
- We reviewed the contract by type of revenue related to the revenue from the sale of goods
- We examined supporting documents, in a sample basis, to substantively test sales and purchases at transaction level
- We check confirmations for sampled customers with sales of goods, and performed alternative procedures for non-responsive customers

## **Other Matter**

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

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

The image shows the signature of Samil PricewaterhouseCoopers in a cursive, handwritten style.

Seoul, Korea  
March 17, 2025

This report is effective as of March 17, 2025, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that 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.

**Hyundai Corporation and Subsidiaries**  
**Consolidated Statements of Financial Position**  
**December 31, 2024 and 2023**

(in Korean won)	Notes	2024	2023
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4,7,9	₩ 303,040,893,151	₩ 297,930,077,692
Short-term financial instruments	4,7	11,820,000,000	12,740,400,000
Financial assets at fair value through profit or loss	4,5,7,11	1,833,400	110,667,550
Trade receivables	4,7,8,10,36	996,913,164,031	758,263,096,492
Inventories	13	266,194,275,333	221,119,826,666
Derivative financial assets	4,5,7,12	11,021,329,803	2,229,537,966
Current portion of finance lease receivables	7,18,36	429,553,695	605,770,927
Other current receivables	4,7,10,16,36	21,558,596,017	16,202,176,357
Other current assets	14,36	67,458,364,392	28,731,644,732
		<u>1,678,438,009,822</u>	<u>1,337,933,198,382</u>
<b>Non-current assets</b>			
Long-term financial instruments	7	19,000,000	19,000,000
Financial assets at fair value through profit or loss	4,5,7,11	14,874,275,266	9,765,154,167
Financial assets at fair value through other comprehensive income	4,5,7,11,16	47,482,822,991	46,923,727,642
Other financial assets	7	249,032,680	285,938,799
Investments in joint ventures and associates	15,16,37	182,110,748,732	183,552,852,960
Long-term loan receivables	4,7,16,36	17,356,441,047	18,923,413,140
Investments in resource development projects	4,7,16,36	17,356,829,307	19,686,426,597
Property, plant and equipment	17	41,882,613,222	31,628,472,060
Investment properties	19	12,768,494,661	367,038,608,665
Right-of-use assets	18,36	13,717,883,919	9,113,576,957
Intangible assets	20	9,495,380,407	9,961,415,274
Deferred tax assets	25	523,658,282	1,232,640,671
Non-current derivative financial assets	4,5,7,12	4,535,917,729	-
Non-current finance lease receivables	7,18,36	1,279,860,097	65,719,571
Net defined benefit assets	23	-	1,161,222,524
Other non-current receivables	4,7,10	13,429,142,569	15,619,634,885
Other non-current assets	14,36	6,789,073,700	6,801,570,670
		<u>383,871,174,609</u>	<u>721,779,374,582</u>
<b>Total Assets</b>		<u>₩ 2,062,309,184,431</u>	<u>₩ 2,059,712,572,964</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables	4,7,36	₩ 661,839,671,640	₩ 477,043,200,239
Other payables	4,7,36	52,509,388,183	29,710,811,799
Advances from customers	36	118,197,975,167	94,296,810,004
Short-term borrowings	4,7,8,22,34	320,984,753,065	370,806,214,926
Current portion of long-term borrowings	4,7,22,34	986,971,323	307,424,859,485
Current portion of long-term debentures	4,7,22,34	-	49,977,582,714
Current portion of provisions	4,24,35	408,926	2,377,418,659
Current tax liabilities		18,174,181,366	13,250,794,625
Derivative financial liabilities	4,5,7,12	14,568,498,000	3,036,952,789
Current portion of lease liabilities	4,7,18,34	4,989,992,251	5,891,674,411
Other current payables	7,21,36	9,877,237,225	9,304,832,265
		<u>1,202,129,077,146</u>	<u>1,363,121,151,916</u>
<b>Non-current liabilities</b>			
Long-term other payables	4,7	21,978,586	17,408,157
Debentures	4,7,22,34	99,711,470,460	-
Long-term borrowings	4,7,22,34	72,429,152,607	47,202,868,543
Net defined benefit liabilities	23	154,135,691	-
Provisions	4,24,35	806,505,339	2,297,462,291
Deferred tax liabilities	25	20,317,738,883	46,766,306,397
Non-current lease liabilities	4,7,18,34	10,639,379,038	4,234,184,077
Derivative financial liabilities	4,5,7,12	334,384,325	1,422,103,402
Other non-current payables	7,21,34	438,128,133	4,016,328,759
Other non-current liabilities		-	9,990,240,795
		<u>204,852,873,062</u>	<u>115,946,902,421</u>
<b>Total Liabilities</b>		<u>1,406,981,950,208</u>	<u>1,479,068,054,337</u>
<b>Equity</b>			
Issued capital	1	66,144,830,000	66,144,830,000
Other components of equity	26	(282,140,365,887)	(282,140,365,887)
Accumulated other comprehensive income	26	106,592,130,431	143,571,865,332
Retained earnings	27	761,379,686,183	649,790,611,261
<b>Equity attributable to owners of the Parent</b>		<u>651,976,280,727</u>	<u>577,366,940,706</u>
<b>Non-controlling interests</b>		<u>3,350,953,496</u>	<u>3,277,577,921</u>
<b>Total Equity</b>		<u>655,327,234,223</u>	<u>580,644,518,627</u>
<b>Total Equity and Liabilities</b>		<u>₩ 2,062,309,184,431</u>	<u>₩ 2,059,712,572,964</u>

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

**Hyundai Corporation and Subsidiaries**  
**Consolidated 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>	6,16,28,36 ₩	6,995,662,947,758 ₩	6,580,447,881,815 ₩
<b>Cost of sales</b>	13,16,28,29,36	<u>(6,747,199,617,682)</u>	<u>(6,380,852,991,638)</u>
<b>Gross profit</b>		248,463,330,076	199,594,890,177
Selling and administrative expenses	29,30	<u>(114,934,038,591)</u>	<u>(100,264,321,041)</u>
<b>Operating income</b>	6	133,529,291,485	99,330,569,136
Other income	7,19,31	281,920,396,605	169,577,950,909
Other expenses	7,19,31	(261,334,643,098)	(170,309,839,040)
Profits of associates and joint ventures accounted for using equity method	15,16	5,989,544,914	18,656,298,209
Finance income	7,32	50,149,474,093	77,423,288,718
Finance costs	7,32	<u>(57,800,033,087)</u>	<u>(85,267,668,600)</u>
Profit before tax		152,454,030,912	109,410,599,332
Income tax expense	25	<u>(31,478,968,021)</u>	<u>(26,023,115,389)</u>
<b>Profit</b>		<u>₩ 120,975,062,891</u>	<u>₩ 83,387,483,943</u>
<b>Profit attributable to:</b>			
Owners of the Parent		₩ 121,067,859,024	83,687,114,756 ₩
Non-controlling interests		<u>(92,796,133)</u>	<u>(299,630,813)</u>
		<u>₩ 120,975,062,891</u>	<u>₩ 83,387,483,943</u>
<b>Earnings per share attributable to the Owners of the Parent</b>			
Basic earnings per share	33	₩ 10,080 ₩	6,968 ₩

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

**Hyundai Corporation and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**Years Ended December 31, 2024 and 2023**

<i>(in Korean won)</i>	Notes	2024	2023
<b>Profit</b>		₩ 120,975,062,891	₩ 83,387,483,943
<b>Other comprehensive income (loss)</b>			
<i>Other comprehensive income, net of tax, that will not be reclassified to profit or loss</i>			
Losses on remeasurements of net defined benefit liabilities	23	(2,272,204,502)	(2,217,606,456)
Losses on valuation of financial assets at fair value through other comprehensive income	5,7,11	(6,171,405,130)	(4,379,585,306)
Revaluation Surplus		2,017,174,922	-
Share of other comprehensive income (loss) of associates and joint ventures	15	(47,585,180,213)	73,722,570,504
<i>Other comprehensive income, net of tax, that will be reclassified to profit or loss</i>			
Share of other comprehensive loss of associates and joint ventures	15	(7,988,386,437)	(350,295,260)
Gains (losses) on valuation of derivative instruments		451,694,688	(1,290,506,912)
Exchange differences on translation of foreign operations		22,462,538,977	2,384,755,639
<b>Other comprehensive income (loss), net of tax</b>		<u>(39,085,767,695)</u>	<u>67,869,332,209</u>
<b>Total comprehensive income</b>		<u>₩ 81,889,295,196</u>	<u>₩ 151,256,816,152</u>
<b>Total comprehensive income (loss) attributable to:</b>			
Owners of the Parent		₩ 81,815,919,621	₩ 151,541,724,509
Non-controlling interests		73,375,575	(284,908,357)
		<u>₩ 81,889,295,196</u>	<u>₩ 151,256,816,152</u>

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

**Hyundai Corporation and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**Years Ended December 31, 2024 and 2023**

(in Korean won)

	Attributable to owners of the Parent							Non-controlling interests	Total Equity
	Note	Issued capital	Other components of equity	Accumulated other comprehensive income	Retained earnings	Total			
<b>Balance at January 1, 2023</b>		₩ 66,144,830,000	₩ (282,140,365,887)	₩ 73,499,649,123	₩ 575,527,682,561	₩ 433,031,795,797	₩ 3,562,486,278	₩ 436,594,282,075	
<b>Total comprehensive income</b>									
Profit (loss)		-	-	-	83,687,114,756	83,687,114,756	(299,630,813)	83,387,483,943	
Other comprehensive income (loss), net of tax									
Losses on valuation of financial assets at fair value through other comprehensive income		-	-	(4,379,585,306)	-	(4,379,585,306)	-	(4,379,585,306)	
Share of other comprehensive income of associates and joint ventures		-	-	73,371,833,489	-	73,371,833,489	441,755	73,372,275,244	
Losses on remeasurements of net defined benefit liabilities		-	-	-	(2,217,606,456)	(2,217,606,456)	-	(2,217,606,456)	
Losses on valuation of derivative instruments		-	-	(1,290,506,912)	-	(1,290,506,912)	-	(1,290,506,912)	
Exchange differences on translation of foreign operations		-	-	2,370,474,938	-	2,370,474,938	14,280,701	2,384,755,639	
<b>Total other comprehensive income (loss)</b>		-	-	<b>70,072,216,209</b>	<b>(2,217,606,456)</b>	<b>67,854,609,753</b>	<b>14,722,456</b>	<b>67,869,332,209</b>	
<b>Total comprehensive income (loss)</b>		-	-	<b>70,072,216,209</b>	<b>81,469,508,300</b>	<b>151,541,724,509</b>	<b>(284,908,357)</b>	<b>151,256,816,152</b>	
<b>Transactions with owners</b>									
Dividends paid	27	-	-	-	(7,206,579,600)	(7,206,579,600)	-	(7,206,579,600)	
Equity transactions with non-controlling interests		-	-	-	-	-	-	-	
<b>Total transactions with owners</b>		-	-	-	<b>(7,206,579,600)</b>	<b>(7,206,579,600)</b>	-	<b>(7,206,579,600)</b>	
<b>Balance at December 31, 2023</b>		₩ 66,144,830,000	₩ (282,140,365,887)	₩ 143,571,865,332	₩ 649,790,611,261	₩ 577,366,940,706	₩ 3,277,577,921	₩ 580,644,518,627	
<b>Balance at January 1, 2024</b>		₩ 66,144,830,000	₩ (282,140,365,887)	₩ 143,571,865,332	₩ 649,790,611,261	₩ 577,366,940,706	₩ 3,277,577,921	₩ 580,644,518,627	
<b>Total comprehensive income</b>									
Profit (loss)		-	-	-	121,067,859,024	121,067,859,024	(92,796,133)	120,975,062,891	
Other comprehensive income (loss), net of tax									
Losses on valuation of financial assets at fair value through other comprehensive income		-	-	(6,171,405,130)	-	(6,171,405,130)	-	(6,171,405,130)	
Revaluation Surplus		-	-	2,017,174,922	-	2,017,174,922	-	2,017,174,922	
Share of other comprehensive income (loss) of associates and joint ventures		-	-	(55,577,224,864)	-	(55,577,224,864)	3,658,214	(55,573,566,650)	
Losses on remeasurements of net defined benefit liabilities		-	-	-	(2,272,204,502)	(2,272,204,502)	-	(2,272,204,502)	
Gains on valuation of derivative instruments		-	-	451,694,688	-	451,694,688	-	451,694,688	
Exchange differences on translation of foreign operations		-	-	22,300,025,483	-	22,300,025,483	162,513,494	22,462,538,977	
<b>Total other comprehensive income (loss)</b>		-	-	<b>(36,979,734,901)</b>	<b>(2,272,204,502)</b>	<b>(39,251,939,403)</b>	<b>166,171,708</b>	<b>(39,085,767,695)</b>	
<b>Total comprehensive income (loss)</b>		-	-	<b>(36,979,734,901)</b>	<b>118,795,654,522</b>	<b>81,815,919,621</b>	<b>73,375,575</b>	<b>81,889,295,196</b>	
<b>Transactions with owners</b>									
Dividends paid	27	-	-	-	(7,206,579,600)	(7,206,579,600)	-	(7,206,579,600)	
<b>Total transactions with owners</b>		-	-	-	<b>(7,206,579,600)</b>	<b>(7,206,579,600)</b>	-	<b>(7,206,579,600)</b>	
<b>Balance at December 31, 2024</b>		₩ 66,144,830,000	₩ (282,140,365,887)	₩ 106,592,130,431	₩ 761,379,886,183	₩ 651,976,280,727	₩ 3,350,953,496	₩ 655,327,234,223	

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

**Hyundai Corporation and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**Years Ended December 31, 2024 and 2023**

<i>(in Korean won)</i>	Note	2024	2023
<b>Cash flows from (used in) operating activities</b>			
Net cash flows from (used in) operations	34	₩ 65,993,402,718	₩ (69,218,697,389)
Profit		120,975,062,891	83,387,483,943
Adjustments		27,195,144,802	32,326,634,783
Working capital adjustments		(82,176,804,975)	(184,932,816,115)
Interest received		8,961,710,431	10,702,946,800
Interest paid		(30,010,157,016)	(22,808,723,148)
Dividends received		27,730,890,413	32,545,629,321
Income taxes paid		(32,133,082,185)	(21,159,491,267)
<b>Cash flows from (used in) operating activities</b>		<u>40,542,764,361</u>	<u>(69,938,335,683)</u>
<b>Cash flows from (used in) investing activities</b>			
Increase in short-term financial instruments		(8,782,400,000)	(11,672,230,514)
Decrease in short-term financial instruments		10,786,400,000	3,755,430,514
Proceeds from sales of financial assets at fair value through profit or loss		840,564,858	20,783,848,805
Proceeds from sales of financial assets at amortized cost		65,500,000	65,500,000
Collection of loan receivables		288,527,429	2,127,733,620
Proceeds from sales of property, plant and equipment		32,040,148	229,804,279
Proceeds from sales of investment properties		428,123,000,000	-
Proceeds from sales of investments in associates and joint ventures		2,400,000,000	988,100,000
Collection of finance lease receivables		309,507,963	635,718,299
Decrease in other non-current liabilities		(20,160,889,851)	-
Decrease in leasehold deposits provided		21,203,913	22,724,797
Increase in leasehold deposits provided		(125,840,613)	-
Purchases of financial assets at fair value through profit or loss		(5,548,989,613)	(29,536,073,165)
Purchases of financial assets at fair value through other comprehensive income		(8,541,780,000)	-
Increase in loan receivables		(1,381,452,260)	(1,694,135,356)
Increase in long-term advance payments		-	(5,931,481,600)
Purchase of property, plant and equipment		(1,465,266,140)	(862,950,075)
Purchase of intangible assets		(16,527,590)	(824,749,162)
Purchase of investments in associates and joint ventures		(88,485,372,514)	(4,957,784,186)
Increase in investments in resource development projects		(2,442,307,924)	(4,368,750,891)
Purchase of investment properties		-	(17,250,170,729)
<b>Cash flows from (used in) investing activities</b>		<u>305,915,917,806</u>	<u>(48,489,465,364)</u>
<b>Cash flows from (used in) financing activities</b>			
Repayments of current portion of long-term borrowings		(306,849,665,848)	-
Proceeds from short-term borrowings		261,037,253,376	304,273,926,445
Proceeds from long-term borrowings		20,361,648,125	39,414,404,326
Proceeds from issuing debentures		99,561,420,000	-
Decrease in security deposits received		(3,654,290,000)	-
Increase in security deposits received		157,750,255	72,776,000
Repayments of short-term borrowings		(322,768,134,795)	(223,749,462,469)
Repayments of long-term borrowings		(1,051,908,263)	(833,061,609)
Repayments of debentures		(50,000,000,000)	(50,000,000,000)
Payment of lease liabilities		(5,168,921,048)	(5,159,135,638)
Decrease in non-controlling interests (liabilities)		(36,232,551,955)	-
Dividends paid		(7,206,579,600)	(7,206,579,600)
<b>Cash flows from (used in) financing activities</b>		<u>(351,813,979,753)</u>	<u>56,812,867,455</u>
<b>Decrease in cash and cash equivalents</b>		(5,355,297,586)	(61,614,933,592)
Effects of exchange rate changes on cash and cash equivalents		10,466,113,045	2,606,592,923
Cash and cash equivalents at the beginning of period		297,930,077,692	356,938,418,361
<b>Cash and cash equivalents at the end of period</b>		<u>₩ 303,040,893,151</u>	<u>₩ 297,930,077,692</u>

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

# Hyundai Corporation and Subsidiaries

## Notes to the Consolidated Financial Statements

### December 31, 2024 and 2023

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#### 1. General Information

The consolidated financial statements include Hyundai Corporation (the “Parent Company”), and its twenty four (24) consolidated subsidiaries, including Hyundai Corp. USA (collectively referred to as the “Group”), and sixteen (16) associates and joint ventures, including PT HD INTI. DEVE., which are accounted for using the equity method.

##### 1.1 Overview of the Parent Company

The Parent Company was established on December 8, 1976, under the Commercial Code of the Republic of Korea to primarily engage in the export and import of goods. On December 1, 1977, the Parent Company's shares were listed on the Korea Stock Exchange. The Parent Company has been designated as a general trading company by the government of the Republic of Korea since February 11, 1978. As at December 31, 2024, the Parent Company has 20 overseas branches and mainly exports vehicles, steel products, machinery, construction equipment and vessels, and plants on a deferred payment basis. The Parent Company also engages in the import and domestic sale of merchandise and resource development business, such as overseas exploration of petroleum and minerals.

