

GS Engineering & Construction Corporation and its subsidiaries

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

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Independent auditor's report

(English translation of a report originally issued in Korean)

GS Engineering & Construction Corporation The Shareholders and Board of Directors

Opinion

We have audited the consolidated financial statements of GS Engineering & Construction Corporation and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the consolidated statements of profit or loss, consolidated statements of comprehensive income or loss, consolidated statements of changes in equity and consolidated statements of cash flows for each of the two years in the period ended December 31, 2024, and the notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the two years in the period ended December 31, 2024 in accordance with with International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS").

We also have audited the Group's internal control over financial reporting ("ICFR") as of December 31, 2024 based on the Conceptual Framework for Design and Operation of ICFR established by the Operating Committee of ICFR in Korea, in accordance with Korean Standards on Auditing ("KSA"), and our report dated March 17, 2025 expressed an unqualified opinion thereon.

Basis for opinion

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

Key audit 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.

A. Uncertainty in the estimation of the total contract costs

The majority of the Group's construction contracts are executed over a long period of time, and the total contract costs are estimated based on projected future costs of the components. Therefore, there may be additional costs incurred that could not be expected prior to 2024 due to the following reasons: changes in macroeconomic and microeconomic variables that are the basis of the total contract cost estimation during the construction period; various changes in the domestic and overseas regions where constructions are being executed; and extension of construction period of some construction projects. For such reasons, there is significant uncertainty in estimating the total contract costs, and changes in estimation of the total contract costs affect profit or loss for the current and future periods. Accordingly, we identified the uncertainty in the estimation of the total contract costs as a key audit matter.

We performed the following audit procedures in relation to this matter:

- Inquire about and inspect related documents on the causes of differences between the total estimated costs and total input costs for the projects that have significant differences out of the construction contracts ended during the current period.
- Inquire about and inspect related documents on the causes of significant fluctuations in the major projects that have significant fluctuations in the total contract costs during the current period.
- Inquire about and inspect related documents on whether the estimated total contract costs were appropriately reflected in the construction contracts which had significant changes in terms and conditions.
- Inspect documents on whether the estimated total contract costs of the Group have been recorded through an appropriate approval process.
- Inquire about whether there are major contracts with possible changes in the estimated total contract costs due to delays or extended construction periods.
- Inquire about the validity of the estimated total contract costs for significant contracts in which changes in the total contract costs did not exist for a long period.

B. Calculation of the percentage-of-completion

For construction contracts from which revenue is recognized using the percentage-of-completion method, the progress of a construction is a component that has a direct impact on the calculation of contract revenue. The calculation of the percentage-of-completion is affected by the appropriateness of the estimated total contract costs and cumulative construction costs, and as such, the uncertainty in estimating the total contract costs, appropriateness of the timing of recognition of the estimated total contract costs and reliability of aggregating contract costs may have significant impact on the profit or loss of the reporting period. Considering the significance of such impact on profit or loss of the Group for the reporting period, we identified the calculation of the percentage-of-completion as a key audit matter.

We performed the following audit procedures in relation to this matter:

- Inquire about changes in the aggregation method of incurred contract costs and the system and control of actual cost aggregation of individual construction contract, and perform testing of related internal control.
- Perform testing on details on approval history for contract costs aggregated by the major construction sites, considering the occurrence of the cost, amount of the cost and classification of the site.
- Inquire about contracts with significant changes in percentage-of-completion during the current period and causes of such fluctuation.
- Inquire about occurrence and accounting treatment of costs that are excluded from the calculation of percentage-of-completion due to a failure to reflect the progress of a contract.
- Perform an independent recalculation of percentage-of-completion of each contract to identify the appropriateness of the calculation performed by the Group.
- Compare the actual percentage-of-completion confirmed by other information available to use, including those information available at the major site visit, and the accounting percentage-of-completion of the contract, and assess the validity of reasons of any difference.

C. Recoverability of due from customers

As described in Note 7 (Construction contract) to the accompanying consolidated financial statements, the Group's due from customers amounts to ₩1,200,904 million as of December 31, 2024, which accounts for 9% of the total sales. Dues from customers are claimed in accordance with the terms and conditions of the construction contracts, such as the completion of the applicable process of construction and results of inspection conducted by the customer. Depending on such contractual conditions including the results of inspection, it is probable that any unavoidable changes in payment terms will incur. Accordingly, recoverability of dues from customers was identified as a key audit matter.

We performed the following audit procedures in relation to this matter:

- Inspect if there are any construction sites with significantly unusual dues from customers based on the contractual terms of payment prescribed in the contract agreements.

- Identify construction sites with significant differences between the actual percentage-of-completion and the billing rate, and inquire about the causes thereof.
- Identify construction contracts with significant amounts of dues from customers, inquire about the possibility of the customer's financial risks and assess the possibility by obtaining related information.
- If there is a significant construction site with dues from customers remaining unchanged for a long term, inquire about whether there is any specific reason for that unusual cases, such as litigation therefor.

D. Accounting treatment for modification of construction contracts

The modification of construction contracts means a change of the scope of construction carried out in accordance with the contracts as per the instruction of the customer. As described in Note 7 (Construction contract) to the consolidated financial statements, the Group estimated changes in the total contract revenue of ₩1,487,190 million for the year ended December 31, 2024. As most of the Group's construction contracts are performed over a long period of time, it is possible for the constructions to be changed before they are completed, and the contract revenue can increase or decrease due to the modification of construction contracts. Accounting for the modification of construction contracts requires management's judgement on the estimation on the possibility of the approval on the modified revenue amount and reliable measurement of the amount modified. In addition, the changes in the total contract revenue and total contract cost resulting from the modification of construction contracts have a material impact on profit or loss for the current or future periods. Accordingly, we identified the accounting for the modification of construction contracts as a key audit matter.

We performed the following audit procedures in relation to this matter:

- Inquire about the reason of changes in the revenue from a construction contract, if any significant increase or decrease in revenue arises from the contract.
- Inquire about the possibility of liquidated damages for delay (LD) on construction sites of which expected completion dates are approaching or have passed.
- Inquire about whether the estimated additional construction costs from construction changes are reflected in the calculation of the total estimated contract costs and the percentage-of-completion.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 3 in the consolidated financial statements.

As described in Note 3 to the consolidated financial statements, an accident occurred on April 29, 2023, where a portion of the underground parking lot collapsed at the construction site of Incheon Geomdan AA13-2 block public housing being constructed by the Group. In relation to this accident, the Group decided to reconstruct the entire public housing of Incheon Geomdan AA13-1 block and 13-2 block, as well as the underground parking lot. Consequently, the Group recognized the provision of ₩452,892 million in the consolidated financial statements as of and for the year ended December 31, 2024.

In connection with the aforementioned accident, the Group received a business suspension order for civil engineering and construction work from Seoul Metropolitan Government on January 31, 2024 and September 25, 2024, and a business suspension order for both civil engineering and construction work and landscape construction work from the Ministry of Land, Infrastructure and Transport on February 1, 2024. Additionally, the Group received a restriction on its eligibility to participate in domestic public construction bids from the Korea Land and Housing Corporation (LH) on May 3, 2024. In response, the Group filed requests for suspension of execution of administrative sanctions and a lawsuit to seek cancellation of the administrative sanctions.

Meanwhile, on February 28, March 22, May 16, and November 18, 2024, the Seoul Administrative Court decided to accept the Group's requests for suspension of administrative sanctions such as business suspension and restriction on participation in public construction bids. Depending on the outcome of the lawsuit to seek cancellation of the administrative sanctions by the Seoul Metropolitan Government, the Ministry of Land, Infrastructure and Transport, and the Korea Land and Housing Corporation, material accounting estimates and assumptions used in the preparation of the consolidated financial statements may be adjusted. As a result, their impact on the Group's business, financial position and financial performance cannot be reasonably predicted.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is *Tae Gon Lee*.

Ernst & Young Han Young

March 17, 2025

This audit report is effective as of March 17, 2025, the independent auditor's report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's report to the time this report is used. Such events and circumstances could significantly affect the accompanying consolidated financial statements and may result in modifications to this report.

GS Engineering & Construction Corporation and its subsidiaries

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

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

Yoon Hong Huh
Chief Executive Officer
GS Engineering & Construction Corporation

GS Engineering & Construction Corporation and its subsidiaries
Consolidated statements of financial position
as of December 31, 2024 and 2023

(in millions of Korean won)

	Notes		2024		2023
Assets					
Current assets					
Cash and cash equivalents	5,9,32,33	₩	2,083,025	₩	2,244,925
Trade and other receivables, net	6,7,9,30,32,33		3,050,492		3,529,003
Contract assets	7,32		1,200,903		1,267,066
Inventories	8, 27		1,280,006		1,338,666
Short-term financial assets	5,9,11,32,33		520,621		592,972
Other current assets	8		531,503		509,399
Total current assets			8,666,550		9,482,031
Non-current assets:					
Property, plant and equipment, net	13		2,638,612		2,256,206
Intangible assets, net	14		1,064,275		960,960
Investment properties, net	15		750,769		764,901
Right-of-use assets, net	16		288,614		293,273
Investments in associates	12		283,706		214,549
Long-term trade and other receivables, net	6,9,30,32,33		1,961,793		1,374,648
Long-term financial assets	5,9,11,30,32,33		717,438		784,575
Net defined benefit assets	19		43,903		82,530
Deferred income tax assets	28		1,061,752		1,133,526
Financial assets at fair value through profit or loss:	9,10,33		239,766		263,978
Other non-current assets	8		86,116		96,122
Total non-current assets			9,136,744		8,225,268
Total assets		₩	17,803,294	₩	17,707,299
Liabilities					
Current liabilities					
Trade and other payables	9,17,30,32,33	₩	1,838,233	₩	1,810,904
Short-term financial liabilities	9,11,13,16,18,32,33		3,262,870		2,481,711
Contract liabilities	7		2,071,716		2,352,653
Income tax payable	28		20,174		45,026
Current provisions	7,20		830,941		1,054,148
Other current liabilities	7,9,17,30,33		1,007,971		1,051,781
Total current liabilities			9,031,905		8,796,223
Non-current liabilities:					
Long-term trade and other payables	9,17,30,32,33		-		3,744
Long-term financial liabilities	9,11,13,15,16,18,32,33		2,973,883		3,342,288
Net defined benefit liabilities	19		13,096		7,415
Non-current provisions	20,32		418,031		399,837
Deferred income tax liabilities	28		168,814		160,942
Other non-current liabilities	19,17,33		110,441		111,689
Total non-current liabilities			3,684,265		4,025,915
Total liabilities		₩	12,716,170	₩	12,822,138
Equity					
Issued capital	1,22	₩	427,907	₩	427,907
Capital surplus	22		923,980		941,984
Other components of equity	22		(98,312)		(36,808)
Accumulated other comprehensive loss	11,22		(105,981)		(64,977)
Retained earnings	23		3,266,496		3,046,354
			4,414,090		4,314,460
Non-controlling interests			673,034		570,701
Total equity			5,087,124		4,885,161
Total liabilities and equity		₩	17,803,294	₩	17,707,299

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

GS Engineering & Construction Corporation and its subsidiaries
Consolidated statements of profit or loss
for each of the two years in the period ended December 31, 2024

<i>(in millions of Korean won except per share amounts)</i>	Notes	2024	2023
Sales	4,7,30		
Sales from construction operations		₩ 10,782,875	₩ 10,972,563
Sales from real estates housing construction and sales operations		920,281	1,200,383
Others		1,160,655	1,263,739
		<u>12,863,811</u>	<u>13,436,685</u>
Cost of sales	7,29,30		
Cost of sales from construction operations		10,107,310	11,051,489
Cost of sales from real estates housing construction and sales operations		638,726	1,008,098
Others		1,003,595	1,114,904
		<u>11,749,631</u>	<u>13,174,491</u>
Gross profit		<u>1,114,180</u>	<u>262,194</u>
Selling and administrative expenses	25,29	<u>828,226</u>	<u>650,139</u>
Operating income (loss)	4	285,954	(387,945)
Other non-operating income	9,11,26	788,737	331,941
Other non-operating expenses	9,11,26	404,871	294,896
Share of profit (loss) of associates	12, 27	(7,242)	39,931
Finance income	9,11,27,30	395,845	256,125
Finance costs	9,11,27,32	616,923	462,642
		<u>2,199,134</u>	<u>1,385,535</u>
Profit (loss) before income tax	4	441,500	(517,486)
Income tax expenses (benefits)	28	<u>177,576</u>	<u>(97,986)</u>
Profit (loss) for the year		<u>₩ 263,924</u>	<u>₩ (419,500)</u>
Profit (loss) is attributable to			
Equity holders of the parent		245,568	(481,945)
Non-controlling interests		18,356	62,444
Earnings (losses) per share attributable to the equity holders of the parent (Korean Won)	24		
Basic earnings (losses) per share		₩ 2,893	₩ (5,677)
Diluted earnings (losses) per share		2,893	(5,677)

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

GS Engineering & Construction Corporation and its subsidiaries
Consolidated statements of comprehensive income or loss
for each of the two years in the period ended December 31, 2024

(in millions of Korean won)

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
Profit (loss) for the year		₩ 263,924	₩ (419,500)
Other comprehensive income (loss)			
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods (net of tax):			
Gain (loss) on exchange differences on translations of foreign operations	22,28	(28,169)	107,915
Gain (loss) on valuation of derivative instruments	11,22,28	(7,210)	1,414
Share of other comprehensive (loss) of associates and joint ventures	12,28	(240)	(744)
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods (net of tax):			
Remeasurements of net defined benefit liabilities	19,23,28	(28,404)	(25,282)
Other comprehensive income (loss) for the year		(64,023)	83,303
Total comprehensive income (loss) for the year		₩ 199,901	₩ (336,197)
Total comprehensive income (loss) for the year is attributable to:			
Equity holders of the Parent Company		179,140	(406,103)
Non-controlling interests		20,761	69,905

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

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

		Accumulated other comprehensive income (loss)					Non-controlling interests	
Notes	Share capital	Capital surplus	Other components of equity	Retained earnings	Total	Non-controlling interests	Total	Total
	₩ 427,907	₩ 942,699	₩ (36,808)	₩ (161,984)	₩ 3,659,818	₩ 524,570	₩ 4,831,632	₩ 5,356,202
As of January 1, 2023								
Total comprehensive income (loss)								
Loss for the year	-	-	-	-	(481,945)	62,444	(481,945)	(419,501)
Gain on translation of foreign operations	-	-	-	96,338	-	11,577	96,338	107,915
Gain on valuation of derivative instruments	-	-	-	1,412	-	3	1,412	1,415
Share of changes in of associates and joint ventures	-	-	-	(744)	-	-	(744)	(744)
Remeasurements of net defined benefit liabilities	-	-	-	-	(21,164)	(4,119)	(21,164)	(25,283)
Total comprehensive loss for the year	-	-	-	97,006	(503,109)	69,905	(406,103)	(336,198)
Transactions with the equity holders of the Parant Company								
Dividends paid	-	-	-	-	(110,356)	(24,925)	(110,356)	(135,281)
Equity transactions within the consolidated entities	-	(715)	-	-	-	846	(715)	131
Changes in scope of consolidation	-	-	-	-	-	304	-	304
Total transactions with the equity holders of the Parant Company	-	(715)	-	-	(110,356)	(23,775)	(111,071)	(134,846)
As of December 31, 2023	₩ 427,907	₩ 941,984	₩ (36,808)	₩ (64,978)	₩ 3,046,353	₩ 570,700	₩ 4,314,458	₩ 4,885,158
As of January 1, 2024								
Total comprehensive income (loss)								
Profit for the year	-	-	-	-	245,568	18,356	245,568	263,924
Loss on translation of foreign operations	-	-	-	(33,550)	-	5,381	(33,550)	(28,169)
Loss on valuation of derivative instruments	-	-	-	(7,213)	-	3	(7,213)	(7,210)
Share of changes in other comprehensive loss of associates and joint ventures	-	-	-	(240)	-	-	(240)	(240)
Remeasurements of net defined benefit liabilities	-	-	-	-	(25,425)	(2,978)	(25,425)	(28,403)
Total comprehensive income for the year	-	-	-	(41,003)	220,143	20,762	179,140	199,902
Transactions with the equity holders of the Parant Company								
Dividends paid	-	-	-	-	-	(32,836)	-	(32,836)
Equity transactions within the consolidated entities	-	(18,004)	(61,504)	-	-	111,361	(79,508)	31,853
Changes in scope of consolidation	-	-	-	-	-	3,047	-	3,047
Total transactions with the equity holders of the Parant Company	-	(18,004)	(61,504)	-	-	81,572	(79,508)	2,064
As of December 31, 2024	₩ 427,907	₩ 923,980	₩ (98,312)	₩ (105,981)	₩ 3,286,496	₩ 673,034	₩ 4,414,090	₩ 5,087,124

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

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

<i>(in millions of Korean won)</i>	Notes	2024	2023
Cash flows from operating activities			
Cash generated from operations	31	₩ 505,055	₩ 710,634
Interest received		206,281	190,992
Interest paid		(378,973)	(326,195)
Dividends received		12,235	53,506
Income tax paid		(76,785)	(159,138)
Net cash flows provided by operating activities		267,813	469,799
Cash flows from investing activities			
Decrease in other receivables		284,959	130,466
Decrease in short-term financial assets		815,419	808,743
Decrease in long-term other receivables		229,235	293,111
Decrease in long-term financial assets		214,044	210,466
Disposal of financial assets at fair value through profit or loss		24,270	24,264
Disposal of investments in associates		129,027	51,926
Disposal of property, plant and equipment		47,758	1,460
Disposal of intangible assets		1,566	1,464
Disposal of investment properties		-	540
Increase due to changes in the scope of consolidation		4,738	-
Increase in other receivables		(64,419)	(403,728)
Increase in short-term financial assets		(753,794)	(785,191)
Increase in long-term other receivables		(662,185)	(249,674)
Increase in long-term financial assets		(180,151)	(253,190)
Acquisition of financial assets at fair value through profit or loss		(30,058)	(15,396)
Acquisition of investments in associates		(69,178)	(35,320)
Acquisition of property, plant and equipment		(416,205)	(476,147)
Acquisition of intangible assets		(110,803)	(29,086)
Acquisition of investment properties		(3,645)	(37,768)
Derease due to changes in scope of consolidation		(9,499)	-
Net cash flows from used in investing activities		(548,921)	(763,060)
Cash flows from financing activities			
Increase in short-term financial liabilities		2,372,807	2,775,805
Increase in long-term financial liabilities		1,620,511	1,465,991
Increase in other non-current liabilities		4,803	9,270
Increase in non-controlling interests		97,667	-
Decrease in short-term financial liabilities		(3,421,072)	(3,299,612)
Decrease in other current liabilities		(4,459)	(3,554)
Decrease in long-term financial liabilities		(458,804)	(197,895)
Decrease in other non-current liabilities		(184)	(1,004)
Dividends paid		(32,398)	(135,168)
Payment of principal portion of lease liabilities		(98,828)	(117,345)
Decrease in non-controlling Interest		(3,475)	-
Net cash flows provided by financing activities		76,568	496,488
Effect of exchange rate changes on cash and cash equivalents		42,640	17,997
Net increase (decrease) in cash and cash equivalents		(161,900)	221,224
Cash and cash equivalents at the beginning of the year		2,244,925	2,023,701
Cash and cash equivalents at the end of the year		₩ 2,083,025	₩ 2,244,925

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

GS Engineering & Construction Corporation and its subsidiaries

Notes to the consolidated financial statements

December 31, 2024 and 2023

1. General Information

General information on GS Engineering & Construction Corporation (the “Company” or the “Parent Company”) and its subsidiaries including Xi S&D Inc. (collectively referred to as the “Group”) in accordance with KIFRS 1110 *Consolidated Financial Statement* is as follows.

1.1 Overview of the Company

The Company was incorporated on December 19, 1969, to engage in the civil works and construction, sales of new houses, repairs and maintenance, overseas general construction and technology consultation. The Company acquired Lucky Foreign Construction Co., Ltd., LG Engineering Co., Ltd. and Baekyang Development Co., Ltd. on January 4, 1979, August 1, 1999 and October 1, 2000, respectively.

The Company has listed its shares on the Korea Exchange since August 3, 1981, and changed its name from LG Engineering & Construction Co., Ltd. to GS Engineering & Construction Corporation on March 18, 2005. Also, in accordance with the *Monopoly Regulation and Fair Trade Act*, the Korea Fair Trade Commission has designated the Company as the related company to GS Group and placed restriction on mutual investments between the Company and the entities within GS Group.

As of December 31, 2024, the Company maintains overseas branches and construction sites in several foreign countries, including the United Arab Emirates, Saudi Arabia, Vietnam, China and Singapore.

The Company's issued capital as of December 31, 2024 amounts to ₩ 427,907 million.

GS Engineering & Construction Corporation and its subsidiaries
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1.2 Summary of the Consolidated Subsidiaries

Name of subsidiary	Percentage of ownership (%) ¹		Location	Year end	Principal operation
	2024	2023			
Xi S&D Inc. ²	39.95	39.40	Korea	Dec. 31	Real estate
Xi - Estec Co., Ltd.	100.00	100.00	Korea	Dec. 31	Construction
GCS	100.00	100.00	Korea	Dec. 31	Service
BSM Co., Ltd.	100.00	100.00	Korea	Dec. 31	Processing
Zeit O&M Co., Ltd. ³	-	100.00	Korea	Dec. 31	Service
GVESCO Corporation	100.00	100.00	Korea	Dec. 31	Service
GVESCO Investment Management Corp.	100.00	100.00	Korea	Dec. 31	Service
GVESCO Private Real Estate Fund No.1	99.80	99.80	Korea	Dec. 31	Collective investment
GPC Corp.	100.00	100.00	Korea	Dec. 31	Manufacturing
GS ELEVATOR Co., Ltd. ³	-	100.00	Korea	Dec. 31	Manufacturing
ECO AQUAFARM	88.24	82.91	Korea	Dec. 31	Fishery
XiGEIST	100.00	100.00	Korea	Dec. 31	Manufacturing
XiGEIST Architects	100.00	100.00	Korea	Dec. 31	Service
Energy Materials Corp.	77.65	100.00	Korea	Dec. 31	Manufacturing
GLOBAL WATER SOLUTION CO., LTD. ⁹	100.00	100.00	Korea	Dec. 31	Holding Business
DC Bridge Corp.	100.00	100.00	Korea	Dec. 31	Information and communication
Bucheon Media Complex Management Inc.	100.00	100.00	Korea	Dec. 31	Real estate
GFS Co., Ltd. ⁴	-	69.10	Korea	Dec. 31	Service
Sun-field Solar Power Co., Ltd.	90.91	91.00	Korea	Dec. 31	Service
XI C&A CO., LTD. ⁵	23.97	41.46	Korea	Dec. 31	Construction
ZEIT C&A NANJING Co., Ltd. ⁶	23.97	41.46	China	Dec. 31	Construction management
ZEIT C&A POLAND SP. Z O. O. ⁶	23.97	41.46	Poland	Dec. 31	Construction management
ZEIT C&A VIETNAM COMPANY LIMITED. ⁶	23.97	41.46	Vietnam	Dec. 31	Construction management
ZEIT C&A AMERICA, INC. ⁶	23.97	41.46	USA	Dec. 31	Construction management
HEIMLAB Corp.	100.00	100.00	Korea	Dec. 31	Construction
HAETDEULWON Rooftop PV 01	100.00	100.00	Korea	Dec. 31	Service
XPLOR INVESTMENT Co., Ltd	100.00	100.00	Korea	Dec. 31	Finance
XPLOR-Smart City Investment Association	100.00	100.00	Korea	Dec. 31	Collective investment
XPLOR-Open Innovation Investment Association	100.00	100.00	Korea	Dec. 31	Collective investment
HAETDEULWON Rooftop PV 02 ⁷	100.00	-	Korea	Dec. 31	Service
GS E&C Nanjing Co., Ltd.	100.00	100.00	China	Dec. 31	Construction
Vietnam GS Industry One-Member LLC	100.00	100.00	Vietnam	Dec. 31	Real estate
Vietnam GS Enterprise One	100.00	100.00	Vietnam	Dec. 31	Real estate

GS Engineering & Construction Corporation and its subsidiaries
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Name of subsidiary	Percentage of ownership (%) ¹		Location	Year end	Principal operation
	2024	2023			
Member LLC					
ZEITGEIST EDUCATION CO., LTD.	100.00	100.00	Vietnam	Dec. 31	Service
GS Engineering & Construction Mumbai Pvt. Ltd.	100.00	100.00	India	Mar. 31	Construction
PT. GSENC Development Indonesia	100.00	100.00	Indonesia	Dec. 31	Construction
GS E&C Development (Thailand) Co., Ltd.	100.00	100.00	Thailand	Dec. 31	Real estate
ZEIT GREEN DEVELOPMENT INDIA Pvt. Ltd.	100.00	100.00	India	Mar. 31	Service
GSENC SOLAR 1 PRIVATE LIMITED. ⁷	100.00	-	India	Mar. 31	Service
GAYA STRATEGIC ENTERPRISE CORPORATION PTE. LTD. ⁷	100.00	-	Singapore	Dec. 31	Service
ZEIT O&M SDN. BHD. ^{3,7}	-	-	Malaysia	Dec. 31	Construction
GSEC (THA) PTE. LTD. ⁷	100.00	-	Singapore	Dec. 31	Service
GSEC (THA2) PTE. LTD. ⁷	100.00	-	Singapore	Dec. 31	Service
GS Construction Arabia Co., Ltd.	100.00	100.00	Saudi Arabia	Dec. 31	Construction
GS Real Estate Development Company	100.00	100.00	Saudi Arabia	Dec. 31	Real estate
GS CONSTRUCTION MIDDLE EAST - SOLE PROPRIETORSHIP L.L.C.	100.00	100.00	UAE	Dec. 31	Construction
GS E&C Poland SP.ZO.O	100.00	100.00	Poland	Dec. 31	Construction
Danwood S.A.	100.00	100.00	Poland	Dec. 31	Construction
Danwood GmbH	100.00	100.00	Switzerland	Dec. 31	Construction
GS Engineering & Construction Spain, S.L.	100.00	100.00	Spain	Dec. 31	Construction
Chervona Gora EKO	100.00	100.00	Ukraine	Dec. 31	Construction
Elements (Europe) Limited	75.00	75.00	UK	Dec. 31	Construction
GS Real Estate Development Company London LTD.	100.00	100.00	UK	Dec. 31	Real estate
GS E&C Panama S.A. ⁸	-	100.00	Panama	Dec. 31	Lease
GS Village Lake LLC	100.00	100.00	USA	Dec. 31	Real estate
GS Property Mountain View LLC	100.00	100.00	USA	Dec. 31	Real estate
GS MIRAMAR 700 EC, LLC ⁸	-	90.00	USA	Dec. 31	Real estate
777 WMF, LLC	100.00	100.00	USA	Dec. 31	Real estate
GS MIRAMAR VILLAGE LAKES MANAGER, LLC	80.00	80.00	USA	Dec. 31	Real estate
CDCF III FORTBAY MV, LLC	94.19	94.19	USA	Dec. 31	Real estate
GS Redlands, LLC	100.00	100.00	USA	Dec. 31	Real estate
700 EC PROPERTY, LLC ⁸	-	90.00	USA	Dec. 31	Real estate
MOUNTAIN VIEW MEZZ, LLC	94.19	94.19	USA	Dec. 31	Real estate
MOUNTAIN VIEW OWNER, LLC	94.19	94.19	USA	Dec. 31	Real estate
GSFC FUND 1 LLC	100.00	100.00	USA	Dec. 31	Collective investment

GS Engineering & Construction Corporation and its subsidiaries
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Name of subsidiary	Percentage of ownership (%) ¹		Location	Year end	Principal operation
	2024	2023			
400 LOGUE OWNER, LLC	100.00	94.00	USA	Dec. 31	Real estate
PALA-POWER GENERAL CONSRUCTION SERVICE (PROPRIETARY) LIMITED	100.00	100.00	Botswana	Dec. 31	Construction
GS Engineering & Construction Australia Pty Ltd.	100.00	100.00	Australia	Dec. 31	Construction
The Trustee for GS NEL Trust	100.00	100.00	Australia	Dec. 31	Construction
GS SPV PTY LTD.	100.00	100.00	Australia	Dec. 31	Construction
ZEIT DEVELOPMENT POLAND LLC	100.00	100.00	Poland	Dec. 31	Real estate
400 Logue Master GP, LLC	100.00	85.00	USA	Dec. 31	Real estate
400 Logue LP, LLC	100.00	100.00	USA	Dec. 31	Real estate
400 Logue GP, LLC	100.00	100.00	USA	Dec. 31	Real estate
400 Logue JVC, LLC	100.00	94.00	USA	Dec. 31	Real estate
Zeit Homes, Inc.	100.00	100.00	USA	Dec. 31	Real estate
GS E&C Brazil Ltda. ⁷	100.00	-	Brazil	Dec. 31	Construction

¹ Includes securities held by subsidiaries of the Group.