The Parent Company is authorized to issue 80 million shares with a par value of ₩ 5,000 per share and its issued capital was ₩ 50 million at incorporation. As at December 31, 2024, the Parent Company has 13,228,966 ordinary shares issued and outstanding, and through several capital increases, conversions of convertible bonds and capital reductions, its issued capital amounts to ₩ 66,145 million.

The Parent Company's major shareholders and their shareholdings as at December 31, 2024, are as follows:

<i>(in shares)</i>	<b>Number of shares</b>	<b>Percentage of ownership (%)</b>
HYUNDAI CORPORATION HOLDINGS Co., Ltd.	2,882,000	21.79
KCC Corporation	1,587,475	12.00
National Pension Service	949,455	7.18
Chung Mong-hyuk	319,601	2.42
Chung Mong-seok	264,579	2.00
HL Holdings Corporation	264,579	2.00
Hyundai Home Shopping Network Corporation	132,289	1.00
Hyundai Department Store Co., Ltd.	132,289	1.00
Treasury shares	1,218,000	9.21
Others	5,478,699	41.41
	<u>13,228,966</u>	<u>100.00</u>

# Hyundai Corporation and Subsidiaries

## Notes to the Consolidated Financial Statements

### December 31, 2024 and 2023

#### 1.2 Subsidiaries

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

	Location	Ownership interest held by the Group (%)		Closing month	Main business
		2024	2023		
HYUNDAI CORP. USA	U.S.A	100	100	December	Trading
HYUNDAI AUSTRALIA PTY., LTD.	Australia	100	100	December	Trading
HYUNDAI JAPAN CO., LTD.	Japan	100	100	December	Trading
HYUNDAI CANADA INC.	Canada	100	100	December	Trading
HYUNDAI CORP. EUROPE GMBH	Germany	100	100	December	Trading
HYUNDAI CORPORATION SINGAPORE PTE. LTD.	Singapore	100	100	December	Trading
HYUNDAI CORPORATION (SHANGHAI) CO., LTD.	China	100	100	December	Trading
POS-HYUNDAI STEEL MFG. (I) PVT. LTD.	India	94	94	March	Manufacture of steel
HYUNDAI RENEWABLE LAB	Korea	100	100	December	Photovoltaic power generation
Hangang Domestic General Private Equity in Real Estate Investment Trust No.13 <sup>5,8</sup>	Korea	-	100	May/November	Real estate trust
HYUNDAI PLATFORM CORP <sup>3</sup>	U.S.A	100	100	December	Transport and Installation
HYUNDAI RENEWABLE LAB JAPAN <sup>1</sup>	Japan	100	100	December	Photovoltaic power generation
HYUNDAI ONE EUROPE GMBH <sup>3</sup>	Germany	100	100	December	Transport
HYUNDAI FUELS PTE. LTD. <sup>2</sup>	Singapore	100	100	December	Trading
HYUNDAI ONE ASIA PTE. LTD. <sup>2</sup>	Singapore	100	100	December	Trading
HYUNDAI CORPORATION (CAMBODIA) CO., LTD. <sup>2,7</sup>	Cambodia	-	100	December	Trading
HYUNDAI CORPORATION PHNOM PENH INVESTMENT CO., LTD. <sup>2,6,7</sup>	Cambodia	-	49	December	Trading and farming
SHANGHAI ONE ASIA LOGISTICS CO., LTD <sup>3</sup>	China	100	100	December	Transport
HANOI ONE ASIA LOGISTICS <sup>3</sup>	Vietnam	80	80	December	Transport
HYUNDAI RENEWABLE LAB MIMASAKA <sup>1</sup>	Japan	100	100	December	Photovoltaic power generation
HYUNDAI NAVIS CO., LTD.	Korea	100	100	December	Transport
HYUNDAI RENEWABLE LAB YUMESAKI <sup>1</sup>	Japan	100	100	December	Photovoltaic power generation
HYUNDAI RENEWABLE LAB EHIME <sup>1</sup>	Japan	100	100	December	Photovoltaic power generation
PROLOGUE VENTURES INC.	Korea	81.82	81.82	December	Management consulting
PT HYUNDAI CORP INDONESIA	Indonesia	100	100	December	Trading
HYUNDAI CORPORATION ITALIA S.R.L. <sup>4</sup>	Italy	100	100	December	Trading
HYUNDAI CORPORATION MEXICO, S. DE R.L. DE C.V.	Mexico	100	100	December	Trading

<sup>1</sup> The subsidiary of HYUNDAI JAPAN CO., LTD.

<sup>2</sup> The subsidiary of HYUNDAI CORPORATION SINGAPORE PTE. LTD.

<sup>3</sup> The subsidiary of HYUNDAI NAVIS CO., LTD.

<sup>4</sup> The subsidiary of HYUNDAI CORP. EUROPE GMBH.

<sup>5</sup> The Parent Company holds preferential acquisition rights to major real estate of private equity real

# Hyundai Corporation and Subsidiaries

## Notes to the Consolidated Financial Statements

### December 31, 2024 and 2023

estate investment trusts, and the percentage of ownership was calculated based on the holding rate of Type 2 beneficiary securities held by the Parent Company.

<sup>6</sup> Although the Group owns less than 50% of the voting rights of HYUNDAI CORPORATION PHNOM PENH INVESTMENT CO., LTD., the Group is considered to have control over HYUNDAI CORPORATION PHNOM PENH INVESTMENT CO., LTD., as the Group has a right to appoint or dismiss the majority of its Board of Directors by virtue of an agreement with the other investors.

<sup>7</sup> Liquidated during the year ended December 31, 2024.

<sup>8</sup> Terminated the contract for investment trust and lost control over during the year ended December 31, 2024.

### 1.3 Summarized Financial Information

Summarized financial information for consolidated subsidiaries as at and for the years ended December 31, 2024 and 2023, is as follows:

(in millions of Korean won)

Subsidiary	2024						Total comprehensive income (loss)
	Assets	Liabilities	Equity	Sales	Profit (loss)		
HYUNDAI CORP. USA	₩ 213,529	₩ 111,491	₩ 102,038	₩ 771,988	₩ 11,541	₩ 24,396	
HYUNDAI AUSTRALIA PTY., LTD.	25,670	12,241	13,429	17,539	215	431	
HYUNDAI JAPAN CO., LTD.	94,622	70,768	23,854	238,721	1,868	1,362	
HYUNDAI CANADA INC.	110,426	86,529	23,897	217,195	7,041	8,619	
HYUNDAI CORP. EUROPE GMBH	48,143	37,769	10,374	113,258	(269)	923	
HYUNDAI CORPORATION SINGAPORE PTE. LTD.	223,127	208,998	14,129	402,920	2,663	4,412	
HYUNDAI CORPORATION (SHANGHAI) CO., LTD.	65,076	58,220	6,856	90,855	1,065	1,694	
POS-HYUNDAI STEEL MFG. (I) PVT. LTD.	32,811	12,746	20,065	45,724	23	2,304	
HYUNDAI RENEWABLE LAB	11,701	1,062	10,639	944	354	354	
HYUNDAI PLATFORM CORP	2,496	1,155	1,341	7,005	(510)	(282)	
HYUNDAI RENEWABLE LAB JAPAN	1,854	1,170	684	250	38	29	
HYUNDAI ONE EUROPE GmbH	5,368	248	5,120	7,593	188	780	
HYUNDAI FUELS PTE. LTD.	208,993	168,850	40,143	1,457,288	6,713	10,910	
HYUNDAI ONE ASIA PTE. LTD.	21,023	11,061	9,962	47,111	2,256	3,423	
SHANGHAI ONE ASIA LOGISTICS CO., LTD	6,193	1,432	4,761	33,569	1,185	1,594	
HANOI ONE ASIA LOGISTICS	3,778	835	2,943	8,715	415	614	
HYUNDAI RENEWABLE LAB MIMASAKA	762	431	331	104	10	5	
HYUNDAI NAVIS CO., LTD.	35,296	12,836	22,460	110,710	681	681	

# Hyundai Corporation and Subsidiaries

## Notes to the Consolidated Financial Statements

### December 31, 2024 and 2023

HYUNDAI RENEWABLE LAB YUMESAKI	1,523	932	591	142	30	22
HYUNDAI RENEWABLE LAB EHIME	3,113	2,339	774	241	(42)	(58)
PROLOGUE VENTURES INC.	8,978	183	8,795	812	(586)	(586)
PT HYUNDAI CORP INDONESIA	828	180	648	1,275	(112)	(4)
HYUNDAI CORPORATION ITALIA S.R.L.	20,644	19,061	1,583	66,688	72	244
HYUNDAI CORPORATION MEXICO, S. DE R.L. DE C.V.	65,952	63,803	2,149	111,141	856	938

(in millions of Korean won)

2023

Subsidiary	Assets		Liabilities		Equity		Sales		Profit (loss)		Total comprehensive income (loss)	
	₩		₩		₩		₩		₩		₩	
HYUNDAI CORP. USA	₩	182,678	₩	104,086	₩	78,592	₩	602,914	₩	13,585	₩	14,535
HYUNDAI AUSTRALIA PTY., LTD.		22,223		20,364		1,859		25,314		644		683
HYUNDAI JAPAN CO., LTD.		76,882		55,301		21,581		242,290		2,009		1,098
HYUNDAI CANADA INC.		58,751		42,899		15,852		175,832		1,926		2,501
HYUNDAI CORP. EUROPE GMBH		24,869		14,928		9,941		163,204		830		1,319
HYUNDAI CORPORATION SINGAPORE PTE. LTD.		113,249		103,373		9,876		272,179		932		547
HYUNDAI CORPORATION (SHANGHAI) CO., LTD.		12,839		7,696		5,143		20,118		133		114
POS-HYUNDAI STEEL MFG. (I) PVT. LTD.		31,703		13,632		18,071		54,155		(2,792)		(2,482)
HYUNDAI RENEWABLE LAB		11,415		1,130		10,285		1,050		415		415
Hangang Domestic General Private Equity in Real Estate Investment Trust No. 13		357,040		321,939		35,101		19,998		1,966		1,966
HYUNDAI PLATFORM CORP		2,198		539		1,659		7,704		(233)		(198)
HYUNDAI RENEWABLE LAB JAPAN		1,955		1,327		628		275		48		21
HYUNDAI ONE EUROPE GmbH		4,878		281		4,597		10,044		(309)		(52)
HYUNDAI FUELS PTE. LTD.		140,074		113,361		26,713		1,121,419		4,355		3,853
HYUNDAI ONE ASIA PTE. LTD.		14,325		7,720		6,605		34,401		1,600		1,667
HYUNDAI CORPORATION (CAMBODIA) CO., LTD.		25		32		(7)		-		-		-
HYUNDAI CORPORATION PHNOM PENH INVESTMENT CO., LTD.		8		-		8		-		-		-
SHANGHAI ONE ASIA LOGISTICS CO., LTD		3,829		684		3,145		17,038		733		711

**Hyundai Corporation and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
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HANOI ONE ASIA LOGISTICS	2,831	523	2,308	5,236	11	(11)
HYUNDAI RENEWABLE LAB MIMASAKA	816	504	312	113	10	(4)
HYUNDAI NAVIS CO., LTD.	32,008	10,193	21,815	98,792	2,292	2,292
HYUNDAI RENEWABLE LAB YUMESAKI	1,597	1,052	545	169	25	2
HYUNDAI RENEWABLE LAB EHIME	3,278	2,481	797	270	(4)	(39)
PROLOGUE VENTURES INC.	9,540	195	9,345	240	(669)	(669)
PT HYUNDAI CORP INDONESIA	1,886	1,183	703	266	(517)	(465)
HYUNDAI CORPORATION ITALIA S.R.L.	7,557	6,150	1,407	16,999	147	215
HYUNDAI CORPORATION MEXICO, S. DE R.L. DE C.V.	53,912	52,488	1,424	75,226	(92)	121

# Hyundai Corporation and Subsidiaries

## Notes to the Consolidated Financial Statements

### December 31, 2024 and 2023

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## 2. Material Accounting Policies

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

### 2.1 Basis of Preparation

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

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

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

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

- Certain financial assets and liabilities (including derivative instruments),
- Defined benefit plans – plan assets measured at fair value, and
- Investment properties 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 Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

### 2.2 Changes in Accounting Policies and Disclosures

#### *2.2.1 New and amended standards adopted by the Group*

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

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## Notes to the Consolidated Financial Statements

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

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

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

When applying supplier finance arrangements, an entity shall disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk. The Group has provided new disclosures for liabilities under supplier finance arrangements in Note 35.

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

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

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

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

# Hyundai Corporation and Subsidiaries

## Notes to the Consolidated Financial Statements

### December 31, 2024 and 2023

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

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

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

When an entity estimates a spot exchange rate because exchangeability between two currencies is lacking, the entity shall disclose related information. The amendments should be applied for annual periods beginning on or after January 1, 2025, and earlier application is permitted. The Group is in review for the impact of these amendments on the consolidated financial statements.

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

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

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

#### *(c) Annual Improvements to Korean IFRS -Volume 11*

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

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## Notes to the Consolidated Financial Statements

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- Korean IFRS 1109 *Financial Instruments: Derecognition of lease liabilities and definition of transaction price*
- Korean IFRS 1110 *Consolidated Financial Statements: Determination of a 'de facto agent'*
- Korean IFRS 1007 *Statement of Cash Flows: Cost method*

#### 2.3 Basis of Consolidation

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

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

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

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

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

# Hyundai Corporation and Subsidiaries

## Notes to the Consolidated Financial Statements

### December 31, 2024 and 2023

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

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resulting gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

#### **2.4 Investments in Associates and Joint Ventures**

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

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

The Group's investments in associates and joint ventures are accounted for using the equity method. Under the equity method, the investments in associates and joint ventures are initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

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

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

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

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

# Hyundai Corporation and Subsidiaries

## Notes to the Consolidated Financial Statements

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recognizes the loss as 'profits (losses) of associates and joint ventures accounted for using equity method' in the consolidated statement of comprehensive income.

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

#### **2.5 Current versus Non-current Classification**

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

# Hyundai Corporation and Subsidiaries

## Notes to the Consolidated Financial Statements

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#### 2.6 Foreign Currency Translation

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

##### *(a) Transactions and balances*

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

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

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss is also recognized in OCI or profit or loss, respectively).

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

Foreign exchange differences arising from monetary items that are part of the Group's net investment in overseas operations are recognized in OCI and reclassified from equity to profit or loss at the time of disposal of the net investment.

##### *(b) Translation of overseas operation*

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

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#### 2.7 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

#### 2.8 Financial instruments

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

##### 2.8.1 Financial assets

###### *(a) Initial recognition and measurement*

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

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

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

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

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

###### *(b) Subsequent measurement*

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

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

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- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

#### *A. Financial assets at amortized cost (debt instruments)*

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

#### *B. Financial assets at fair value through OCI (debt instruments)*

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

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

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

#### *C. Financial assets designated at fair value through OCI (equity instruments)*

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Korean IFRS 1032 *Financial Instruments*.

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

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

#### *D. Financial assets at fair value through profit or loss*

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

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

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

This category includes derivatives and listed equity instruments that do not make an irrevocable choice to treat changes in fair value in other comprehensive income. Dividends for listed equity instruments are recognized in profit or loss at the time the rights are established.

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

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

#### *(c) Derecognition*

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

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

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

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rights and obligations that the Group has retained.

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

#### *(d) Impairment of financial assets*

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

- Disclosures for significant assumptions – Note 3
- Trade receivables including contract assets – Note 10

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

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

### **2.8.2 Financial liabilities**

#### *(a) Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, derivative financial liabilities and others.

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#### *(b) Subsequent measurement*

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

##### *A. Financial liabilities at fair value through profit or loss*

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

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

Gains or losses on liabilities held for trading are recognized in profit or loss.

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

##### *B. Loans and borrowings*

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

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

This category generally applies to interest-bearing loans and borrowings.

#### *(c) Derecognition*

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

### **2.8.3 Offsetting of financial instruments**

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

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## 2.9 Derivative Financial Instruments and Hedge Accounting

### 2.9.1 Initial recognition and subsequent measurement

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

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

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

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

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

#### *A. Fair value hedges*

The change in the fair value of a hedging derivative is recognized in the income statement. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the

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carrying value of the hedged item and is also recognized in the income statement.

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

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss.

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in profit and loss.

#### *B. Cash flow hedges*

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the income statement. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognized as other expense and the ineffective portion relating to commodity contracts is recognized in other income or expenses.

#### **2.10 Inventories**

The Group evaluates the inventory at the lower of the acquisition cost or net realizable value. Meanwhile, acquisition costs for each inventory include purchase costs, conversion costs, and other costs incurred in bringing the inventory to its current place. The unit cost of the inventory is determined using the specific identification method.

#### **2.11 Property, Plant and Equipment**

Construction-in-progress is stated at cost, net of accumulated impairment losses, and property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

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Depreciation of property, plant and equipment, excluding land, is calculated on a straight-line basis over the estimated useful life of the assets, as follows:

	<b>Useful lives</b>
Buildings	30 years
Others	4

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. In particular, the Group considers the impact of health, safety, and environmental laws when reviewing estimates of useful life and residual value. An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognized.

#### **2.12 Investment Properties**

Investment properties are measured initially at cost, including transaction costs and includes alternative costs that meet the recognition requirements of the asset at the time of occurrence. However, the costs incurred in daily management activities are recognized as expenses when they occur. Since initial recognition, investment property has been accounted for at fair value reflecting current market conditions at the end of the reporting period, and gains or losses from changes in fair value are reflected in profit or loss at the time of occurrence.

#### **2.13 Leases**

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

##### **2.13.1 Group as a lessee**

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

###### *(a) Right-of-use assets*

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

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- Real estate: 1 to 5 years
- Vehicles and other assets: 1 to 10 years

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

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 3.6 Impairment of Non-Financial Assets.

#### *(b) Lease liabilities*

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

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

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

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

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

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#### 2.14 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### 2.15 Intangible Assets

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Intangible assets consist of software and membership.

Others included software and membership rights. Software is amortized using the straight-line method over their useful lives of five years. Membership rights are regarded as intangible assets with indefinite useful life and not amortized because there is no foreseeable limit to the period over which the asset is expected to be utilized.

#### 2.16 Financial Guarantee Contracts

Financial guarantee contracts provided by Group are measured at fair value at initial recognition and are subsequently recognized as provisions by measuring at a greater of:

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

#### 2.17 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the income statement net of any reimbursement.

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

The Group records a provision for decommissioning cost in relation to exploration project. Decommissioning costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the relevant asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning

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liability. The unwinding of the discount is expensed as incurred and recognized in the income statement as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

The impact of climate-related matters on environmental damage recovery is taken into account when determining provisions related to the restoration of overseas mines disclosed in Note 24.

#### 2.18 Taxes

##### *(a) Current income tax*

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

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

##### *(b) Deferred tax*

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except:

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

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

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- In respect of deductible temporary differences associated with investments in associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

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

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

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

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

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

#### **2.19 Employee Benefits**

##### *(a) Defined benefit plans*

The Group operates defined benefit plans. 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.

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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.

#### *(b) Other long-term employee benefits*

The Group provides long-term employee benefits to long-term employees. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. The Group recognizes service cost, net interest on other long-term employee benefits and remeasurements as profit or loss for the year.

## **2.20 Revenue from Contracts with Customers**

#### *(a) Sales of goods*

The Group recognizes sales at the time of delivery taking the terms and conditions of trade into account, when control of assets is transferred to the customer. Receivables are recognized when the goods are delivered, because from the point of delivery of the goods, the price will be paid as time passes, and there will be an unconditional right to receive the payments.

#### *(b) Principal versus agent consideration*

When another party is involved in providing goods or services to a customer, the Group shall determine whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the entity is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the entity is an agent). The Group is a principal (recognized the gross amount as revenue) if it controls the specified good or service before that good or service is transferred to a customer. However, the Group is an agent (recognizes commission revenue as the net amount) if the entity's performance obligation is to arrange for the provision of the specified good or service by another party.

## **2.21 Other Income**

#### *(a) Interest income*

Interest income is recognized using the effective interest rate method over time. When an impairment of receivables occur, the carrying amount is decreased to the recoverable amount and the portion of the amount increasing over time is recognized as interest income. Meanwhile, interest income regarding impairment receivables is recognized using the initial effective interest.

#### *(b) Dividend income*

Dividends are recognized as other income in the income statement when the right of payment has been established.

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#### 2.22 Treasury Shares

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in the share premium. Share options exercised during the reporting period are satisfied with treasury shares.

#### 2.23 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, makes strategic decisions.

#### 2.24 Earnings Per Share (EPS)

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary owners of the parent by the weighted average number of ordinary shares outstanding during the year.

#### 2.25 Fair Value Measurement

The Group measures financial instruments such as derivatives at fair value at each balance sheet date.

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

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

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

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

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

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

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

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

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

	<b>Notes</b>
Disclosures for valuation methods, significant estimates and assumptions	3,5
Quantitative disclosures of fair value measurement hierarchy	5
Financial instruments (including those carried at amortized cost)	7

#### **2.26 Cash Dividend**

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

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

The consolidated financial statements 2024 were approved for issue by the Board of Directors on February 10, 2025 and are subject to change with the approval of shareholders at their Annual General Meeting.

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### 3. Critical Accounting Estimates and Assumptions

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

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

#### 3.1 Income Tax

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

If certain portion of the taxable income is not used for investments or increase in wages or dividends for a certain period, the Group 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 for such period. As the Group's income tax is dependent on the investments, increase in wages and dividends, there is an uncertainty measuring the final tax effects.

#### 3.2 Fair Value of Financial Instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The valuation of fair value through other comprehensive income arising from resources development project, which is subject to fair value measurement, is determined based on the project's long-term business plan, unit price of major products, expected production term, discount rate, and the political and economic environment of the country (Notes 5, 17).

#### 3.3 Net Defined Benefit Liability

The present value of net defined benefit liability depends on a number of factors that are determined on an actuarial basis using a number of assumptions including the discount rate (Note 23).

#### 3.4 Provisions

The Group recognizes provisions for restoration related to overseas explorations as at the reporting date. The amounts are estimated based on historical data (Note 24).

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#### 3.5 Provision for Expected Credit Losses of Trade and Other Receivables

The Group estimates the amount of allowance for doubtful considering that ages, historical default events and other economic and industry environment factors of receivables in order to calculate provision for credit losses regarding trade and other receivables, investments in resource development projects and other receivables (Notes 10, 17).

#### 4. Financial Risk Management

##### 4.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize any adverse effects on the financial performance of the Group. The Group uses derivative financial instruments to hedge certain risk exposures.

##### 4.1.1 Market Risk

###### *(a) Foreign currency risk*

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US dollar, Euro and the Japanese yen. Foreign exchange risk arises from future commercial transactions, and recognized assets and liabilities.

The Group operates hedging policies (reduction of exposure through matching) for each operating segment within the Group, considering the nature of business and the existence of instruments to cope with the risks of exchange rate fluctuation. Additionally, the Group periodically evaluates and handles such risks exposed through managing system for receivables and payables denominated in foreign currencies, and reports the results to the management. In order to hedge the risk of foreign currency exchanges in foreign currency - denominated assets and liabilities, the Group entered into the contracts of foreign exchange forwards with KEB Hana Bank and others, and accounts for short-term trading purposes.

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Financial assets and liabilities denominated in foreign currency as at December 31, 2024 and 2023, are as follows:

*(in thousands of USD and in millions of Korean won)*

Financial assets	2024		2023	
	Equivalent in USD	Converted to KRW	Equivalent in USD	Converted to KRW
Cash and cash equivalents	₩ 82,925	₩ 121,900	₩ 139,050	₩ 179,291
Trade receivables	385,550	566,758	447,370	576,839
Other current receivables	9,256	13,607	1,018	1,313
Short-term financial instruments	6,000	8,820	6,000	7,736
Long-term loan receivables	11,019	16,198	13,819	17,818
Investments in resource development projects	11,807	17,357	15,268	19,686
Other non-current receivables	214	314	6,942	8,951
	₩ 506,771	₩ 744,954	₩ 629,467	₩ 811,634

*(in thousands of USD and in millions of Korean won)*

Financial liabilities	2024		2023	
	Equivalent in USD	Converted to KRW	Equivalent in USD	Converted to KRW
Trade payables	₩ 342,165	₩ 502,983	₩ 259,191	₩ 334,202
Short-term borrowings	98,792	145,224	226,782	292,413
Other payables	15,295	22,484	5,634	7,264
Long-term borrowings	29,500	43,365	29,145	37,579
	₩ 485,752	₩ 714,056	₩ 520,752	₩ 671,458

The impact of weakened/strengthened Korean won by 10% against foreign currencies with all other variables held constant on the pre-tax profit for the year of the Group at the end of the reporting period, are as follows:

*(in millions of Korean won)*

	2024		2023	
	10% increase	10% decrease	10% increase	10% decrease
Income effect before tax	₩ 3,090	₩ (3,090)	₩ 14,018	₩ (14,018)

*(b) Price risk*

The Group is exposed to equity securities price risk arises from investments held by the Group that are classified either as at fair value through profit or loss or at fair value through other comprehensive income in the consolidated statement of financial position.

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The Group has determined that an increase/(decrease) of 10% on price of fair value through profit or loss and fair value through other comprehensive income that the Group is holding, could have an impact of approximately ₩ 6,236 million increase/(decrease) on equity before tax of the Group resulted from changes of gain (loss) on valuation of financial instruments.

#### (c) Interest rate risk

Interest rate risk is defined as the risk that the interest income or expenses arising from deposits and borrowings will fluctuate because of changes in future market interest rate. The interest rate risk mainly arises through floating-rate deposits and borrowings. Part of the interest rate risk is offset by the variable interest rate risk from the underlying cashable assets and short-term financial instruments.

The analysis is based on the assumption that the interest rate has increased/decreased by 100bp with all other variables held constant at the end of the reporting period.

<i>(in millions of Korean won)</i>	2024		2023	
	10% increase	10% decrease	10% increase	10% decrease
Income effect before tax	₩ (257)	₩ 257	₩ 504	₩ (504)

#### 4.1.2 Credit Risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only highly-rated financial institutions from independent rating agency are accepted. For the general customers, the Group hedges credit risks by assessing level of credit ratings and entering into an export credit insurance contracts with Korea Trade Insurance Corporation.

As at the end of the reporting date, the maximum exposure to credit risk of each of financial assets is the carrying amount of each of financial assets.

#### 4.1.3 Liquidity Risk

In order to maintain appropriate amount of liquidity, the Group manages liquidity risk by making cyclical expectations and adjustments of capital inflows and outflows. The Group management team monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets and, if applicable, external regulatory or legal requirements.

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The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments as at December 31, 2024 and 2023.

(in millions of Korean won)

	2024					
	Less than 1 year	1~2 years	2~3 years	Over 3 years	Total	Carrying amount
Trade payables	₩ 661,840	₩ -	₩ -	₩ -	₩ 661,840	₩ 661,840
Other payables	52,509	-	12	10	52,531	52,531
Derivative financial liabilities	14,569	334	-	-	14,903	14,903
Borrowings <sup>1</sup>	324,496	60,078	987	7,917	393,478	394,401
Debentures <sup>2</sup>	4,494	43,199	60,692	-	108,385	99,711
Lease liabilities	5,381	4,422	3,249	4,404	17,456	15,629
Financial guarantee contracts <sup>3</sup>	77,807	-	-	-	77,807	1
	<u>₩ 1,141,096</u>	<u>₩ 108,033</u>	<u>₩ 64,940</u>	<u>₩ 12,331</u>	<u>₩ 1,326,400</u>	<u>₩ 1,239,016</u>

<sup>1</sup> Cash flow from borrowings includes nominal interests on borrowings, financial fees, and amounts related to derivatives for cash flow hedges due to interest rate and exchange rate fluctuations.

<sup>2</sup> Borrowings and debentures include nominal interests.

<sup>3</sup> Represents the maximum amount that can be claimed at the earliest period.

(in millions of Korean won)

	2023					
	Less than 1 year	1~2 years	2~3 years	Over 3 years	Total	Carrying amount
Trade payables	₩ 477,043	₩ -	₩ -	₩ -	₩ 477,043	₩ 477,043
Other payables	29,711	-	9	8	29,728	29,728
Derivative financial liabilities	3,037	-	1,422	-	4,459	4,459
Borrowings <sup>1</sup>	679,971	2,847	38,842	7,999	729,659	725,434
Debentures <sup>2</sup>	50,597	-	-	-	50,597	49,978
Lease liabilities	6,255	2,673	527	1,222	10,677	10,126
Financial guarantee contracts <sup>3</sup>	71,017	-	-	-	71,017	2
	<u>₩ 1,317,631</u>	<u>₩ 5,520</u>	<u>₩ 40,800</u>	<u>₩ 9,229</u>	<u>₩ 1,373,180</u>	<u>₩ 1,296,770</u>

<sup>1</sup> Cash flow from borrowings includes nominal interests on borrowings, financial fees, and amounts related to derivatives for cash flow hedges due to interest rate and exchange rate fluctuations.

<sup>2</sup> Borrowings and debentures include nominal interests.

<sup>3</sup> Represents the maximum amount that can be claimed at the earliest period.

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#### 4.2 Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group uses debt-to-equity ratio for capital management. This ratio is calculated as total debts divided by total equity as shown in the consolidated statement of financial position.

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

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Liabilities	₩	1,406,982	₩	1,479,068
Equity		655,327		580,645
Debt-to-equity ratios (%)		214.7		254.7

#### 5. Fair Value

##### 5.1 Fair Value of Financial Instruments by Category

There are no significant differences between carrying amount and fair value of financial instruments except for financial assets at fair value measured at cost, which do not have a quoted price in an active market and their fair value cannot be measured reliably and thus excluded from the fair value disclosures.

##### 5.2 Fair Value Hierarchy

Financial instruments measured at fair value or for which the fair value is disclosed are categorized within the fair value hierarchy, and the defined levels are as follows:

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

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The Group's financial assets and financial liabilities that are measured at fair value as at December 31, 2024 and 2023, are as follows:

*(in millions of Korean won)*

	<b>2024</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Recurring fair value measurements				
Derivative financial assets	₩ -	₩ 15,557	₩ -	₩ 15,557
Financial assets at fair value through profit or loss	3,523	-	11,353	14,876
Financial assets at fair value through other comprehensive income	-	-	47,483	47,483
Derivative financial liabilities	-	14,903	-	14,903

*(in millions of Korean won)*

	<b>2023</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Recurring fair value measurements				
Derivative financial assets	₩ -	₩ 2,230	₩ -	₩ 2,230
Financial assets at fair value through profit or loss	111	-	9,765	9,876
Financial assets at fair value through other comprehensive income	-	-	46,924	46,924
Derivative financial liabilities	-	4,459	-	4,459

Fair value of cash and cash equivalents, trade receivable, long and short-term financial instruments, finance lease receivable, other financial assets, long-term loan receivables, investments in resource development projects, trade payable, other payable, long and short-term borrowings and etc. is excluded from disclosure of fair value since fair value is similar to the carrying amounts that the effects discounted are not material.

There were no transfers between Level 1 and Level 2, to Level 3 and from Level 3 for the years ended December 31, 2024 and 2023.

When calculating fair value measures, the impact of potential climate-related issues, including laws and regulations that may affect the fair value measurement of assets and liabilities in consolidated financial statements, was considered. Climate-related risks are included in major assumptions if they have a significant impact on the measurement of recoverable amounts. This assumption was included in the cash flow estimation when evaluating the value of use.

Currently, the impact of climate-related issues is not material to the Group's consolidated financial statements.

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**5.3 Valuation Techniques and the Inputs**

Valuation techniques and inputs used in the fair values categorized within Level 3 of the fair value hierarchy as at December 31, 2024 and 2023, are as follows:

(in millions of Korean won)

				<b>2024</b>	
	<b>Fair value</b>	<b>Level</b>	<b>Valuation techniques</b>	<b>Inputs</b>	<b>Range of inputs</b>
Financial assets at fair value through profit or loss					
Investment fund	₩ 8,057	3	Cost approach	-	-
Non-listed equity investments	3,024	3	Cost approach	-	-
Non-listed equity investments	272	3	Net asset method	-	-
Financial assets at fair value through other comprehensive income					
				Discount rate	8.96%
KOREA Ras Laffan LNG Ltd.	28,752	3	Discounted cash flow (DCF) model	Main product unit price (\$/mmbtu)	7.49~10.37
				Estimated period of cash flow	By 2029
Hyundai Miraero Co., Ltd.	10,189	3	Net asset method	-	-
FLAXRES GmbH	8,542	3	Cost approach	-	-

(in millions of Korean won)

				<b>2023</b>	
	<b>Fair value</b>	<b>Level</b>	<b>Valuation techniques</b>	<b>Inputs</b>	<b>Range of inputs</b>
Financial assets at fair value through profit or loss					
Investment fund	₩ 6,450	3	Cost approach	-	-
Non-listed equity investments	3,024	3	Cost approach	-	-
Non-listed equity investments	291	3	Net asset method	-	-
Financial assets at fair value through other comprehensive income					
				Discount rate	8.94%
KOREA Ras Laffan LNG Ltd.	35,655	3	Discounted cash flow (DCF) model	Main product unit price (\$/mmbtu)	8.09~12.71
				Estimated period of cash flow	By 2029
Hyundai Miraero Co., Ltd.	11,269	3	Net asset method	-	-

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The fair value measurement for the purpose of financial reporting is annually performed by the external independent valuation institution.

**5.4 Sensitivity analysis for Recurring Fair Value Measurements Categorized as Level 3**

Sensitivity analysis of financial instruments is performed to measure favorable and unfavorable changes in the fair value of financial instruments which are affected by the unobservable parameters. When the fair value is affected by more than two input parameters, the most favorable or most unfavorable amounts are presented. The equity securities of Korea Ras Laffan LNG Ltd., which is classified as Level 3, is subject to sensitivity analysis. The results of the sensitivity analysis from changes of 1% in discounted rate, which is unobservable input, for financial assets at fair value through other comprehensive income, which is categorized within Level 3 and subject to sensitivity analysis, are as follows:

(in millions of Korean won)

	2024	
	Favorable changes	Unfavorable changes
Gain (loss) on valuation of financial assets at fair value through other comprehensive income	₩ 494	₩ (482)

**6. Operating Segment and Regional Information**

**6.1 Operating Segment**

Management who makes strategic decisions determines the Group's operating segments. Management makes decisions about allocation of resources and reviews to assess performance of the operating segments based on their sales. Based on product type, operating segments are categorized as steel division, auto division, energy convergence & smart mobility & parts division, infra & machinery division, petroleum & chemical products division, and others.

The Group's financial information by operating segments for the years ended December 31, 2024 and 2023, is as follows:

(in millions of Korean won)

	2024			
	Sales	Operating income	Depreciation	Amortization
Steel	₩ 2,148,956	₩ 45,093	₩ 2,512	₩ 163
Auto	1,473,995	33,596	1,223	112
Energy convergence & Smart mobility & Parts	509,195	34,839	422	39
Infra & Machinery	411,576	9,462	341	31
Petroleum & Chemical products	2,332,296	12,813	1,935	177
Others	119,645	(2,274)	1,002	73
	₩ 6,995,663	₩ 133,529	₩ 7,435	₩ 595

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	<b>2023</b>			
	<b>Sales</b>	<b>Operating income</b>	<b>Depreciation</b>	<b>Amortization</b>
Steel	₩ 1,954,892	₩ 37,542	₩ 2,197	₩ 154
Auto	1,947,695	36,966	1,534	154
Energy convergence & Smart mobility & Parts	347,986	8,869	274	27
Infra & Machinery	343,440	5,905	271	27
Petroleum & Chemical products	1,903,923	10,155	1,500	150
Others	82,512	(106)	969	72
	<u>₩ 6,580,448</u>	<u>₩ 99,331</u>	<u>₩ 6,745</u>	<u>₩ 584</u>

Profits of associates and joint ventures accounted for using equity method and other income (dividend income) of resource development business division, which are not included in operating income amount to ₩ 31,092 million and ₩ 31,647 million for the years ended December 31, 2024 and 2023, respectively.

Assets, liabilities, other income and expenses, and finance income and costs of operating segments are not reported to the chief operating decision-maker. Accordingly, the information is not presented in the tables above.

## 6.2 Regional Information

As at December 31, 2024 and 2023, the details of non-current assets by region (based on location) are as follows:

<i>(in millions of Korean won)</i>	<b>Korea</b>	<b>America</b>	<b>Asia</b>	<b>Europe</b>	<b>Others</b>	<b>Total</b>
2024	₩ 30,472	₩ 1,441	₩ 52,300	₩ 269	₩ 171	₩ 84,653
2023	376,309	1,754	45,971	413	97	424,544

The amount of non-current assets by region excludes financial instruments, deferred tax assets, and investments in joint ventures and associates.