² Although the Parent Company holds less than 50% of the voting rights, the Parent Company is considered to have control over the subsidiary because other shareholders are widely dispersed and the voting right ratio of the Company is significantly high compared to the attendance ratio at the previous shareholders' meetings.

³ As a result of the partial disposal of equity interest during the current period, the Company lost control over the entity, which was subsequently reclassified as an associate.

⁴ During the current period, the entire ownership interest in the subsidiary was transferred to XI S&D Co., Ltd., and the subsidiary was subsequently merged into that company.

⁵ The Group has control over the entity because its subsidiary, XI S&D Co., Ltd., holds a majority ownership interest more than 50% of the shares.

⁶ Subsidiaries of XI C&A CO., LTD.

⁷ Newly included in the scope of consolidation for the year ended December 31, 2024.

⁸ The entity was liquidated for the year ended December 31, 2024.

⁹ Summarized information of the Group's subsidiaries is as follows:

GS Engineering & Construction Corporation and its subsidiaries
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Name of subsidiary	Location	Principal business activity	Year end	Percentage of ownership (%)
GS Inima Environment S.A.U.	Spain	Construction	Dec. 31	100.00
Aguas de Ensenada, S.A. de C.V.	Mexico	Construction	Dec. 31	100.00
SOCIEDAD DE ECONOMIA MIXTA AGUAS DE SORIA S.L.	Spain	Construction	Dec. 31	59.20
Inima Water Services, S.L.	Spain	Construction	Dec. 31	100.00
GS Inima Water Management S.L.	Spain	Construction	Dec. 31	100.00
GS Inima Gestion S.L.U.	Spain	Construction	Dec. 31	100.00
GS Inima Inversiones S.L.U.	Spain	Construction	Dec. 31	100.00
GS Inima Energia, S.L.	Spain	Construction	Dec. 31	100.00
Palmeiras Saneamento, S.A.	Brazil	Construction	Dec. 31	60.00
VALORINIMA S.L.	Spain	Construction	Dec. 31	80.00
Ambient Servicos Ambientais de Ribeirao Preto, S.A.	Brazil	Construction	Dec. 31	100.00
Aquaria LLC	USA	Construction	Dec. 31	87.50
Araucaria Saneamento, S.A.	Brazil	Construction	Dec. 31	51.00
CAEPA COMPANHIA DE AGUA E EGOSTO DE PARIBUNA S.A.	Brazil	Construction	Dec. 31	95.00
COMASA COMPANHIA AGUAS DE SANTA RITA S.A	Brazil	Construction	Dec. 31	75.00
GS Inima Chile S.A.	Chile	Construction	Dec. 31	100.00
INIMA-CVV S.A.	Chile	Construction	Dec. 31	65.00
GS Inima Mexico, S.A. de C.V.	Mexico	Construction	Dec. 31	100.00
GS Inima USA Construction Corporation	USA	Construction	Dec. 31	100.00
GS Inima USA Corporation	USA	Construction	Dec. 31	100.00
Sanel-Saneamento de Luis Antonio, S.A	Brazil	Construction	Dec. 31	70.00
Promoaqua Desalacion de los Cabos, S.A. de C.V.	Mexico	Construction	Dec. 31	100.00
Sanama Saneamento Alta Maceio S.A.	Brazil	Construction	Dec. 31	60.00
SAMAR SOLUCOES AMBIENTAIS DE ARACATUBA S.A.	Brazil	Construction	Dec. 31	100.00
GS Inima Brasil Ltda.	Brazil	Construction	Dec. 31	100.00
GS Inima Industrial S.A.	Brazil	Construction	Dec. 31	100.00
GS Inima Solucoes em Saneamento, Ltda (formerly, GS Inima Servicos de Saneamento Eireli)	Brazil	Construction	Dec. 31	100.00
Aquapolo Ambiental S.A.	Brazil	Construction	Dec. 31	51.00
GS Inima Industrial Jeceaba, S.A.	Brazil	Construction	Dec. 31	84.50
GS Inima Industrial Triunfo, S.A.	Brazil	Construction	Dec. 31	100.00
Ouro Preto Servicos de Saneamento S.A. - Saneouro	Brazil	Construction	Dec. 31	60.00
GS Inima Servicios Corporativos, S.A. de C.V.	Mexico	Construction	Dec. 31	100.00
Saneamento do Vale do Paraiba, S.A.	Brazil	Construction	Dec. 31	50.10
Servicos de Saneamento de Mogi Mirim, S.A.	Brazil	Construction	Dec. 31	64.00
Aguas de Reuso de Vitoria S.A.	Brazil	Construction	Dec. 31	90.00
Ourinhos Saneamento S.A.	Brazil	Construction	Dec. 31	75.00
Shariket Miyeh Ras Djinet, Spa ¹	Algeria	Construction	Dec. 31	25.49
Tecnicas y Gestion Medioambiental, S.A.	Spain	Construction	Dec. 31	100.00
GS Inima Middle East LLC	Oman	Construction	Dec. 31	100.00
GS Inima Barka 5 Desalination Company, S.A.O.C.	Oman	Construction	Dec. 31	100.00

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Name of subsidiary	Location	Principal business activity	Year end	Percentage of ownership (%)
Capital Desalination Company, S.A.O.C.	Oman	Construction	Dec. 31	52.00
GS Inima (Barka), LLC	Oman	Construction	Dec. 31	100.00
GS Inima Investment - Sole Proprietorship LLC	UAE	Construction	Dec. 31	100.00
GS Inima Desalination - Sole Proprietorship LLC	UAE	Construction	Dec. 31	100.00
GS Inima (Al Ghubra), LLC	Oman	Construction	Dec. 31	100.00
Barka Operations and Maintenance Company S.P.C.	Oman	Construction	Dec. 31	100.00
Concordia Saneamento, S.A.	Brazil	Construction	Dec. 31	70.00
GS Inima View, S.L.	Spain	Construction	Dec. 31	100.00
AGUA PARA O ALGARVE - INIMA, AQUAPOR E LUSAGUA, A.C.E.	Portugal	Construction	Dec. 31	60.00
El Fenazar Solar S.L.U	Spain	Construction	Dec. 31	100.00
BRODOWSKI SANEAMENTO, S.A	Brazil	Construction	Dec. 31	80.00

¹ In accordance with a contractual arrangement with other shareholders, the Group is able to exercise control over the entity and has included it in the scope of consolidation.

GS Engineering & Construction Corporation and its subsidiaries
Notes to the consolidated financial statements
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1.3 Summarized Financial Information

(in millions of Korean won)

	2024				
	Assets	Liabilities	Equity	Sales	Profit (loss) for the year
Xi S&D Inc. ¹	₩ 1,305,236	₩ 639,120	₩ 666,116	₩ 1,578,173	₩ 6,644
Xi - Estec Co., Ltd.	2,771	710	2,061	7,524	966
GCS	23,705	7,896	15,809	74,673	2,791
BSM Co., Ltd.	3,099	1,693	1,406	18,848	263
Zeit O&M Co., Ltd.	-	-	-	51,011	4,096
GVESCO Corporation	4,502	9	4,493	-	(11)
GVESCO Investment Management Corp.	13,607	4,343	9,264	8,615	3,210
GVESCO Private Real Estate Fund No.1	30,960	14	30,946	29	(95)
GPC Corp.	144,464	48,177	96,287	86,995	5,494
GS ELEVATOR Co., Ltd.	-	-	-	40,197	(8,571)
ECO AQUAFARM	14,901	1,134	13,767	-	(1,850)
XiGEIST	14,776	4,637	10,139	14,867	(5,453)
XiGEIST Architects	127	144	(17)	325	(21)
Energy Materials Corp.	328,720	136,439	192,281	561	(32,703)
GLOBAL WATER SOLUTION CO., LTD.	414,361	96	414,265	-	(162)
DC Bridge Corp.	7,914	3,740	4,174	695	143
Bucheon Media Complex Management Inc.	1,095	285	810	-	(1,578)
Sun-field Solar Power Co., Ltd.	79,859	71,186	8,673	-	(1,040)
HEIMLAB Corp.	4,386	1,491	2,895	1,605	(3,361)
HAETDEULWON Rooftop PV 01	13,033	8,966	4,067	339	(316)
XPLOR INVESTMENT Co., Ltd	10,679	526	10,153	972	(1,339)
XPLOR-Smart City Investment Association	5,552	6	5,546	666	526
XPLOR-Open Innovation Investment Association	2,906	6	2,900	40	(95)
HAETDEULWON Rooftop PV 02	897	336	561	-	(5)
GS E&C Nanjing Co., Ltd.	37,247	3,490	33,757	24,093	12,978
Vietnam GS Industry One- Member LLC	541,021	589,202	(48,181)	77,684	(35,457)
Vietnam GS Enterprise One Member LLC	718,650	845,811	(127,161)	57,510	(9,531)
GS Engineering & Construction Mumbai Pvt. Ltd.	16,505	23,217	(6,712)	21,134	2,419
PT. GSENC Development Indonesia	3,277	114	3,163	-	(46)
ZEITGEIST EDUCATION CO., LTD.	392	2	390	-	1
GS E&C Development (Thailand) Co., Ltd.	33,743	833	32,910	-	(156)
ZEIT GREEN DEVELOPMENT INDIA Pvt. Ltd.	3,466	455	3,011	-	(961)
GAYA STRATEGIC ENTERPRISE	21,831	1,575	20,256	-	(2,086)

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(in millions of Korean won)

	2024				
	Assets	Liabilities	Equity	Sales	Profit (loss) for the year
CORPORATION PTE. LTD.					
ZEIT O&M SDN. BHD.	-	-	-	-	(5)
GS Construction Arabia Co., Ltd.	161,480	1,283,380	(1,121,900)	113,040	(37,674)
GS CONSTRUCTION MIDDLE EAST - SOLE PROPRIETORSHIP L.L.C.	7,177	70,339	(63,162)	14,376	(6,869)
GS Real Estate Development Company	30,366	804	29,562	-	(746)
GS E&C Poland SP.ZO.O ¹	608,702	217,259	391,443	398,875	20,702
GS Inima Environment S.A.U. ¹	1,847,115	1,058,664	788,451	573,643	55,787
GS Engineering & Construction Spain, S.L.	136,619	21	136,598	-	(77)
Chervona Gora EKO	20,124	9,930	10,194	5,374	1,556
Elements (Europe) Limited	71,943	126,529	(54,586)	94,160	(44,622)
GS Real Estate Development Company London LTD.	258	825	(567)	-	(13)
GS E&C Panama S.A.	-	-	-	-	(8)
GS Village Lake LLC	90,221	1,947	88,274	-	(82)
GS Property Mountain View LLC	5,303	976	4,327	2,898	(17,128)
GS MIRAMAR 700 EC, LLC ¹	-	-	-	2,056	2,606
777 WMF, LLC	29,547	6	29,541	-	(113)
GS MIRAMAR VILLAGE LAKES MANAGER, LLC	36,778	-	36,778	-	(7)
CDCF III FORTBAY MV, LLC ¹	730,402	710,252	20,150	2,893	4,490
GS Redlands, LLC	17,388	11	17,377	19,371	3,691
GSFC FUND 1 LLC	33,941	31	33,910	-	(2,048)
PALA-POWER GENERAL CONSTRUCTION SERVICE (PROPRIETARY) LIMITED	26	99	(73)	-	(6)
GS Engineering & Construction Australia Pty Ltd.	505,770	396,697	109,073	553,211	43,023
The Trustee for GS NEL Trust	2,627	393	2,234	1,654	673
GS SPV PTY LTD	165	165	-	419	-
ZEIT DEVELOPMENT POLAND LLC	90,415	1,339	89,076	176	1,032
400 Logue Master GP, LLC	15,616	7	15,609	-	(7)
400 Logue LP, LLC	23,989	2	23,987	-	(6)
400 Logue GP, LLC	14,327	2	14,325	-	(50)
400 Logue JVC, LLC ¹	110,849	73,633	37,216	-	(444)
Zeit Homes, Inc.	5	2	3	-	(9)
GS E&C Brazil Ltda.	25,778	24,744	1,034	7,217	(420)

¹ Includes financial information of subsidiaries.

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(in millions of Korean won)

	2023				
	Assets	Liabilities	Equity	Sales	Profit (loss) for the year
Xi S&D Inc. ¹	₩ 1,569,165	₩ 775,630	₩ 793,535	₩ 2,374,633	₩ 94,998
Xi - Estec Co., Ltd.	2,259	1,164	1,095	7,000	441
GCS	24,003	7,983	16,020	75,773	3,699
BSM Co., Ltd.	5,120	2,884	2,236	22,116	1,485
Zeit O&M Co., Ltd.	21,059	17,888	3,171	54,171	(2,414)
GVESCO Corporation	4,504	1	4,503	-	(14)
GVESCO Investment Management Corp.	7,220	1,100	6,120	4,352	1,089
GVESCO Private Real Estate Fund No.1	31,054	14	31,040	381	301
GPC Corp.	141,290	50,342	90,948	109,598	12,085
GS ELEVATOR Co., Ltd.	16,164	16,714	(550)	34,129	(16,092)
ECO AQUAFARM	11,015	582	10,433	-	(977)
XiGEIST	14,089	5,362	8,727	1,373	(4,810)
XiGEIST Architects	340	330	10	16	(4)
Energy Materials Corp.(formerly, Enerma Corp.)	216,462	89,881	126,581	3,148	(4,539)
GLOBAL WATER SOLUTION CO., LTD.	414,523	96	414,427	-	(174)
DC Bridge Corp.	4,085	55	4,030	272	144
Bucheon Media Complex Management Inc.	3,088	375	2,713	3,600	1,325
Sun-field Solar Power Co., Ltd.	2,031	2,097	(66)	-	(67)
HEIMLAB Corp.	3,904	112	3,792	381	(2,279)
HAETDEULWON Rooftop PV 01	6,592	2,209	4,383	-	(103)
XPLOR INVESTMENT Co., Ltd	11,862	356	11,506	758	(814)
XPLOR-Smart City Investment Association	5,025	5	5,020	45	(180)
XPLOR-Open Innovation Investment Association	2,996	2	2,994	7	(5)
GS E&C Nanjing Co., Ltd.	74,962	31,801	43,161	73,883	27,873
Vietnam GS Industry One- Member LLC	475,702	473,150	2,552	227,643	31,943
Vietnam GS Enterprise One Member LLC	573,809	681,731	(107,922)	-	(22,712)
GS Engineering & Construction Mumbai Pvt. Ltd.	9,196	17,548	(8,352)	10,197	(4,449)
PT. GSENC Development Indonesia	24,694	1,766	22,928	-	664
ZEITGEIST EDUCATION CO., LTD.	359	1	358	-	4
GS E&C Development (Thailand) Co., Ltd.	29,451	526	28,925	-	2,361
ZEIT GREEN DEVELOPMENT INDIA Pvt. Ltd.	608	254	354	-	(548)
GS Construction Arabia Co., Ltd.	23,758	966,787	(943,029)	14,026	(28,927)

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	2023				
	Assets	Liabilities	Equity	Sales	Profit (loss) for the year
GS CONSTRUCTION MIDDLE EAST - SOLE PROPRIETORSHIP L.L.C.	11,872	60,784	(48,912)	27,120	(12,859)
GS Real Estate Development Company	9,495	1,190	8,305	-	(728)
GS E&C Poland SP.ZO.O ¹	617,664	254,091	363,573	474,574	44,578
GS Inima Environment S.A.U. ¹	1,721,231	948,949	772,282	493,048	52,191
GS Engineering & Construction Spain, S.L.	127,653	33	127,620	(669)	(156)
Chervona Gora EKO	21,323	12,924	8,399	4,625	2,039
Elements (Europe) Limited	47,985	54,556	(6,571)	65,147	(25,917)
GS Real Estate Development Company London LTD.	234	727	(493)	-	(133)
GS E&C Panama S.A.	1,293	-	1,293	-	-
GS Village Lake LLC	78,924	1,417	77,507	-	(66)
GS Property Mountain View LLC	18,863	810	18,053	849	(2,194)
GS MIRAMAR 700 EC, LLC ¹	31,769	33,519	(1,750)	4,882	(18,463)
777 WMF, LLC	26,020	1	26,019	-	(6)
GS MIRAMAR VILLAGE LAKES MANAGER, LLC	32,237	-	32,237	-	(6)
CDCF III FORTBAY MV, LLC ¹	519,575	506,146	13,429	3,497	6,412
GS Redlands, LLC	11,311	9	11,302	-	2
GSFC FUND 1 LLC	22,681	27	22,654	(820)	(2,778)
PALA-POWER GENERAL CONSTRUCTION SERVICE (PROPRIETARY) LIMITED	24	85	(61)	-	(7)
GS Engineering & Construction Australia Pty Ltd.	434,862	371,888	62,974	367,699	35,080
The Trustee for GS NEL Trust	1,886	362	1,524	1,574	661
GS SPV PTY LTD	32	32	-	282	-
ZEIT DEVELOPMENT POLAND LLC	64,003	6,083	57,920	-	(1,912)
400 Logue Master GP, LLC	10,925	-	10,925	-	(10)
400 Logue LP, LLC	16,436	1	16,435	-	(4)
400 Logue GP, LLC	9,344	1	9,343	-	(4)
400 Logue JVC, LLC ¹	90,450	64,769	25,681	-	105
Zeit Homes, Inc.	11	1	10	-	(12)

¹ Includes financial information of subsidiaries.

The summarized financial information of the subsidiaries above is based on amounts before inter-company eliminations. If the significant accounting treatments of the subsidiaries are different from those of the Company, such differences are adjusted.

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2. Basis of Preparation and Material Accounting Policy Information

2.1 Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS"). These are the standards, subsequent amendments and related interpretations issued by the International Accounting Standards Board (IASB) that have been adopted by the Republic of Korea. The accompanying consolidated financial statements have been translated into English from the Korean language financial statements. In the event of any differences in interpreting the consolidated financial statements or the independent auditors' report thereon, the Korean version, which is used for regulatory reporting purposes, shall prevail.

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments, debt and equity securities of financial assets, contingent consideration and non-cash distribution liabilities that have been measured at fair value. The carrying values of recognized assets and liabilities that are designated as hedged items in fair value hedges that would otherwise be carried at amortized cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships. The consolidated financial statements are presented in Korean won as "Korean won", "KRW" or "₩" and all values are rounded to the nearest millions, except when otherwise indicated.

2.2 Basis of Consolidation

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

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

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

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

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

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

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

2.3 Material Accounting Policy Information

2.3.1 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (Note 4). The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors who is responsible for the Group's strategic decisions.

2.3.2 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.

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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. However, deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.3.3 Fair Value Measurement

The Group measures financial instruments such as derivatives at fair value at each balance sheet date. Fair values of financial instruments and fair value hierarchy are disclosed in Note 33.

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

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

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

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

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

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

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

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

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

2.3.4 Foreign Currencies

The Group's consolidated financial statements are presented in Korean won, which is also the Group's functional and reporting currency.

(1) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

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

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(2) Translation to the presentation currency

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;
- income and expenses for each statement of profit or loss are translated at average exchange rates;
- income and expenses for each statement of profit or loss are translated at average exchange rates;
- equity is translated at the historical exchange rate; and
- all resulting exchange differences are recognized in other comprehensive income.

(3) Translation in foreign operations

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

2.3.5 Financial Instruments - Initial Recognition and Subsequent Measurement

(1) Financial assets

1) Initial recognition and measurement

The Group classifies financial assets, 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. And, in the case of a financial asset not at fair value through profit or loss, transaction costs are adjusted. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under KIFRS 1115.

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

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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.

2) Subsequent measurement

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

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

① Financial assets at amortized cost (debt instruments)

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

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

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

② 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 the statement of 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.

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③ Financial assets designated at fair value through OCI (equity instruments)

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

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

④ 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 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 statement of profit or loss.

This category includes derivatives and equity instruments which the Group had not irrevocably elected to treat changes in fair value as other comprehensive income. Dividends on equity instruments are recognized in profit or loss when the right is determined.

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.

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3) 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 when:

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

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

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

4) Impairment of financial assets

The Group has applied the expected credit loss (ECL) model of KIFRS 1109 in two types. The expected credit loss model applied to each type of financial asset is as follows.

① Trade receivables

For the purpose of measuring the expected credit losses of trade receivables under KIFRS 1109, the Group applies the practical expedient and uses the expected credit loss model for the life-time for trade receivables subject to the expected credit loss model.

② Debt instruments other than trade receivables

For which there has not been a significant increase in credit risk since initial recognition, the Group uses expected credit loss model for the next 12 months. For which there has been a significant increase in credit risk since initial recognition, the Group uses expected credit loss model for the entire period.

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(2) Financial liabilities

1) Initial recognition and measurement

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

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

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

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

2) Subsequent measurement

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

- 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.

- Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, deducted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of the loss allowance determined in accordance with the impairment requirements for financial instruments and the amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with KIFRS 1115 *Revenue from Contracts with Customers*.

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- Financial liabilities at fair value through profit or loss

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

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

Gains and losses arising from financial 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 KIFRS 1109 are satisfied. The Group has not designated any financial liability as of fair value through profit or loss.

3) 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 the statement of profit or loss.

4) 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.

2.3.6 Derivative Financial Instruments and Hedge Accounting

In accordance with the transition rules, the consolidated financial statements have been prepared by applying the requirements of KIFRS 1039 to hedge accounting without applying the requirements of KIFRS 1109.

Derivatives are initially recognized at fair value on the date when a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of the derivatives that are not qualified for hedge accounting are recognized in the statements of profit or loss within 'other income (expenses)' or 'finance income (costs)' according to the nature of transactions.

The Group designates certain derivatives as:

- 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.

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At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 11. Movements on the hedging reserve in OCI are shown in Note 11. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is longer than the Group's normal business cycle and as a current asset or liability when the remaining maturity of the hedged item is shorter than the Group's normal business cycle. Trading derivatives are classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

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

- Cash flow hedge: The effective portion of changes in the fair value of derivatives that is designated and qualified as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the statements of profit or loss within other income (expenses). Amounts accumulated in equity are reclassified to income in the periods when the hedged item affects profit or loss (for example, when the forecast purchase that is hedged takes place).

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the statements of profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the statements of profit or loss within other income (expenses).

2.3.7 Inventories

Inventories are stated at the lower of cost and net realizable value. Raw materials, goods and products, and supplies are determined using the gross average method. Other inventories are determined using the specific identification method.

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2.3.8 Property, Plant and Equipment

All property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Land is not depreciated but depreciation on other assets is calculated using the straight-line method to allocate the difference between their cost and their residual values over their estimated useful lives, as follows:

	Estimated useful lives(years)
Buildings	10 - 50
Structures	5 - 50
Machinery	3 - 16
Construction equipment	4 - 12
Vehicles	4 - 10
Tools	3 - 10
Equipment	2 - 10

The assets' residual values, useful lives and methods of depreciation are reviewed at each fiscal year end, and adjusted prospectively, if appropriate.

2.3.9 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.

(1) The 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.

1) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost and subsequently measured using the cost model. In order to apply the cost model, accumulated depreciation and impairment losses are deducted from the cost of right-of-use assets 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

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less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

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

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.3.13 Impairment of Non-financial Assets.

2) 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.

3) Short-term leases and leases of low-value assets

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

(2) The Group as a lessor

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

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If the Group is an intermediate lessor, the Group accounts for the head lease and the sublease as two separated contracts. The subleases are classified as finance lease or operating lease by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset.

2.3.10 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.

2.3.11 Intangible Assets

Amortization of intangible assets is calculated using the straight-line method over their estimated useful lives. 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.

	Estimated useful lives (years)
Technical rights	10
Concession assets	10 - 30
Software	3 - 10
Others	1 - 48

2.3.12 Investment Properties

Investment properties is held to earn rentals or for capital appreciation or both. Investment property is measured initially at its cost, including transaction costs incurred in acquiring the asset. After recognition as an asset, investment property is carried at cost less accumulated depreciation and impairment losses. Investment property, except for land, is depreciated using the straight-line method over their useful lives of 40 years.