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**7. Financial Instruments by Category**

Details of financial assets by category as at December 31, 2024 and 2023, are as follows:

(in millions of Korean won)

	<b>2024</b>			
	<b>At amortized cost</b>	<b>At fair value through profit or loss</b>	<b>At fair value through other comprehensive income</b>	<b>Total</b>
<b>Current assets:</b>				
Cash and cash equivalents	₩ 303,041	₩ -	₩ -	₩ 303,041
Short-term financial instruments	11,820	-	-	11,820
Financial assets at fair value through profit or loss	-	2	-	2
Trade receivables	996,913	-	-	996,913
Finance lease receivables	430	-	-	430
Other current receivables	21,558	-	-	21,558
Derivatives financial assets	-	11,021	-	11,021
	<u>1,333,762</u>	<u>11,023</u>	<u>-</u>	<u>1,344,785</u>
<b>Non-current assets:</b>				
Long-term financial instruments	19	-	-	19
Financial assets at fair value through profit or loss	-	14,874	-	14,874
Financial assets at fair value through other comprehensive income	-	-	47,483	47,483
Other financial assets	249	-	-	249
Long-term loan receivables	17,356	-	-	17,356
Investments in resource development projects	17,357	-	-	17,357
Finance lease receivables	1,280	-	-	1,280
Other non-current receivables	13,429	-	-	13,429
Derivatives financial assets	-	4,536	-	4,536
	<u>49,690</u>	<u>19,410</u>	<u>47,483</u>	<u>116,583</u>
	<u>₩ 1,383,452</u>	<u>₩ 30,433</u>	<u>₩ 47,483</u>	<u>₩ 1,461,368</u>

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	<b>2023</b>			
	<b>At amortized cost</b>	<b>At fair value through profit or loss</b>	<b>At fair value through other comprehensive income</b>	<b>Total</b>
<b>Current assets:</b>				
Cash and cash equivalents	₩ 297,930	₩ -	₩ -	₩ 297,930
Short-term financial instruments	12,740	-	-	12,740
Financial assets at fair value through profit or loss	-	110	-	110
Trade receivables	758,263	-	-	758,263
Derivatives financial assets	-	2,230	-	2,230
Finance lease receivables	606	-	-	606
Other current receivables	16,202	-	-	16,202
	<u>1,085,741</u>	<u>2,340</u>	<u>-</u>	<u>1,088,081</u>
<b>Non-current assets:</b>				
Long-term financial instruments	19	-	-	19
Financial assets at fair value through profit or loss	-	9,765	-	9,765
Financial assets at fair value through other comprehensive income	-	-	46,924	46,924
Other financial assets	286	-	-	286
Long-term loan receivables	18,923	-	-	18,923
Investments in resource development projects	19,686	-	-	19,686
Finance lease receivables	66	-	-	66
Other non-current receivables	15,620	-	-	15,620
	<u>54,600</u>	<u>9,765</u>	<u>46,924</u>	<u>111,289</u>
	<u>₩ 1,140,341</u>	<u>₩ 12,105</u>	<u>₩ 46,924</u>	<u>₩ 1,199,370</u>

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Details of financial liabilities by category as at December 31, 2024 and 2023, are as follows:

(in millions of Korean won)

	2024		2023	
	At amortized cost	At fair value through profit or loss	At amortized cost	At fair value through profit or loss
<b>Current liabilities:</b>				
Trade payables	₩ 661,840	₩ -	₩ 477,043	₩ -
Other payables	52,509	-	29,710	-
Short-term borrowings	320,985	-	370,806	-
Current portion of long-term borrowings	987	-	307,425	-
Current portion of debentures	-	-	49,978	-
Lease liabilities	4,990	-	5,892	-
Other current liabilities <sup>1</sup>	9,877	-	9,305	-
Derivative financial liabilities	-	14,568	-	3,037
	<u>1,051,188</u>	<u>14,568</u>	<u>1,250,159</u>	<u>3,037</u>
<b>Non-current liabilities:</b>				
Long-term other payables	22	-	17	-
Debentures	99,712	-	-	-
Long-term borrowings	72,429	-	47,203	-
Lease liabilities	10,639	-	4,234	-
Other non-current liabilities	438	-	4,016	-
Derivative financial liabilities	-	334	-	1,422
	<u>183,240</u>	<u>334</u>	<u>55,470</u>	<u>1,422</u>
	<u>₩ 1,234,428</u>	<u>₩ 14,902</u>	<u>₩ 1,305,629</u>	<u>₩ 4,459</u>

<sup>1</sup> Liabilities related to employee benefits are included.

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

(in millions of Korean won)

	2024	2023
<b>Financial assets at fair value through profit or loss</b>		
Gains on disposal of financial assets at fair value through profit or loss	₩ 296	₩ 358
Dividend income	31	30
Gain (loss) on valuation of financial assets at fair value through profit or loss	(99)	93
	<u>228</u>	<u>481</u>
<b>Financial assets at fair value through other comprehensive income</b>		
Dividend income	13,742	11,259
Loss on valuation of financial assets at fair value through other comprehensive income	(6,171)	(4,380)
	<u>7,571</u>	<u>6,879</u>

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Financial assets at amortized cost		
Interest income	10,494	11,514
Reversal of bad debt expenses (bad debt expenses)	(17,153)	1,074
Foreign exchange gains	86,390	52,588
Losses on disposal of trade receivables	(14,895)	(20,660)
	<u>64,836</u>	<u>44,516</u>
Derivative instruments		
Gain (loss) on valuation of derivative instruments (through profit or loss)	2,282	(549)
Gain (loss) on valuation of derivative instruments (through other comprehensive income)	452	(1,291)
Foreign exchange gains	989	-
Loss on transactions of derivative instruments	(15,773)	(1,599)
	<u>(12,050)</u>	<u>(3,439)</u>
Financial liabilities at amortized cost		
Interest expenses	(30,233)	(24,038)
Foreign exchange losses	(58,603)	(50,572)
	<u>(88,836)</u>	<u>(74,610)</u>
	<u>₩ (28,251)</u>	<u>₩ (26,173)</u>

Details of restricted financial instruments as at December 31, 2024 and 2023, are as follows:

<i>(in millions of Korean won)</i>		<b>2024</b>	<b>2023</b>	<b>Description</b>
Short-term financial instruments	₩	-	₩ 7,736	Collateral for trade finance
Long-term financial instruments		19	19	Bank overdrafts

**Hyundai Corporation and Subsidiaries**  
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**8. Transfers of Financial Assets**

*(a) Transferred financial assets that are not derecognized in their entirety*

The D/A export receivables that have not matured have been discounted with banks and the receivables that the Group has a redemption appeal duty are not derecognized because the Group has risks and rewards.

Financial assets which were transferred but not derecognized as at December 31, 2024 and 2023, are as follows:

<i>(in millions of Korean won)</i>	<b>Financial assets at amortized cost</b>			
	<b>2024</b>		<b>2023</b>	
Book amount of assets <sup>1</sup>	₩	142,785	₩	298,798
Book amount of related liabilities <sup>2</sup>		142,785		298,798

<sup>1</sup> Receivables from intergroup transactions amounting to ₩ 84,786 million (2023: ₩ 162,032 million) as at December 31, 2024, are included.

<sup>2</sup> Net of prepaid expenses.

*(b) Transferred financial assets that are derecognized in their entirety*

The Group derecognized the receivables, which were discounted with the financial institutions, from the consolidated financial statements on transfer date by transferring substantially all the risks and rewards. As at December 31, 2024, the carrying amount of receivables which have not matured amounts to ₩ 240,373 million.

**9. Cash and Cash Equivalents**

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

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Cash in bank and on hand	₩	303,041	₩	297,930
	₩	303,041	₩	297,930

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**10. Trade and Other Receivables**

**10.1 Trade Receivables**

Details of trade receivables as at December 31, 2024 and 2023, are as follows. The maximum exposure to credit risk is the carrying amount of trade receivables.

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Trade receivables	₩	1,015,450	₩	775,698
Allowance for credit losses		<u>(18,537)</u>		<u>(17,435)</u>
	₩	<u>996,913</u>	₩	<u>758,263</u>

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

<i>(in millions of Korean won)</i>	<b>2024</b>			
	<b>Current</b>	<b>&lt; 3 months</b>	<b>Over 3 months</b>	<b>Total</b>
General receivables:				
Carrying amount	₩ 875,205	₩ 112,834	₩ 6,687	₩ 994,726
Expected loss rate (%)	0.00%	0.04%	15.29%	-
Allowance for credit losses	(35)	(47)	(1,022)	(1,104)
Individual impaired receivables:				
Carrying amount	-	587	20,137	20,724
Allowance for credit losses	-	<u>(587)</u>	<u>(16,846)</u>	<u>(17,433)</u>
	<u>875,205</u>	<u>113,421</u>	<u>26,824</u>	<u>1,015,450</u>
	₩ (35)	₩ (634)	₩ (17,868)	₩ (18,537)

<i>(in millions of Korean won)</i>	<b>2023</b>			
	<b>Current</b>	<b>&lt; 3 months</b>	<b>Over 3 months</b>	<b>Total</b>
General receivables:				
Carrying amount	₩ 674,044	₩ 73,548	₩ 5,705	₩ 753,297
Expected loss rate (%)	0.01%	0.01%	1.37%	-
Allowance for credit losses	(37)	(6)	(78)	(121)
Individual impaired receivables:				
Carrying amount	-	529	21,872	22,401
Allowance for credit losses	-	<u>(529)</u>	<u>(16,785)</u>	<u>(17,314)</u>
	<u>674,044</u>	<u>74,077</u>	<u>27,577</u>	<u>775,698</u>
	₩ (37)	₩ (535)	₩ (16,863)	₩ (17,435)

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

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Beginning balance	₩	17,435	₩	17,849
Provision (reversal) of allowance for credit losses		1,057		(407)
Write-off		(37)		-
Others		82		(7)
Ending balance	₩	<u>18,537</u>	₩	<u>17,435</u>

**10.2 Other Receivables**

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

	<b>2024</b>			<b>2023</b>		
	<b>Receivables</b>	<b>Allowance for doubtful accounts</b>	<b>Carrying amount</b>	<b>Receivables</b>	<b>Allowance for doubtful accounts</b>	<b>Carrying amount</b>
Non-trade receivables	₩ 126,322	₩ (105,626)	₩ 20,696	₩ 133,417	₩ (117,635)	₩ 15,782
Accrued income	15,931	(7,771)	8,160	14,483	(4,434)	10,049
Guarantee deposits	806	-	806	629	-	629
Deposits provided	5,326	-	5,326	5,362	-	5,362
	<u>₩ 148,385</u>	<u>₩ (113,397)</u>	<u>₩ 34,988</u>	<u>₩ 153,891</u>	<u>₩ (122,069)</u>	<u>₩ 31,822</u>

# Hyundai Corporation and Subsidiaries

## Notes to the Consolidated Financial Statements

### December 31, 2024 and 2023

#### 11. Financial Assets at Fair Value

##### (a) Financial assets at fair value through profit or loss

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

<i>(in millions of Korean won)</i>	<b>2024</b>	<b>2023</b>
Investment fund		
Shinhan Gentium Startup Fund No.2	₩ 350	₩ 350
Daishin-Newgen New Growth Fund No.3	4,000	4,000
Hanwha Investment & Securities Tiger Fund	2,395	2,100
Sylvan Asia Growth Fund I LP	1,311	-
Listed equity investments		
KOSDAQ listed public offering shares	2	111
KCC GLASS Corporation	3,521	-
Non-listed equity investments		
EUROTEM DEMIRYOLU ARA-LARI SAN	19	19
Ricoh Co., Ltd.	3,000	3,000
TCU GmbH & Co. KG	6	5
Aureum Gold Rush ESG General Private Equity Investment Trust No.1	272	291
	<u>₩ 14,876</u>	<u>₩ 9,876</u>

##### (b) Financial assets at fair value through other comprehensive income

Details of financial assets at fair value through other comprehensive income as at December 31, 2024 and 2023, are as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>	<b>2023</b>
Non-listed equity investments		
KOREA RAS LAFFAN LNG LIMITED	₩ 28,752	₩ 35,655
Hyundai Miraero Co., Ltd.	10,189	11,269
FLAXRES GmbH	8,542	-
	<u>₩ 47,483</u>	<u>₩ 46,924</u>

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Changes in financial assets at fair value through profit or loss and fair value through other comprehensive income for the years ended December 31, 2024 and 2023, are as follows:

(in millions of Korean won)

	2024		2023	
	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income
Beginning balance	₩ 9,876	₩ 46,924	₩ 1,669	₩ 52,647
Additions	5,549	8,542	29,516	-
Sales	(544)	-	(20,407)	-
Valuation	(99)	(7,983)	93	(5,723)
Effect of changes in foreign currency	94	-	-	-
Others	-	-	(995)	-
Ending balance	₩ 14,876	₩ 47,483	₩ 9,876	₩ 46,924

**12. Derivative Instruments**

Details of derivative instruments as at December 31, 2024 and 2023, are as follows:

(in millions of Korean won)

	2024		2023	
	Asset	Liability	Asset	Liability
Foreign exchange forward - held for trading (current)	₩ 10,915	₩ 14,317	₩ 2,011	₩ 2,622
Instruments futures - fair value risk hedge <sup>1</sup>	106	157	219	15
Instruments futures - cash flow hedge <sup>2</sup>	-	94	-	400
	₩ 11,021	₩ 14,568	₩ 2,230	₩ 3,037
Foreign exchange swap - cash flow hedge <sup>3</sup>	₩ 4,536	₩ 334	₩ -	₩ 1,422
	₩ 4,536	₩ 334	₩ -	₩ 1,422

<sup>1</sup> The Group conducts futures trading to avoid price fluctuation in connection with the asphalt supply contract.

<sup>2</sup> The Group applies cash flow hedge accounting to commodity futures regarding vessel fuel oil. The effective portion of hedge that was recognized in the equity amounts to ₩ (-)87 million and ₩ (-)311 million as at December 31, 2024 and 2023, respectively.

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<sup>3</sup> The Group applies cash flow hedge accounting to foreign exchange swap regarding to avoid variable interest rates and exchange rate fluctuations in foreign currency borrowings. The effective portion of hedge that was recognized in the equity amounts to ₩ (-)210 million and ₩ (-)438 million as at December 31, 2024 and 2023, respectively.

Details of foreign exchange forward as at December 31, 2024 and 2023, are as follows:

*(in thousands of foreign currency and in millions of Korean won)*

<b>2024</b>					
Currency (buy)	Amount (buy)	Currency (sell)	Amount (sell)	Derivative instruments assets	Derivative instruments liabilities
AUD	319	USD	203 ₩	-	₩ 7
EUR	425	KRW	623	27	-
EUR	8,635	USD	9,323	-	479
JPY	551,182	USD	3,696	-	256
KRW	7,578	EUR	5,028	-	112
KRW	52	JPY	5,688	-	1
KRW	283,235	USD	202,415	2	13,293
KRW	9,438	GBP	5,193	2	96
USD	3,583	AUD	5,536	208	-
USD	24	CAD	35	-	-
USD	77,675	EUR	72,852	2,449	-
USD	17,584	JPY	2,646,869	890	6
USD	70,223	KRW	95,815	7,140	-
USD	4,209	GBP	3,251	197	-
GBP	854	USD	1,117	-	67
				₩ 10,915	₩ 14,317

*(in thousands of foreign currency and in millions of Korean won)*

<b>2023</b>					
Currency (buy)	Amount (buy)	Currency (sell)	Amount (sell)	Derivative instruments assets	Derivative instruments liabilities
AUD	1,173	KRW	1,017 ₩	14 ₩	-
CAD	182	USD	134	4	-
EUR	1,800	USD	1,917	101	-
JPY	530,285	USD	3,701	85	-
KRW	1,875	AUD	2,167	-	30
KRW	926	EUR	650	1	2
KRW	119,515	USD	91,661	1,793	81
USD	1,575	AUD	2,372	-	60
USD	1,144	CAD	1,522	2	12
USD	24,741	EUR	22,822	1	735
USD	20,145	JPY	2,880,596	-	594
USD	32,813	KRW	43,303	-	1,089
USD	835	GBP	667	-	19
GBP	178	USD	219	10	-
				₩ 2,011	₩ 2,622

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Details of instruments futures as at December 31, 2024 and 2023, are as follows:

*(in millions of Korean won)*

Contract	Position	2024		2023	
		Derivative instruments assets	Derivative instruments liabilities	Derivative instruments assets	Derivative instruments liabilities
Instruments futures - fair value risk hedge					
Asphalt futures	Buy	₩ 106	₩ 157	₩ 218	₩ 15
Instruments futures - cash flow hedge					
Gas oil futures	Buy	-	71	-	160
Fuel oil futures	Buy	-	23	-	240
		-	94	-	400
		₩ 106	₩ 251	₩ 218	₩ 415

Details of foreign exchange swap as at December 31, 2024 and 2023, are as follows:

*(in thousands of foreign currency and in millions of Korean won)*

2024					
Currency (receive)	Amount (receive)	Currency (pay)	Amount (pay)	Derivative instruments assets	Derivative instruments liabilities
USD	29,500	KRW	38,890	₩ 4,536	₩ 334

*(in thousands of foreign currency and in millions of Korean won)*

2023					
Currency (receive)	Amount (receive)	Currency (pay)	Amount (pay)	Derivative instruments assets	Derivative instruments liabilities
USD	29,500	KRW	38,890	₩ -	₩ 1,422

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**13. Inventories**

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

*(in millions of Korean won)*

	2024			2023		
	Purchase cost	Valuation allowance	Carrying amount	Purchase cost	Valuation allowance	Carrying amount
Merchandise	₩ 254,520	₩ -	₩ 254,520	₩ 211,534	₩ -	₩ 211,534
Finished goods	2,091	-	2,091	2,161	-	2,161
Raw materials	9,450	-	9,450	7,187	-	7,187
Work in progress	133	-	133	238	-	238
	<u>₩ 266,194</u>	<u>₩ -</u>	<u>₩ 266,194</u>	<u>₩ 221,120</u>	<u>₩ -</u>	<u>₩ 221,120</u>

There is no loss on valuation of inventories recognized in cost of sales for the years ended December 31, 2024 and 2023.