2.3.13 Impairment of Non-financial Assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market

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assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. Impairment losses of continuing operations are recognized in the statement of income in expense categories consistent with the function of the impaired asset.

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

Intangible assets with indefinite useful lives are tested for impairment annually as of December 31, either individually or at the CGU level.

2.3.14 Employee Benefits

(1) Post-employment benefits

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

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

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

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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.

(2) Other long-term employee benefits

The Group provides long-term employee benefits that are entitled to employees with service period for ten years and above. 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. These liabilities are valued annually by an independent qualified actuary.

2.3.15 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 statement of income net of any reimbursement.

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

(1) Warranty provision

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

(2) Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognized and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognizes any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

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2.3.16 Current and Deferred Income Tax

(1) Current income tax

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

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

(2) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date 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:

- where 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; or
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

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tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.3.17 Revenue Recognition

(1) Identifying performance obligations

The Group identifies the separate performance obligations if: i) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer; and ii) the entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.

(2) Performance obligation satisfied over time

Construction contracts for the Group include apartments, commercial facilities, factories, roads and bridges those are ordered by customers, and usually require about three to four years of construction.

In accordance with KIFRS 1115, the timing of revenue recognition may vary depending on whether each performance obligation is satisfied at a point in time or over a period of time.

Performance obligations satisfied over time shall meet any of the following criteria:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

The Group is obliged to provide construction and maintenance services to the customer during the contract period for a majority of its construction contract. Also, it is determined that the customer controls the asset as the Group creates or enhances its value. Therefore, the Group recognizes the transaction price allocated to the performance obligation by revenue over a contract period.

For housing contracts meeting conditions under Korea Accounting Institute's Question and Answer, 2017-I-KQA015, revenue of the number of residential units the Group built and sold is recognized using percentage of completion method and the accounting treatment is effective only under the KIFRS.

(3) Percentage-of-completion measurement using input method

In accordance with KIFRS 1115, revenue is recognized when the goods or services committed to be

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provided to the customer are transferred and the performance obligation is fulfilled or when the performance obligation is fulfilled over a period of time. The obligation to perform during the period is to measure the percentage-of-completion until the obligation is fulfilled and the revenue is recognized over the period. The method of measuring the percentage-of-completion includes the output method and the input method, and they are applied if the percentage-of-completion of the performance obligation can be reasonably measured. In most construction contracts, the Group applies percentage-of-completion measurement.

In accordance with KIFRS 1115, if an entity expects that the goods are not distinct at contract inception, it will significantly control the goods or services before transferring to the customer, the costs of the goods transferred are significant in comparison to the total costs expected to be fully satisfied, and the entity receives the goods from a third party and does not significantly engage in the design and production of those goods, then recognizing the cost of the goods used to fulfill the performance obligation as revenue demonstrates the entity's performance well.

The construction contracts in plant sector are contracts including the purchase and installation of special equipment, and most of the projects are carried out over a long period of time of three years or more. The Group carries out the accounting by considering total planning costs versus special equipment costs, whether the customer has significant control over the special equipment under separate contracts, and whether the Group is deeply involved in design and production of the special equipment.

(4) Incremental cost of obtaining a contract and cost to fulfil a contract

The Group capitalizes incremental costs of obtaining a contract or contract costs incurred directly related to contract and created resources used to fulfill a contract and expected to be recovered. If capitalization requirements are not met, it is accounted for as current expenses.

2.3.18 Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as of the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss.

The consideration the acquirer transfers in exchange for the acquiree includes any asset or liability resulting from a contingent consideration arrangement. The acquirer shall recognize the acquisition-date fair value of contingent consideration as part of the consideration transferred in exchange for the acquiree. Contingent consideration classified as assets or liabilities within the scope of KIFRS 1109

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shall be measured at fair value at each reporting date and changes in fair value shall be recognized in profit or loss, or other comprehensive income, in accordance with KIFRS 1109. Contingent consideration classified as equity shall not be remeasured and its subsequent settlement shall be accounted for within equity. Other contingent consideration that is not within the scope of KIFRS 1109 shall be measured in accordance with other appropriate standards.

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

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

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

2.3.19 Investment 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 unanimous consent of the parties sharing control.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The statement of profit or loss 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 statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint

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venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company. 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. The Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired.

The Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognizes the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

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.

2.3.20 Approval of Issuance of the Financial Statements

The consolidated financial statements as of and for the year ended December 31, 2024 were approved for issue by the Board of Directors on February 5, 2025 and are subject to change with the approval of shareholders at their Annual General Meeting.

2.4 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 periods commencing on or after January 1, 2024.

2.4.1 KIFRS 1116 *Lease Liability in a Sale and Leaseback*

The amendments to KIFRS 1116 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. The amendments had no material impact on the Group's consolidated financial statements.

2.4.2 KIFRS 1001 *Classification of Liabilities as Current or Non-current*

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

- that a right to defer must exist at the end of the reporting period;
- what is meant by a right to defer settlement;

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

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

2.4.3 KIFRS 1007 and KIFRS 1107 Supplier Finance Arrangements

The amendments to KIFRS 1007 *Statement of Cash Flows* and KIFRS 1107 *Financial Instruments: Disclosures* clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As a result of implementing the amendments, the Group has provided additional disclosures about its supplier finance arrangement. Please refer to Note 17 and Note 32.

2.4.4 KIFRS 1001 Presentation of Financial Statements - Disclosure of Virtual Assets

These amendments mandate entities to disclose material information for the financial statement users such as the impact of holding and issuing virtual assets on their accounting policies and financial statements. The entities should separately disclose information related to holding virtual assets, holding them on behalf of the customers, and issuing them. The amendments had no material impact on the Group's consolidated financial statements.

2.5 New Standards and Interpretations Not Yet Adopted by the Group

The following new accounting standards and interpretations have been published that are not yet effective and have not been early adopted by the Group.

2.5.1 Amendments to KIFRS 1021 The Effects of Changes in Foreign Exchange Rates — Lack of exchangeability

The amendments to KIFRS 1021 *The Effects of Changes in Foreign Exchange Rates* specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after January 1, 2025. Early adoption is permitted, but will need to be disclosed. The Group is currently assessing the impact of these amendments on its consolidated financial statements.

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**2.5.2 Amendments to KIFRS 1109 *Financial Instruments* and KIFRS 1107 *Financial Instruments*:
*Disclosures – Classification and Measurement of Financial Instruments***

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

- introducing an accounting policy choice to derecognize financial liabilities that are settled by using electronic payment system before the settlement date (if specific criteria are met);
- providing additional guidance to help assess whether financial assets meet the criteria of consisting solely of principal and interest;
- requiring disclosure of the impact and extent of the entity's exposure to contractual terms that change the timing and amount of cash flows, by type of financial instrument; and
- requiring additional disclosure of equity instruments designated as at fair value through other comprehensive income

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2.5.3 Annual Improvements to KIFRS - Volume 11

Annual Improvements to KIFRS - Volume 11 have been announced for the purpose of improving consistency of requirements set out in each standard, enhancing clarity, and providing better understanding of the amendments. The amendments will be effective for annual periods beginning on or after January 1, 2026. Earlier adoption is permitted, but will need to be disclosed. The amendments are not expected to have a material impact on the consolidated financial statements.

- Amendments to KIFRS 1101 *First-time adoption of KIFRS: Hedge accounting by a first-time adopter*
- Amendments to KIFRS 1107 *Financial Instruments: Disclosures: Gain or loss on derecognition, Guidance for application of amendments in practice*
- Amendments to KIFRS 1109 *Financial Instruments: Accounting for derecognition of lease liabilities and definition of transaction prices*
- Amendments to KIFRS 1110 *Consolidated Financial Statements: Determination of a 'de facto agent'*
- Amendments to KIFRS 1007 *Statement of Cash Flows: Cost Method*

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3. Material Accounting Estimates and Assumptions

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

3.1 Impairment of Non-financial Assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. Goodwill and intangible assets with indefinite useful lives are tested for impairment annually as of December 31 either individually or at the CGU level, as appropriate, or when circumstances indicate that the carrying value may be impaired. Other non-financial assets are assessed for impairment when circumstances indicate that its asset may be impaired.

To calculate the value in use, the Group estimates the expected future cash inflows derived from CGUs and applies the appropriate discount rate to those future cash inflows.

3.2 Income Tax

The Group recorded, based on its best estimate, current taxes and deferred taxes that the Group will be liable in the future for the operating results as at the financial year end. However, the final tax outcome in the future may be different from the amounts that were initially recorded. Such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

3.3 Defined Benefit Plans

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

In determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates.

Further details about pension obligations are disclosed in Note 19.

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3.4 Revenue Recognition

Revenue for construction contracts is recognized on the basis of the percentage-of-completion method, under which revenue is recognized as work progress in the ratio of actual cost incurred to estimated total cost. A variation is an instruction by the customer for a change in the scope of the work to be performed under the contract. A variation may lead to an increase or a decrease in contract revenue. Examples of variations are changes in the specifications or design of the asset and changes in the duration of the contract.

Contract revenue is measured at the fair value of the initial amount of revenue agreed in the contract. The measurement of contract revenue is affected by a variety of uncertainties that depend on the outcome of future events such as delays caused by the contractor, claim, and incentive. The estimates often need to be revised as events occur and uncertainties are resolved. Therefore, the amount of contract revenue may increase or decrease from one period to the next. A variation is recognized in contract revenue when the following four circumstances are satisfied. It is probable that the customer will approve the variation and the amount of revenue arising from the variation. Negotiations have reached an advanced stage such that it is probable that the customer will accept the claim. The contract is sufficiently advanced that it is probable that the specified performance standards will be met or exceeded and only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with variable consideration has resolved.

The total contract cost is measured in each reporting period. However, the measurement of contract revenue is affected by various uncertainties that depend on the outcome of future events including project, geographic and economic characteristics. When the uncertainties that prevented the cost of the contract being estimated reliably no longer exist, expenses associated with the construction contract shall be recognized.

3.5 Fair Value of Financial Instruments

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

3.6 Impairment of Financial Assets and Contract Assets

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

Also, the Group considered that financial assets and contract assets are impaired based on the estimated revenue and expenses of business in relation to certain construction contracts.

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3.7 Provisions

As of the end of the reporting period, the Group recognizes provisions for construction warranty, litigations, payment guarantees and others. These provisions are determined under the estimates based on past experience and forecasts of future events. However, future events may have a significant difference from past experiences and forecasts, and estimates based on these future events have uncertainty that may cause significant differences from actual values.

3.8 Lease

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

3.9 Fair value measurement of identifiable assets acquired and liabilities assumed in a business combination

The fair value measurement of identifiable assets acquired and liabilities assumed in a business combination is based on management's best assumptions regarding valuation method and major variables.

3.10 Accident at the construction site of public housing in Geomdan-dong, Incheon

On April 29, 2023, an accident occurred with the collapse of some parts of the underground parking lots under construction at the public housing construction site in block AA13-2, Geomdan, Incheon, where the Group was providing construction services as the main contractor. Following the accident investigation results from the Ministry of Land, Infrastructure, and Transport on July 5, 2023, the Group decided to reconstruct the entire public housing apartment complex and underground parking lots in Blocks AA13-1 and AA13-2 in Incheon, as part of the remedial measures. Consequently, an estimated loss of ₩452,892 million, including the reconstruction costs, was recognized as provision.

Following the accident, the Group received a two-month business suspension order for civil engineering and construction work from Seoul Metropolitan Government on January 31, 2024 and September 25, 2024 for violations of the *Construction Industry Basic Act* and the *Construction Technology Promotion Act*. Subsequently, it received an eight-month business suspension order for both civil engineering and construction work and landscape construction work from the Ministry of Land, Infrastructure and Transport on February 1, 2024. Additionally, the Group received a one-year restriction on its eligibility to participate in domestic public construction bids from the Korea Land and Housing Corporation (LH) on May 3, 2024. In response, the Group filed requests for suspension of execution of administrative sanctions and a lawsuit to seek cancellation of the administrative sanctions. The Seoul Administrative Court decided on February 28 and November 18, 2024 to accept the Group's requests for suspension of the two-month business suspension order imposed by Seoul Metropolitan Government, decided on March 22, 2024 to accept the Group's requests for suspension of the eight-month business suspension order imposed by the Ministry of Land, Infrastructure and Transport, and decided on May 16, 2024 to accept the Group's requests for suspension of the one-year restriction on its eligibility to participate in domestic public construction bids imposed by the Korea Land and Housing Corporation (LH).

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Depending on the outcome of the lawsuit to seek cancellation of the administrative sanctions by the Seoul Metropolitan Government, the Ministry of Land, Infrastructure and Transport, and the Korea Land and Housing Corporation, material accounting estimates and assumptions used in the preparation of the consolidated financial statements may be adjusted. As a result, their impact on the Group's business, financial position and financial performance cannot be reasonably predicted.

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4. Segment Information and Revenue from Contracts with Customers

(1) Details of the Group's operating segments are as follows:

Operating segments	Principal business activity
Architectural & housing construction	Office building, factory, apartment and others
New business	Overseas development and others
Plant construction	Petroleum refining facility and others
Infra works ¹	Road, railroad and others
Green business	Waste water treatment plant, power plant, power control facility, district heating and others
Others	Resort and others

¹ The infra works segment includes the business unit in Australia.

(2) Sales and operating profit (loss) by each operating segment for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)	2024								
	Architectural & housing construction	New business	Plant construction	Infra works	Green Business	Others	Total	Consolidation adjustments	Consolidated total
Sales	₩ 9,625,078	₩ 1,427,291	₩ 475,365	₩ 1,162,413	₩ 310,622	₩ 166,243	₩ 13,167,012	₩ (303,201)	₩ 12,863,811
Inter-company sales	(114,210)	(35,235)	(49,696)	(8,895)	(34,574)	(60,591)	(303,201)	303,201	-
Net sales	9,510,868	1,392,056	425,669	1,153,518	276,048	105,652	12,863,811	-	12,863,811
Operating profit (loss) ¹	395,634	89,529	(48,371)	(107,312)	(47,249)	3,723	285,954	-	285,954
Profit (loss) before income tax ¹	906,706	(4,553)	(81,077)	(250,983)	(132,907)	4,314	441,500	-	441,500

¹ Operating profit (loss) and profit (loss) before income tax are net of intercompany transactions.

(in millions of Korean won)	2023								
	Architectural & housing construction	New business	Plant construction	Infra works	Green Business	Others	Total	Consolidation adjustments	Consolidated total
Sales	₩ 10,412,244	₩ 1,466,235	₩ 398,922	₩ 1,116,545	₩ 273,579	₩ 169,618	₩ 13,837,143	₩ (400,458)	₩ 13,436,685
Inter-company sales	(175,112)	(51,809)	(98,472)	(12,458)	(1,818)	(60,789)	(400,458)	400,458	-
Net sales	10,237,132	1,414,426	300,450	1,104,087	271,761	108,829	13,436,685	-	13,436,685
Operating profit (loss) ¹	(446,070)	121,269	(4,835)	(32,203)	(28,856)	2,750	(387,945)	-	(387,945)
Profit (loss) before income tax ¹	(206,477)	(5,418)	(149,208)	(49,724)	(98,607)	(8,053)	(517,487)	-	(517,487)

¹ Operating profit (loss) and profit (loss) before income tax are net of intercompany transactions.

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(3) Revenues by segments for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)	2024						
	Architectural & housing construction	New business	Plant construction	Infra works	Green Business	Others	Total
Major product & service							
Construction contract as a constructor	₩ 8,601,103	₩ 232,425	₩ 391,655	₩ 1,091,131	₩ 164,700	₩ -	₩ 10,481,017
Construction contract as a developer & constructor	827,878	92,403	-	-	-	-	920,281
Engineering service and others	50,974	457,121	32,418	61,758	105,002	-	707,273
Lease and others	30,913	610,107	1,596	626	6,346	40,779	690,367
Resort	-	-	-	-	-	64,873	64,873
	<u>₩ 9,510,868</u>	<u>₩ 1,392,056</u>	<u>₩ 425,669</u>	<u>₩ 1,153,518</u>	<u>₩ 276,048</u>	<u>₩ 105,652</u>	<u>₩ 12,863,811</u>
Timing of revenue recognition							
Recognition over time	₩ 9,271,780	₩ 724,712	₩ 425,669	₩ 1,153,518	₩ 276,018	₩ 40,779	₩ 11,892,506
Recognition at a point in time	239,088	667,344	-	-	-	64,873	971,305
	<u>₩ 9,510,868</u>	<u>₩ 1,392,056</u>	<u>₩ 425,669</u>	<u>₩ 1,153,518</u>	<u>₩ 276,048</u>	<u>₩ 105,652</u>	<u>₩ 12,863,811</u>
(in millions of Korean won)	2023						
	Architectural & housing construction	New business	Plant construction	Infra works	Green Business	Others	Total
Major product & service							
Construction contract as a constructor	₩ 9,105,233	₩ 92,449	₩ 271,604	₩ 1,045,224	₩ 158,580	₩ -	₩ 10,673,090
Construction contract as a developer & constructor	1,020,160	180,223	-	-	-	-	1,200,383
Engineering service and others	58,538	472,605	28,005	58,097	107,686	-	724,931
Lease and others	53,201	669,149	841	766	5,495	44,429	773,881
Resort	-	-	-	-	-	64,400	64,400
	<u>₩ 10,237,132</u>	<u>₩ 1,414,426</u>	<u>₩ 300,450</u>	<u>₩ 1,104,087</u>	<u>₩ 271,761</u>	<u>₩ 108,829</u>	<u>₩ 13,436,685</u>
Timing of revenue recognition							
Recognition over time	₩ 9,821,754	₩ 579,509	₩ 300,450	₩ 1,104,087	₩ 271,761	₩ 44,429	₩ 12,121,990
Recognition at a point in time	415,378	834,917	-	-	-	64,400	1,314,695
	<u>₩ 10,237,132</u>	<u>₩ 1,414,426</u>	<u>₩ 300,450</u>	<u>₩ 1,104,087</u>	<u>₩ 271,761</u>	<u>₩ 108,829</u>	<u>₩ 13,436,685</u>

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(4) There are no major customers who contribute more than 10% of total sales of the Group for each of the two years in the period ended December 31, 2024.

(5) Sales information by regional segment for each of the two years in the period ended December 31, 2024 is as follows:

<i>(in millions of Korean won)</i>	2024				
	Korea	Middle East	China and South-East Asia	Others	Total
Sales	₩ 10,354,380	₩ 391,287	₩ 765,098	₩ 1,656,247	₩ 13,167,012
Inter-company sales	(261,379)	(3,088)	(22,110)	(16,624)	(303,201)
Net sales	<u>₩ 10,076,018</u>	<u>₩ 391,287</u>	<u>₩ 747,527</u>	<u>₩ 1,648,979</u>	<u>₩ 12,863,811</u>

<i>(in millions of Korean won)</i>	2023				
	Korea	Middle East	China and South-East Asia	Others	Total
Sales	₩ 10,787,919	₩ 308,473	₩ 1,327,130	₩ 1,413,621	₩ 13,837,143
Inter-company sales	(371,980)	(7,900)	(8,462)	(12,116)	(400,458)
Net sales	<u>₩ 10,415,939</u>	<u>₩ 300,573</u>	<u>₩ 1,318,668</u>	<u>₩ 1,401,505</u>	<u>₩ 13,436,685</u>

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5. Cash and Cash Equivalents and Others

(1) Cash and cash equivalents and others as of December 31, 2024 and 2023 consist of:

<i>(in millions of Korean won)</i>		2024	2023
Cash and cash equivalents	Cash	₩ 1,053	₩ 893
	Deposits	2,081,972	2,244,032
		<u>2,083,025</u>	<u>2,244,925</u>
Short-term financial assets	Short-term financial instruments	477,130	553,758
	Current financial lease receivables and others	43,491	39,214
		<u>520,621</u>	<u>592,972</u>
Long-term financial assets	Long-term financial instruments	2,974	14,913
	Leasehold deposits provided and others	714,464	769,662
		<u>717,438</u>	<u>784,575</u>
		<u>₩ 3,321,084</u>	<u>₩ 3,622,472</u>

(2) Details of restricted financial instruments as of December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Bank	2024	2023	Remarks
Cash and cash equivalents	Wells Fargo and others	₩ -	₩ 1,530	Restricted cash and others
	Subtotal	<u>-</u>	<u>1,530</u>	
Short-term financial assets	Shinhan	4,889	4,889	Leasehold deposits
	Shinhan	6,850	6,850	Loans for employees' housing
	Shinhan and others	-	31,300	Pledged as collateral
	Shinhan and others	30,000	30,000	Deposits in support of mutual property
	Korea Securities Finance Corp.	5,000	-	Collateral for employee stock ownership loan I
	NH and others	1,400	1,672	Account for special provisions for construction warranty
	SC	45,570	39,971	Deposits in L/C issued for overseas sites
	INDUSTRIAL BANK OF KOREA	6,200	6,200	Win-win growth cooperative fund
	INDUSTRIAL BANK OF KOREA	5,032	4,521	Bank draft issuance limit
	Banobras and others	259	227	Cash Restricted
	Subtotal	<u>105,200</u>	<u>125,630</u>	
Long-term financial assets	Shinhan	138	138	Leasehold deposits
	Shinhan and others	22	22	Deposit for overdraft
	Woori and others	-	1,586	Deposit for issuance of letter of credit guarantee
	Industrial and Commercial Bank of China	81	348	Deposit for establishment of a branch
	Subtotal	<u>241</u>	<u>2,094</u>	
		<u>₩ 105,441</u>	<u>₩ 129,254</u>	

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6. Trade and Other Receivables

(1) Trade and other receivables as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

		2024		
		Receivables	Allowance for bad debts	Receivables, net
Current assets				
Trade and other receivables	Receivables from construction contracts	₩ 2,439,383	₩ (249,369)	₩ 2,190,014
	Receivables from real estates housing construction and sales operations	23,188	(2,882)	20,306
	Notes receivable	7,507	(71)	7,436
	Other trade receivables	50,712	(564)	50,148
	Other receivables	647,617	(145,338)	502,279
	Accrued revenue	89,944	(19,621)	70,323
	Short-term loans	272,428	(62,480)	209,948
	Deposits provided for operation	38	-	38
		<u>₩ 3,530,817</u>	<u>₩ (480,325)</u>	<u>₩ 3,050,492</u>
Non-current assets				
Long-term trade and other receivables	Long-term other receivables	₩ 39,501	₩ (808)	₩ 38,693
	Long-term loans	1,879,377	(88,014)	1,791,363
	Deposits provided for operation	133,842	(2,105)	131,737
		<u>₩ 2,052,720</u>	<u>₩ (90,927)</u>	<u>₩ 1,961,793</u>

(in millions of Korean won)

		2023		
		Receivables	Allowance for bad debts	Receivables, net
Current assets				
Trade and other receivables	Receivables from construction contracts	₩ 2,803,320	₩ (185,565)	₩ 2,617,755
	Receivables from real estates housing construction and sales operations	42,312	(2,174)	40,138
	Notes receivable	74,392	(967)	73,425
	Other trade receivables	47,499	(636)	46,863
	Other receivables	535,886	(287,983)	247,903
	Accrued revenue	129,926	(55,217)	74,709
	Short-term loans	498,825	(70,769)	428,056
	Deposits provided for operation	154	-	154
		<u>₩ 4,132,314</u>	<u>₩ (603,311)</u>	<u>₩ 3,529,003</u>
Non-current assets				
Long-term trade and other receivables	Long-term other receivables	₩ 38,224	₩ -	₩ 38,224
	Long-term loans	1,376,026	(136,165)	1,239,861

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Deposits provided for operation	97,874	(1,311)	96,563
	<u>₩ 1,512,124</u>	<u>₩ (137,476)</u>	<u>₩ 1,374,648</u>

(2) Aging schedule of trade and other receivables is as follows:

(in millions of Korean won)

	2024		2023	
	Trade receivables¹	Other receivables	Trade receivables¹	Other receivables
Receivables not impaired				
Up to 1 year	₩ 1,964,742	₩ 171,862	₩ 2,019,321	₩ 462,759
1 to 2 years	94,473	28,509	194,517	54,613
Over 2 years	204,144	61,101	527,900	38,435
	<u>2,263,359</u>	<u>261,472</u>	<u>2,741,738</u>	<u>555,807</u>
Individually impaired	296,932	748,555	264,010	608,983
	<u>₩ 2,560,291</u>	<u>₩ 1,010,027</u>	<u>₩ 3,005,748</u>	<u>₩ 1,164,790</u>
Allowance for bad debts	₩ (253,694)	₩ (227,439)	₩ (189,342)	₩ (413,969)

¹ Includes receivables with deferred collection due to contractual conditions (₩ 139,381 million in 2024, ₩ 207,435 million in 2023). In addition, long-term other receivables are included.