**14. Other Assets**

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

*(in millions of Korean won)*

	2024	2023
Other current assets:		
Prepayments	₩ 63,636	₩ 22,726
Prepaid expenses	3,518	5,938
Others	304	68
	<u>67,458</u>	<u>28,732</u>
Other non-current assets:		
Long-term prepayments	6,675	6,675
Long-term prepaid expenses	114	127
	<u>6,789</u>	<u>6,802</u>
	<u>₩ 74,247</u>	<u>₩ 35,534</u>

# Hyundai Corporation and Subsidiaries

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### December 31, 2024 and 2023

#### 15. Interests in Joint Ventures and Associates

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

(in millions of Korean won)	2024		2023		Location	Business
	Percentage of ownership (%)	Book amount	Percentage of ownership (%)	Book amount		
PT HD INTI. DEVE. <sup>1</sup>	55.00	₩ 1,925	55.00	₩ 1,515	Indonesia	Management of facility
HYUNDAI YEMEN LNG COMPANY LIMITED <sup>1,2</sup>	51.00	59,076	51.00	97,547	Bermuda	Yemen LNG development
KOREA LNG LIMITED	20.00	19,815	20.00	59,421	Bermuda	OMAN LNG development
KAPSTEX VINA., JSC <sup>3</sup>	13.00	5,120	13.00	4,266	Vietnam	Manufacture and sale of technical textiles
INTERGIS BUSAN NEWPORT CENTER CO., LTD. <sup>4</sup>	20.00	1,186	20.00	1,129	Korea	Warehouse and transportation related service
ELIAS AUTO INDIA PRIVATE LIMITED <sup>1,5</sup>	51.00	605	51.00	574	India	Vehicle knock down business
HY AUTO SOLUTION LLC	50.00	614	50.00	4,027	Russia	Auto parts manufacturing
Aeonus Co., Ltd. <sup>8</sup>	8.61	591	8.74	669	Korea	Renewable energy and mobile ESS development
KCA ESG No.1 Private Equity Investment Co., Ltd.	34.17	-	34.17	7,176	Korea	Securities investment
Infinite Marine Connect Co., Ltd. <sup>6</sup>	49.00	531	49.00	251	Korea	Ship fuel supply business
PT. SUGIHARA HYUNDAI AUTOMOTIVE <sup>7</sup>	-	-	50.00	501	Indonesia	Auto parts manufacturing
HYUNDAI FRONTIER AUSTRALIA HOLDINGS PTY LTD <sup>9</sup>	50.00	3,239	50.00	3,243	Australia	Sale and rental of forklift
Prologue ventures New Technology Fund No.1 <sup>10</sup>	18.18	971	18.18	969	Korea	Securities investment
Prologue Agricultural Food scale up Fund <sup>11</sup>	26.19	3,187	26.19	1,622	Korea	Securities investment
K-culture Global scale up Fund <sup>11</sup>	22.81	2,504	22.81	642	Korea	Securities investment
Prologue puzzle Corporate Restructuring New Technology Business Fund <sup>10,12</sup>	18.20	1,802	-	-	Korea	Securities investment
Shinhan Alpha Seosomun REIT Co., Ltd. <sup>12</sup>	46.89	80,945	-	-	Korea	Real estate trust
		<u>₩ 182,111</u>		<u>₩ 183,552</u>		

<sup>1</sup> It is excluded from the scope of consolidation despite the Group's shares in the associate exceeds 50% because the consent of other shareholders is required to make major decisions under shareholders' agreement.

<sup>2</sup> Although the percentage of ownership of the Group is 51%, the equity method is applied at a percentage considering the contractual terms regarding dividends.

<sup>3</sup> Although the percentage of ownership of the Group is 13%, it is determined to be an associate because the entity has an authority to appoint key executives of the associate.

<sup>4</sup> The associate of HYUNDAI ONE EUROPE GmbH.

# Hyundai Corporation and Subsidiaries

## Notes to the Consolidated Financial Statements

### December 31, 2024 and 2023

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<sup>5</sup> The joint venture of POS-HYUNDAI STEEL MFG. (I) PVT. LTD.

<sup>6</sup> The associate of HYUNDAI FUELS PTE. LTD.

<sup>7</sup> The entity was disposed during the year ended December 31, 2024.

<sup>8</sup> Although the percentage of ownership of the Group is 8.61%, it is determined to be an associate because the entity has an authority to appoint key executives of the associate.

<sup>9</sup> The joint venture of HYUNDAI AUSTRALIA PTY., LTD.

<sup>10</sup> Although the Group owns less than 20% of ownership in this entity, it is determined to be an associate because the Group participates in policy-making processes as a general partner.

<sup>11</sup> The entity was newly established during the year ended December 31, 2023.

<sup>12</sup> The entity was newly established during the year ended December 31, 2024.

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Changes in investments in joint ventures and associates as at December 31, 2024 and 2023, are as follows:

(in millions of Korean won)

	2024					
	Beginning balance	Acquisition (Disposal)	Profits (losses) of associates and joint ventures accounted for using equity method	Share of other comprehensive income (loss) of associates and joint ventures	Others	Ending balance
PT HD INTI. DEVE.	₩ 1,515	₩ -	₩ 401	₩ 148	₩ (139)	₩ 1,925
HYUNDAI YEMEN LNG COMPANY LIMITED	97,547	-	(375)	(38,096)	-	59,076
KOREA LNG LIMITED	59,421	-	17,724	(39,501)	(17,829)	19,815
KAPSTEX VINA., JSC	4,266	-	710	280	(136)	5,120
INTERGIS BUSAN NEWPORT CENTER CO., LTD.	1,129	-	81	-	(24)	1,186
ELIAS AUTO INDIA PRIVATE LIMITED	574	-	(30)	61	-	605
HY AUTO SOLUTION LLC	4,027	-	(3,394)	(19)	-	614
Aeonus Co., Ltd.	669	-	(78)	-	-	591
KCA ESG No.1 Private Equity Investment Co., Ltd.	7,176	-	(7,176)	-	-	-
Infinite Marine Connect Co., Ltd.	251	-	280	-	-	531
PT. SUGIHARA HYUNDAI AUTOMOTIVE	501	(295)	(237)	31	-	-
HYUNDAI FRONTIER AUSTRALIA HOLDINGS PTY LTD	3,243	-	(76)	72	-	3,239
Prologue ventures New Technology Fund No.1	969	-	2	-	-	971
Prologue Agricultural Food scale up Fund	1,622	1,650	(85)	-	-	3,187
K-culture Global scale up Fund	642	1,950	(88)	-	-	2,504
Prologue puzzle Corporate Restructuring New Technology Business Fund	-	1,885	(83)	-	-	1,802
Shinhan Alpha Seosomun REIT Co., Ltd.	-	83,000	(2,055)	-	-	80,945
	₩ 183,552	₩ 88,190	₩ 5,521	₩ (77,024)	₩ (18,128)	₩ 182,111

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(in millions of Korean won)

	2023											
	Beginning balance		Acquisition (Disposal)		Profits (losses) of associates and joint ventures accounted for using equity method		Share of other comprehensive income (loss) of associates and joint ventures		Others	Ending balance		
PT HD INTI. DEVE.	₩	1,142	₩	-	₩	343	₩	30	₩	-	₩	1,515
HYUNDAI YEMEN LNG COMPANY LIMITED		31,920		-		(597)		66,224		-		97,547
KOREA LNG LIMITED		29,837		-		21,042		29,636		(21,094)		59,421
KAPSTEX VINA., JSC		4,241		-		189		(24)		(140)		4,266
INTERGIS BUSAN NEWPORT CENTER CO., LTD.		1,101		-		51		-		(23)		1,129
ELIAS AUTO INDIA PRIVATE LIMITED		577		-		(10)		7		-		574
HY AUTO SOLUTION LLC		7,301		-		(2,402)		(872)		-		4,027
Aeonus Co., Ltd.		614		-		55		-		-		669
KCA ESG No.1 Private Equity Investment Co., Ltd.		7,324		-		(148)		-		-		7,176
Infinite Marine Connect Co., Ltd.		100		-		151		-		-		251
PT. SUGIHARA HYUNDAI AUTOMOTIVE		624		-		(147)		24		-		501
HYUNDAI FRONTIER AUSTRALIA HOLDINGS PTY LTD		-		2,655		197		391		-		3,243
Prologue ventures New Technology Fund No.1		-		-		(31)		-		1,000		969
Prologue Agricultural Food scale up Fund		-		1,650		(28)		-		-		1,622
K-culture Global scale up Fund		-		650		(8)		-		-		642
	₩	84,781	₩	4,955	₩	18,657	₩	95,416	₩	(20,257)	₩	183,552

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Financial information of investments in joint ventures and associates as at and for the years ended December 31, 2024 and 2023, are as follows:

	2024											
	Assets		Liabilities		Equity		Sales		Profit (loss)		Total comprehensive income (loss)	
(in millions of Korean won)												
PT HD INTI. DEVE.	₩	4,548	₩	1,048	₩	3,500	₩	4,953	₩	757	₩	997
HYUNDAI YEMEN LNG COMPANY LIMITED		269,759		180,499		89,260		-		(735)		(66,978)
KOREA LNG LIMITED		99,435		358		99,077		90,636		88,622		(108,885)
KAPSTEX VINA., JSC		30,569		1,789		28,780		43,782		4,790		7,616
INTERGIS BUSAN NEWPORT CENTER CO., LTD.		9,924		3,995		5,929		5,054		430		406
ELIAS AUTO INDIA PRIVATE LIMITED		2,403		1,216		1,187		5,214		(59)		60
HY AUTO SOLUTION LLC		7,383		6,155		1,228		-		(6,783)		(6,824)
Aeonus Co., Ltd.		4,465		3,637		828		2,108		(175)		(907)
KCA ESG No.1 Private Equity Investment Co., Ltd.		-		-		-		4		(21,000)		(21,001)
Infinite Marine Connect Co., Ltd.		1,322		237		1,085		2,385		525		572
HYUNDAI FRONTIER AUSTRALIA HOLDINGS PTY LTD		11,778		7,956		3,822		12,178		(152)		(9)
Prologue ventures New Technology Fund No.1		5,340		-		5,340		130		9		9
Prologue Agricultural Food scale up Fund		12,168		3		12,165		15		(327)		(327)
K-culture Global scale up Fund		11,053		76		10,977		30		(389)		(389)
Prologue puzzle Corporate Restructuring New Technology Business Fund		10,018		119		9,899		40		(439)		(459)
Shinhan Alpha Seosomun REIT Co., Ltd.		480,835		308,133		172,702		7,855		(4,110)		(4,110)

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2023

	Assets		Liabilities		Equity		Sales	Profit (loss)	Total comprehensive income (loss)			
PT HD INTI. DEVE.	₩	3,400	₩	645	₩	2,755	₩	4,830	₩	624	₩	678
HYUNDAI YEMEN LNG COMPANY LIMITED		287,870		131,635		156,235		-		(1,170)		101,030
KOREA LNG LIMITED		297,188		82		297,107		108,023		105,211		253,393
KAPSTEX VINA., JSC		26,056		3,845		22,211		38,511		1,450		1,266
INTERGIS BUSAN NEWPORT CENTER CO., LTD.		9,743		4,099		5,644		4,770		259		259
ELIAS AUTO INDIA PRIVATE LIMITED		2,146		1,020		1,126		4,884		(20)		(6)
HY AUTO SOLUTION LLC		12,849		4,796		8,053		47		(4,806)		(6,549)
Aeonus Co., Ltd.		4,514		3,034		1,480		3,022		629		629
KCA ESG No.1 Private Equity Investment Co., Ltd.		21,507		506		21,001		4		(434)		(434)
Infinite Marine Connect Co., Ltd.		652		139		513		1,632		309		309
PT. SUGIHARA HYUNDAI AUTOMOTIVE		1,535		533		1,001		-		(296)		(247)
HYUNDAI FRONTIER AUSTRALIA HOLDINGS PTY LTD		11,323		7,492		3,831		16,391		394		1,176
Prologue ventures New Technology Fund No.1		5,365		34		5,331		1		(169)		(169)
Prologue Agricultural Food scale up Fund		6,266		73		6,192		13		(108)		(108)
K-culture Global scale up Fund		2,850		35		2,816		1		(34)		(34)

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The tables below provide a reconciliation of the summarized financial information presented to the carrying amount of its interests in joint ventures and associates.

(in millions of Korean won)

	<b>2024</b>					
	<b>Interest in net assets</b>		<b>Goodwill</b>	<b>Others</b>	<b>Book amount</b>	
PT HD INTI. DEVE.	₩	1,925	₩	-	₩	1,925
HYUNDAI YEMEN LNG COMPANY LIMITED <sup>1</sup>		45,522		-	13,554	59,076
KOREA LNG LIMITED		19,815		-		19,815
KAPSTEX VINA., JSC		3,742	1,378		-	5,120
INTERGIS BUSAN NEWPORT CENTER CO., LTD.		1,186		-		1,186
ELIAS AUTO INDIA PRIVATE LIMITED		605		-		605
HY AUTO SOLUTION LLC		614		-		614
Aeonus Co., Ltd.		71	520		-	591
Infinite Marine Connect Co., Ltd.		531		-		531
HYUNDAI FRONTIER AUSTRALIA HOLDINGS PTY LTD		1,911	1,328		-	3,239
Prologue ventures New Technology Fund No.1		971		-		971
Prologue Agricultural Food scale up Fund		3,187		-		3,187
K-culture Global scale up Fund		2,504		-		2,504
Prologue puzzle Corporate Restructuring New Technology Business Fund		1,802		-		1,802
Shinhan Alpha Seosomun REIT Co., Ltd. <sup>1</sup>		86,351		-	(5,406)	80,945

<sup>1</sup> Adjusted amount considering contractual terms regarding dividends.

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	2023			
	Interest in net assets	Goodwill	Others	Book amount
PT HD INTI. DEVE.	₩ 1,515	₩ -	₩ -	₩ 1,515
HYUNDAI YEMEN LNG COMPANY LIMITED <sup>1</sup>	79,680	-	17,867	97,547
KOREA LNG LIMITED	59,421	-	-	59,421
KAPSTEX VINA., JSC	2,887	1,379	-	4,266
INTERGIS BUSAN NEWPORT CENTER CO., LTD.	1,129	-	-	1,129
ELIAS AUTO INDIA PRIVATE LIMITED	574	-	-	574
HY AUTO SOLUTION LLC	4,027	-	-	4,027
Aeonus Co., Ltd.	129	540	-	669
KCA ESG No.1 Private Equity Investment Co., Ltd.	7,176	-	-	7,176
Infinite Marine Connect Co., Ltd.	251	-	-	251
PT. SUGIHARA HYUNDAI AUTOMOTIVE	501	-	-	501
HYUNDAI FRONTIER AUSTRALIA HOLDINGS PTY LTD	1,916	1,327	-	3,243
Prologue ventures New Technology Fund No.1	969	-	-	969
Prologue Agricultural Food scale up Fund	1,622	-	-	1,622
K-culture Global scale up Fund	642	-	-	642

<sup>1</sup> Adjusted amount considering contractual terms regarding dividends.

**16. Resource Development**

The Group organized a consortium that includes Korea National Oil Corporation to invest in exploration of resource projects, and the details as at December 31, 2024 and 2023, are as follows:

(in millions of Korean won)

Project name	Accounts	2024	2023	Production commencement
Vietnam 11-2 sector	Overseas mining development costs <sup>1</sup>	₩ -	₩ -	Settlement for disposal
Yemen LNG (HYLNG) <sup>2</sup>	Investments in joint ventures (HYUNDAI YEMEN LNG COMPANY LIMITED)	59,076	97,547	2009
	Investments in resource development projects <sup>3</sup>	17,357	19,686	
	Long-term loan receivables <sup>4</sup>	16,729	18,322	

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	Accrued income <sup>5</sup>	7,688	7,852	
Oman LNG <sup>6</sup>	Investments in associates (KOREA LNG LIMITED)	19,815	59,421	2000
Qatar LNG	Financial assets at fair value through other comprehensive income (KOREA Ras Laffan LNG Ltd.)	28,752	35,655	1999
	Investments in resource development projects	17,357	19,686	
	Long-term loan receivables	16,729	18,322	
	Accrued income	7,688	7,852	
	Investments in joint ventures and associates	78,891	156,968	
	Financial assets at fair value through other comprehensive income	28,752	35,655	

<sup>1</sup> In 2018, the Group recognized an impairment loss for the entire amount of overseas mining development costs of the mining project considering its low profitability. The Group has recognized a provision for the onerous contract related to the overseas mining development costs. Disposal was completed in October 2024 and the settlement for disposal is in progress as at December 31, 2024.

<sup>2</sup> The production of the project commenced on October 15, 2009 with two (2) long-term sales contracts with Suez LNG Trading S.A. and Total Gas & Power Ltd. However, the production suspended due to Yemeni Civil War that broke out in April 2015 and the production is estimated to resume after 2028 as at December 31, 2024. HYUNDAI YEMEN LNG COMPANY LIMITED, a joint venture, estimated the fair value of Yemen LNG's share by applying the discounted cash flow model. In this valuation, assumptions such as future cash flows and discount rates for the estimation period are used. The Group recognized share of other comprehensive income (loss) of associates and joint ventures of ₩ (-)38,096 million in relation to the fair value of Yemen LNG's share for the year ended December 31, 2024 (Note 15).

<sup>3</sup> ₩ 8,305 million of allowance for credit losses was recognized for the year ended December 31, 2024.

<sup>4</sup> ₩ 6,469 million of allowance for credit losses was recognized for the year ended December 31, 2024.

<sup>5</sup> ₩ 3,150 million of allowance for credit losses was recognized for the year ended December 31, 2024.

<sup>6</sup> KOREA LNG LIMITED, an associate, estimated the fair value of Oman LNG's shares by applying the discounted cash flow model. In this valuation, assumptions such as future cash flows and discount rates for the estimation period are used. The Group recognized share of other comprehensive income (loss) of associates and joint ventures of ₩ (-)39,501 million in relation to the fair value of Oman LNG's shares for the year ended December 31, 2024 (Note 15).

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The pre-tax comprehensive income (loss) from investments in resources development project for the years ended December 31, 2024 and 2023, are as follows:

*(in millions of Korean won)*

<b>Project name</b>	<b>Description</b>	<b>2024</b>		<b>2023</b>	
Vietnam 11-2 sector	Sales	₩	2,391	₩	3,835
	Cost of sales		(2,479)		(3,190)
Yemen LNG (HYUNDAI YEMEN LNG COMPANY LIMITED)	Losses of associates and joint ventures accounted for using equity method		(375)		(597)
	Share of other comprehensive income (loss) of associates and joint ventures		(38,096)		66,224
	Profits of associates and joint ventures accounted for using equity method		17,724		21,042
Oman LNG (KOREA LNG LIMITED)	Share of other comprehensive income (loss) of associates and joint ventures		(39,501)		29,636
	Other comprehensive income (loss)		(6,902)		(5,015)
Qatar LNG (KOREA Ras Laffan LNG Ltd.)	Dividend income		13,742		11,202
		₩	<u>(53,496)</u>	₩	<u>123,137</u>

The equity interests in investments in resource development projects as at December 31, 2024, are as follows:

*(in percentage, %)*

<b>Project name</b>	<b>Consortium interest in investments<sup>1</sup></b>	<b>Equity interests of the Group in consortium<sup>2</sup></b>
Vietnam 11-2 sector <sup>3</sup>	-	-
Yemen LNG (HYUNDAI YEMEN LNG COMPANY LIMITED)	5.9	51.0
Oman LNG (KOREA LNG LIMITED)	5.0	20.0
Qatar LNG (KOREA Ras Laffan LNG Ltd.)	5.0	8.0

<sup>1</sup> Represents the interests of the consortium in which the Group is involved.

<sup>2</sup> Represents the Group's interests within the consortium.

<sup>3</sup> Disposal was completed in October 2024 and the settlement for disposal is in progress as at December 31, 2024.

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**17. Property, Plant and Equipment**

Changes in the book amount of property, plant and equipment for the years ended December 31, 2024 and 2023, are as follows:

(in millions of Korean won)

	<b>2024</b>				
	<b>Land</b>	<b>Buildings</b>	<b>Construction- in-progress</b>	<b>Others</b>	<b>Total</b>
Opening net book amount					
Cost	₩ 1,069	₩ 18,384	₩ -	₩ 32,080	₩ 51,533
Accumulated depreciation	-	(3,344)	-	(14,722)	(18,066)
Accumulated impairment losses	-	(1,839)	-	-	(1,839)
Net book amount	<u>1,069</u>	<u>13,201</u>	<u>-</u>	<u>17,358</u>	<u>31,628</u>
Changes during the year					
Additions/capital expenditures	-	-	-	1,465	1,465
Sales	-	-	-	(165)	(165)
Depreciation	-	(498)	-	(1,951)	(2,449)
Transfer <sup>1</sup>	-	6,111	-	-	6,111
Valuation <sup>2</sup>	-	2,017	-	-	2,017
Exchange differences, etc.	28	2,420	-	828	3,276
Closing net book amount	<u>₩ 1,097</u>	<u>₩ 23,251</u>	<u>₩ -</u>	<u>₩ 17,535</u>	<u>₩ 41,883</u>
Closing net book amount					
Cost	₩ 1,097	₩ 28,964	₩ -	₩ 34,020	₩ 64,081
Accumulated depreciation	-	(3,874)	-	(16,485)	(20,359)
Accumulated impairment losses	-	(1,839)	-	-	(1,839)
Net book amount	<u>₩ 1,097</u>	<u>₩ 23,251</u>	<u>₩ -</u>	<u>₩ 17,535</u>	<u>₩ 41,883</u>

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	2023				
	Land	Buildings	Construction- in-progress	Others	Total
Opening net book amount					
Cost	₩ 1,117	₩ 17,404	₩ 4,394	₩ 28,249	₩ 51,164
Accumulated depreciation	-	(2,983)	-	(13,320)	(16,303)
Accumulated impairment losses	-	(1,839)	-	-	(1,839)
Net book amount	1,117	12,582	4,394	14,929	33,022
Changes during the year					
Additions/capital expenditures	-	127	131	605	863
Sales	-	-	-	(111)	(111)
Depreciation	-	(361)	-	(1,820)	(2,181)
Transfer <sup>1</sup>	-	659	(4,668)	4,009	-
Valuation <sup>2</sup>	-	-	-	-	-
Exchange differences, etc.	(48)	194	143	(254)	35
Closing net book amount	₩ 1,069	₩ 13,201	₩ -	₩ 17,358	₩ 31,628
Closing net book amount					
Cost	₩ 1,069	₩ 18,384	₩ -	₩ 32,080	₩ 51,533
Accumulated depreciation	-	(3,344)	-	(14,722)	(18,066)
Accumulated impairment losses	-	(1,839)	-	-	(1,839)
Net book amount	₩ 1,069	₩ 13,201	₩ -	₩ 17,358	₩ 31,628

<sup>1</sup> During the year ended December 31, 2024, investment properties of ₩ 17,833 million were transferred to buildings and buildings of ₩ 11,722 million were transferred to investment properties.

<sup>2</sup> The fair value measurement of buildings which were transferred to investment properties during the year ended December 31, 2024. The amount is recognized in other comprehensive income.

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**18. Leases**

**18.1 Right-of-use Assets**

Changes in the carrying amount of right-of-use assets for the years ended December 31, 2024 and 2023, are as follows:

*(in millions of Korean won)*

	<b>2024</b>			
	<b>Properties</b>	<b>Vehicles</b>	<b>Others</b>	<b>Total</b>
Opening net book amount				
Cost	₩ 25,891	₩ 1,702	₩ 403	₩ 27,996
Accumulated depreciation	(17,495)	(1,088)	(299)	(18,882)
Net book amount	<u>8,396</u>	<u>614</u>	<u>104</u>	<u>9,114</u>
Changes during the year				
Additions	8,692	310	308	9,310
Depreciation	(4,590)	(314)	(81)	(4,985)
Exchange differences, etc.	248	31	-	279
Closing net book amount	<u>12,746</u>	<u>641</u>	<u>331</u>	<u>13,718</u>
Closing net book amount				
Cost	31,081	1,558	713	33,352
Accumulated depreciation	(18,335)	(917)	(382)	(19,634)
Net book amount	<u>₩ 12,746</u>	<u>₩ 641</u>	<u>₩ 331</u>	<u>₩ 13,718</u>

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	<b>2023</b>			
	<b>Properties</b>	<b>Vehicles</b>	<b>Others</b>	<b>Total</b>
Opening net book amount				
Cost	₩ 20,125	₩ 1,126	₩ 311	₩ 21,562
Accumulated depreciation	(13,475)	(803)	(239)	(14,517)
Net book amount	<u>6,650</u>	<u>323</u>	<u>72</u>	<u>7,045</u>
Changes during the year				
Additions	5,916	575	92	6,583
Depreciation	(4,220)	(283)	(60)	(4,563)
Exchange differences, etc.	50	(1)	-	49
Closing net book amount	<u>8,396</u>	<u>614</u>	<u>104</u>	<u>9,114</u>
Closing net book amount				
Cost	25,891	1,702	403	27,996
Accumulated depreciation	(17,495)	(1,088)	(299)	(18,882)
Net book amount	<u>₩ 8,396</u>	<u>₩ 614</u>	<u>₩ 104</u>	<u>₩ 9,114</u>

**18.2 Lease Liabilities**

Changes in the carrying amount of lease liabilities for the years ended December 31, 2024 and 2023, are as follows:

(in millions of Korean won)

	<b>2024</b>			<b>2023</b>		
	<b>Current lease liabilities</b>	<b>Non-current lease liabilities</b>	<b>Total</b>	<b>Current lease liabilities</b>	<b>Non-current lease liabilities</b>	<b>Total</b>
Beginning balance	₩ 5,892	₩ 4,234	₩ 10,126	₩ 3,344	₩ 4,781	₩ 8,125
Additions	40	10,083	10,123	346	6,641	6,987
Interest expenses	77	1,006	1,083	31	287	318
Lease payments	(4,451)	(1,801)	(6,252)	(3,830)	(1,647)	(5,477)
Others <sup>1</sup>	3,433	(2,883)	550	6,001	(5,828)	173
Ending balance	<u>₩ 4,991</u>	<u>₩ 10,639</u>	<u>₩ 15,630</u>	<u>₩ 5,892</u>	<u>₩ 4,234</u>	<u>₩ 10,126</u>

<sup>1</sup> It includes the amount of transfer to current portions and the effect of exchange differences.

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**18.3 Amounts Recognized in Consolidated Statements of Comprehensive Income Related to Leases**

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Depreciation of right-of-use assets	₩	(4,985)	₩	(4,563)
Interest expense on lease liabilities (finance cost)		(1,083)		(318)
Expense relating to short-term leases (selling and administrative expenses)		(199)		(186)
Expense relating to leases of low-value assets (selling and administrative expenses)		(43)		(43)
Interest income relating to finance lease receivables (finance income)		111		15
	₩	<u>(6,199)</u>	₩	<u>(5,095)</u>

**18.4 Group as a Lessor**

The Group has entered into a sub-lease contract on offices with Hyundai Corporation Holdings Co., Ltd. etc. Future undiscounted rentals relating the sub-lease contract as at December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	<b>2025</b>		<b>2026</b>		<b>2027</b>		<b>2028</b>		<b>After 2029</b>	
Annual rentals	₩	435	₩	448	₩	461	₩	475	₩	120

The total cash outflow for leases in 2024 was ₩ 6,074 million (2023: ₩ 5,055 million).

**19. Investment Properties**

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

<i>(in millions of Korean won)</i>	<b>2024</b>			<b>2023</b>		
	<b>Land</b>	<b>Buildings</b>	<b>Total<sup>1</sup></b>	<b>Land</b>	<b>Buildings</b>	<b>Total<sup>1</sup></b>
Beginning balance	₩ 263,550	₩ 103,489	₩ 367,039	₩ 256,780	₩ 90,220	₩ 347,000
Acquisitions	-	-	-	-	17,250	17,250
Disposal	(263,550)	(86,450)	(350,000)	-	-	-
Valuation	-	-	-	6,770	(3,770)	3,000
Changes due to exchange differences	-	1,840	1,840	-	(211)	(211)
Transfer <sup>2</sup>	-	(6,111)	(6,111)	-	-	-
Ending balance	<u>₩ -</u>	<u>₩ 12,768</u>	<u>₩ 12,768</u>	<u>₩ 263,550</u>	<u>₩ 103,489</u>	<u>₩ 367,039</u>

<sup>1</sup> Investment properties of the Group are pledged as collateral for real estate mortgage loan from DBS Bank (Note 22).

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<sup>2</sup> During the year ended December 31, 2024, investment properties of ₩ 17,833 million were transferred to buildings and buildings of ₩ 11,722 million were transferred to investment properties.

Details of income and expenses associated with investment properties for the years ended December 31, 2024 and 2023, are as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Other income				
Rental income derived from investment properties	₩	10,718	₩	11,870
Gain on valuation on investment properties <sup>1</sup>		-		2,687
Gain on disposal of investment properties <sup>2</sup>		78,123		-
Others		284		5,806
		<u>89,125</u>		<u>20,363</u>
Other expenses				
Operating expenses		3,471		1,791
Fees		5,453		2,256
Others <sup>3</sup>		46,403		8,675
		<u>55,327</u>		<u>12,722</u>
Interest expenses		<u>3,076</u>		<u>5,310</u>
Profit arising from investment properties carried at fair value	₩	<u>30,722</u>	₩	<u>2,331</u>

<sup>1</sup> It excludes the amount to be allocated to the investors of Type 1 beneficiary securities on the fluctuation of the fair value of the investment properties based on the agreement between the investors.

<sup>2</sup> The Group recognizes gain on disposal of investment properties held by Hangang Domestic General Private Equity in Real Estate Investment Trust No.13 during the year ended December 31, 2024.

<sup>3</sup> It includes the distributions on the agreement between the investors regarding non-controlling interests liabilities (Type 1 beneficiary securities) and performance fee to a general partner.

Description of valuation techniques used and key inputs to valuation of investment properties as at December 31, 2024, is follow:

<i>(in millions of Korean won)</i>					<b>Range of inputs (weighted average)</b>
Fair value	Level	Valuation techniques	Inputs		
₩ 12,768	3	Comparable method	Costs of cases		Similar cases considering the factors of location and region

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**20. Intangible Assets**

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

<i>(in millions of Korean won)</i>	2024			2023		
	Mining rights	Others <sup>1</sup>	Total	Mining rights	Others <sup>1</sup>	Total
Beginning balance	₩ -	₩ 9,961	₩ 9,961	₩ -	₩ 9,750	₩ 9,750
Acquisitions/ capital expenditures	-	17	17	-	825	825
Amortization	-	(595)	(595)	-	(585)	(585)
Exchange differences	-	112	112	-	(29)	(29)
Ending balance	₩ -	₩ 9,495	₩ 9,495	₩ -	₩ 9,961	₩ 9,961
Acquisition cost	₩ 44,372	₩ 16,939	₩ 61,311	₩ 44,372	₩ 16,361	₩ 60,733
Accumulated amortization <sup>2</sup>	(44,372)	(7,444)	(51,816)	(44,372)	(6,400)	(50,772)

<sup>1</sup> It includes membership rights and others.

<sup>2</sup> It includes accumulated impairment losses.

**21. Other Financial Liabilities**

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

<i>(in millions of Korean won)</i>	2024	2023
Other current liabilities		
Withholdings	₩ 1,701	₩ 911
Guarantee deposits	711	486
Accrued expenses	7,436	7,809
Other current financial liabilities	29	99
	<u>9,877</u>	<u>9,305</u>
Other non-current liabilities		
Leasehold deposits received	438	4,016
	<u>₩ 10,315</u>	<u>₩ 13,321</u>

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**22. Borrowings**

Details of carrying amount of borrowings as at December 31, 2024 and 2023, are as follows:

(in millions of Korean won)

Category	Purpose	Creditor	Maturity	Interest rate (%)	2024	2023
Foreign currency short-term borrowings	D/A NEGO and others <sup>1</sup>	Woori Bank and others	-	-	₩ 142,785	₩ 298,798
	USANCE and others	The Korea Development Bank and others	-	4.92~5.86	178,200	27,033
	General borrowings	UOB	-	-	-	44,975
					<u>320,985</u>	<u>370,806</u>
Foreign currency long-term borrowings	General borrowings	China Construction Bank <sup>3</sup>	Feb. 2, 2026	3M Term SOFR + 0.6	43,126	37,579
		AOZORA Bank	Mar. 30, 2029	1.00	4,637	5,090
	Real estate mortgage loan <sup>2</sup>	DBS Bank	Dec. 31, 2035	SORA + 1.2~3.0	5,652	5,459
Korean won long-term borrowings	Real estate mortgage loan	Samsung Life Insurance co., Ltd and others	-	-	-	184,000
	General borrowings	Bank of China	Jan. 23, 2026	3M CD + 1.52	20,000	-
	Non-controlling interests liabilities	The Korea Securities Finance Corporation and others	-	-	-	122,500
					<u>73,415</u>	<u>354,628</u>
Less: current portion					<u>(987)</u>	<u>(307,425)</u>
					<u>72,428</u>	<u>47,203</u>
					<u>₩ 394,400</u>	<u>₩ 725,434</u>

<sup>1</sup> Trade receivables are pledged as collateral (Note 8).

<sup>2</sup> In relation to the borrowings, the Group's investment property and right of the insurance claim for the investment property are provided as collateral (Note 19).

<sup>3</sup> In relation to the foreign currency borrowings, the Group entered into the CRS contract to hedge the variable interest rate and exchange fluctuation risk.

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

(in millions of Korean won)

Category	Managing company	Issue date	Maturity	Interest rate (%)	2024	2023
41st non-guarantee public bonds	Korea Securities Depository	-	-	-	₩ -	₩ 50,000
42-1st non-guarantee public bonds	Korea Securities Depository	Mar. 5, 2024	Mar. 5, 2026	4.32	40,000	-
42-2nd non-guarantee public bonds	Korea Securities Depository	Mar. 5, 2024	Mar. 5, 2027	4.61	60,000	-
					100,000	50,000
Less: discount on debentures					(289)	(22)
Less: current portion					-	(49,978)
					₩ 99,711	₩ -

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

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

(in millions of Korean won)

	2024	2023
Present value of funded defined benefit obligations	₩ 34,494	₩ 30,249
Fair value of plan assets <sup>1</sup>	(34,340)	(31,410)
Net defined benefit liabilities (assets)	₩ 154	₩ (1,161)

<sup>1</sup> The contributions to the National Pension Fund of ₩ 16 million are included in the fair value of plan assets as at December 31, 2024 (2023: ₩ 17 million).

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

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Beginning balance	₩	30,249	₩	25,862
Current service cost		3,216		3,046
Interest cost		617		565
Remeasurements:		2,651		2,691
Actuarial loss (gain) arising from change in demographic assumptions		40		(30)
Actuarial loss arising from change in financial assumptions		553		876
Actuarial loss arising from experience adjustments		2,058		1,845
Transfer from (to) related companies		588		(50)
Benefit payments		(2,875)		(1,865)
Exchange differences		48		-
Ending balance	₩	<u>34,494</u>	₩	<u>30,249</u>

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

<i>(in millions 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>Over 10 years</b>	<b>Total</b>
Pension benefits	₩ 1,593	₩ 20,989	₩ 5,526	₩ 10,252	₩ 26,530	₩ 64,890

The weighted average duration of the defined benefit obligation is 7.43 years.

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

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Beginning balance	₩	31,410	₩	28,119
Interest income		1,375		1,452
Remeasurements		(344)		(171)
Contributions by employer		4,165		3,649
Benefit payments		(2,266)		(1,639)
Ending balance	₩	<u>34,340</u>	₩	<u>31,410</u>

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

<i>(in percentage, %)</i>	<b>2024</b>	<b>2023</b>
Discount rate	3.91~4.03	4.37~4.57
Future salary growth rate	4.00~4.50	4.00~4.50

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

	<b>Changes in principal assumption</b>	<b>Impact on defined benefit obligation</b>
Discount rate	1% increase	3.00% decrease
	1% decrease	3.39% increase
Future salary growth rate	1% increase	3.43% increase
	1% decrease	3.08% decrease

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. 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 consolidated statement of financial position.