(3) Changes in allowance for bad debts as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

		2024			
		Beginning	Bad debt expenses	Reversal / write-off and others	Ending
Trade and other receivables	Receivables from construction contracts	₩ 185,565	₩ 104,431	₩ (40,627)	₩ 249,369
	Receivables from real estates housing construction and sales operations	2,174	989	(281)	2,882
	Notes receivable	967	68	(964)	71
	Other receivables	287,983	15,825	(158,470)	145,338
	Accrued revenue	55,217	5,233	(40,829)	19,621
	Short-term loans	70,769	548	(8,837)	62,480
	Other trade receivables	636	74	(146)	564
		<u>₩ 603,311</u>	<u>₩ 127,168</u>	<u>₩ (250,154)</u>	<u>₩ 480,325</u>
Long-term trade and other receivables	Long-term other Receivables	₩ -	₩ 808	₩ -	₩ 808
	Long-term loans	136,165	20,025	(68,176)	88,014
	Deposits provided for operation	1,311	1,059	(265)	2,105
		<u>₩ 137,476</u>	<u>₩ 21,892</u>	<u>₩ (68,441)</u>	<u>₩ 90,927</u>

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		2023			
		Beginning	Bad debt expenses	Reversal / write-off and others	Ending
Trade and other receivables	Receivables from construction contracts	₩ 116,779	₩ 114,641	₩ (45,855)	₩ 185,565
	Receivables from real estates housing construction and sales operations	1,613	1,153	(592)	2,174
	Notes receivable	909	146	(88)	967
	Other receivables	291,950	16,934	(20,901)	287,983
	Accrued revenue	45,603	7,401	2,213	55,217
	Short-term loans	87,684	8,736	(25,651)	70,769
	Other trade receivables	61	550	25	636
		₩ 544,599	₩ 149,561	₩ (90,849)	₩ 603,311
Long-term trade and other receivables	Long-term loans	₩ 178,923	₩ 9,080	₩ (51,838)	₩ 136,165
	Deposits provided for operation	693	1,078	(460)	1,311
		₩ 179,616	₩ 10,158	₩ (52,298)	₩ 137,476

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7. Construction Contracts

(1) Changes in the outstanding balances of construction contracts for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024			
	Beginning	Increase	Sales recognized	Ending
Architectural & housing construction	₩ 13,455,226	₩ 7,497,330	₩ 8,357,503	₩ 12,595,053
New business	708,302	299,310	251,358	756,254
Plant construction	282,040	1,611,281	393,671	1,499,650
Green business	512,597	101,403	164,692	449,308
Infra works	3,906,232	483,305	1,080,850	3,308,687
	<u>18,864,397</u>	<u>9,992,629</u>	<u>10,248,074</u>	<u>18,608,952</u>
Housing construction and sales operations ¹	846,469	71,970	752,529	165,910
	<u>₩ 19,710,866</u>	<u>₩ 10,064,599</u>	<u>₩ 11,000,603</u>	<u>₩ 18,774,862</u>

(in millions of Korean won)

	2023			
	Beginning	Increase	Sales recognized	Ending
Architectural & housing construction ¹	₩ 16,627,531	₩ 5,769,270	₩ 8,941,575	₩ 13,455,226
New business	30,441	762,137	84,276	708,302
Plant construction	340,039	215,045	273,044	282,040
Green business	454,465	217,566	159,434	512,597
Infra works	4,265,917	662,601	1,022,286	3,906,232
	<u>21,718,393</u>	<u>7,626,619</u>	<u>10,480,615</u>	<u>18,864,397</u>
Housing construction and sales operations ¹	1,319,115	293,884	766,530	846,469
	<u>₩ 23,037,508</u>	<u>₩ 7,920,503</u>	<u>₩ 11,247,145</u>	<u>₩ 19,710,866</u>

¹ Apartment sales contracts from which the revenue is recognized at a point in time are excluded.

The amounts above do not include the construction contracts not yet executed.

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(2) Details of construction contracts in progress as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024			
	Accumulated sales	Accumulated cost	Accumulated profit (loss)	Retention for receivables¹
Architectural & housing construction	₩ 43,564,377	₩ 39,289,485	₩ 4,274,892	₩ -
New business	1,299,605	1,262,369	37,236	7,862
Plant construction	26,821,702	26,793,136	28,566	75,931
Green business	5,614,391	6,025,131	(410,740)	37,017
Infra works	12,127,533	11,833,412	294,121	26,433
	<u>89,427,608</u>	<u>85,203,533</u>	<u>4,224,075</u>	<u>147,243</u>
Housing construction and sales operations	4,304,469	3,373,446	931,023	-
	<u>₩ 93,732,077</u>	<u>₩ 88,576,979</u>	<u>₩ 5,155,098</u>	<u>₩ 147,243</u>

(in millions of Korean won)

	2023			
	Accumulated sales	Accumulated cost	Accumulated profit (loss)	Retention for receivables¹
Architectural & housing construction	₩ 46,803,597	₩ 41,190,983	₩ 5,612,614	₩ 2,386
New business	1,037,229	989,626	47,603	-
Plant construction	29,639,487	30,111,870	(472,383)	72,208
Green business	5,629,984	5,996,278	(366,294)	41,118
Infra works	11,591,465	11,216,579	374,886	91,575
	<u>94,701,762</u>	<u>89,505,336</u>	<u>5,196,426</u>	<u>207,287</u>
Housing construction and sales operations	3,865,603	3,097,715	767,888	-
	<u>₩ 98,567,365</u>	<u>₩ 92,603,051</u>	<u>₩ 5,964,314</u>	<u>₩ 207,287</u>

¹ Included in trade receivables.

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(3) Details of contract assets and liabilities (due from customers and due to customers amount) related to construction as of December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	2024		2023	
	Contract assets¹	Contract liabilities	Contract assets¹	Contract liabilities
Architectural & housing construction	₩ 829,070	₩ 970,140	₩ 648,269	₩ 1,400,086
New business	41,007	14,744	39,097	31,093
Plant construction	32,293	177,937	131,624	46,707
Green business	21,734	97,374	36,474	125,505
Infra works	265,067	307,026	343,641	319,261
	<u>₩ 1,189,171</u>	<u>₩ 1,567,221</u>	<u>₩ 1,199,105</u>	<u>₩ 1,922,652</u>

¹ As of December 31, 2024, the allowance for bad debts which the Group recognized for contract assets in accordance with KIFRS 1109 amounts to ₩ 213,524 million (₩ 206,549 million in 2023).

As of December 31, 2024, the due from customers amount from housing construction and sales operations is ₩ 2,797 million (₩ 56,358 million in 2023) and due to customers amount from housing construction and sales operations is ₩ 9,104 million (₩ 80,846 million in 2023).

Sales recognized for the year ended December 31, 2024, from the balance of contract liabilities as of December 31, 2023, amount to ₩ 1,595,111 million (₩ 1,763,704 million in 2023)

(4) As of December 31, 2024, the cost of fulfilling a contract which the Group has recognized as an asset is ₩ 157,514 million (₩ 149,816 million in 2023). In connection with construction contracts, the Group recognized cost directly related to the contract (or expected contract) and that creates or increases the value of the entity's resources to be used in fulfilling its future performance obligations and recoverable, as cost to fulfill a contract.

(5) Details of major joint construction contracts as of December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	Total contract amount	Amounts attributable to the Group	Equity interest attributable to the Group	Principal contractee
Karbala Refinery Project	₩ 7,846,365	₩ 2,942,387	37.5%	Hyundai E&C
North East Link Project	10,395,861	2,910,841	28.0%	Webuild S.p.A
Imun I-Park Xi	1,122,627	493,956	44.0%	HDC
New Hanul Nuclear Power Plant #1,2 main facility construction	1,948,096	487,024	25.0%	Hyundai E&C
Sanseong Station Xi Prugio	962,730	481,365	50.0%	GS E&C
Unam Xi Forena Firstichae	949,101	450,823	47.5%	GS E&C
Indeogwon Xi SK VIEW	711,495	426,897	60.0%	GS E&C
Kais CCPP Project	653,192	326,596	50.0%	GS E&C
Gwangmyeong Xi The Sharp Forena	803,249	313,267	39.0%	GS E&C
Sejong Xi The CITY	668,926	334,463	50.0%	GS E&C

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(6) Provisions for construction losses under the stage-of-completion method, changes in contract revenues and costs arising from accounting estimates changes and due from customers amount related to construction for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)	2024						
	Provision for construction losses	Changes in total contract revenues	Changes in total contract costs	Profit (loss) changes for the current period	Profit (loss) changes for the future periods	Total	Changes in due from customers
Architectural & housing construction	₩ 356,470	₩ 1,062,269	₩ 334,290	₩ 406,543	₩ 321,436	₩ 727,979	₩ 406,543
New business	12,171	33,910	57,032	(23,122)	-	(23,122)	(23,122)
Plant construction	1	120,684	148,921	(22,867)	(5,370)	(28,237)	(22,867)
Green business	27,560	1,117	19,481	(34,620)	16,256	(18,364)	(34,620)
Infra works	7,864	269,210	318,853	(92,370)	42,727	(49,643)	(92,370)
	<u>₩ 404,066</u>	<u>₩ 1,487,190</u>	<u>₩ 878,577</u>	<u>₩ 233,564</u>	<u>₩ 375,049</u>	<u>₩ 608,613</u>	<u>₩ 233,564</u>

(in millions of Korean won)	2023						
	Provision for construction losses	Changes in total contract revenues	Changes in total contract costs	Profit (loss) changes for the current period	Profit (loss) changes for the future periods	Total	Changes in due from customers
Architectural & housing construction	₩ 546,865	₩ 1,089,702	₩ 1,533,862	₩ (615,160)	₩ 171,000	₩ (444,160)	₩ (615,160)
New business	703	(40)	28	(68)	-	(68)	(68)
Plant construction	16	72,082	97,138	(28,866)	3,810	(25,056)	(28,866)
Green business	17,638	52,163	28,051	22,202	1,910	24,112	22,202
Infra works	5,743	243,096	267,967	(63,083)	38,212	(24,871)	(63,083)
	<u>₩ 570,965</u>	<u>₩ 1,457,003</u>	<u>₩ 1,927,046</u>	<u>₩ (684,975)</u>	<u>₩ 214,932</u>	<u>₩ (470,043)</u>	<u>₩ (684,975)</u>

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(7) Under the stage-of-completion method, the construction contracts from which the contract revenue exceeds 5% of the preceding year's total revenue for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)		2024								
		Contract date	Contract due ¹	Progress rate	Due from customers amount related to construction		Receivables from construction contracts			
					Amount	Accumulated impairment	Amount	Allowance for bad debts		
Architectural & housing construction	Maple Xi	2021-10-28	2025-06-27	68.22	₩ -	₩ -	₩ -	₩ -		-
	Cheolsan Xi The Heritage	2021-12-31	2025-05-30	77.82	-	-	-	-		-
	Jangwi Xi Radiant	2022-04-01	2025-03-31	84.77	-	-	62,714	1,472		
	North Suwon Xi Rexvia	2021-03-19	2024-03-28	100.00	-	-	-	-		-
	Daemyeong Xi Grand City	2023-01-10	2026-04-30	50.61	154,705	-	-	-		-
	Pyeongchon Xi Firsnity	2024-08-29	2027-12-31	5.19	-	-	55	1		
	Songdo Xi Crystal Ocean	2021-02-22	2024-06-30	100.00	-	-	1,215	520		
	GP3	2017-07-07	2024-03-31	100.00	-	-	-	-		-
Plant construction	Karbala Refinery Project	2014-04-22	2024-12-14	98.12	-	-	222,631	-		-
	Fadhili Gas Increment Program PKG2	2024-04-15	2027-09-16	4.62	-	-	10,180	-		-
	Aurora Project	2024-11-12	2027-07-12	5.53	-	-	78,561	1,556		
Green business	New Hanul Nuclear Power Plant #1,2 main facility construction	2010-04-30	2024-04-30	100.00	-	-	-	-		-
Infra works	Thomson-East Coast line Contract T301	2016-03-18	2025-08-31	94.84	6,792	-	12,840	-		-
	ITTC Project	2020-05-11	2025-04-25	94.04	-	-	12,576	-		-
	NSC N101	2018-12-26	2029-11-30	57.23	23,722	-	6,838	-		-
	North East Link Project	2021-10-28	2028-12-29	35.54	-	-	7,547	-		-

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(in millions of
Korean won)

(in millions of Korean won)		2023							
		Contract date	Contract due ¹	Progress rate	Due from customers amount related to construction		Receivables from construction contracts		
					Amount	Accumulated impairment	Amount	Allowance for bad debts	
Architectural & housing construction	Gaepo Xi Presidents	2019-11-04	2023-02-28	100.00	₩ -	₩ -	₩ -	-	
	Maple Xi	2021-10-28	2025-04-28	38.53	68,011	-	-	-	
	Cheolsan Xi The Heritage	2021-12-30	2025-05-30	33.26	-	-	-	-	
	Brighten	2019-07-23	2023-08-21	100.00	-	-	542,121	13,613	
	North Suwon Xi Rexvia	2021-03-19	2024-03-31	81.36	41,705	-	-	-	
	Heukseok Xi	2019-12-06	2023-02-27	100.00	-	-	24,614	3,716	
	Daemyeong Xi Grand City	2022-11-01	2026-04-30	16.96	77,331	-	-	-	
	Songdo Xi Crystal Ocean	2021-02-22	2024-06-30	67.50	-	-	6,800	514	
	GP3	2017-07-07	2024-03-31	99.49	-	-	6,077	-	
Plant construction	Karbala Refinery Project	2014-04-22	2023-07-31	99.80	24,347	-	146,675	-	
Green business	New Hanul Nuclear Power Plant #1,2 main facility construction	2010-04-30	2024-04-30	99.44	2,530	-	-	-	
Infra works	Thomson-East Coast line Contract T301	2016-03-18	2024-10-04	90.45	59,988	-	62,724	-	
	ITTC Project	2020-05-11	2025-04-25	83.31	32,431	-	30,447	-	
	NSC N101	2018-12-26	2027-07-26	47.24	36,193	-	10,601	-	
	North East Link Project	2021-10-28	2028-12-29	17.36	-	-	6,509	-	

¹ The project's contractual or expected construction period.

Of the construction contracts whose total contract revenue amounts to 5% or more of the previous fiscal year's sales, construction contracts before commencement which did not generate profits are excluded. Contracts of which revenue is still recognized under the percentage of completion method due to construction warranty after delivery are included. There are no construction contracts that are excluded from the disclosure due to related laws or contracts with the client.

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8. Inventories and Other Assets

(1) Inventories as of December 31, 2024 and 2023, are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Land for construction ¹	₩ 402,991	₩ 341,957
Goods and products	23,946	25,480
Raw materials	66,318	82,004
Finished commercial building	19,108	-
Finished housing	176,323	15,848
Unfinished housing construction ²	498,181	782,474
Supplies	1,087	1,295
Incompletion construction	336	-
Semi-finished goods	902	939
Work-in-process	89,192	88,217
Goods in transit	698	17
Others	924	435
	<u>₩ 1,280,006</u>	<u>₩ 1,338,666</u>

¹ Land for construction amounting to ₩ 255,245 million (₩ 235,339 million in 2023) has been pledged as collateral for borrowings.

² The amount of borrowing costs capitalized on qualifying assets is included (see Note 27).

(2) Other current assets as of December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Prepaid construction costs	₩ 157,514	₩ 149,816
Advance payments	195,156	179,258
Prepaid expenses	78,604	55,201
Purchase value added tax	58,700	65,639
Prepaid income taxes	41,529	59,485
	<u>₩ 531,503</u>	<u>₩ 509,399</u>

(3) Other non-current assets as of December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Long-term advance payments	₩ 12,204	₩ 19,485
Long-term prepaid expenses	73,912	74,975
Other non-current assets	-	1,661
	<u>₩ 86,116</u>	<u>₩ 96,121</u>

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9. Categories of Financial Assets and Liabilities

(1) Categories of financial assets as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024			
	Financial assets at fair value through profit or loss	Derivative financial instruments	Financial assets at amortized cost	Total
Cash and cash equivalents	₩ -	₩ -	₩ 2,083,025	₩ 2,083,025
Trade and other receivables	-	-	3,050,492	3,050,492
Short-term financial assets	47,795	5,503	462,495	515,793
Long-term trade and other receivables	-	-	1,961,793	1,961,793
Long-term financial assets	8,273	5,199	691,769	705,241
Financial assets at fair value through profit or loss	239,766	-	-	239,766
	<u>₩ 295,834</u>	<u>₩ 10,702</u>	<u>₩ 8,249,574</u>	<u>₩ 8,556,110</u>

(in millions of Korean won)

	2023			
	Financial assets at fair value through profit or loss	Derivative financial instruments	Financial assets at amortized cost	Total
Cash and cash equivalents	₩ -	₩ -	₩ 2,244,925	₩ 2,244,925
Trade and other receivables	-	-	3,529,003	3,529,003
Short-term financial assets	36,307	6,152	541,759	584,218
Long-term trade and other receivables	-	-	1,374,648	1,374,648
Long-term financial assets	-	2,175	772,939	775,114
Financial assets at fair value through profit or loss	263,978	-	-	263,978
	<u>₩ 300,285</u>	<u>₩ 8,327</u>	<u>₩ 8,463,274</u>	<u>₩ 8,771,886</u>

(2) Categories of financial liabilities as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024			
	Financial liabilities at fair value through profit or loss	Derivative financial instruments	Financial liabilities at amortized cost	Total
Trade and other payables	₩ -	₩ -	₩ 1,838,233	₩ 1,838,233
Short-term financial liabilities	24,164	11,393	3,152,278	3,187,835
Other current liabilities ¹	-	-	598,135	598,135

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Long-term financial liabilities	71,808	1,986	2,559,897	2,633,691
Other non-current liabilities	-	-	110,441	110,441
	<u>₩ 95,972</u>	<u>₩ 13,379</u>	<u>₩ 8,258,984</u>	<u>₩ 8,368,335</u>

¹ Consists of deposits received, accrued expenses, accrued dividends and current membership guarantee deposits and, except for short-term employee benefits.

(in millions of Korean won)

	2023			
	Financial liabilities at fair value through profit or loss	Derivative financial instruments	Financial liabilities at amortized cost	Total
Trade and other payables	₩ -	₩ -	₩ 1,810,904	₩ 1,810,904
Short-term financial liabilities	5,903	2,279	2,378,810	2,386,992
Other current liabilities ¹	-	-	606,190	606,190
Long-term Trade and other payables	-	-	3,744	3,744
Long-term financial liabilities	7,791	487	2,980,504	2,988,782
Other non-current liabilities	-	-	111,689	111,689
	<u>₩ 13,694</u>	<u>₩ 2,766</u>	<u>₩ 7,891,841</u>	<u>₩ 7,908,301</u>

¹ Consists of deposits received, accrued expenses, accrued dividends and current membership guarantee deposits and, except for short-term employee benefits.

(3) Net gains and losses on financial instruments by category for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024			
	Financial instruments at fair value through profit or loss	Derivative financial instruments	Financial instruments at amortized cost	Total
Interest income ¹	₩ 1,050	₩ -	₩ 169,276	₩ 170,326
Interest expense ¹	-	-	(296,845)	(296,845)
Gain on foreign currency translation	-	-	101,758	101,758
Gain on foreign currency transaction	-	-	72,154	72,154
Loss on derivatives valuation	(1,381)	(2,663)	-	(4,044)
Gain on derivatives transaction	579	132	-	711
Dividend income	8,650	-	-	8,650
Other finance cost	(19,533)	-	(62,607)	(82,140)
	<u>₩ (10,635)</u>	<u>₩ (2,531)</u>	<u>₩ (16,264)</u>	<u>₩ (29,430)</u>

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¹ Interest expenses for lease liabilities and interest income from subleases are excluded.

(in millions of Korean won)

	2023			
	Financial instruments at fair value through profit or loss	Derivative financial instruments	Financial instruments at amortized cost	Total
Interest income ¹	₩ 1,199	₩ -	₩ 195,899	₩ 197,098
Interest expense ¹	-	-	(288,028)	(288,028)
Gain on foreign currency translation	-	-	5,328	5,328
Gain on foreign currency transaction	-	-	2,796	2,796
Loss on derivatives valuation ¹	(13,694)	(2,892)	-	(16,586)
Gain on derivatives transaction	20,690	583	-	21,273
Dividend income	9,435	-	-	9,435
Other finance cost	(3,933)	-	(18,354)	(22,287)
	<u>₩ 13,697</u>	<u>₩ (2,309)</u>	<u>₩ (102,359)</u>	<u>₩ (90,971)</u>

¹ Interest expenses for lease liabilities and interest income from subleases are excluded.

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10. Financial Assets at Fair Value through Profit or Loss

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

<i>(in millions of Korean won)</i>	2024		2023	
Marketable equity securities	₩	358	₩	565
Non-marketable equity securities		239,408		263,413
	₩	239,766	₩	263,978

(2) Changes in financial assets at fair value through profit of loss for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	2024		2023	
Beginning	₩	263,978	₩	273,951
Acquisition		30,058		15,435
Disposal		(53,866)		(24,266)
Valuation		(6,017)		(3,807)
Changes in exchange rate		6,123		2,665
Changes in the scope of consolidation		(510)		-
Ending	₩	239,766	₩	263,978

(3) Details of marketable equity securities as of December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Number of shares	Equity interest (%)	Acquisition cost		Book value ¹	
			2024	2023	2024	2023
DONGBU Corporation	87,812	0.38	₩ 1,243	₩ 1,239	₩ 336	₩ 511
SAMBU CONSTRUCTION CO., LTD.	23,444	0.01	20	20	22	54
			₩ 1,263	₩ 1,259	₩ 358	₩ 565

¹ The book value presents either the net asset amount or the amount after fair value valuation.

(4) Details of non-marketable equity securities as of December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	Number of shares	Equity interest (%)	Acquisition cost		Book value ¹	
			2024	2023	2024	2023
Uiyeongbu LRT Inc.	8,663,394	47.54	₩ 45,226	₩ 45,226	₩ -	₩ -
Seoul-Munsan Highway Co., Ltd.	4,833,920	18.20	24,169	24,169	16,851	16,851
Oksan Ochang Highway Corporation	5,988,000	60.00	29,940	29,940	-	2,048
Daegu Green Energy	474,400	10.20	2,372	2,372	-	-

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(in millions of Korean won)	Number of shares	Equity interest (%)	Acquisition cost		Book value ¹	
			2024	2023	2024	2023
Center Co., Ltd.						
Eun Pyung New Road Corp.	435,200	55.06	2,176	2,176	2,176	2,176
Jeonju Sewage Pipe Co., Ltd.	207,060	7.90	1,035	1,035	-	-
Nonsan Drain Co., Ltd.	91,868	11.90	459	459	459	459
Masan Drain Co., Ltd.	220,890	8.14	1,104	1,104	352	302
Youngduk & Bio Co., Ltd.	34,870	4.22	174	174	174	174
The 2nd YoungDong Highway Co., Ltd.	1,437,483	2.69	7,187	7,187	-	-
Gaya Railway Co., Ltd.	305,490	2.30	1,527	1,527	161	145
S-Y highway Co., Ltd.	4,737,712	7.00	23,689	23,689	-	-
Kangreung Sewage Pipe Co., Ltd.	50,682	3.30	253	253	253	253
Eumseong Sewage Pipe Co., Ltd.	67,210	6.30	336	336	336	336
Mileseum Co., Ltd.	86,645	1.63	433	433	433	433
Seoul Northern Highway Co., Ltd.	2,730,560	5.60	13,653	13,653	2,154	2,430
Daejeon Sewage Pipe Co., Ltd.	108,456	4.00	830	830	830	830
Gyungggi Railroad Cd., Ltd.	495,000	2.45	2,475	2,475	-	-
Green Energy Development Co., Ltd.	81,000	27.00	405	405	405	405
Dangyul Co., Ltd.	128,228	11.29	641	641	641	641
Wonju Green Co., Ltd.	805,425	24.46	4,027	4,027	1,151	459
Gumi Green Water Co., Ltd.	335,412	18.90	1,677	1,677	1,413	1,572
Ulsan green Co., Ltd.	701,368	19.74	3,507	3,507	3,368	2,987
Seoul Tunnel Co., Ltd.	1,147,200	6.00	5,736	5,736	8,410	8,410
Paju-Yangju Powerful Army Co., Ltd.	89,289	8.00	447	447	-	-
Evergreen Goyang Co., Ltd.	24,267	1.76	121	121	121	121
Hwaseong Gwangju Highway.	2,894,436	13.32	14,472	14,472	15,668	14,652
Midan City Development Co., Ltd.	2,391,480	13.40	13,240	13,240	-	-
Dream Hub Project Financial Investment	4,000,000	2.00	20,000	20,000	-	-
Alpha Dome City Co., Ltd. (deferred shares)	13,175	0.48	66	66	-	-
Tropical Bintan Pte., Ltd.	625,000	12.50	2,444	2,444	-	-
The Korea Economic Daily	646	0.00	14	14	14	14
Asiad Country Club Co., Ltd.	80,000	2.67	400	400	-	-
International Convention Center Jeju	100,000	0.25	500	500	500	500
Public Development Co., Ltd.	276,259	17.09	2,669	2,669	4,380	4,666
Construction Guarantee Cooperative ²	16,363	0.38	17,095	17,095	25,328	25,350
Engineering Construction Financial Cooperative ²	13,700	0.98	6,612	6,612	11,660	11,120
Electric Construction Financial Cooperative	600	0.01	98	98	98	98
Information &	440	0.03	61	61	61	61

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(in millions of Korean won)	Number of shares	Equity interest (%)	Acquisition cost		Book value ¹	
			2024	2023	2024	2023
Communication Financial Cooperative						
Fire Guarantee Cooperative	40	0.01	20	20	20	20
Siheung Ecopia Co., Ltd.	30,530	3.51	153	153	153	153
West Seoul Urban Expressway Inc.	-	-	-	3,000	-	53,865
Daejeongreen.	1,058,077	27.20	5,290	5,290	-	-
Dong Yang Engineering and Construction Corp.	545	0.02	3	3	3	3
Jinsung Construction Co., Ltd.	10,095	1.39	101	101	-	-
Gyeongnam Enterprise Ltd.	292	0.00	1	1	1	1
Pyeongtaek EOS	328,200	6.00	1,641	1,641	2,394	2,118
Busan East-West highway Corp.	2,201,310	13.50	11,007	11,007	11,007	11,007
KIAMCO Gyeonggi Railway Investment Private Investment Trust	8,104,011,384	10.31	8,107	8,107	-	-
Gyongbuk Green Energy	286,552	8.40	1,433	1,433	1,532	1,623
North Han-River Barraks	13,308	0.48	67	67	67	67
Ssangyong E&C Co., Ltd.	1,805	0.00	9	9	9	9
Pureun seobu environment	13,488	1.30	68	68	67	67
Hwaseong Ecotec Co., Ltd.	8,689	0.90	43	43	43	43
Blue Core PFV Co., Ltd.	1,000,000	10.00	5,000	5,000	5,000	5,000
Gunsan Green Energy Center Co., Ltd.	246,962	10.05	1,235	1,235	595	530
GUMIMAKEUNMUL Co., Ltd.	116,721	12.15	584	584	584	584
Angelswing Co., Ltd.	5,291	3.71	1,500	1,500	1,731	1,587
Chemico Advanced Materials Co., Ltd.	2,428,417	16.52	2,800	2,800	3,383	3,006
Gangnam Metro Co., Ltd.	3,900	39.00	20	20	20	20
Urban Gateway Fund I Limited	2,400,000	41.03	3,163	3,163	3,078	3,017
INDIDLAB CO., LTD.	2,223	9.09	350	350	350	350
GS Assemble Fund	10,000,000,000	15.23	10,000	6,000	8,878	5,293
Seongnam Green Energy Co., Ltd	246,471	72.00	1,232	1,232	1,232	1,232
Sasang Haeundae Expressway Co., Ltd	6,500	65.00	33	33	33	33
Korea Electric Engineers Association	34	0.00	8	8	8	8
Isu-Gwacheon Complex Tunnel Co., Ltd.	512,036	5.07	2,560	-	2,560	-
KORAMCO No.159 General Type Private Real Estate Investment Limit	10,000,000	3.68	10,000	-	10,000	-
Others ³	-	-	89,699	86,683	89,263	76,284
			<u>₩ 407,397</u>	<u>₩ 390,821</u>	<u>₩ 239,408</u>	<u>₩ 263,413</u>

¹ The book value presents either the net asset amount or the amount after fair value valuation.