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

Plan assets as at December 31, 2024 and 2023, consist of:

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
	<b>Amount</b>	<b>Composition (%)</b>	<b>Amount</b>	<b>Composition (%)</b>
National Pension Fund	₩ 16	0.1	₩ 17	0.1
Financial instruments and others	34,324	99.9	31,393	99.9
	<u>₩ 34,340</u>	<u>100</u>	<u>₩ 31,410</u>	<u>100</u>

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**24. Provisions**

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

<i>(in millions of Korean won)</i>	2024				
	Restoration <sup>1</sup>	Onerous contract <sup>2</sup>	Legal claim <sup>3</sup>	Financial guarantee <sup>4</sup>	Total
Beginning balance	₩ 583	₩ 2,220	₩ 1,871	₩ 1	₩ 4,675
Additional provisions	-	-	915	-	915
Interest expense	5	67	-	-	72
Reversal	(174)	(270)	-	(1)	(445)
Utilized	(149)	(2,105)	(1,461)	-	(3,715)
Others	27	88	(810)	-	(695)
Ending balance	292	-	515	-	807
Less: current portion	-	-	-	-	-
Non-current	₩ 292	₩ -	₩ 515	₩ -	₩ 807

<i>(in millions of Korean won)</i>	2023				
	Restoration <sup>1</sup>	Onerous contract <sup>2</sup>	Legal claim <sup>3</sup>	Financial guarantee <sup>4</sup>	Total
Beginning balance	₩ 895	₩ 4,097	₩ 1,864	₩ 201	₩ 7,057
Additional provisions	-	24	-	-	24
Interest expense	13	164	-	-	177
Reversal	(10)	(90)	-	(200)	(300)
Utilized	(337)	(2,063)	-	-	(2,400)
Others	22	88	7	-	117
Ending balance	583	2,220	1,871	1	4,675
Less: current portion	(158)	(2,219)	-	(1)	(2,378)
Non-current	₩ 425	₩ 1	₩ 1,871	₩ -	₩ 2,297

<sup>1</sup> It is the present value of the estimated recovery cost until the completion of the 11-2 mine production in Vietnam, which was disposed completely in October 2024 and the settlement for disposal is in progress as at December 31, 2024.

<sup>2</sup> It is present value of the expected amount of compensation for losses incurred when the minimum guaranteed quantity is not met in relation to the transportation contract for liquefied natural gas produced in the 11-2 mine in Vietnam. Disposal was completed in October 2024 and the liquidation is in progress as at December 31, 2024.

<sup>3</sup> It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation relating to legal claim.

<sup>4</sup> It is provisions related to payment guarantee contract for overseas associates with maturity in November 2025.

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**25. Tax Expense and Deferred Tax**

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

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Current tax on profit for the year	₩	43,219	₩	24,489
Adjustments in respect of prior years		(4,948)		434
Origination and reversal of temporary differences		(4,092)		6,853
Refund from claim for reassessment and others		(2,676)		(5,751)
Others		(24)		(2)
Income tax expense	₩	<u>31,479</u>	₩	<u>26,023</u>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Profit before income tax expense	₩	152,454	₩	109,411
Tax at domestic tax rates applicable to profits in the respective countries		43,552		31,896
Tax effects of:				
Non-deductible expenses and non-taxable income for tax purposes		(3,102)		721
Adjustments in respect of current income tax of prior years		(4,948)		434
Refund from claim for reassessment and others		(2,676)		(5,751)
Others		(1,347)		(1,277)
Income tax expense	₩	<u>31,479</u>	₩	<u>26,023</u>
Effective tax rate		20.65%		23.80%

The aggregate current and deferred tax relating to items that are charged or credited directly to equity for the years ended December 31, 2024 and 2023, is as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Gains on valuation of financial assets at fair value through other comprehensive income	₩	1,877	₩	1,344
Share of other comprehensive income (loss) of associates and joint ventures		21,452		(22,044)
Exchange differences on translation of foreign operations		(2,268)		(357)
Remeasurements		723		645
Gain (loss) on valuation of derivative instruments with cash flow hedges		(136)		405
	₩	<u>21,648</u>	₩	<u>(20,007)</u>

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The analysis of deferred tax assets and liabilities as of December 31, 2024 and 2023, is as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Deferred tax assets				
Deferred tax asset to be recovered after more than 12 months	₩	19,893	₩	14,649
Deferred tax asset to be recovered within 12 months		2,644		3,426
Deferred tax liabilities				
Deferred tax liability to be recovered after more than 12 months		(42,245)		(63,453)
Deferred tax liability to be recovered within 12 months		(86)		(156)
Deferred tax assets (liabilities), net	₩	<u>(19,794)</u>	₩	<u>(45,534)</u>

The movements in deferred tax assets and liabilities for the years ended December 31, 2024 and 2023, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>			
	<b>Beginning balance</b>	<b>Profit or loss</b>	<b>Other comprehensive income (loss)</b>	<b>Ending balance</b>
Financial assets at fair value	₩ (7,356)	₩ 18	₩ 1,877	₩ (5,461)
Investments in subsidiaries, joint ventures and associates	(46,337)	2,193	19,421	(24,723)
Intangible assets	368	(368)	-	-
Allowance for doubtful	4,908	4,140	-	9,048
Gain (loss) on foreign currency translation	(305)	1	-	(304)
Provisions	1,546	(1,125)	-	421
Net defined benefit liability	(246)	(40)	723	437
Other	1,888	(727)	(373)	788
	₩ (45,534)	₩ 4,092	₩ 21,648	₩ (19,794)

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(in millions of Korean won)

	<b>2023</b>			
	<b>Beginning balance</b>	<b>Profit or loss</b>	<b>Other comprehensive income (loss)</b>	<b>Ending balance</b>
Financial assets at fair value	₩ (8,349)	₩ (351)	₩ 1,344	₩ (7,356)
Investments in subsidiaries, joint ventures and associates	(24,817)	524	(22,044)	(46,337)
Intangible assets	416	(48)	-	368
Allowance for doubtful	10,695	(5,787)	-	4,908
Gain (loss) on foreign currency translation	(305)	-	-	(305)
Provisions	3,302	(1,756)	-	1,546
Net defined benefit liability	(493)	(398)	645	(246)
Other	877	963	48	1,888
	<u>₩ (18,674)</u>	<u>₩ (6,853)</u>	<u>₩ (20,007)</u>	<u>₩ (45,534)</u>

Realization of the future tax benefits related to deferred tax assets is dependent on many factors, including the Group's ability to generate taxable income within the period during which the temporary differences reverse, the outlook of the Korean economic environment, and the overall future industry outlook. Management periodically considers these factors in reaching its conclusion. The Group has not recognized deferred tax assets of ₩ 66,103 million (2023: ₩ 65,855 million) related to subsidiaries and associates whose realizability is uncertain and such amount can be changed if estimation of the future tax benefits changes.

Under the global minimum tax legislation, the Group is liable to pay a top-up tax for the difference between their GloBE effective tax rate per jurisdiction and the 15% minimum rate. However, most jurisdictions have passed the transitional exemption provisions or have an effective tax rate of 15% or higher, so it is judged that a significant level of additional tax will not arise. Accordingly, the Group has not recognized any amount as current income tax expense related to the global minimum tax. The Group applied the exception to recognizing and disclosing information about deferred tax and assets and liabilities related to the global minimum tax.

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**26. Accumulated Other Comprehensive Income and Other Components of Equity**

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

<i>(in millions of Korean won)</i>	<b>2024</b>	<b>2023</b>
Treasury shares	₩ (21,062)	₩ (21,062)
Other capital adjustments	(19,027)	(19,027)
Loss from spin-off	(242,051)	(242,051)
	<u>₩ (282,140)</u>	<u>₩ (282,140)</u>

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

<i>(in millions of Korean won)</i>	<b>2024</b>	<b>2023</b>
Gain on valuations of financial assets at fair value	₩ 21,440	₩ 27,612
Revaluation reserves	2,017	-
Share of other comprehensive income of joint ventures and associates	64,835	120,412
Losses on valuation of derivative instruments	(297)	(749)
Exchange differences on translation of foreign operations	18,597	(3,703)
	<u>₩ 106,592</u>	<u>₩ 143,572</u>

The Parent Company has 1,218,000 shares and 1,218,000 shares of common shares as treasury shares as at December 31, 2024 and 2023, respectively.

**27. Retained Earnings**

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

<i>(in millions of Korean won)</i>	<b>2024</b>	<b>2023</b>
Legal reserves <sup>1</sup>	₩ 11,822	₩ 11,102
Unappropriated retained earnings	749,558	638,689
	<u>₩ 761,380</u>	<u>₩ 649,791</u>

<sup>1</sup> The Commercial Code of the Republic of Korea requires the Parent Company to appropriate for each financial period, 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 cash dividends payment, but may be transferred to share capital or used to reduce accumulated deficit. When the accumulated legal reserves (the sum of capital reserves and earned profit reserves) are greater than 1.5 times the paid-in capital amount, the excess legal reserves may be distributed (in

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accordance with a resolution of the shareholders' meeting).

The dividends paid in 2024 and 2023 were ₩ 7,207 million (₩ 600 per share) and ₩ 7,207 million (₩ 600 per share), respectively. A dividend for the year ended December 31, 2024, of ₩ 700 per share, amounting to total dividends of ₩ 8,408 million, is to be proposed at the annual general meeting on March 25, 2025.

**28. Revenue and Cost of Sales from Contracts with Customers**

Set out below is the disaggregation of the Group's revenue from contracts with customers for the years ended December 31, 2024 and 2023:

<i>(in millions of Korean won)</i>	<b>2024</b>	<b>2023</b>
Type of goods or service:		
Merchandise sales	₩ 6,613,386	₩ 6,252,392
Product sales	47,405	56,033
Commissions	83,932	26,558
Resource development	2,391	3,835
Transportation sales	248,549	241,630
	<u>₩ 6,995,663</u>	<u>₩ 6,580,448</u>
Geographical markets:		
Republic of Korea	₩ 877,612	₩ 675,119
United States	1,895,033	1,581,214
Asia	3,085,972	3,110,941
Europe	766,423	726,790
Others	370,623	486,384
	<u>₩ 6,995,663</u>	<u>₩ 6,580,448</u>
Timing of revenue recognition:		
Goods and services transferred at a point in time	₩ 6,747,114	₩ 6,338,818
Goods and services transferred over time	248,549	241,630
	<u>₩ 6,995,663</u>	<u>₩ 6,580,448</u>

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Details of cost of sales for the years ended December 31, 2024 and 2023, are as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>	<b>2023</b>
Cost of merchandise sales	₩ 6,376,665	₩ 6,072,715
Cost of product sales	44,559	56,018
Cost of commissions	82,575	19,954
Cost of resource development	2,479	3,190
Cost of transportation	240,922	228,976
	<u>₩ 6,747,200</u>	<u>₩ 6,380,853</u>

There are no external customers, who contribute more than 10% of the Group's revenue for the year ended December 31, 2024. Details of external customers, who contribute more than 10% of the Group's revenue for the year ended December 31, 2023, are as follows:

<i>(in millions of Korean won)</i>		<b>Revenue</b>
<b>Customer</b>		<u><b>2023</b></u>
Auto parts	SARYARKAAVTOPROM LTD	₩ 670,061

**29. Breakdown of Expenses by Nature**

Expenses by nature included in the cost of sales, selling and administrative expenses, and other expenses in the consolidated income statement for the years ended December 31, 2024 and 2023, are as follows:

<i>(in millions of Korean won)</i>	<b>2024</b>	<b>2023</b>
Changes in inventories	₩ 6,274,809	₩ 5,953,076
Wages and salaries	59,752	52,831
Employee benefits	7,375	6,082
Depreciation	7,434	6,745
Amortization	595	585
Distribution expenses	379,605	334,597
Service fees	57,040	60,984
Others	75,524	66,217
Total cost of sales and selling and administrative expenses	<u>₩ 6,862,134</u>	<u>₩ 6,481,117</u>

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**30. Selling and Administrative Expenses**

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

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Wages and salaries	₩	56,069	₩	50,418
Post-employment benefits		2,378		2,070
Employee benefits		7,308		6,035
Travel expenses		6,104		5,415
Taxes and dues		1,828		1,644
Entertainment expenses		3,618		3,274
Overseas branch expenses <sup>1</sup>		6,755		6,557
Rental expenses		1,105		827
Service fees		12,637		9,802
Computer system expenses		1,668		1,484
Depreciation		5,803		5,183
Amortization		532		519
Bad debt expenses		1,057		(407)
Others		8,072		7,443
	₩	114,934	₩	100,264

<sup>1</sup> Among overseas branch expenses, the amount of ₩ 80 million presents post-employment benefits for the year ended December 31, 2024 (2023: ₩ 91 million).

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**31. Other Income and Expenses**

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

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Gains on foreign currency transaction	₩	93,375	₩	92,445
Gains on foreign currency translation		33,136		4,772
Dividend income		13,773		11,289
Gains on transaction of derivatives		29,412		30,422
Gains on valuation of derivatives		10,958		2,219
Gains on disposal of property, plant and equipment		22		123
Gain on disposal of investment properties		78,123		-
Gain on disposal of investments in subsidiaries		15		-
Reversal of provision		444		300
Reversal of other bad debt expense		4,454		671
Gains on disposal of financial assets at fair value through profit or loss		320		358
Gain on valuation of financial assets at fair value through profit or loss		-		93
Gain on valuation of investment properties		-		2,687
Others		17,888		24,199
	₩	281,920	₩	169,578

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

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Losses on foreign currency transaction	₩	95,991	₩	95,249
Losses on foreign currency translation		17,498		4,632
Contributions		55		102
Losses on disposal of property, plant and equipment		160		4
Losses on disposal of financial assets at fair value through profit or loss		23		1
Loss on valuation of financial assets at fair value through profit or loss		100		-
Losses on transaction of derivatives		45,185		32,021
Losses on valuation of derivatives		8,676		2,769
Losses on disposal of trade receivables		14,895		20,660
Addition to provision		915		24
Other bad debt expense		20,550		4
Others <sup>1</sup>		57,287		14,844
	₩	261,335	₩	170,310

# Hyundai Corporation and Subsidiaries

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<sup>1</sup> It includes the distributions on the agreement between the investors regarding non-controlling interests liabilities (Type 1 beneficiary securities) and performance fee to a general partner.

### 32. Finance Income and Costs

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

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Gains on foreign currency transaction	₩	37,559	₩	63,510
Gains on foreign currency translation		2,096		2,400
Interest income		10,494		11,513
	₩	<u>50,149</u>	₩	<u>77,423</u>

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

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Losses on foreign currency transaction	₩	21,259	₩	59,772
Losses on foreign currency translation		6,308		1,458
Interest expense		30,233		24,038
	₩	<u>57,800</u>	₩	<u>85,268</u>

### 33. Earnings per Share

The following table reflects the income and share data used in the basic earnings per share computations for the years ended December 31, 2024 and 2023:

<i>(in Korean won)</i>	<b>2024</b>		<b>2023</b>	
Profit attributable to the ordinary equity holders of the Parent Company	₩	121,067,859,024	₩	83,687,114,756
Weighted average shares <i>(in shares)</i>		12,010,966		12,010,966
Basic earnings per share	₩	<u>10,080</u>	₩	<u>6,968</u>

The Group did not issue any potential ordinary shares. Therefore, basic earnings per share is identical to diluted earnings per share.

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Weighted average number of ordinary shares outstanding for the years ended December 31, 2024 and 2023, is computed as follows:

<i>(in shares)</i>	<b>2024</b>	<b>2023</b>
Ordinary shares outstanding accumulated	4,384,002,590	4,384,002,590
Days	365	365
Weighted average number of ordinary shares	<u>12,010,966</u>	<u>12,010,966</u>

**34. Cash Generated from (Used in) Operations**

*(a) Cash flows generated from (used in) operations*

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Profit	₩	120,975	₩	83,387
Adjustments for:				
Interest income		(10,494)		(11,514)
Interest expense		30,233		24,038
Income tax expense		31,479		26,023
Dividend income		(13,773)		(11,289)
Depreciation		7,434		6,744
Amortization		595		585
Post-employment benefits		2,458		2,160
(Reversal of) Bad debt expense		1,057		(407)
Loss (gain) on valuation of derivatives		(2,282)		549
Gain on disposal of financial assets at fair value through profit or loss		(297)		(356)
Loss (gain) on valuation of financial assets at fair value through profit or loss		100		(93)
Gains on foreign currency translation		(11,426)		(1,082)
Loss on foreign currency transaction		159		-
(Reversal of) Other bad debts expense		16,096		(667)
Losses on disposal of trade receivables		14,895		20,660
Share of profit of joint ventures and associates		(5,521)		(18,656)
Loss (gain) on disposal of property, plant and equipment		138		(118)
Gain on disposal of investment properties		(78,123)		-
Inclusion to (reversal of) provisions		471		(276)
Gain on valuation of investment properties		-		(3,000)
Other		43,996		(974)
		<u>27,195</u>		<u>32,327</u>

Change in operating assets and liabilities:

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<i>(in millions of Korean won)</i>	<b>2024</b>	<b>2023</b>
Increase in trade receivables	(179,487)	(249,782)
Decrease (increase) in inventories	(31,836)	75,439
Decrease (increase) in derivative financial assets	(151)	106
Decrease in other current receivables	1,228	140
Decrease (increase) in other current assets	(36,630)	2,296
Decrease in other non-current receivables	4,337	1,003
Increase in other non-current assets	(240)	(599)
Increase in trade payables	124,305	25,602
Increase (decrease) in other payables	21,622	(15,571)
Decrease in derivative financial liabilities	(68)	-
Increase (decrease) in advances from customers	21,216	(16,866)
Increase (decrease) in other current liabilities	292	(910)
Increase in other non-current liabilities	(126)	223
Post-employment benefits paid	(609)	(450)
Transfer to (from) affiliates	588	(50)
Contributions to plan assets	(4,165)	(3,464)
Decrease in provisions	(3,591)	(2,398)
Others	1,138	348
	<u>(82,177)</u>	<u>(184,933)</u>
Cash generated from (used in) operations	₩ 65,993	₩ (69,219)

*(b) Non-cash transactions*

<i>(in millions of Korean won)</i>	<b>2024</b>	<b>2023</b>
Increase in right-of-use assets and lease liabilities	₩ 9,558	₩ 6,755
Valuation on financial assets at fair value through other comprehensive income	(8,025)	(5,695)
Changes in investments in joint ventures and associates from share of other comprehensive income of joint ventures and associates	(77,024)	95,417
Transfer from construction-in-progress	-	(4,668)
Decrease in investments in resource development projects and long-term borrowings	-	6,060
Revaluation of property, plant and equipment	2,017	-
Transfer from property, plant and equipment to investment properties	11,722	-
Transfer from investment properties to property, plant and equipment	17,833	-

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*(c) Changes in liabilities arising from financing activities*

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

<i>(in millions of Korean won)</i>	2024				
	At January 1, 2024	Financing cash flows	Discount on bonds	Exchange differences and others	At December 31, 2024
Borrowings	₩ 725,429	₩ (349,270)	₩ 219	₩ 18,023	₩ 394,401
Debentures	49,978	49,561	172	-	99,711
Lease liabilities	10,240	(5,169)	-	10,558	15,629
Leasehold deposits received	4,016	(3,497)	29	(110)	438
	<u>₩ 789,663</u>	<u>₩ (308,375)</u>	<u>₩ 420</u>	<u>₩ 28,471</u>	<u>₩ 510,179</u>

<i>(in millions of Korean won)</i>	2023				
	At January 1, 2023	Financing cash flows	Discount on bonds	Exchange differences and others	At December 31, 2023
Borrowings	₩ 613,899	₩ 119,105	₩ -	₩ (7,575)	₩ 725,429
Debentures	99,850	(50,000)	128	-	49,978
Lease liabilities	8,125	(5,159)	-	7,274	10,240
Leasehold deposits received	3,948	72	21	(25)	4,016
	<u>₩ 725,822</u>	<u>₩ 64,018</u>	<u>₩ 149</u>	<u>₩ (326)</u>	<u>₩ 789,663</u>

**35. Commitments and Contingencies**

As at December 31, 2024, Group has provided the guarantees of USD 234 thousand to financial institutions for local banking transactions of joint ventures and associates (Note 36).