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² The financial assets have been pledged as collateral in relation to its construction performance guarantee, etc.

³ Others present non-marketable equity securities held by a subsidiary and include ₩ 10,455 million (₩ 10,456 million in 2023) of the amount pledged as collateral in connection with the construction payment guarantee.

Certain equity securities held by the Group are pledged as collaterals (see Note 21).

Equity securities held by the Group with 20% or more of the voting power over the investee over which it does not have significant influence are classified as financial assets at fair value through profit of loss.

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11. Derivative Instruments

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

	2024									
						Accumulated				
						other comprehensive income				
	Valuation		Gain or loss			(loss)¹				
	Assets	Liabilities	Gain	Loss	Net	Gain	Loss	Net		
For sale	₩ 19,868	₩ 24,164	₩ 30,256	₩ 24,164	₩ 6,092	₩ -	₩ -	₩ -		
Hedging	10,702	13,379	119	2,782	(2,663)	38,366	24,228	14,138		
Others ²	-	71,808	-	7,473	(7,473)	-	-	-		
	₩ 30,570	₩ 109,351	₩ 30,375	₩ 34,419	₩ (4,044)	₩ 38,366	₩ 24,228	₩ 14,138		

¹ The amounts present gains (losses) on valuation of derivatives before income tax effects.

² The amount recognized for the price return swap and the issuance of convertible preferred shares of a subsidiary under the shareholders' agreement is included (see Note 21).

	2023									
						Accumulated				
						other comprehensive income				
	Valuation		Gain or loss			(loss)¹				
	Assets	Liabilities	Gain	Loss	Net	Gain	Loss	Net		
For sale	₩ -	₩ 13,694	₩ -	₩ 13,694	₩ (13,694)	₩ -	₩ -	₩ -		
Hedging	8,327	2,765	18,048	20,940	(2,892)	49,168	28,519	20,649		
	₩ 8,327	₩ 16,459	₩ 18,048	₩ 34,634	₩ (16,586)	₩ 49,168	₩ 28,519	₩ 20,649		

¹ The amounts present gains (losses) on valuation of derivatives before income tax effects.

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12. Investments in Associates and Joint Ventures

(1) Changes in investments in associates for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)	2024						
	Equity ownership (%)	Beginning	Increase (decrease)	Share of profit or loss	Share of changes in other comprehensive income	Others	Ending
GS KOCREF New Stay REIT Co., Ltd. ¹	16.77	₩ -	₩ -	₩ -	₩ -	₩ -	-
Beopwon Industry Urban Development Corp.	20.00	-	-	-	-	-	-
Park City Co., Ltd.	29.99	-	-	-	-	-	-
Gwacheon Sangsang PFV, Inc. ²	19.00	5,942	-	(327)	-	(3,183)	2,432
FGS East Asia Technical Resource Management, Inc.	25.00	-	-	-	-	-	-
Cadiz San Fernando, A.I.E.	21.95	1,862	-	445	-	(283)	2,024
Participes de Biorreciclaje S.A.	33.33	11,413	-	497	-	835	12,745
Gestion de Participes de Biorreciclaje	33.33	-	-	-	-	-	-
Cheongju Hi Tech Valley	20.00	-	-	-	-	-	-
BKT Co., Ltd.	28.10	10,557	-	226	-	-	10,783
PT. CORE RESOURCE	49.00	-	-	-	-	-	-
Zero Tech Co., Ltd. ²	19.00	-	-	-	-	-	-
Cheonan Techno Park Inc.	20.00	-	-	-	-	-	-
Camp Stanton Co., Ltd. ²	0.58	2	-	-	-	-	2
ORIGIN LATPHRAO CO., LTD.	49.00	12,696	-	897	-	(310)	13,283
RENEW SOLAR ENERGY (JHARKHAND THREE) PRIVATE LIMITED	49.00	37,544	-	1,526	(216)	460	39,314
PARK PILLAR R4 CO., LTD.	49.00	11,337	-	(271)	-	1,751	12,817
GYEONGGIPYEONGT AEK GLOBAL CO., LTD.	25.00	5,818	-	1,168	-	-	6,986
GS Collective Fund I LLC ^{2,4}	6.45	6,220	1,370	651	-	273	8,514
CHEMICO ADVANCED MATERIALS CO., LTD. ³	16.52	-	-	-	-	-	-
EPOCH PFV Co., LTD.	23.31	27,083	-	(2,763)	-	-	24,320
Zero Tech Muan Co.,	30.00	-	-	-	-	-	-

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	2024						
	Equity ownership (%)	Beginning	Increase (decrease)	Share of profit or loss	Share of changes in other comprehensive income	Others	Ending
LTD.							
Bucheon Visual Culture Industrial Complex Development Co., Ltd.	31.58	-	-	-	-	-	-
PHU MY VINH CONSTRUCTION & INVESTMENT CORPORATION	30.00	19,790	-	365	-	1,333	21,488
Gvesco Opportunity-seeking general private real estate investment trust No.1 ⁴ ₅	66.67	7,257	9,740	(1,930)	(20)	-	15,047
Incheon New Port Smart Complex Co., Ltd ⁵	100.00	8	-	(4)	-	-	4
PavilionMC ClimateTech No.1 Private Equity Fund ⁴	43.55	984	3,784	(331)	-	-	4,437
Daejeon High End Development Co., Ltd ²	18.27	865	-	(651)	(4)	-	210
Gvesco General Private Real Estate Investment No. 1 ⁶	45.46	-	5,000	-	-	-	5,000
Sewoon District5 PFV Co., Ltd. ^{2,6}	18.00	-	7,949	(4,679)	-	-	3,270
IGIS General Investment Type Private Real Estate Investment Trust No. 462 ⁶	30.80	-	2,051	-	-	-	2,051
Utilitas Pecem ⁶	30.00	-	5,158	69	-	358	5,585
Shuweihtat R O Desalination Company LLC	40.00	44	-	(827)	-	783	-
Alink Co., Ltd. ³	13.20	-	-	-	-	-	-
Zeit O&M Co., Ltd ²	17.51	-	3,267	-	-	-	3,267
GS Elevator Co., Ltd. ⁷	45.00	-	-	-	-	-	-
The plan H-Xplor green smart city venture investment association ⁶	31.10	-	3,000	-	-	-	3,000
Yeouido MBC Site Complex Development PFV Co., Ltd. ⁸	-	-	-	-	-	-	-
HI-ASCENT Fund no.2 ⁸	-	2,873	(2,873)	-	-	-	-
GS Inima (AI Ghubrah) LLC(formerly Fisia GS Inima (AI Ghubrah) LLC) ⁹	100.00	10	-	-	-	(10)	-
		₩ 162,305	₩ 38,446	₩ (5,939)	₩ (240)	₩ 2,007	₩ 196,579

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¹ As the Group is able to participate in the decision-making body and exercise significant influence, the entity is classified as an associate. A price return swap agreement was also entered into to settle the difference between the disposal amount and contract amount (see Note 21).

² The entity has been classified as an associate as the Group is able to appoint directors and thus has significant influence over the entity.

³ The Group is able to appoint directors and thus has significant influence over the entity, but the investments are classified as financial assets at fair value through profit or loss in accordance with KIFRS 1109, given that they are convertible preferred shares issued by the investee and the Group cannot substantially access profits linked to the ownership interest through these financial instruments.

⁴ The Group participated in the paid-in capital increase for the year ended December 31, 2024.

⁵ The entity has been categorized as an associate since the Group concluded that the control is limited by the agreement.

⁶ Newly acquired for the year ended December 31, 2024.

⁷ Due to the sale of a portion of the equity interest during the period, control was lost and the entity was reclassified as an associate.

⁸ The entire equity interest was reduced through a paid-in capital reduction for the year ended December 31, 2024.

⁹ The Group acquired the entire equity interest from the existing joint venturer and reclassified as a subsidiary for the year ended December 31, 2024.

(in millions of
Korean won)

	2023						
	Equity ownership (%)	Beginning	Increase (decrease)	Share of profit or loss	Share of changes in other comprehensive income	Others	Ending
GS KOCREF New Stay REIT Co., Ltd.	25.24	₩ -	₩ -	₩ -	₩ -	₩ -	-
Beopwon Industry Urban Development Corp.	20.00	-	-	-	-	-	-
Park City Co., Ltd.(formerly SoBaek Co., Ltd.) ¹	29.99	-	-	-	-	-	-
Yeouido MBC Site Complex Development PFV Co., Ltd. ²	10.00	-	-	-	-	-	-
Gwacheon Sangsang PFV, Inc. ²	19.00	16,150	-	3,555	-	(13,763)	5,942
FGS East Asia Technical Resource Management, Inc.	25.00	37	-	(37)	-	-	-
Cadiz San Fernando, A.I.E.	21.95	1,698	-	418	-	(254)	1,862
Participes de Biorreciclaje S.A.	33.33	10,054	-	790	-	569	11,413
Gestion de Participes de	33.33	-	-	-	-	-	-

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(in millions of Korean won)	2023						
	Equity ownership (%)	Beginning	Increase (decrease)	Share of profit or loss	Share of changes in other comprehensive income	Others	Ending
Biorreciclaje							
Cheongju Hi Tech Valley	20.00	-	-	-	-	-	-
BKT Co., Ltd.	28.10	10,442	-	175	-	(60)	10,557
PT. CORE RESOURCE	49.00	336	-	(356)	-	20	-
Zero Tech Co., Ltd. ²	19.00	-	-	-	-	-	-
Cheonan Techno Park Inc.	20.00	-	-	-	-	-	-
Camp Stanton Co., Ltd. ²	0.58	3	-	(1)	-	-	2
ORIGIN LATPHRAO CO., LTD.	49.00	9,538	-	2,977	-	181	12,696
RENEW SOLAR ENERGY (JHARKHAND THREE) PRIVATE LIMITED	49.00	35,805	-	2,105	(684)	318	37,544
PARK PILLAR R4 CO., LTD. ³	49.00	8,847	2,243	(18)	-	265	11,337
GYEONGGIPYEONGTA EK GLOBAL CO., LTD.	25.00	4,641	-	1,177	-	-	5,818
GS Collective Fund I LLC ²	6.45	6,287	-	(179)	-	112	6,220
CHEMICO ADVANCED MATERIALS CO., LTD. ⁴	16.52	-	-	-	-	-	-
EPOCH PFV Co., LTD. ³	24.59	11,973	16,818	(1,708)	-	-	27,083
Zero Tech Muan Co., LTD.	30.00	-	-	-	-	-	-
Bucheon Visual Culture Industrial Complex Development Co., Ltd.	26.53	-	-	-	-	-	-
Fisia GS Inima (AI Ghubrah) LLC	50.00	-	-	16	-	(6)	10
PHU MY VINH CONSTRUCTION & INVESTMENT CORPORATION	30.00	18,424	-	404	-	962	19,790
Gvesco Opportunity- seeking general private real estate investment trust No.1 ³	20.00	849	6,420	(12)	-	-	7,257
Incheon New Port Smart Complex Co., Ltd. ^{3,5}	100.00	4	10	-	-	(6)	8
PavilionMC ClimateTech No.1 Private Equity Fund ⁶	43.60	-	1,169	(185)	-	-	984
HI-ASCENT Fund no.2 ⁶	25.00	-	3,000	(127)	-	-	2,873
Daejeon High End Development Co., Ltd ^{2,6}	15.83	-	950	(85)	-	-	865
Shuweihaat R O Desalination Company LLC ⁶	40.00	-	43	-	-	1	44

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	2023						
	Equity ownership (%)	Beginning	Increase (decrease)	Share of profit or loss	Share of changes in other comprehensive income	Others	Ending
Alink Co., Ltd. ⁴	13.20	-	-	-	-	-	-
Jincheon smart bokhap Industrial danji development Inc ⁷	-	99	(99)	-	-	-	-
Major Development Co., Ltd. ⁸	-	-	-	-	-	-	-
		₩ 135,187	₩ 30,554	₩ 8,909	₩ (684)	₩ (11,661)	₩ 162,305

¹ Its name has been changed for the year ended December 31, 2023.

² The entity has been categorized as an associate as the Group has significant influence over the retention of directors' rights.

³ Participated in the paid-in capital increase.

⁴ Financial instruments invested by the Group were classified as financial assets at fair value through profit or loss in accordance with KIFRS 1109 given that they are convertible preferred shares and profits linked to the ownership interest in the associate through the financial instruments are not substantially accessible, in spite of the Group having significant influence over the retention of directors' rights.

⁵ The entity has been categorized as an associate since the Group concluded that the control is limited by the agreement.

⁶ Newly acquired for the year ended December 31, 2023.

⁷ The Group has recovered all of its shares for the year ended December 31, 2023.

⁸ The entity was declared bankrupt by the court, and its bankruptcy procedure was closed for the year ended December 31, 2023.

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(2) Changes in investments in joint ventures for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)	2024					
	Equity ownership (%)	Beginning	Increase	Share of profit or loss	Others	Ending
G&M Estate Co., Ltd.	50.00	₩ 489	₩ -	₩ (14)	₩ -	₩ 475
Hialeah Water, LLP	50.00	371	-	(64)	46	353
Lignana LLC	50.00	-	-	-	-	-
Lignana LLP	95.00	286	-	294	(580)	-
VESPOLINA SP. Z O.O.	50.00	-	-	-	-	-
Oasis Residences Real Estate, LLC	50.00	8,890	-	(142)	1,215	9,963
GS MINH HUNG SIKICO CO., LTD.	51.00	3,517	-	91	304	3,912
PDC INDUSTRIAL CENTER 198 SP. Z O.O	50.00	-	-	-	-	-
MAGNA PFV Corp.	51.39	35,423	-	(753)	-	34,670
MJV4 Co., Ltd.	49.00	3,256	1,860	(311)	290	5,095
Argan Oasis Real Estate Company ¹	50.00	-	18,746	(24)	1,437	20,159
ALPHA INDUSTRIAL ASSET 3 COMPANY LIMITED ¹	49.00	-	7,292	20	436	7,748
MJV5 CO., LTD. ¹	49.00	-	4,878	(392)	266	4,752
GS Korea for Project Management Company ²	-	12	(19)	(8)	15	-
		₩ 52,244	₩ 32,757	₩ (1,303)	₩ 3,429	₩ 87,127

¹ Newly acquired for the year ended December 31, 2024.

² The entire equity interest was disposed of for the year ended December 31, 2024.

(in millions of Korean won)	2023					
	Equity ownership (%)	Beginning	Increase	Share of profit or loss	Others	Ending
G&M Estate Co., Ltd.	50.00	₩ 504	₩ -	₩ (15)	₩ -	₩ 489
GS Korea for Project Management Company	49.00	19	-	(7)	-	12
Hialeah Water, LLP	50.00	537	-	-	(166)	371

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Lignana LLC	50.00	-	-	-	-	-
Lignana LLP ¹	95.00	45,159	(51,823)	32,731	(25,781)	286
VESPOLINA SP. Z O.O.	50.00	-	-	-	-	-
Oasis Residences Real Estate, LLC	50.00	8,919	-	(211)	182	8,890
GS MINH HUNG SIKICO CO., LTD.	51.00	3,519	-	32	(34)	3,517
PDC INDUSTRIAL CENTER 198 SP. Z O.O	50.00	176	(3)	(175)	2	-
Regionerate Rail Pty Ltd ²	-	-	-	-	-	-
MAGNA PFV Corp.	51.39	36,752	-	(1,329)	-	35,423
MJV4 Co., Ltd. ³	49.00	-	3,253	(4)	7	3,256
		<u>₩ 95,585</u>	<u>₩ (48,573)</u>	<u>₩ 31,022</u>	<u>₩ (25,790)</u>	<u>₩ 52,244</u>

¹ Capital reduction with refund occurred for the year ended December 31, 2023.

² The entity has been liquidated for the year ended December 31, 2023.

³ Newly invested in the entity for the year ended December 31, 2023.

(3) Equity method of accounting has been suspended due to accumulated losses, and unrecognized losses in equity for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024		
	Beginning	Increase	Ending
GS KOCREF New Stay REIT Co., Ltd.	₩ 58,205	₩ (46,129)	₩ 12,076
Beopwon Industry Urban Development Corp.	2,079	279	2,358
Park City Co., Ltd.	28,543	10,922	39,465
Gestion de Participes de Biorreciclaje	11	-	11
Zero Tech Co., Ltd.	87	4	91
PT. CORE RESOURCE	1,600	1,865	3,465
Lignana LLC	38	8	46
Zero Tech Muan Co., LTD.	64	21	85
Cheonan Techno Park Inc.	6,262	(1,109)	5,153
Bucheon Visual Culture Industrial Complex Development Co. Ltd.	7,957	2,859	10,816
VESPOLINA SP. Z O.O.	503	877	1,380
CHEONGJU HI TECH VALLEY CO.,LTD.	4,288	5,550	9,838
FGS East Asia Technical Resource Management, Inc.	29	237	266

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PDC INDUSTRIAL CENTER 198 SP. Z O.O	286	3,004	3,290
Yeouido MBC Site Complex Development PFV Co., Ltd. ¹	21,744	(21,744)	-
	<u>₩ 131,696</u>	<u>₩ (43,356)</u>	<u>₩ 88,340</u>

¹ The entire equity interest was reduced through a paid-in capital reduction for the year ended December 31, 2024.

(in millions of Korean won)

	2023		
	Beginning	Increase	Ending
GS KOCREF New Stay REIT Co., Ltd.	₩ 50,999	₩ 7,206	₩ 58,205
Beopwon Industry Urban Development Corp.	1,843	236	2,079
Park City Co., Ltd.(formerly, SoBaek Co., Ltd.) ¹	18,901	9,642	28,543
Yeouido MBC Site Complex Development PFV Co., Ltd.	12,649	9,095	21,744
Gestion de Participes de Biorreciclaje	11	-	11
Zero Tech Co., Ltd.	89	(2)	87
PT. CORE RESOURCE	-	1,600	1,600
Lignana LLC	34	4	38
Zero Tech Muan Co., LTD.	43	21	64
Cheonan Techno Park Inc.	8,650	(2,388)	6,262
Bucheon Visual Culture Industrial Complex Development Co. Ltd.	5,403	2,554	7,957
VESPOLINA SP. Z O.O.	263	240	503
CHEONGJU HI TECH VALLEY CO.,LTD.	1,763	2,525	4,288
FGS East Asia Technical Resource Management, Inc.	-	29	29
PDC INDUSTRIAL CENTER 198 SP. Z O.O	-	286	286
Major Development Co., Ltd. ²	8,391	(8,391)	-
	<u>₩ 109,039</u>	<u>₩ 22,657</u>	<u>₩ 131,696</u>

¹ Its name has been changed for the year ended December 31, 2023.

² The entity was declared bankrupt by the court, and it was decided to end bankruptcy for the year ended December 31, 2023.

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(4) Summary of financial information on associates and joint ventures is as follows:

(in millions of Korean won)	2024						Profit (loss) for the year			
	Asset		Liabilities		Net assets				Sales	
Associates										
GS KOCREF New Stay REIT Co., Ltd.	₩	333,543	₩	319,168	₩	14,375	₩	797	₩	(1,517)
Beopwon Industry Urban Development Corp.		64,420		75,185		(10,765)		1,355		(1,917)
Park City Co., Ltd.		275,136		406,700		(131,564)		-		(36,411)
Gwacheon Sangsang PFV. Inc		22,794		13,672		9,122		-		(1,379)
FGS East Asia Technical Resource Management, Inc.		169		1,204		(1,035)		13		(190)
Cadiz San Fernando, A.I.E.		12,511		5,390		7,121		7,366		2,028
Participes de Biorreciclaje S.A.		124,900		87,545		37,355		28,508		1,273
Gestion de Participes de Biorreciclaje		7		3		4		-		-
Cheongju Hi Tech Valley		201,124		250,856		(49,732)		-		(17,086)
BKT Co., Ltd.		40,286		26,312		13,974		32,232		2,305
PT. CORE RESOURCE		27,261		34,014		(6,753)		-		(7,523)
Zero Tech Co., Ltd.		40		519		(479)		-		(22)
Cheonan Techno Park Inc.		214,041		240,247		(26,206)		-		(9,373)
Camp Stanton Co., Ltd.		529		131		398		-		(4)
ORIGIN LATPHRAO CO., LTD.		25,467		4,709		20,758		32,870		815
RENEW SOLAR ENERGY (JHARKHAND THREE) PRIVATE LIMITED		268,960		207,827		61,133		25,173		5,142
PARK PILLAR R4 CO., LTD.		61,228		47,262		13,966		31		(235)
GYEONGGIPYEONGT AEK GLOBAL CO., LTD.		44,758		15,310		29,448		64,640		5,196
GS Collective Fund I LLC.		121,118		75		121,043		117		(1,263)
CHEMICO ADVANCED		4,881		1,147		3,734		449		(2,360)

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(in millions of Korean won)	2024				
	Asset	Liabilities	Net assets	Sales	Profit (loss) for the year
MATERIALS CO., LTD.					
EPOCH PFV Co., LTD.	439,778	328,665	111,113	-	(6,409)
Jerotaekmuan Co., LTD	1,459	1,741	(282)	-	(69)
Bucheon Visual Culture Industrial Complex Development Co., Ltd.	10,246	44,183	(33,937)	-	(9,035)
PHU MY VINH CONSTRUCTION & INVESTMENT CORPORATION	67,758	40,474	27,284	12,221	2,118
Gvesco Opportunity- seeking general private real estate investment trust No.1	82,117	17	82,100	166	94
Incheon New Port Smart Complex Co., Ltd	5	-	5	-	(4)
PavilionMC ClimateTech No.1 Private Equity Fund	7,150	14	7,136	209	(759)
Daejeon High End Development Co., Ltd	112,047	102,920	9,127	-	(417)
Shuweihaat R O Desalination Company LLC	291,184	291,184	-	153,701	(2,071)
Gvesco General Private Real Estate Investment No. 1	11,000	-	11,000	-	-
Sewoon District5 PFV Co., Ltd.	319,307	461,053	(141,746)	126	(68,895)
IGIS General Investment Type Private Real Estate Investment Trust No. 462	6,440	23	6,417	-	-
Utilitas Pecem	3,092	1,520	1,572	4,288	1,534
Zeit O&M Co., Ltd.	24,950	12,313	12,637	54,150	(3,884)
GS Elevator Co., Ltd.	20,502	19,538	964	54,308	(12,908)
The plan H-Xplor green smart city venture investment association	9,577	2	9,575	5	(50)
Joint ventures					

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(in millions of Korean won)	2024				
	Asset	Liabilities	Net assets	Sales	Profit (loss) for the year
G&M Estate Co., Ltd.	1,068	116	952	616	23
Hialeah Water, LLP	862	-	862	-	(130)
Lignana LLC	63	158	(95)	-	(16)
Lignana LLP	1,059	128	931	-	(923)
VESPOLINA SP. Z O.O.	28,727	31,642	(2,915)	-	(1,753)
Oasis Residences Real Estate, LLC	43,510	23,437	20,073	-	(90)
GS MINH HUNG SIKICO CO., LTD.	7,753	54	7,699	173	73
PDC INDUSTRIAL CENTER 198 SP. Z O.O	61,237	68,336	(7,099)	978	(6,007)
MAGNA PFV Corp.	89,252	22,078	67,174	-	(1,759)
MJV4 Co., Ltd.	16,052	5,736	10,316	-	(254)
Argan Oasis Real Estate Company	37,628	31	37,597	-	(6)
ALPHA INDUSTRIAL ASSET 3 COMPANY LIMITED	41,014	25,264	15,750	75	(76)
MJV5 CO., LTD.	29,830	20,413	9,417	7	(763)

(in millions of Korean won)	2023				
	Asset	Liabilities	Net assets	Sales	Profit (loss) for the year
Associates					
GS KOCREF New Stay REIT Co., Ltd.	₩ 336,998	₩ 321,106	₩ 15,892	₩ 3,198	₩ (6,402)
Beopwon Industry Urban Development Corp.	70,486	78,873	(8,387)	15,481	(2,516)
Park City Co., Ltd.(formerly, SoBaek Co., Ltd.)	280,492	375,646	(95,154)	-	(32,473)
Yeouido MBC Site Complex Development PFV Co., Ltd.	980,116	1,116,273	(136,157)	119,391	(81,329)
Gwacheon Sangsang PFV. Inc	85,973	58,379	27,594	71,000	17,093
FGS East Asia Technical Resource Management, Inc.	912	1,028	(116)	12	(257)

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(in millions of Korean won)	2023				
	Asset	Liabilities	Net assets	Sales	Profit (loss) for the year
Cadiz San Fernando, A.I.E.	11,574	5,013	6,561	5,217	1,902
Participes de Biorreciclaje S.A.	120,267	87,851	32,416	31,665	2,418
Cheongju Hi Tech Valley	174,666	196,646	(21,980)	-	(11,106)
BKT Co., Ltd.	33,534	21,059	12,475	25,527	3,879
PT. CORE RESOURCE	3,818	4,284	(466)	2,183	(2,444)
Zero Tech Co., Ltd.	41	498	(457)	-	(21)
Cheonan Techno Park Inc.	243,741	275,490	(31,749)	-	(17,074)
Camp Stanton Co., Ltd.	532	126	406	-	(12)
ORIGIN LATPHRAO CO., LTD.	26,309	6,387	19,922	31,910	6,058
RENEW SOLAR ENERGY (JHARKHAND THREE) PRIVATE LIMITED	260,927	203,345	57,582	23,312	4,216
PARK PILLAR R4 CO., LTD.	43,459	30,700	12,759	30	(36)
GYEONGGIPYEONGT AEK GLOBAL CO., LTD.	134,511	110,378	24,133	53,016	3,413
GS Collective Fund I LLC.	96,413	34	96,379	12,423	(2,778)
CHEMICO ADVANCED MATERIALS CO., LTD.	4,881	1,147	3,734	449	(2,360)
EPOCH PFV Co., LTD.	355,948	238,267	117,681	-	(1,070)
Jerotaekmuan Co., LTD	1,461	1,674	(213)	-	(69)
Bucheon Visual Culture Industrial Complex Development Co., Ltd.	27,776	52,678	(24,902)	-	(8,071)
Fisia GS Inima (AI Ghubrah) LLC	5,421	5,216	205	2,262	31
PHU MY VINH CONSTRUCTION & INVESTMENT CORPORATION	61,804	37,668	24,136	6,580	1,345
Gvesco Opportunity- seeking general	36,298	14	36,284	5	(60)

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(in millions of Korean won)	2023				
	Asset	Liabilities	Net assets	Sales	Profit (loss) for the year
private real estate investment trust No.1					
Incheon New Port Smart Complex Co., Ltd	8	-	8	-	(5)
PavilionMC					
ClimateTech No.1 Private Equity Fund	2,270	11	2,259	-	(425)
HI-ASCENT Fund no.2	11,496	2	11,494	2	(507)
Daejeon High End Development Co., Ltd	5,914	449	5,465	-	(535)
Shuweihat R O Desalination Company LLC	84,677	84,571	106	-	-
Joint ventures					
G&M Estate Co., Ltd.	1,077	148	929	526	(79)
GS Korea for Project Management Company	151	133	18	30	(23)
Hialeah Water, LLP	874	201	673	-	-
Lignana LLC	30	109	(79)	-	(8)
Lignana LLP	34,330	152	34,178	199,481	(38,016)
VESPOLINA SP. Z O.O.	26,991	27,997	(1,006)	-	(476)
Oasis Residences Real Estate, LLC	23,680	5,901	17,779	-	(418)
GS MINH HUNG SIKICO CO., LTD.	6,981	58	6,923	151	63
PDC INDUSTRIAL CENTER 198 SP. Z O.O	44,496	45,269	(773)	-	(760)
MAGNA PFV Corp.	71,408	2,474	68,934	-	(2,591)
MJV4 Co., Ltd.	11,133	4,527	6,606	26	(8)

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13. Property, Plant and Equipment

(1) Details of property, plant and equipment as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)	2024				2023			
	Acquisition cost	Accumulated depreciation	Accumulated impairment	Net book value	Acquisition cost	Accumulated depreciation	Accumulated impairment	Net book value
Land	₩ 954,409	₩ -	₩ -	₩ 954,409	₩ 887,694	₩ -	₩ -	₩ 887,694
Buildings	838,740	(244,112)	(617)	594,011	753,137	(212,034)	(18,681)	522,422
Structures	166,848	(72,712)	-	94,136	162,788	(66,700)	-	96,088
Machinery	383,327	(107,628)	(2,717)	272,982	154,384	(72,849)	(1,581)	79,954
Construction equipment	43,843	(36,530)	-	7,313	45,671	(35,019)	-	10,652
Vehicles	32,608	(22,113)	(56)	10,439	29,859	(20,849)	(96)	8,914
Tools	125,364	(71,481)	-	53,883	115,404	(65,731)	-	49,673
Equipment	153,273	(110,701)	(195)	42,377	132,409	(107,352)	(44)	25,013
Construction- in-progress ¹	609,062	-	-	609,062	575,796	-	-	575,796
	₩ 3,307,474	₩ (665,277)	₩ (3,585)	₩ 2,638,612	₩ 2,857,142	₩ (580,534)	₩ (20,402)	₩ 2,256,206

¹ The amount of borrowing costs capitalized on qualifying assets is included (see Note 27).

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

	2024								
	Beginning	Acquisition	Disposal	Depreciation	Impairment	Transfer	Change in consolidation	Exchange differences	Ending
Land	₩ 887,694	₩ 20,294	₩ (21,526)	₩ -	₩ -	₩ 22,516	₩ -	₩ 45,431	₩ 954,409
Buildings	522,422	14,550	(16,958)	(25,963)	(1,552)	83,608	16,461	1,443	594,011
Structures	96,088	2,616	(127)	(5,827)	-	640	-	746	94,136
Machinery	79,954	54,804	(174)	(31,588)	(1,688)	169,257	(71)	2,488	272,982
Construction equipment	10,652	289	(1,180)	(3,390)	-	-	-	942	7,313
Vehicles	8,914	4,964	(79)	(3,699)	-	140	(14)	213	10,439
Tools	49,673	13,432	(163)	(10,089)	-	3,342	(560)	(1,752)	53,883
Equipment	25,013	25,785	(209)	(8,582)	(285)	676	(234)	213	42,377
Construction-in-progress	575,796	253,005	(7,658)	-	-	(272,483)	-	60,402	609,062
	₩ 2,256,206	₩ 389,739	₩ (48,074)	₩ (89,138)	₩ (3,525)	₩ 7,696	₩ 15,582	₩ 110,126	₩ 2,638,612

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	2023								
	Beginning	Acquisition	Disposal	Depreciation	Impairment	Transfer	Change in consolidation	Exchange differences	Ending
₩	880,074	₩ 894	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 6,726	₩ 887,694
Land									
Buildings	524,712	15,151	(18)	(21,352)	(18,160)	2,189	-	19,900	522,422
Structures	100,586	392	(10)	(5,022)	-	21	-	121	96,088
Machinery	51,561	23,721	(448)	(12,722)	-	17,187	(928)	1,583	79,954
Construction equipment	10,824	3,226	(265)	(3,374)	-	-	-	241	10,652
Vehicles	8,330	3,335	(51)	(2,964)	-	89	-	175	8,914
Tools	48,460	19,092	(30)	(15,163)	-	(4,116)	(802)	2,232	49,673
Equipment	16,419	16,037	(1,011)	(6,474)	-	(10)	-	52	25,013
Construction-in-progress	178,840	414,117	-	-	-	(17,396)	-	235	575,796
₩	1,819,806	₩ 495,965	₩ (1,833)	₩ (67,071)	₩ (18,160)	₩ (2,036)	₩ (1,730)	₩ 31,265	₩ 2,256,206

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(3) Details of allocation of depreciation for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	2024		2023	
Cost of sales	₩	81,428	₩	57,594
Selling and administrative expenses (including technology development costs)		7,710		9,477
	₩	89,138	₩	67,071

(4) The amount unpaid by the Group regarding the acquisition of property, plant and equipment is KRW 8,456 million as of December 31, 2024

(5) Collaterals pledged to financial institutions for borrowings as of December 31, 2024 and 2023 are as follows:

		2024				
<i>(in millions of Korean won)</i>	Carrying amount	Secured amount	Related account	Related amount	Secured party	
Property, plant and equipment (land, buildings and others)	₩ 1,196,455	₩ 1,327,551	Borrowings	₩ 742,136	KEB Hana Bank and others	

		2023				
<i>(in millions of Korean won)</i>	Carrying amount	Secured amount	Related account	Related amount	Secured party	
Property, plant and equipment (land, buildings and others)	₩ 932,090	₩ 1,009,734	Borrowings	₩ 688,317	KEB Hana Bank and others	

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14. Intangible Assets

(1) Intangible assets as of December 31, 2024 and 2023 consist of:

(in millions of Korean won)	2024				2023			
	Acquisition cost	Accumulated amortization	Accumulated impairment	Net book value	Acquisition cost	Accumulated amortization	Accumulated impairment	Net book value
Goodwill	₩ 584,562	₩ -	₩ (23,443)	₩ 561,119	₩ 560,008	₩ -	₩ (23,442)	₩ 536,566
Memberships	41,738	-	(1,466)	40,272	42,534	-	(2,500)	40,034
Computer software	90,774	(60,614)	-	30,160	77,037	(50,046)	-	26,991
Concession	421,397	(99,797)	-	321,600	341,560	(86,969)	-	254,591
Technical skills	44,367	(44,367)	-	-	41,402	(41,402)	-	-
Trademark	96,443	-	-	96,443	88,827	-	-	88,827
Others	57,413	(41,656)	(1,076)	14,681	54,279	(39,251)	(1,077)	13,951
	₩ 1,336,694	₩ (246,434)	₩ (25,985)	₩ 1,064,275	₩ 1,205,647	₩ (217,668)	₩ (27,019)	₩ 960,960

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

(in millions of Korean won)	2024				
	Beginning	Acquisition	Disposal	Amortization	Impairment
Goodwill	₩ 536,566	₩ -	₩ -	₩ -	₩ -
Memberships	40,034	1,180	(1,349)	-	320
Computer software	26,991	10,900	(4)	(10,723)	-
Concession	254,591	99,800	-	(14,510)	-
Technical skills	-	-	-	-	-
Trademark	88,827	-	-	-	-
Others	13,951	2,115	-	(2,663)	-
	₩ 960,960	₩ 113,995	₩ (1,353)	₩ (27,896)	₩ 320

(in millions of Korean won)	2024			
	Transfer	Change in consolidation	Exchange differences	Ending
Goodwill	₩ -	₩ -	₩ 24,553	₩ 561,119
Memberships	-	-	87	40,272
Computer software	2,950	(13)	59	30,160
Concession	-	-	(18,281)	321,600
Technical skills	-	-	-	-
Trademark	-	-	7,616	96,443
Others	(2,244)	3,919	(397)	14,681
	₩ 706	₩ 3,906	₩ 13,637	₩ 1,064,275

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(in millions of Korean won)	2023					
	Beginning	Acquisition	Disposal	Amortization	Impairment ¹	
Goodwill	₩ 502,877	₩ -	₩ -	₩ -	₩ -	(3,835)
Memberships	38,732	1,378	(500)	-	-	431
Computer software	24,038	7,929	(11)	(8,557)	-	-
Concession assets	228,027	14,657	-	(14,518)	-	-
Technical rights	-	-	-	-	-	-
Trademark	77,920	-	-	-	-	-
Others	16,740	3,444	(800)	(3,064)	-	(1,077)
	₩ 888,334	₩ 27,408	₩ (1,311)	₩ (26,139)	₩ -	(4,481)

(in millions of Korean won)	2023			
	Transfer	Change in consolidation	Exchange differences	Ending
Goodwill	₩ -	₩ -	₩ 37,524	₩ 536,566
Memberships	-	-	(7)	40,034
Computer software	3,060	-	532	26,991
Concession assets	-	1,730	24,695	254,591
Technical rights	-	-	-	-
Trademark	-	-	10,907	88,827
Others	(1,477)	-	185	13,951
	₩ 1,583	₩ 1,730	₩ 73,836	₩ 960,960

¹ Includes an impairment loss of ₩ 4,912 million recognized for the new business unit and other reversals of impairment losses of ₩ 431 million, both of which are recognized in profit or loss.

(3) Details of allocation of amortization for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)	2024	2023
Cost of sales	₩ 17,967	₩ 17,813
Selling and administrative expenses (including technology development costs)	9,929	8,326
	₩ 27,896	₩ 26,139

(4) Impairment tests for goodwill

Goodwill is monitored by the management at the operating segment level (CGU or group of CGU). The following is a summary of goodwill allocation for each operating segment:

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(in millions of
Korean won)

	2024				
	Beginning	Increase	Impairment	Other adjustments	Ending
Architectural construction	₩ 182,100	₩ -	₩ -	₩ -	₩ 182,100
New business	354,405	-	-	24,553	378,958
Plant construction	5	-	-	-	5
Others	56	-	-	-	56
	₩ 536,566	₩ -	₩ -	₩ 24,553	₩ 561,119

(in millions of
Korean won)

	2023				
	Beginning	Increase	Impairment	Other adjustments	Ending
Architectural construction	₩ 182,100	₩ -	₩ -	₩ -	₩ 182,100
New business	320,716	-	(3,835)	37,524	354,405
Plant construction	5	-	-	-	5
Others	56	-	-	-	56
	₩ 502,877	₩ -	₩ (3,835)	₩ 37,524	₩ 536,566

The Group tests an impairment of goodwill annually. The recoverable amount of the CGU is calculated on a basis of the value in use. Value in use is estimated by using the DCF Method, which discounts the estimated future cash flows at a market discount rate based on the 5 years business budgets and plans approved by the management. Cash flows after 5 years use the estimated long-term growth rate as explained below. This growth rate does not exceed the long-term average growth rate forecasts included in the related industry report.

The following table sets out the key assumptions (discount rate, perpetual rate and others used in the value-in-use calculations) for those CGUs that have significant goodwill allocated to them. Also, the recoverable amount is as follows in case where the impairment loss exists in CGUs.

	2024				
	Sales growth rate	Operating profit rate	Discount rate	Perpetual growth rate	Recoverable amount ¹
GS Inima Environment S.A.U.	11.7%	13.3%~20.1%	9.9%	1.0%	N/A
Danwood S.A.	12.6%	7.2%~9.3%	12.9%	1.0%	N/A
CDCF III Fortbay MV, LLC	-	16.1%~72.4%	12.7%	0.0%	N/A
XI C&A CO., LTD.	9.9%	(-)0.5%~4.7%	8.2%	1.0%	N/A

¹ Since there is no impairment loss incurred, it is presented as not applicable (N/A).

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(in millions of Korean won)	2023				
	Sales growth rate	Operating profit rate	Discount rate	Perpetual growth rate	Recoverable amount ¹
GS Inima Environment S.A.U.	10.9%	17.2%~22.1%	10.1%	1.0%	N/A
Danwood S.A.	6.0%	4.5%~7.4%	13.3%	1.0%	278,136
CDCF III Fortbay MV, LLC	-	34.6%~73.0%	13.3%	0.0%	N/A
XI C&A CO., LTD.	(-)2.0%	4.0%~5.6%	8.8%	1.0%	N/A

¹ Since there is no impairment loss incurred, it is presented as not applicable (N/A).

Management has determined the values assigned to each of the above key assumptions as follows:

Sales growth rate is the average growth rate for sales over the 5 years forecast period. It is based on past performance and sales mix, with adjustments made to reflect the expected future price. Discount rates reflect specific risks relating to the relevant segments and the countries in which they operate. Perpetual growth rate is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates do not exceed the long-term average growth rate forecasts included in industry reports.

If the discount rate used in the estimation of recoverable amounts for the CGU had been 1% higher than management's estimates, the Group will not recognize any impairment loss on the carrying amount of goodwill.

If the perpetual growth rate used in the estimation of recoverable amounts for the CGU had been 1% lower than management's estimates, the Group will not recognize any impairment loss on the carrying amount of goodwill.

(5) As of December 31, 2024, the Group has entered into LIB recycle technology transfer contract with GHP and another company and the amount of related purchase agreement is USD 3,700,000 (USD 3,700,000 in 2023).

(6) As at December 31, 2024, the Group has entered into elevator control panel technology transfer contract with G-Tech and in relation to this, the Group pays 1 % of sales from the elevator control panel as a technical fee.

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15. Investment Properties

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

(in millions of Korean won)	2024				2023			
	Acquisition cost	Accumulated depreciation	Accumulated impairment	Net book value	Acquisition cost	Accumulated depreciation	Accumulated impairment	Net book value
Land	₩ 635,691	₩ -	₩ (12,086)	₩ 623,605	₩ 635,432	₩ -	₩ (11,602)	₩ 623,830
Buildings	80,984	(12,580)	(26,080)	42,324	80,350	(11,564)	(24,783)	44,003
Right-of-use assets	151,023	(58,960)	(7,223)	84,840	208,693	(101,842)	(9,783)	97,068
	<u>₩ 867,698</u>	<u>₩ (71,540)</u>	<u>₩ (45,389)</u>	<u>₩ 750,769</u>	<u>₩ 924,475</u>	<u>₩ (113,406)</u>	<u>₩ (46,168)</u>	<u>₩ 764,901</u>

Fair values of investment properties approximate their book values as of December 31, 2024 and 2023.

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

(in millions of Korean won)	2024					
	Beginning	Acquisition	Depreciation	Impairment ¹	Transfer	Ending
Land	₩ 623,830	₩ 435	₩ -	₩ (491)	₩ (169)	₩ 623,605
Buildings	44,003	3,210	(1,043)	(1,304)	(2,542)	42,324
Right-of-use assets	97,068	-	(11,238)	(145)	(845)	84,840
	<u>₩ 764,901</u>	<u>₩ 3,645</u>	<u>₩ (12,281)</u>	<u>₩ (1,940)</u>	<u>₩ (3,556)</u>	<u>₩ 750,769</u>

¹ The entire amount was recognized in profit or loss of architectural & housing construction for the year ended December 31, 2024.

(in millions of Korean won)	2023						
	Beginning	Acquisition	Disposal	Depreciation	Impairment ¹	Transfer	Ending
Land	₩ 649,188	₩ 35,114	₩ (192)	₩ -	₩ (1,252)	₩ (59,028)	₩ 623,830
Buildings	160,445	2,654	(207)	(2,111)	(3,428)	(113,350)	44,003
Right-of-use assets	116,742	-	-	(17,994)	(702)	(978)	97,068
	<u>₩ 926,375</u>	<u>₩ 37,768</u>	<u>₩ (399)</u>	<u>₩ (20,105)</u>	<u>₩ (5,382)</u>	<u>₩ (173,356)</u>	<u>₩ 764,901</u>

¹ The entire amount was recognized in profit or loss of architectural & housing construction for the year ended December 31, 2023.

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(3) Gains and losses on investment properties recognized in profit or loss for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	2024		2023	
Lease income	₩	23,872	₩	37,444
Operating expenses		20,417		24,870
Total, net	₩	3,455	₩	12,574

(4) Collaterals pledged to financial institutions for borrowings as of December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>		2024			
	Carrying amount	Secured amount¹	Related account	Related amount	Secured party
Investment properties (land, buildings)	₩ 439,910	₩ 307,102	Leasehold deposits	₩ 2,337	NongHyup Bank and others

¹ As of December 31, 2024, the land of ₩ 300,000 million was provided as collateral in relation to the Group's loan agreement (limit: ₩ 250,000 million), and there are no related borrowings.

<i>(in millions of Korean won)</i>		2023			
	Carrying amount	Secured amount¹	Related account	Related amount	Secured party
Investment properties (land, buildings)	₩ 439,782	₩ 307,102	Leasehold deposits	₩ 2,337	NongHyup Bank and others

¹ As of December 31, 2023, the land of ₩ 300,000 million was provided as collateral in relation to the Group's loan agreement (limit: ₩ 250,000 million), and there are no related borrowings.

(5) The future minimum lease payments expected to be received in relation to the operating lease agreement for investment property as of December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	2024		2023	
Within one year	₩	18,977	₩	18,274
Between 1 and 2 years		16,809		14,030
Between 2 and 3 years		8,911		9,935
Between 3 and 4 years		8,088		3,188
Between 4 and 5 years		3,407		2,632
	₩	56,192	₩	48,059

The minimum lease payments incurred from sublease are included.

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16. Leases

Set out below is information for leases when the Group is a lessee (intermediate lessor).

(1) The statements of financial position show the following amounts relating to leases:

<i>(in millions of Korean won)</i>	2024	2023
Right-of-use assets		
Land	₩ 15,564	₩ 3,383
Buildings	261,366	267,450
Machinery	1,947	2,388
Construction equipment	17,988	31,038
Vehicles	6,548	5,978
Equipment	212	146
Sublease	(15,011)	(17,110)
	<u>₩ 288,614</u>	<u>₩ 293,273</u>
Lease liabilities		
Current	₩ 75,035	₩ 94,720
Non-current	340,192	353,506
	<u>₩ 415,227</u>	<u>₩ 448,226</u>

(2) The statements of profit or loss show the following amounts relating to leases:

<i>(in millions of Korean won)</i>	2024	2023
Depreciation of right-of-use assets		
Land	₩ 2,284	₩ 2,118
Buildings	38,087	37,450
Machinery	1,552	270
Construction equipment	33,657	36,906
Vehicles	3,736	3,095
Equipment	89	249
	<u>₩ 79,405</u>	<u>₩ 80,088</u>
Interest expense relating to lease liabilities	₩ 17,988	₩ 18,265
Expense relating to short-term leases	53,749	64,331
Expense relating to leases of low-value assets that are not short-term leases	5,696	6,304
Expense relating to variable lease payments not included in lease liabilities	21,357	21,352
Interest income from sublease	2,151	1,128

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The total cash outflow for leases for the year ended December 31, 2024 is ₩ 197,618 million (₩ 227,614 million in 2023).

(3) Details of finance lease receivables as of December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Finance lease receivables		
Current	₩ 4,827	₩ 8,754
Non-current	12,198	9,461
	₩ 17,025	₩ 18,215

<i>(in millions of Korean won)</i>	2024	2023
Lease payments		
Within one year	₩ 5,300	₩ 9,008
Between 1 and 2 years	5,377	2,864
Between 2 and 3 years	5,423	2,839
Between 3 and 4 years	4,658	2,878
Between 4 and 5 years	2,466	2,200
Over 5 years	9,478	453
	32,702	20,242
Non-guaranteed residual values	-	-
Gross investment in the lease	32,702	20,242
Less: unrealized interest income	(15,677)	(2,027)
Less: loss allowance for lease receivables	-	-
Net investment in the lease	₩ 17,025	₩ 18,215

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17. Trade and Other Payables, Other Liabilities

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

<i>(in millions of Korean won)</i>	2024		2023	
Trade payables ¹	₩	1,638,083	₩	1,606,266
Other payables		200,150		204,638
	₩	<u>1,838,233</u>	₩	<u>1,810,904</u>

¹ The Group has entered into supplier finance arrangements with several major domestic and suppliers. Participation in the agreements is at the discretion of the suppliers. In supplier finance arrangements, one or more financial institutions pay amounts owed by the Group to the Group's suppliers, and the Group pays the financial institutions in accordance with the terms of the arrangement after the suppliers receive payment from the financial institutions. These agreements provide the Group with extended payment terms beyond the original payment terms of the related invoices or allow suppliers to receive payment early. If a supplier elects to receive payment early, the supplier pays a fee to the financial institution, not the Group. In order for the financial institution to make payment on the receivables, the Group must have received or have been supplied the goods and have approved the invoice. The financial institution then pays the supplier on or before the payment due date. In all cases, the Group settles its liability by paying the financial institution on the original due date. The Group does not provide a collateral to financial institutions. All trade payables under supplier finance arrangements are included in trade payables and other payables in the statement of financial position and in the above table.

<i>(in millions of Korean won)</i>	2024		2023		2022	
Carrying amount of trade payables that are part of a supplier finance arrangement	₩	188,836	₩	322,612	₩	255,731
Of which suppliers have received payment	₩	21,326	₩	44,155	₩	51,467

Range of Payment Term	2024	2023	2022
Payables part of supplier finance arrangement	Within 120 days from the invoice date	Within 120 days from the invoice date	Within 120 days from the invoice date
Trade payables (Same business) that are not part of a supplier finance arrangement	Within 30 days from the invoice date	Within 30 days from the invoice date	Within 30 days from the invoice date

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

<i>(in millions of Korean won)</i>	2024	2023
Advance from customers	₩ 41,720	₩ 52,243
Withholdings	248,069	312,032
Deposits received	143	148
Accrued expenses	506,590	477,580
Dividends payable	19	19
Unearned revenue	687	1,133
Value added tax withheld	39,611	34,273
Membership guarantee deposits	171,132	174,353
	<u>₩ 1,007,971</u>	<u>₩ 1,051,781</u>

(3) Details of long-term trade and other payables as of December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Long-term Trade and other payables	₩ -	₩ 3,744
	<u>₩ -</u>	<u>₩ 3,744</u>

(4) Details of other non-current liabilities as of December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Long-term deposits received	₩ 65,287	₩ 69,917
Membership guarantee deposits	45,154	41,772
	<u>₩ 110,441</u>	<u>₩ 111,689</u>

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18. Financial Liabilities

(1) Details of short-term financial liabilities as of December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Short-term borrowings	₩ 1,130,572	₩ 1,286,213
Current portion of long-term debts	1,997,018	1,051,497
Discount on debentures	(287)	(45)
Current lease liabilities	75,035	94,720
Derivative liabilities	35,557	8,181
Financial guarantee liabilities	19,926	8,432
Current portion of leasehold deposits received	5,049	32,713
	<u>₩ 3,262,870</u>	<u>₩ 2,481,711</u>

(2) Details of long-term financial liabilities as of December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Long-term borrowings	₩ 2,157,680	₩ 2,467,330
Discount on present value of long-term borrowings	(6,139)	-
Debentures	352,223	444,463
Discount on debentures	(720)	(1,351)
Non-current lease liabilities	340,192	353,507
Derivative liabilities	73,794	8,278
Financial guarantee liabilities	36,502	51,834
Leasehold deposits received	20,351	18,227
	<u>₩ 2,973,883</u>	<u>₩ 3,342,288</u>

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

<i>(in millions of Korean won)</i>	Creditor	Maturity	Annual interest rate (%)	2024	2023
General borrowings in Korean won	Meritz Fire & Marine Insurance	-	-	-	75,000
	Meritz Securities	-	-	-	25,000
	Korea Construction Financial Corp. ¹	2025-10-30	1.10	17,831	17,831
	China Everbright Bank	2025-03-21	3M CD + 2.30	10,000	-
General borrowings in foreign currency	Industrial & Commercial Bank of China	-	-	-	38,682
	BNP Paribas	-	-	-	64,470
	Korea Exim	2025-06-30	3M SOFR + 1.70 ~ 3M SOFR + 1.75	271,950	223,066
	Bank of China	2025-02-14	3M SOFR + 2.50	73,500	77,364
	NongHyup Bank	2025-03-14	3M SOFR + 1.59 3M SOFR + 1.86	73,500	64,469
	United Overseas Bank	2025-04-25	3M SOFR + 2.00 3M SOFR + 2.20	88,200	77,364
	China Everbright Bank	2025-07-22	3M SOFR + 2.50	29,400	25,788
	KEB Hana	2025-08-22	3M EURibor + 1.89 ~ 3M SOFR + 1.60	133,992	119,355
	HSBC	2025-12-24	4.63 ~ 7.27	232,129	177,786
	Kookmin Bank	2025-01-14	0.78	2,135	-
Subsidiaries	KEB Hana	-	-	-	40,000
	Woori	2025-03-04	4.52	40,000	-
	Korea Construction Financial Corp.	2025-01-09	1.10	3,100	-
	BNP Paribas and others ^{1,2,3}	2025-12-09	7.50 and others	154,835	260,038
				<u>₩ 1,130,572</u>	<u>₩ 1,286,213</u>

¹ Some of the shares held by the Group are provided as collateral (see Note 10).

² Future cash flows from private investment projects are provided as collateral (see Note 34).

³ Some of the property, plant and equipment held by the Group are provided as collateral (see Note 13).