The Group has provided four (4) blank promissory notes as collaterals for the borrowings in relation to the investment in resources development project as at December 31, 2024.

As at December 31, 2024, the Group is involved in one (1) lawsuit as a defendant with litigation fee of USD 1,036 thousand. Provision of ₩ 515 million which is expected to probably pay in respect to certain lawsuits has been made in these financial statements.

Hyundai Corporation Holdings Co., Ltd., a company with significant influence over the Group, has been involved in a lawsuit as a defendant in the Brazil court related to the product supply contract with legal proceeding of BRL 14,575 thousand. In connection with the lawsuit, the Group provides joint guarantees.

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Commitments for trade financial transactions with Korea Exchange Bank and others as at December 31, 2024, are as follows:

<i>(in thousands of USD and in millions of Korean won)</i>	<b>Currency</b>	<b>Limits <sup>1</sup></b>	<b>Used amount</b>
D/A, D/P <sup>2</sup>	USD	786,673	237,386
USANCE and others <sup>3</sup>	USD	925,657	613,306
Bonds and others <sup>4</sup>	USD	206,203	113,180
Exemption of deposit for derivatives	USD	1,000	-
Real estate mortgage loan	USD	3,845	3,845
Loans with collateralized trade receivables	KRW	7,100	-
Industrial working capital loans	KRW	15,000	-
	USD	1,923,378	967,717
	KRW	22,100	-

<sup>1</sup> It includes comprehensive limits.

<sup>2</sup> It includes USD 163,520 thousand used for disposal of D/A, D/P trade receivables without recourse.

<sup>3</sup> In accordance with a supplier finance arrangement that the Group entered into with financial institutions, the Group recognized borrowings amounting to USD 121,224 thousand for the used amount of Banker's Usance and trade payables amounting to USD 43,178 thousand for the used amount of Shipper's Usance and others.

<sup>4</sup> It includes USD 30,000 thousand of payment guarantee provided by China Construction Bank Seoul Branch for principal and interests of foreign currency long-term borrowings borrowed for the purpose of working capital.

As at December 31, 2024, the Group is provided with payment guarantees from Seoul Guarantee Insurance Company for up to ₩ 464 million related to deposits in courts, licensing, performance guarantees and others.

The bond contract of the unguaranteed public offering debenture issued by the Group includes conditions of i) debt-to-equity ratio less than 550%, ii) a collateral limit within 250% of equity capital (based on consolidated financial statements), and iii) the restriction in disposal of asset, up to 50% from the annual total assets. If the corresponding rules are violated, the payment may be accelerated (Note 22).

In accordance with an arrangement with HYUNDAI YEMEN LNG COMPANY LIMITED, the Group has an obligation to provide loans for up to USD 97,500 thousand if i) an obligation occurs for HYUNDAI YEMEN LNG COMPANY LIMITED related to Yemen LNG project or, ii) upon request by HYUNDAI YEMEN LNG COMPANY LIMITED in accordance with a resolution of the Board of Directors for operating funds.

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**36. Related Party**

Details of associates and other related parties that have sales and other transactions with the Group or have outstanding balances as at December 31, 2024 and 2023, are as follows:

Type	Name of entity
Entities with significant influence over the Company	Hyundai Corporation Holdings Co., Ltd.
Joint venture and associates	KOREA LNG LIMITED HYUNDAI YEMEN LNG COMPANY LIMITED KAPSTEX VINA., JSC ELIAS AUTO INDIA PRIVATE LIMITED HY AUTO SOLUTION LLC Infinite Marine Connect Co., Ltd. PT. SUGIHARA HYUNDAI AUTOMOTIVE <sup>1</sup> HFA DISTRIBUTORS PTY LTD <sup>2</sup> Prologue ventures New Technology Fund No.1 Prologue Agricultural Food scale up Fund K-culture Global scale up Fund Prologue puzzle Corporate Restructuring New Technology Business Fund <sup>3</sup>
Other related parties	Shinhan Alpha Seosomun REIT Co., Ltd. <sup>3</sup> HYUNDAI C SQUARE CO., LTD. SMITHY MUSHROOMS LIMITED HYUNDAI SNS CO.,LTD. HYUNDAI AGRO (CAMBODIA) CO., LTD.

<sup>1</sup> It was disposed during the year ended December 31, 2024.

<sup>2</sup> It is a subsidiary of HYUNDAI FRONTIER AUSTRALIA HOLDINGS PTY LTD which was acquired during the year ended December 31, 2023.

<sup>3</sup> They were newly invested during the year ended December 31, 2024.

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

(in millions of Korean won)

	2024		2023	
	Sales and others <sup>1</sup>	Purchases and others <sup>2</sup>	Sales and others <sup>1</sup>	Purchases and others <sup>2</sup>
Entities with significant influence over the Company				
Hyundai Corporation Holdings Co., Ltd. <sup>3</sup>	₩ 2,275	₩ 6,246	₩ 2,421	₩ 5,159
Joint venture and associates				
HYUNDAI YEMEN LNG COMPANY LIMITED	74	-	-	-
KAPSTEX VINA., JSC	10,033	2,174	11,890	894
ELIAS AUTO INDIA PVT.LTD.	-	-	162	131
Infinite Marine Connect Co., Ltd.	-	2,304	-	1,609
PT. SUGIHARA HYUNDAI AUTOMOTIVE	87	-	504	28
HFA DISTRIBUTORS PTY LTD	1,244	-	1,888	-
Prologue ventures New Technology Fund No.1	100	-	-	-
Prologue Agricultural Food scale up Fund	329	-	-	-
K-culture Global scale up Fund	158	-	-	-
Prologue puzzle Corporate Restructuring New Technology Business Fund	225	-	-	-
Other related parties				
HYUNDAI C SQUARE CO., LTD. <sup>4</sup>	53	972	58	478
SMITHY MUSHROOMS LIMITED	6	-	-	-
HYUNDAI SNS CO.,LTD.	-	85	-	-
HYUNDAI AGRO (CAMBODIA) CO., LTD.	105	-	10	-
	₩ 14,689	₩ 11,781	₩ 16,933	₩ 8,299

<sup>1</sup> It includes merchandise sales, commission income, and other revenues.

<sup>2</sup> It includes purchase of goods and services.

<sup>3</sup> Finance lease receivables and interest income received from the sub lease contract, are ₩ 298 million and ₩ 106 million, respectively, which are excluded from the above transaction.

<sup>4</sup> Finance lease receivables and interest income received from the sub lease contract are ₩ 12 million and ₩ 4 million, respectively, which are excluded from the above transaction.

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Outstanding balances arising from sales/purchases of goods and services as at December 31, 2024 and 2023, are as follows:

(in millions of Korean won)

	2024		2023	
	Receivables and others <sup>1</sup>	Payables and others <sup>2</sup>	Receivables and others <sup>1</sup>	Payables and others <sup>2</sup>
Entities with significant influence over the Company				
Hyundai Corporation Holdings Co., Ltd.	₩ 2,149	₩ 2,237	₩ 1,031	₩ 1,690
Joint venture and associates				
KOREA LNG LIMITED	1,617	-	-	-
HYUNDAI YEMEN LNG COMPANY LIMITED	8,207	-	12,536	-
KAPSTEX VINA., JSC	1,358	2	1,399	61
ELIAS AUTO INDIA PVT.LTD.	55	-	360	-
HY AUTO SOLUTION LLC	1,017	-	1,080	-
Infinite Marine Connect Co., Ltd.	-	193	-	79
PT. SUGIHARA HYUNDAI AUTOMOTIVE	809	-	5	-
HFA DISTRIBUTORS PTY LTD	596	-	303	-
Prologue Agricultural Food scale up Fund	3	-	-	-
K-culture Global scale up Fund	51	-	-	-
Prologue puzzle Corporate Restructuring New Technology Business Fund	61	-	-	-
Other related parties				
HYUNDAI C SQUARE CO., LTD.	519	24	499	2
HYUNDAI AGRO (CAMBODIA) CO., LTD.	78	-	-	-
	<u>₩ 16,520</u>	<u>₩ 2,456</u>	<u>₩ 17,213</u>	<u>₩ 1,832</u>

<sup>1</sup> It includes trade receivables, other current receivables and other non-current assets and others.

<sup>2</sup> It includes trade payables, other payables, advances from customers, other current liabilities and others.

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Fund transactions with related parties for the years ended December 31, 2024 and 2023, are as follows:

(in millions of Korean won)

		<b>2024</b>				
		<b>Loan receivables and others</b>				
		<b>Beginning balance</b>	<b>Increase</b>	<b>Decrease<sup>1</sup></b>	<b>Foreign currency translation</b>	<b>Ending balance</b>
Hyundai Corporation Holdings Co., Ltd.	Dividend	₩ -	₩ -	₩ -	₩ -	-
PT HD INTI. DEVE.	Dividend	-	-	-	-	-
	Loans	27,456	1,141	-	3,735	32,332
HYUNDAI YEMEN LNG COMPANY LIMITED	Investment in resource development	27,555	2,442	(378)	3,912	33,531
KOREA LNG LIMITED	Dividend	-	-	-	-	-
KAPSTEX VINA., JSC	Dividend	-	-	-	-	-
INTERGIS BUSAN NEWPORT CENTER CO., LTD.	Dividend	-	-	-	-	-
HY AUTO SOLUTION LLC	Loans	2,966	346	-	436	3,748
PT.SUGIHARA HYUNDAI AUTOMOTIVE	Loans	258	-	-	36	294
ELIAS AUTO INDIA PVT.LTD.	Loans	106	-	(86)	-	20
K-culture Global scale up Fund	Capital increase	-	-	-	-	-
Prologue Agricultural Food scale up Fund	Capital increase	-	-	-	-	-
Prologue puzzle Corporate Restructuring New Technology Business Fund	New capital injection	-	-	-	-	-
Shinhan Alpha Seosomun REIT Co., Ltd.	New capital injection	-	-	-	-	-
		₩ 58,341	₩ 3,929	₩ (464)	₩ 8,119	₩ 69,925

(in millions of Korean won)

		<b>2024</b>			
		<b>Dividends and others</b>		<b>Equity transactions</b>	
		<b>Receipts</b>	<b>Payments</b>	<b>Acquisition</b>	<b>Disposal</b>
Hyundai Corporation Holdings Co., Ltd.	Dividend	₩ -	₩ 1,729	₩ -	-
PT HD INTI. DEVE.	Dividend	139	-	-	-
	Loans	-	-	-	-
HYUNDAI YEMEN LNG COMPANY LIMITED	Investment in resource development	-	-	-	-
KOREA LNG LIMITED	Dividend	17,829	-	-	-
KAPSTEX VINA., JSC	Dividend	136	-	-	-

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INTERGIS BUSAN NEWPORT CENTER CO., LTD.	Dividend	24	-	-	-
HY AUTO SOLUTION LLC	Loans	-	-	-	-
PT.SUGIHARA HYUNDAI AUTOMOTIVE	Loans	-	-	-	-
ELIAS AUTO INDIA PVT.LTD.	Loans	-	-	-	-
K-culture Global scale up Fund	Capital increase	-	-	1,950	-
Prologue Agricultural Food scale up Fund	Capital increase	-	-	1,650	-
Prologue puzzle Corporate Restructuring New Technology Business Fund	New capital injection	-	-	1,885	-
Shinhan Alpha Seosomun REIT Co., Ltd.	New capital injection	-	-	83,000	-
		<u>₩ 18,128</u>	<u>₩ 1,729</u>	<u>₩ 88,485</u>	<u>₩ -</u>

<sup>1</sup> Part of investment in resource development for HYUNDAI YEMEN LNG COMPANY LIMITED was transferred to loans during the year ended December 31, 2024.

(in millions of Korean won)

		2023				
		Loan receivables and others				
		Beginning balance	Increase	Disposal	Foreign currency translation	Ending balance
Hyundai Corporation Holdings Co., Ltd.	Dividend	₩ -	₩ -	₩ -	₩ -	₩ -
	Loans	25,810	1,252	-	394	27,456
HYUNDAI YEMEN LNG COMPANY LIMITED	Investment in resource development	22,830	4,369	-	356	27,555
KOREA LNG LIMITED	Dividend	-	-	-	-	-
KAPSTEX VINA., JSC	Dividend	-	-	-	-	-
H&DE Co., Ltd. <sup>1</sup>	Loans	1,700	-	(1,700)	-	-
INTERGIS BUSAN NEWPORT CENTER CO., LTD.	Dividend	-	-	-	-	-
HY AUTO SOLUTION LLC	Loans	2,915	-	-	51	2,966
PT.SUGIHARA HYUNDAI AUTOMOTIVE	Loans	-	261	-	(3)	258
HYUNDAI FRONTIER AUSTRALIA HOLDINGS PTY LTD	New capital injection	-	-	-	-	-
Prologue Agricultural Food scale up Fund	New capital injection	-	-	-	-	-
Prologue ventures New Technology Fund No.1	New capital injection	-	-	-	-	-
K-culture Global scale up Fund	New capital injection	-	-	-	-	-
		<u>₩ 53,255</u>	<u>₩ 5,882</u>	<u>₩ (1,700)</u>	<u>₩ 798</u>	<u>₩ 58,235</u>

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(in millions of Korean won)

		2023					
		Dividends and others		Equity transactions			
		Receipts	Payments	Acquisition	Disposal		
Hyundai Corporation Holdings Co., Ltd.	Dividend	₩	-	₩ 1,729	₩	-	
	Loans		-	-		-	
HYUNDAI YEMEN LNG COMPANY LIMITED	Investment in resource development		-	-		-	
KOREA LNG LIMITED	Dividend		21,094	-		-	
KAPSTEX VINA., JSC	Dividend		140	-		-	
H&DE Co., Ltd. <sup>1</sup>	Loans		-	-		-	
INTERGIS BUSAN NEWPORT CENTER CO., LTD.	Dividend		23	-		-	
HY AUTO SOLUTION LLC	Loans		-	-		-	
PT.SUGIHARA HYUNDAI AUTOMOTIVE	Loans		-	-		-	
HYUNDAI FRONTIER AUSTRALIA HOLDINGS PTY LTD	New capital injection		-	-	2,635	-	
Prologue Agricultural Food scale up Fund	New capital injection		-	-	1,650	-	
Prologue ventures New Technology Fund No.1	New capital injection		-	-	1,000	-	
K-culture Global scale up Fund	New capital injection		-	-	650	-	
		₩	21,257	₩	1,729	₩	5,935
					₩	-	

<sup>1</sup> It was disposed during the year ended December 31, 2023.

Details of the loss allowance recognized by the Group for receivables to the related parties for the year ended December 31, 2024, are as follows:

(in millions of Korean won)

		2024					
		Beginning balance	Provision	Ending balance			
HYUNDAI YEMEN LNG COMPANY LIMITED	Investment in resource development	₩	7,869	₩	8,305	₩	16,174
	Loans		9,133		6,469		15,602
	Accrued revenue		4,246		3,150		7,396
HY AUTO SOLUTION LLC	Trade receivables		-		1,017		1,017
	Loans		2,966		783		3,749
	Accrued revenue		188		187		375
		₩	24,402	₩	19,911	₩	44,313

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### December 31, 2024 and 2023

The Group provides payment guarantees to related parties as follows:

<i>(in thousands of USD)</i>	<b>Financial institution</b>	<b>Amount providing</b>	
ELIAS AUTO INDIA PVT.LTD.	KEB Hana Bank Chennai Branch	USD	234

The Group provides a cash deficiency support agreement to HYUNDAI YEMEN LNG COMPANY LIMITED for limit up to USD 97,500 thousand (Note 35).

The Group provides joint payment guarantees for the related party, Hyundai Corporation Holdings Co., Ltd, in relation to a lawsuit (Note 35).

The Group exercised the pre-emptive right to purchase the investment properties held by Hangang Domestic General Private Equity in Real Estate Investment Trust No.13 for the purpose of the reinvestment of investment properties during the year ended December 31, 2024. Through this, Shinhan Alpha Seosomun REIT Co., Ltd. acquired the investment properties at the amount of ₩ 428.1 billion. Afterwards, the Group was provided by distributions of profit amounting to ₩ 63.9 billion Hangang Domestic General Private Equity in Real Estate Investment Trust No.13 and acquired shares of Shinhan Alpha Seosomun REIT Co., Ltd. amounting to ₩ 83 billion (including Class II shares amounting to ₩ 73 billion and ordinary shares amounting to ₩ 10 billion) during the year ended December 31, 2024.

The compensation paid or payable to key management for employee services for the years ended December 31, 2024 and 2023, consists of:

<i>(in millions of Korean won)</i>	<b>2024</b>		<b>2023</b>	
Wages and salaries	₩	5,532	₩	5,214
Post-employment benefits		940		890
	₩	<u>6,472</u>	₩	<u>6,104</u>

### 37. Uncertainty of the Impact of the Ukraine incident

The ongoing armed conflicts in Ukraine area which began in February 2022 and international sanctions imposed against Russia may impact entities, entities doing business with Ukraine or Russia as well as entities exposed directly or indirectly to industries or economy of Ukraine or Russia. The events described above represent non-adjusting events after the reporting period. The Group has a joint venture, HY AUTO SOLUTION LLC, in Russia as at December 31, 2024. The Group identified indications of impairment for HY AUTO SOLUTION LLC and recognized impairment loss of ₩ 2,112 million and ₩ 1,987 million for the investment value (including share of loss of associates and joint ventures under equity method) and loans, respectively, for the year ended December 31, 2024.

**Hyundai Corporation and Subsidiaries**  
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**38. Uncertainty of the Political and Economic Environment of Middle East Area**

Geopolitical conflicts between Israel and Palestine and conflicts between Yemen's Houthi rebel forces and the West may directly or indirectly affect companies or industries doing business in the region.

As at December 31, 2024, the Group cannot reasonably predict the impact of these uncertainties on the consolidated financial statements in relation to the Yemen LNG mine project and others.