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

<i>(in millions of Korean won)</i>	Creditor	Maturity	Annual interest rate (%)	2024	2023
Long-term borrowings in Korean won	STEALBOX 1ST INC	-	-	₩ -	₩ 200,000
	China Everbright Bank	-	-	-	10,000
	Kookmin Bank	-	-	-	75,000
	Korea Exim	-	-	-	18,750
	GS HANA 1ST INC	-	-	-	100,000
	LH Corporation	2029-01-11	5.70	212,409	-
	GLORY S INC	2026-08-27	5.80	125,000	100,000
	KEB HANA ²	2025-02-28	3M CD + 2.37 ~ 5.86	300,000	300,000
	KB Grand Start Trust 1ST INC ¹	2025-04-30	6.30	100,000	-
	HSBC	2025-05-10	3M CD + 2.60	100,000	200,000
	KDB	2025-09-15	3M CD + 1.27 ~ 4.95	150,000	100,000
	GS HANA 2ND INC ²	2025-10-20	6.80	75,000	100,000
	RICHGATE GS INC ^{1,2}	2026-05-27	3M CD + 1.90 ~ 3M CD + 2.25	145,100	92,000
	GS HANA 3RD INC ¹	2027-04-30	5.90	90,000	-
	Great Series One	2026-07-29	5.80	75,000	-
	Suhyup Bank	2026-10-10	3M 금융채 + 1.81	10,000	-
	GS HANA 4TH INC	2026-11-02	5.50 ~ 5.90	100,000	-
Long-term borrowings in foreign currency	HSBC	2025-03-10	3M EURibor +1.60	5,733	26,748
	Arab Bank, S'pore	2026-02-06	6M SOFR + 1.90 ~ 6M SOFR + 2.10	147,000	128,940
	KDB	2025-05-12	3M EURibor + 1.05	63,901	48,504
	Korea Exim	2027-08-24	1.81 ~ 6M SOFR + 2.67	273,796	418,825
Subsidiaries	Korea Exim ⁴	2028-12-22	6M SODR + 1.65 ~ 6M SOFR + 2.74	367,461	354,761
	K-SURE	2027-05-30	6M SOFR + 1.48	336,924	151,505
	United Overseas Bank ⁴	2025-11-22	3M SOFR + 1.95	243,258	213,920
	Caixa and others ^{1,2,3,4,5}	2047-11-15	TR + 9.00 and others	941,413	665,643
				<u>3,861,995</u>	<u>3,304,596</u>
Less: current portion				<u>(1,704,315)</u>	<u>(837,266)</u>
				<u>2,157,680</u>	<u>2,467,330</u>
Less: discount on present value				<u>(6,139)</u>	<u>-</u>
				<u>₩ 2,151,541</u>	<u>₩ 2,467,330</u>

¹ Some of the future cash flows from the business are provided as collateral.

² Some of the property, plant and equipment held by the Group are provided as collateral (see Note 13).

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³ Future cash flows from the private sector business are pledged as collateral (see Note 34).

⁴ A portion of the site held by the Group is provided as collateral (see Note 8).

⁵ Some of the equity securities held by the Group are provided as collateral (see Note 10).

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

<i>(in millions of Korean won)</i>	Creditor	Maturity	Annual interest rate (%)	2024	2023
Bonds in Korean won with fixed interest rate	The 139th unsecured bond (public)	-	-	-	200,000
	The 141st unsecured bond (public)	2025-02-28	6.52	150,000	150,000
	The 144-1st unsecured bond (public) ¹	2025-12-03	5.64	50,000	-
	The 144-2nd unsecured bond (public) ²	2026-06-03	5.71	50,000	-
Bonds in foreign currency	The 140th - secured bond (variable rate)	2025-04-26	SOFR + 0.95	73,500	64,470
	The 142nd - unsecured bond (variable rate)	2027-05-04	3M SOFR + 2.20	73,500	64,470
	The 143rd - secured bond (variable rate)	2026-10-23	SOFR + 1.13	44,100	38,682
Bonds of subsidiaries in foreign currency	Bond ³	2030-03-01	TR + 9.00	14,605	18,702
	Bond ³	2033-08-15	CDI + 2.57	34,711	41,132
	Bond ³	2029-08-01	TR + 8.75	38,403	50,137
	Bond ³	2041-05-15	IPCA + 6.69	29,164	31,101
	Bond ³	2047-11-15	CDI + 2.95	63,348	-
	Bond ³	2030-12-23	CDI + 1.17	23,594	-
				644,925	658,694
Less: current portion				(292,415)	(214,186)
				352,510	444,508
Less: discount on debentures				(1,007)	(1,396)
				<u>₩ 351,503</u>	<u>₩ 443,112</u>

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¹ The 144-1st unsecured bond (public)

The Company issued unsecured bonds on June 3, 2024. Details of the bonds are as follows:

The 144-1st unsecured bond (public)

Aggregate principal amount of the bonds	KRW 50,000,000,000
Nominal interest rate	5.638%
Credit Rating	Korea Investors Service : A0 / NICE : A0
Repayment date	December 3, 2025 The principal amount of the bond will be repaid in a lump sum on December 3, 2025. However, if the repayment date falls on a bank holiday, it shall be repaid on the following business day, and the interest from the repayment date to the actual repayment date shall not be calculated.
Repayment method	If the principal repayment or interest payment is not made, the highest interest rate among the delinquent loan interest rates of commercial banks whose headquarters is located in Seoul shall be applied to the elapsed period from the day after the payment date until the actual payment date for the principal or interest, but if the highest interest rate on the delinquent loan is below the interest rate of this "Bond", the interest rate of this "Bond" shall be applied.

² The 144-2nd unsecured bond (public)

The Company issued unsecured bonds on June 3, 2024. Details of the bonds are as follows:

The 144-2nd unsecured bond (public)

Aggregate principal amount of the bonds	KRW 50,000,000,000
Nominal interest rate	5.712%
Credit Rating	Korea Investors Service : A0 / NICE : A0
Repayment date	June 3, 2026 The principal amount of the bond will be repaid in a lump sum on June 3, 2026. However, if the repayment date falls on a bank holiday, it shall be repaid on the following business day, and the interest from the repayment date to the actual repayment date shall not be calculated.
Repayment method	If the principal repayment or interest payment is not made, the highest interest rate among the delinquent loan interest rates of commercial banks whose headquarters is located in Seoul shall be applied to the elapsed period from the day after the payment date until the actual payment date for the principal or interest, but if the highest interest rate on the delinquent loan is below the interest rate of this "Bond", the interest rate of this "Bond" shall be applied.

³ Future cash flows from the service concession arrangements are pledged as collaterals (see Note 34).

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19. Post-employment Benefits

(1) Defined contribution retirement pension

The Group operates a defined contribution pension plan under which the amount contributed by the Group is expensed. The amount recognized in the financial statement of profit or loss for the year ended December 31, 2024 is ₩ 4,796 million (₩ 4,396 million in 2023).

(2) Defined benefit retirement pension

The Group operates a defined benefit pension plan for its employees. In relation to this, actuarial gains and losses on the defined benefit obligation is calculated using the projected unit credit method.

1) The amounts recognized in the statements of financial position are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Present value of defined benefit obligations ¹	₩ 539,491	₩ 500,582
Fair value of plan assets	(570,299)	(575,697)
Net defined benefit liabilities	₩ (30,808)	₩ (75,115)

¹ The present value of the defined benefit obligation is calculated by deducting contributions to the National Pension Fund of ₩ 293 million as of December 31, 2024 (₩ 358 million in 2023).

2) Changes in the carrying amount of defined benefit liabilities for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Beginning balance	₩ 500,582	₩ 446,025
Current service cost	67,089	60,115
Interest expenses	17,785	19,830
Remeasurements:	36,654	33,651
Actuarial gain and loss from changes in demographic assumptions	761	(4,472)
Actuarial gain and loss from changes in financial assumptions	15,068	25,597
Actuarial gain and loss from experience adjustments	20,825	12,526
Exchange differences	437	173
Payments from plans:	(74,816)	(59,153)
Benefit payments	(74,816)	(59,153)
Past service cost	16	-
Liabilities transferred to a related party	(41)	(59)
Changes in scope of consolidation	(8,215)	-
Ending balance	₩ 539,491	₩ 500,582

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

<i>(in millions of Korean won)</i>	2024	2023
Beginning balance	₩ 575,697	₩ 538,628
Interest income	21,007	26,113
Remeasurements:	(726)	296
Return on plan assets (excluding amounts included in interest income)	(726)	296
Contributions:	46,672	62,240
Employers	46,672	62,240
Payments from plans:	(67,076)	(51,666)
Benefit payments	(66,441)	(50,976)
Management fee	(635)	(690)
Assets transferred to a related party	469	86
Changes in scope of consolidation	(5,744)	-
Ending balance	₩ 570,299	₩ 575,697

4) Fair value of plan assets as of December 31, 2024 and 2023 consists of:

<i>(in millions of Korean won)</i>	2024	2023
Financial instruments/Insurance	₩ 415,878	₩ 445,183
Time deposits	70,903	50,327
Cash and cash equivalents	83,518	80,187
	₩ 570,299	₩ 575,697

5) The amounts recognized in the statements of profit or loss for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Current service cost	₩ 67,089	₩ 60,115
Net interest	(2,587)	(5,603)
Ending balance ¹	₩ 64,502	₩ 54,512
¹ Represents total expenses for pension benefits		
Cost of sales	₩ 45,006	₩ 39,776
Selling and administrative expenses	19,498	14,736
	₩ 64,502	₩ 54,512

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

	2024	2023
Discount rate	3.21 ~ 4.59%	3.87 ~ 5.07%
Future salary increase (including inflation)	2.50 ~ 6.00%	2.50 ~ 5.14%

Mortality rates used in actuarial assumptions are based on the figures for 2023 and later announced by the Insurance Development Institute.

7) A quantitative sensitivity analysis for significant assumptions as of December 31, 2024 is as shown below:

<i>(in millions of Korean won)</i>		Impact on defined benefit obligation	
Assumptions	Sensitivity level (%)	1% increase	1% decrease
Discount rate	1.00	₩ (22,691)	₩ 24,979
Future salary increases	1.00	25,891	(23,039)

8) The effects of defined benefit pension plans on future cash flows are as follows:

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

Expected contributions to post-employment benefit plans for the year ending December 31, 2025, are ₩ 60,958 million.

The expected maturity analysis of undiscounted pension benefits as of December 31, 2024 and 2023 is as follows:

<i>(in millions of Korean won)</i>	Less than 1 year	Between 1-2 years	Between 2-5 years	Between 5-10 years	Total
Pension benefits					
December 31, 2024	₩ 68,172	₩ 95,877	₩ 273,460	₩ 242,184	₩ 679,693
December 31, 2023	55,528	68,047	271,605	252,330	647,510

The weighted average duration of the defined benefit obligation is 2.31~10.56 years.

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(3) Other employee benefits

Employee benefits include paid absences recognized in respect of service rendered by employees in the current period and amount paid in respect of service rendered by employees with service period for certain years and above.

<i>(in millions of Korean won)</i>	2024		2023	
Employee benefits	₩	40,867	₩	37,331

20. Provisions

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

<i>(in millions of</i>	2024								
<i>Korean won)</i>	Beginning	Additions	Reversal	Utilization	Changes in consolidation scope	Ending	Current	Non-current	
Provisions for construction loss	₩ 634,973	₩ 90,070	₩ (279,590)	₩ 1,609	₩ -	₩ 447,062	₩ 447,062	₩	-
Provisions for construction warranty	419,114	204,820	(6,176)	(155,615)	-	462,143	95,137		367,006
Provisions for others	399,898	50,265	(6,619)	(97,910)	(5,867)	339,767	288,742		51,025
	₩ 1,453,985	₩ 345,155	₩ (292,385)	₩ (251,916)	₩ (5,867)	₩ 1,248,972	₩ 830,941	₩	418,031

<i>(in millions of</i>	2023								
<i>Korean won)</i>	Beginning	Additions	Reversal	Utilization	Changes in consolidation scope	Ending	Current	Non-current	
Provisions for construction loss	₩ 202,254	₩ 681,328	₩ (248,122)	₩ (487)	₩ -	₩ 634,973	₩ 634,973	₩	-
Provisions for construction warranty	425,255	109,560	(6,613)	(109,088)	-	419,114	73,921		345,193
Provisions for others	60,211	307,088	(3,006)	35,605	-	399,898	345,254		54,644
	₩ 687,720	₩ 1,097,976	₩ (257,741)	₩ (73,970)	₩ -	₩ 1,453,985	₩ 1,054,148	₩	399,837

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21. Commitments and Contingencies

1. PF Contingent liabilities.

(1) Comprehensive real estate PF Loan summary table (excluding construction completion guarantee, borrowings for intermediate payments, SOC)

As of December 31, 2024, the Group has provided credit enhancement guarantees totaling ₩ 4,588,577 million (₩ 3,842,505 in 2023) in relation to the PF loan, with ₩ 4,542,258 million allocated to independent business (₩ 3,672,059 million in 2023) and ₩ 46,319 million to consortium participation business (170,446 million in 2023). No amount was previously recorded as contingent liabilities, being converted to provisions. The Group has provided credit enhancement guarantees of ₩ 428,740 million (₩ 395,740 million in 2023) to its related parties in relation to other businesses. Details of contingent liabilities within PF related to refurbishment projects and other projects are as follows.

<Independent project>

(In millions of Korean won)

Category	Type	Guarantee limit	Guaranteed amount	Loan Balance							
				2024	Maturity					2023	
					Less than 3 months	Between 3-6 months	Between 6-12 months	Between 1-2 years	Between 2-3 years		More than 3 years
Refurbishment projects	Bridge loan	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	-
	PF loan	3,141,260	2,022,333	1,668,373	207,900	954,174	109,204	235,477	98,138	63,480	1,216,565
		3,141,260	2,022,333	1,668,373	207,900	954,174	109,204	235,477	98,138	63,480	1,216,565
Other projects	Bridge loan	₩ 2,325,460	₩ 2,325,460	₩ 1,957,500	₩ 314,900	₩ 739,700	₩ 744,900	₩ 158,000	₩ -	₩ -	₩ 1,758,200
	PF loan	207,000	194,465	169,100	-	-	-	169,100	-	-	163,674
		2,532,460	2,519,925	2,126,600	314,900	739,700	744,900	327,100	-	-	1,921,874
	₩ 5,673,720	₩ 4,542,258	₩ 3,794,973	₩ 522,800	₩ 1,693,874	₩ 854,104	₩ 562,577	₩ 98,138	₩ 63,480	₩ 3,138,439	

(In millions of Korean won)

Loan Balance

(In millions of Korean won)

Loan Balance

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	₩	50,077	₩	46,319	₩	38,599	₩	-	₩	-	₩	13,114	₩	25,485	₩	-	₩	163,098
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(2) Details of Real Estate PF Loan Guarantee (excluding construction completion guarantee, borrowings for intermediate payments, SOC)

1) As of December 31, 2024, the guarantee details of PF Loan related to refurbishment projects of the Group are as follows. Under the PF guarantee agreements, if the borrower fails to pay the amount due under the financial contract, or if default occurs to the Group or the borrower, the Group will incur a loss of future interest totaling ₩ 1,706,972 million (₩ 1,379,663 million in 2023).

(in millions of Korean won)

Location	Project Type	Loan Type	Guarantee Type	Guarantee Limit	Burden rate	Guaranteed amount	Borrower	Related party	Creditor	Loan Balance	2024	2023	Loan Period	Securitized security maturity	Loan type	Construction completion commitment
Seoul	Apartment	PF loan	Payment Guarantee	₩ 114,900	100%	₩ 114,900	Hangang Mansion Apartment	X	SPC	₩ 114,900	114,900	₩ -	24.11 ~25.0 ₁	25.01	ABSTB	₩ -
							Housing Reconstruction Refurbishment Project									
Seoul ¹⁾	Apartment	PF loan	Payment Guarantee	111,600	100%	111,600	Jangwi 4th District Housing Redevelopment	X	Capital	93,000	93,000	93,000	21.11 ~25.0 ₃	-	Loan	93,000
							t refurbishment cooperative									
Daegu	Apartment	PF loan	Payment Guarantee	100,920	100%	100,920	Daegu Songhyeon Joo-gong 3rd Complex	X	Capital	84,100	84,100	84,100	21.07 ~25.0 ₄	-	Loan	-
							Housing Reconstruction Refurbishment cooperative									
Seoul ¹⁾	Apartment	PF loan	Payment Guarantee	52,800	100%	52,800	Jangwi 4th District Housing Redevelopment	X	Other	44,000	44,000	44,000	22.08 ~25.0 ₆	-	Loan	44,000
							t refurbishment cooperative									
Seoul	Apartment	PF loan	Payment Guarantee	252,000	100%	252,000	Sinbanpo 4th District Reconstruction	X	Bank	210,000	210,000	197,928	22.08 ~25.0 ₆	-	Loan	-
							Refurbishment									

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Seoul	Apartment	PF loan	Payment Guarantee	494,000	100%	494,000	Project Cooperative Sinbanpo 4th District Reconstruction Refurbishment Project	X	Bank	380,000	22.09 ~25.0 ₆	-	Loan	-
Seoul ¹	Apartment	PF loan	Payment Guarantee	180,000	100%	47,991	Project Cooperative Sinbanpo 4th District Reconstruction Refurbishment Project	X	Bank	39,992	23.05 ~25.0 ₆	-	Loan	39,992
Seoul	Apartment	PF loan	Payment Guarantee	312,000	100%	235,299	Project Cooperative Sinbanpo 4th District Reconstruction Refurbishment Project	X	Bank	196,082	23.12 ~25.0 ₆	-	Loan	-
Seoul	Apartment	PF loan	Payment Guarantee	156,000	100%	131,045	Project Cooperative Sinbanpo 4th District Reconstruction Refurbishment Project	X	Capital	109,204	24.09 ~25.11	-	Loan	-
Seoul	Apartment	PF loan	Payment Guarantee	42,000	100%	25,658	Project Cooperative Bangbae 13th District Housing Reconstruction Refurbishment Project	X	Bank	21,381	21.06 ~26.0 ₆	-	Loan	-
Daegu	Apartment	PF loan	Interest Payment Guarantee	17,680	100%	9,877	Project Cooperative Daemyeong 3rd New Town Housing Redevelopment Refurbishment project	X	SPC	9,877	23.10 ~26.0 ₇	-	Loan	-
Seoul ¹	Apartment	PF loan	Payment Guarantee	240,000	100%	240,000	Project Cooperative Yangpyeong 12th District Urban Environmental refurbishment cooperative	X	Bank	200,000	24.10 ~26.0 ₈	-	Loan	200,000
Seoul ¹	Apartment	PF loan	Payment Guarantee	30,000	100%	5,063	Project Cooperative Yangpyeong 12th District Urban Environmental	X	Capital	4,219	24.11 ~26.0 ₈	-	Loan	4,219

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Seoul	Apartment	PF loan	Payment Guarantee	21,600	100%	2,038	Yeoksam Milky Way Housing Reconstruction Refurbishment Project	X	Capital	1,698	1,575	23.08 ~27.0 ₁	-	Loan	-
Gwacheon ¹	Apartment	PF loan	Payment Guarantee	103,080	100%	28,878	Gwacheon Joo-gong 4th Complex Housing Reconstruction Refurbishment Project	X	Bank	24,065	27,566	22.10 ~27.0 ₂	-	Loan	24,065
Seoul	Apartment	PF loan	Payment Guarantee	260,000	100%	94,088	Yongdap-dong Housing Redevelopment Refurbishment Project	X	Capital	72,375	70,382	23.08 ~27.0 ₃	-	Loan	-
Seoul	Apartment	PF loan	Payment Guarantee	24,000	100%	23,990	Cheongdam Geonyeong Apartment Remodeling Housing Cooperative	X	Capital	19,992	-	24.10 ~29.0 ₈	-	Loan	-
Seoul	Apartment	PF loan	Payment Guarantee	628,680	100%	52,186	Banghwa 5 Regeneration Promotion Zone Reconstruction Refurbishment Project	X	Bank	43,488	-	24.11 ~29.1 ₀	-	Loan	-
				₩ 3,141,260		₩ 2,022,333	Cooperative		₩ 1,668,373	₩ 1,216,565	₩		₩	405,276	
Guri	Apartment	PF loan	Interest Payment Guarantee	₩ 4,112	33%	₩ 510	Sutaek E Reconstruction Promotion Zone Housing Redevelopment Refurbishment Project	X	Bank	425	₩ 687	22.04 ~26.0 ₈	-	Loan	₩ -
Seoul ²	Apartment	PF loan	Payment Guarantee	17,520	100%	15,227	Noryangjin 6 Reconstruction Promotion Zone Housing Redevelopment	X	Bank	12,689	12,689	21.12 ~26.11	-	Loan	-

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Location	Project Type	Loan Type	Guarantee Type	Guarantee Limit	Burden rate	Guaranteed amount	Borrower	Related party	Creditor	Loan Balance		Loan Period	Securitized security maturity	Loan type	Construction completion commitment
										2024	2023				
Seoul ²	Apartment	PF loan	Payment Guarantee	₩ 52,832	100%	₩ 31,200	100%	X	Capital	₩ 25,485	₩ 23,361	24.07 ~27.08	-	Loan	-
Incheon ²	Apartment	PF loan	Payment Guarantee	₩ 128,900	100%	₩ 128,900	100%	X	Bank	₩ -	₩ 126,361	21.09 ~24.04	-	Loan	-
				₩ 181,732		₩ 181,732				₩ 38,599	₩ 163,098				-
				₩ 3,322,992		₩ 3,322,992				₩ 1,706,972	₩ 1,379,663				₩ 405,276

¹ The Group's indemnity agreement is additionally provided as credit enhancement.

² The project was contracted through a consortium, but each consortium member independently secured the PF Loan.

2) As of December 31, 2024, guarantee details of PF Loan related to other projects of the Group are as follows. Under the PF guarantee agreements, if the borrower fails to pay the amount due under the financial contract, or if default occurs to the Group or the borrower, the Group will incur a loss of future interest totaling ₩ 2,126,600 million (₩ 1,921,874 million in 2023).

(in millions of Korean won)

Location	Project Type	Loan Type	Guarantee Type	Guarantee Limit	Burden rate	Guaranteed amount	Borrower	Related party	Creditor	2024	2023	Loan Period	Securitized security maturity	Loan type	Construction completion commitment
Won-ju	Apartment	Bridge loan	Payment Guarantee	₩ 50,000	100%	₩ 50,000	Bokyoung Comprehensive	X	SPC	₩ 50,000	₩ 45,100	24.11 ~25.02	25.02	ABSTB	₩ -

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Location	Project Type	Loan Type	Guarantee Type	Guarantee Limit	Burden rate	Guaranteed amount	Borrower	Related party	Creditor	Loan Balance	2024	2023	Loan Period	Securitized security maturity	Loan type	Construction completion commitment
Asan	Apartment	Bridge loan	Payment Guarantee	164,280	100%	164,280	Haneul E&C Co., Ltd.	X	SPC	136,900	125,000	125,000	24.03 ~25.03	25.03	ABCP	-
Osan	Apartment	Bridge loan	Payment Guarantee	72,000	100%	72,000	O&TB Holdings Co., Ltd.	X	SPC	60,000	-	-	24.03 ~25.03	25.03	ABSTB	-
Yongin	Apartment	Bridge loan	Payment Guarantee	68,000	100%	68,000	DSD Samho Co., Ltd.	X	SPC	68,000	96,500	96,500	24.03 ~25.03	25.03	ABCP	-
Gwangyang	Apartment	Bridge loan	Payment Guarantee	28,000	100%	28,000	Hoyoung Co., Ltd.	X	SPC	28,000	28,000	28,000	24.05 ~25.05	25.05	ABCP	-
Asan	Apartment	Bridge loan	Payment Guarantee	120,240	100%	120,240	Haneul E&C Co., Ltd.	X	SPC	100,200	-	-	24.05 ~25.05	25.05	ABL	-
Ansan	Apartment	Bridge loan	Payment Guarantee	260,000	100%	260,000	White Korea Co., Ltd.	X	SPC	200,000	200,000	200,000	23.11 ~25.05	-	Loan	-
Yongin	Apartment	Bridge loan	Payment Guarantee	165,100	100%	165,100	DSD Samho Co., Ltd.	X	Bank	127,000	125,100	125,100	24.05 ~25.05	-	Loan	-
Cheonan	Apartment	Bridge loan	Payment Guarantee	161,400	100%	161,400	Joongang Holdings Co., Ltd.	X	SPC	134,500	100,000	100,000	24.05 ~25.05	25.05	ABCP	-
Osan	Apartment	Bridge loan	Payment Guarantee	170,000	100%	170,000	O&TB Holdings Co., Ltd.	X	Bank	150,000	100,000	100,000	24.08 ~25.06	25.06	Loan	-
Daejeon	Apartment	Bridge loan	Payment Guarantee	195,700	100%	195,700	IS Partners Co., Ltd.	X	Bank	160,000	-	-	24.08 ~25.08	25.08	Loan	-
Busan	Apartment	Bridge loan	Payment Guarantee	240,240	100%	240,240	Park City Co., Ltd.	O	SPC	218,400	188,400	188,400	24.08 ~25.08	25.08	ABSTB	-
Seoul	Apartment	Bridge loan	Payment Guarantee	31,000	100%	31,000	DSD Samho Co., Ltd.	X	SPC	31,000	31,000	31,000	24.09 ~25.09	25.09	ABCP	-
Yongin	Apartment	Bridge loan	Payment Guarantee	133,900	100%	133,900	Seongwon Construction Co., Ltd.	X	Bank	103,000	96,000	96,000	24.09 ~25.09	-	Loan	-
Daejeon	Apartment	Bridge loan	Payment Guarantee	87,500	100%	87,500	Seokjeong Partners Co., Ltd.	X	SPC	87,500	-	-	24.11 ~25.11	25.11	ABCP	-

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Location	Project Type	Loan Type	Guarantee Type	Guarantee Limit	Burden rate	Guaranteed amount	Borrower	Related party	Creditor	Loan Balance	Loan Period	Securitized security maturity	Loan type	Construction completion commitment
				₩ 2,532,460		₩ 2,519,925				₩ 2,126,600	₩ 1,280,100			₩ -
Busan	Apartment	Bridge loan	Payment Guarantee	188,500	100%	188,500	Park City Co., Ltd.	O	Bank	145,000	24.12 ~25.12	-	Loan	-
Yongin	Apartment	Bridge loan	Payment Guarantee	57,600	100%	57,600	DSD Samho Co., Ltd	X	SPC	48,000	24.03 ~26.03	-	ABL	-
Osan	Apartment	Bridge loan	Payment Guarantee	132,000	100%	132,000	Yangsan 4th District SPC Co., Ltd.	X	SPC	110,000	24.11 ~26.05	26.05	ABSTB	-
Eumseong	Apartment	PF loan	Payment Guarantee	207,000	100%	194,465	Raon Urban Development Co., Ltd.	X	SPC	169,100	24.07 ~26.07	-	ABL	-
Daegu	Apartment	PF loan	Payment Guarantee	₩ -	100%	₩ -	Gyeongju Construction Co., Ltd.	X	SPC	-	23.09 ~24.02	24.02	ABCP	₩ -
Icheon	Apartment	Bridge loan	Payment Guarantee	-	100%	-	LNS Partners Co., Ltd.	X	SPC	-	23.12 ~24.03	24.03	ABSTB	-
Daejeon	Apartment	Bridge loan	Payment Guarantee	-	100%	-	Seokjeong Urban Development Co., Ltd.	X	SPC	-	23.04 ~24.04	24.04	ABL	-
Hwaseong	Apartment	PF loan	Payment Guarantee	-	100%	-	SRAMI Co., Ltd.	X	Capital	-	23.02 ~24.04	24.04	Loan	-
Suncheon	Apartment	Bridge loan	Payment Guarantee	-	100%	-	Samduk Construction Co., Ltd.	X	SPC	-	23.04 ~24.07	-	ABL	-
Cheonan	Apartment	Bridge loan	Payment Guarantee	-	100%	-	J-Bis Co., Ltd.	X	SPC	-	24.03 ~24.09	24.09	ABCP	-
Asan	Apartment	Bridge loan	Payment Guarantee	-	100%	-	Haneul E&C Co., Ltd.	X	SPC	-	24.08 ~24.11	24.11	ABSTB	-
Daegu	Apartment	PF loan	Payment Guarantee	-	100%	-	Gyeongju Construction Co., Ltd.	X	Bank	-	23.03 ~25.03	-	Loan	-
Yongin	Apartment	Bridge loan	Payment Guarantee	-	100%	-	DSD Samho Co., Ltd.	X	SPC	-	24.03 ~25.04	25.04	ABCP	-
				₩ -		₩ -				₩ -	₩ 641,774			₩ -

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Location	Project Type	Loan Type	Guarantee Type	Guarantee Limit	Burden rate	Guaranteed amount	Borrower	Related party	Creditor	Loan Balance		Loan Period	Securitized security maturity	Loan type	Construction completion commitment
										2024	2023				
				₩ 2,532,460		₩ 2,519,925				₩ 2,126,600	₩ 1,921,874				₩ -

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(3) Real Estate PF completion guarantee.

As of December 31, 2024 and 2023, in relation to refurbishment projects and other projects, the Group has entered into conditional debt assumption and indemnification agreements in the event of failure to fulfill liability completion as follows.

(In millions of Korean won)

		2024				2023			
Category	Number of projects	Construction contract balance	Loan contract amount	Loan balance	Number of projects	Construction contract balance	Loan contract amount	Loan balance	
Refurbishment projects									
Consortium	41	₩ 23,926,149	₩ 10,147,402	₩ 6,263,416	44	₩ 22,971,689	₩ 10,354,888	₩ 6,082,772	
Other projects									
Group ownership	41	15,290,215	6,517,744	4,133,331	44	15,191,923	6,783,065	4,140,707	
Consortium	43	₩ 8,874,120	₩ 6,319,496	₩ 3,943,362	44	₩ 8,246,001	₩ 6,776,500	₩ 4,466,050	
Group ownership	43	7,880,554	5,249,361	3,326,937	44	8,110,241	6,351,100	4,287,660	
Consortium	84	₩ 32,800,269	₩ 16,466,898	₩ 10,206,778	88	₩ 31,217,690	₩ 17,131,388	₩ 10,548,822	
Group ownership	84	₩ 23,170,769	₩ 11,767,105	₩ 7,460,268	88	₩ 23,302,164	₩ 13,134,165	₩ 8,428,367	

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(4) Real Estate PF SOC Guarantee

As of December 31, 2024 and 2023, the Group has provided credit enhancement such as capital replenishment and fund provision up to a total of ₩ 2,957,770 million (₩ 2,925,236 million in 2023) in relation to borrowings from SOC entities and executing agencies. Additionally, the Group bears the obligation to supplement funds in case of insufficient essential business expenses of SOC entities.

(In millions of Korean won)

Category	2024			2023		
	Number of projects	Consortium balance	Group ownership balance	Number of projects	Consortium balance	Group ownership balance
Obligation to supplement the funds ¹	32	₩ 2,957,770	₩ 556,571	30	₩ 2,925,236	₩ 592,396

¹ In some SOC projects, the Group is separately obligated to provide funds in addition to the above limit agreements.

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(5) PF loan for intermediate payment, relocation expenses, contract deposit

As of December 31, 2024 and 2023, the Group has provided credit guarantees refurbishment projects amounting to ₩ 642,454 million (₩ 839,548 million in 2023) and other projects amounting to ₩ 2,468,657 million (₩ 2,732,776 million in 2023) in relation to borrowing for intermediate payment, relocation expenses loan, and contract deposit loans from homebuyers.

(In millions of Korean won)

Category	2024				2023			
	Number of projects	Guarantee limit	Loan contract amount	Loan balance	Number of projects	Guarantee limit	Loan contract amount	Loan balance
Refurbishment projects	12	₩ 930,629	₩ 811,034	₩ 472,059	17	₩ 1,194,957	₩ 1,068,138	₩ 383,072
Group ownership	12	737,837	642,454	380,605	17	930,153	839,548	288,110
Other projects	35	₩ 3,080,676	₩ 2,608,114	₩ 1,228,491	47	₩ 3,332,876	₩ 2,872,233	₩ 1,147,149
Group ownership	35	2,931,978	2,468,657	1,188,557	47	3,184,898	2,732,776	1,094,972
Consortium	47	₩ 4,011,305	₩ 3,419,148	₩ 1,700,550	64	₩ 4,527,833	₩ 3,940,371	₩ 1,530,221
Group ownership	47	₩ 3,669,815	₩ 3,111,111	₩ 1,569,162	64	₩ 4,115,051	₩ 3,572,324	₩ 1,383,082

(6) As of December 31, 2024, for the Group's investees incorporated under the *Act on Private Investment in Social Overhead Capital*, the Group has provided pledged investments with a carrying value of ₩ 308,158 million (₩ 314,992 million in 2023) as collaterals as of December 31, 2024. Also, the Group and its partners have provided put options and other commitments of ₩ 189,054 million (₩ 34,737 million after considering the Group's ownership) (₩ 265,592 million (₩ 62,072 million after considering the Group's ownership) in 2023) to the financial investor and others. The Group has an agreement wherein the Group has a right to sell of shares held by SOC companies such as Busan East-West highway Corp. to financial investors.

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2. Non - PF Contingent liabilities

As of December 31, 2024, the Group has provided guarantees to clients and others, through methods such as insurance with guarantee insurance companies or issuance of guarantees, amounting to ₩ 16,730,783 million (₩ 15,250,343 million in 2023), and has received guarantees amounting to ₩ 20,617,281 million (₩ 22,337,610 million in 2023).

(1) Comprehensive summary table (In millions of Korean won)

Category	Beneficiary	Guarantee type	Guarantee limit	Guarantee balance	Guarantor	Related party
Guarantee provided	Refurbishment Cooperatives etc	sales of housing lots etc	₩ 16,923,229	₩ 16,730,783	Korea Housing & Urban Guarantee Corporation etc	Included
Guarantee received	-	sales of housing lots etc	20,619,056	20,617,281	Korea Housing & Urban Guarantee Corporation etc	
			₩ 37,542,285	₩ 37,348,064		

(2) Guarantee provided

(In millions of Korean won)

Beneficiary	Guarantee type	Guarantee limit	Guarantee balance	Guarantor	Related party
Refurbishment Cooperatives	PF loan	₩ 858,535	₩ 666,089	Korea Housing & Urban Guarantee Corporation	
Trust company etc	sales of housing lots	10,316,103	10,316,103	Korea Housing & Urban Guarantee Corporation	
Trust company etc	sales of residential-commercial complex	516,430	516,430	Korea Housing & Urban Guarantee Corporation	
Subcontract company etc	Subcontract payment guarantee	40,680	40,680	Construction Guarantee Cooperative	
Subcontract company etc	Defect repairs	52,640	52,640	Construction Guarantee Cooperative etc	
Subcontract company etc	Others	35,818	35,818	Construction Guarantee Cooperative etc	

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Beneficiary	Guarantee type	Guarantee limit	Guarantee balance	Guarantor	Related party
GS Engineering & Construction Australia Pty Ltd etc	Performance guarantee for overseas projects	4,898,789	4,898,789	Spark North East Link Pty Limited etc	Included
ICRC etc	other guarantees for overseas projects	204,234	204,234	AIB etc	Included
		<u>₩ 16,923,229</u>	<u>₩ 16,730,783</u>		

(3) Guarantee received

(In millions of Korean won)

Guarantor	Guarantee type	Guarantee limit	Guarantee balance	Related party
Korea Housing & Urban Guarantee Corporation	sales of housing lots	₩ 9,052,369	₩ 9,052,369	
Korea Housing & Urban Guarantee Corporation	sales of residential-commercial complex	138,308	138,308	
Korea Housing & Urban Guarantee Corporation etc	Defect repairs	966,687	966,687	
Korea Housing & Urban Guarantee Corporation	Construction warranty	2,213,706	2,213,706	
Korea Housing & Urban Guarantee Corporation etc	Subcontract payment guarantee	2,986,148	2,986,148	
Construction Guarantee Cooperative etc	Performance bond	962,973	962,973	
Construction Guarantee Cooperative etc	Others	1,899,711	1,899,711	
KEXIM etc	Performance guarantee for overseas projects	1,324,363	1,324,363	
KEXIM etc	other guarantees for overseas projects	1,073,016	1,073,016	
		<u>₩ 20,619,056</u>	<u>₩ 20,617,281</u>	

(4) As of December 31, 2024, the Group has provided 20 blank checks and 20 notes amounting to ₩ 195,199 million (23 blank checks and 22 notes amounting to ₩ 127,211 million in 2023) in face value as collaterals to guarantee its construction contracts.

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(5) The Group has contingent liabilities in respect of legal claims arising in the ordinary course of business. The Group is involved in 90 lawsuits with aggregated claims sued by the Group amounting to ₩ 1,397,564 million after considering the Group's ownership with a total amount of ₩ 2,869,959 million (85 litigations amounting to ₩ 1,053,855 million after considering the Group's ownership with a total amount of ₩ 2,364,875 million in 2023), and 205 lawsuits with aggregated claims against the Group amounting to ₩ 1,686,016 million after considering the Group's ownership with total amount of ₩ 3,121,244 million (208 litigations amounting to ₩ 1,521,474 million after considering the Group's ownership with total amount of ₩ 2,989,634 million in 2023) as the defendant. As of December 31, 2024, the outcome of these cases cannot be reasonably determined.

3. Major commitments

(1) As of December 31, 2024, the Group has entered into credit agreements, including revolving loans, with NongHyup Bank and eight other financial institutions, with a total limit of ₩ 650,758 million (₩ 598,971 million in 2023). Additionally, we have agreements for the issuance of accounts receivable-backed loans with five financial institutions other than NongHyup Bank, with a total limit of ₩ 1,631,500 million (₩ 1,649,500 million in 2023). And, the total comprehensive limit amount received from institutions such as KEXIM for opening a line of credit and bond issuances is ₩ 3,649,013 million, with a specific limit amount for USANCE borrowing (effective limit amount) being ₩ 87,385 million (total limit amount: ₩ 4,508,082 million, USANCE borrowing-related effective limit amount: ₩ 32,668 million in 2023).

(2) As of December 31, 2024, the Group has entered into an interest-free loan agreement amounting to ₩ 7,158,604 million (₩ 5,410,279 million after considering the Group's ownership) (₩ 7,495,007 million (₩ 5,609,208 million after considering the Group's ownership) in 2023) in relation to the Group's refurbishment projects in progress. In addition, the Group has entered into an interest-bearing loan agreement amounting to ₩ 10,890,440 million (₩ 8,385,589 million after considering the Group's ownership) (₩ 10,270,574 million (₩ 7,846,915 million after considering the Group's ownership) in 2023) in relation to the refurbishment projects. There are 12 other interest-bearing loan agreements without limit. Meanwhile, the Group has entered into a loan agreement amounting to ₩ 11,074 million (₩ 49,244 million in 2023) in relation to outsourcing business.

(3) The Group has entered into an operating lease contract for 20 years for the rental of Gran Seoul from Kocref Chungjin No.18 Entrust Management Real Estate Investment Group in 2014. The Group does not hold any purchase option to purchase the leased building upon maturity of the lease period in relation to the contracts above.

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(4) In relation to the commitments and contingencies above, the Group may be required to make accelerated repayments or provide additional guarantees for the borrowings, payment guarantees, and major lease agreements under the contract if the credit rating of unsecured bonds issued by the Group falls below a certain level. The major trigger provisions are maintaining debt to equity ratio below 300%, EBITDA/interest rate above 200%, non-guaranteed debenture rating of BBB+ and others. As of December 31, 2024, the credit rating of unsecured bonds is A0 (stable).

(5) GS Inima Environment S.A.U., a subsidiary, has borrowed from financial institutions in connection with private investment projects and has provided cash flows and equity securities arising from private investment projects as collateral for repayment of borrowings. In addition, some borrowings are obligated to supplement funds in connection with the repayment of borrowings.

(6) As of December 31, 2024, the Group has signed an industrial facility loan agreement with the Korea Development Bank for the Pohang secondary battery recycling project, and has provided as collateral the receivable for return of land sale amount. The receivable arises when the land sale contract signed with Pohang city government is terminated (limit of ₩ 18,032 million). Additionally, the Group has added KDB as a co-insured party to the assembly insurance for the project (KB Insurance), and KDB has established a pledge on the insured amount (limit of ₩ 120,000 million).

(7) As of December 31, 2024, the Group has formed a construction consortium for the development project of Songdo International Complex Phase 2, and has signed a partnership and construction agreement with the project developer, Songdo International Complex Developments Co., Ltd.. This agreement stipulates the constructor's obligations to acquire the properties remaining unsold until the end of occupancy commencement period at the request of the developer, its obligation to compensate for shortfall of project development proceeds, and matters on distribution of excess of project development proceeds.

(8) For the year ended December 31, 2024, the Group has entered into a price return swap in which it sells common shares of the GS Kocref New Stay REITs and Mainstream 21st Co., Ltd for the contract amount of ₩85,000 million and Mainstream 21st Co., Ltd settles the difference between the disposal amount of the common shares and the contract amount. In relation to this swap agreement, the Group recognizes the derivative instrument liabilities of ₩2,830 million as of December 31, 2024.

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(9) As of December 31, 2024, in relation to the issuance of new convertible preferred shares of Energy Materials Co., Ltd., a subsidiary, the Group has entered into a shareholders' agreement with the investor of the new shares. Details of the shareholders' agreement are as follows:

- Restriction on the largest shareholder's disposal of shares based on certain requirements
- Tag-along right for the investor
- Drag-along right for the investor
- Right of first offer for the investor or the largest shareholder
- Call option for the largest shareholder

Meanwhile, the key details related to the rights granted to the Group and the investors are as follows:

Category	Exercise Conditions	Exercise Details
Tag-along right	When the largest shareholder intends to dispose of all or part of its shares	The investor has the right to sell their shares under the same terms as the largest shareholder
Drag-along right	If the qualified listing is not completed by the agreed deadline (4 years from the transaction completion date), etc.	The investor has the right to sell their shares together with the largest shareholder's shares
Right of first offer	When either the investor or the largest shareholder intends to dispose of all or part of their shares in the issuing company	The right to purchase the target shares before any third party
Call option	If the largest shareholder wishes to exercise the call option after 2 years from the transaction completion date and before the IPO deadline or the completion of the drag-along right procedure	The investor has the right to request the sale of the shares acquired by the investor initially

The Group has recognized financial derivative liabilities of ₩68,978 million in relation to the rights included in the shareholders' agreement, such as the investor's tag-along right and the largest shareholder's call option as of December 31, 2024

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22. Issued Capital and Capital Surplus

(1) Details of issued capital as of December 31, 2024 and 2023 are as follows:

	2024	2023
Authorized shares	200,000,000 shares	200,000,000 shares
Par value per share	₩ 5,000	₩ 5,000
Outstanding shares	85,581,490 shares	85,581,490 shares
Issued capital	₩ 427,907 million	₩ 427,907 million

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

<i>(in millions of Korean won)</i>	2024	2023
Gain on disposal of treasury stock	₩ 2,384	₩ 2,384
Additional paid-in capital	921,432	921,432
Gain on business combination	15,002	15,002
Other capital surplus	(14,838)	3,166
	<u>₩ 923,980</u>	<u>₩ 941,984</u>

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

<i>(in millions of Korean won)</i>	2024	2023
Treasury stock ¹	₩ (36,443)	₩ (36,443)
Others	(61,870)	(365)
	<u>₩ (98,313)</u>	<u>₩ (36,808)</u>

¹ To stabilize the Group's share price, the Group purchased 692,595 shares of treasury stock and recognized the acquisition in other components of equity as of December 31, 2024.

(4) Details of other comprehensive income (loss) as of December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Gain on valuation of derivative instruments	₩ 10,118	₩ 17,331
Loss on translations of foreign operations	(116,364)	(82,815)
Share of changes in other comprehensive income of associates	265	505
	<u>₩ (105,981)</u>	<u>₩ (64,979)</u>

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23. Retained Earnings

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

<i>(in millions of Korean won)</i>	2024	2023
Legal reserves	₩ 193,117	₩ 179,013
Reserve for business stabilization	1,144,653	1,144,653
Other voluntary reserves	2,286,627	2,286,627
Remeasurements of net defined benefit liability	(53,392)	(27,965)
Other consolidated retained earnings	155,987	129,512
Unappropriated retained earnings	(460,496)	(665,486)
	<u>₩ 3,266,496</u>	<u>₩ 3,046,354</u>

(2) Changes in retained earnings for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Beginning balance	₩ 3,046,354	₩ 3,659,818
Annual dividends	-	(110,356)
Profit attributable to equity holders of the Parent Company	245,568	(481,945)
Remeasurements of the net defined benefit liability	(25,426)	(21,163)
Ending balance	<u>₩ 3,266,496</u>	<u>₩ 3,046,354</u>

(3) Dividends paid for each of the two years in the period ended December 31, 2024 are as follows:

	2024	2023
Type of shares	Ordinary shares	Ordinary shares
Total number of shares issued	85,581,490 shares	85,581,490 shares
Number of shares	84,888,895 shares	84,888,895 shares
Dividends per share <i>(in Korean won)</i>	₩ -	₩ 1,300
Total dividends <i>(in millions of Korean won)</i>	₩ -	₩ 110,356

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24. Earnings (losses) per Share

Basic and diluted earnings (losses) per share of equity holders of the Group for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in Korean won and in shares)</i>	2024	2023
Profit (loss) attributable to equity holders of the parent Company	₩ 245,568,242,597	₩ (481,944,649,533)
Weighted average number of ordinary shares in issue ¹	84,888,895	84,888,895
Basic and Diluted earnings (losses) per share	<u>2,893</u>	<u>(5,677)</u>

¹ Details of calculation of the weighted average number of ordinary shares outstanding for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in shares)</i>	2024		2023	
	Number of shares	Number of shares * number of days	Number of shares	Number of shares * number of days
Beginning	85,581,490	31,322,825,340	85,581,490	31,237,243,850
Treasury stock	(692,595)	(253,489,770)	(692,595)	(252,797,175)
		<u>31,069,335,570</u>		<u>30,984,446,675</u>
Weighted average number of ordinary shares outstanding		<u>84,888,895</u>		<u>84,888,895</u>

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25. Selling and Administrative Expenses

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

<i>(in millions of Korean won)</i>	2024	2023
Salaries	₩ 297,295	₩ 256,563
Pension benefits	25,463	20,747
Employee welfare benefits	41,767	41,526
Taxes and dues	31,135	29,496
Commissions	146,988	121,230
Rents	11,188	10,541
Depreciation	4,594	8,760
Amortization	8,819	8,051
Depreciation of right-of-use assets	20,854	24,257
Advertising	24,172	21,818
Bad debt expense	67,162	9,550
Development	63,119	38,426
Warranty	41,772	19,263
Insurance premium	12,540	12,295
Travel	9,654	9,066
Others	21,704	18,550
	<u>₩ 828,226</u>	<u>₩ 650,139</u>

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26. Other Operating Income and Expenses

(1) Other operating income for each of the two years in the period ended December 31, 2024 is as follows:

<i>(in millions of Korean won)</i>	2024	2023
Gain on disposal of property, plant and equipment	₩ 1,954	₩ 293
Gain on disposal of intangible assets	213	153
Reversal of impairment loss on intangible assets	320	431
Gain on disposal of investment property	-	141
Gain on modification of leases	760	65
Gain on foreign currency transactions	170,021	111,964
Gain on foreign currency translation	322,453	74,258
Reversal of allowance for bad debts	47,545	43,338
Gain on valuation of derivatives	119	18,048
Gain on derivatives transactions	2,155	22,651
Gain on translations of foreign operations	79,021	10,347
Dividend income	8,650	9,435
Gain on valuation of financial assets at fair value through profit or loss	3,857	6,106
Miscellaneous gain and others	151,669	34,711
	<u>₩ 788,737</u>	<u>₩ 331,941</u>

(2) Other operating expenses for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Loss on disposal of property, plant and equipment	₩ 2,269	₩ 666
Impairment loss on property, plant and equipment	3,525	18,160
Impairment loss on intangible assets	-	4,912
Impairment loss on investment properties	1,940	5,381
Loss on modification of leases	566	61
Loss on foreign currency transactions	9,842	68,957
Loss on foreign currency translation	81,943	29,843
Bad debt expense	48,016	47,426
Loss on valuation of derivatives	10,255	20,484
Loss on derivatives transactions	6,738	1,378
Loss on disposal of accounts receivables	1,254	197
Loss on translations of foreign operations	190,282	23,414
Loss on valuation of financial assets at fair value	9,691	9,417

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through profit or loss		
Loss on disposal of financial assets at fair value through profit or loss	13,517	126
Miscellaneous loss and others	25,033	64,474
	<u>₩ 404,871</u>	<u>₩ 294,896</u>

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27. Finance Income and Costs

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

<i>(in millions of Korean won)</i>	2024	2023
Interest income	₩ 172,477	₩ 198,225
Gain on foreign currency transactions	37,531	32,682
Gain on foreign currency translation	11,436	21,821
Gain on valuation of financial assets at fair value through profit or loss	276	93
Gain on disposal of financial assets	-	1
Gain on valuation of derivatives	30,256	-
Gain on derivatives transactions	5,294	-
Gain on disposal of investments in associates	131,621	1
Reversal of financial guarantee liabilities	6,954	3,302
	<u>₩ 395,845</u>	<u>₩ 256,125</u>

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

<i>(in millions of Korean won)</i>	2024	2023
Interest expenses	₩ 314,833	₩ 306,281
Financial guarantee expenses	-	3,084
Loss on foreign currency transaction	125,556	72,892
Loss on foreign currency translation	150,188	60,907
Loss on valuation of financial assets at fair value through profit or loss	459	589
Loss on disposal of financial assets	675	4,738
Loss on valuations of derivatives	24,164	14,150
Loss on disposal of investments in associates	1,048	-
	<u>₩ 616,923</u>	<u>₩ 462,641</u>

(3) Borrowing Cost

The amount of borrowing costs capitalized for inventories, which are qualifying assets of the Group for the year ended December 31, 2024 is ₩ 85,463 million (₩ 70,843 million in 2023). The capitalization rate is 4.50% to 7.10% (2.08% to 7.94% in 2023) (see Notes 8 and 13).

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28. Income Tax

(1) Income tax expenses (benefits) for each of the two years in the period ended December 31, 2024 consist of the following:

<i>(in millions of Korean won)</i>	2024	2023
Current tax:		
Current tax on profits for the year	₩ 124,696	₩ 95,846
Adjustments in respect of the prior year	(26,772)	(28,930)
Total current tax	97,924	66,916
Deferred tax:		
Origination and reversal of temporary differences	79,646	(173,922)
Total income tax expense (benefit)	₩ 177,570	₩ (107,006)
Income tax charged directly to equity ¹	₩ (6)	₩ (9,020)
Income tax expense (benefit)	177,576	(97,986)

¹ Income tax credited (charged) directly to equity as of December 31, 2024 and 2023 is as follows:

<i>(in millions of Korean won)</i>	2024			2023		
	Before tax	Tax (charge) credit	After tax	Before tax	Tax (charge) credit	After tax
Share of changes in other comprehensive income	₩ (240)	₩ -	₩ (240)	₩ (744)	₩ -	₩ (744)
Gain (loss) on valuation of derivatives	(8,534)	(1,324)	(7,210)	2,414	999	1,415
Gain (loss) on translations of foreign operations	(17,620)	10,549	(28,169)	106,058	(1,857)	107,915
Remeasurements of net defined benefit pension plans	(37,563)	(9,159)	(28,404)	(33,317)	(8,162)	(25,155)
Other Capital Surplus	(72)	(72)	-	-	-	-
	₩ (64,029)	₩ (6)	₩ (64,023)	₩ 74,411	₩ (9,020)	₩ 83,431

(2) A reconciliation between profit before tax at the statutory tax rate of the Republic of Korea to income tax expense at the effective income tax rate of the Group as of December 31, 2024 and 2023 is as follows:

<i>(in millions of Korean won)</i>	2024	2023
Profit before tax	₩ 441,500	₩ (517,487)
Tax calculated at domestic tax rates applicable to profits in the respective countries	121,412	(142,309)
Tax effects of:		

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Income not subject to tax	(20,116)	(13,777)
Expenses not deductible for tax purposes	462	5,309
Foreign income tax expense	5,046	2,940
Others	70,772	49,851
Adjustment in respect of prior years	56,164	44,323
Income tax expense	₩ 177,576	₩ (97,986)

(3) The gross balances of deferred tax assets and liabilities as of December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Deferred tax assets		
Deferred tax asset to be recovered after more than 12 months	₩ 921,055	₩ 960,261
Deferred tax asset to be recovered within 12 months	444,185	483,125
	1,365,240	1,443,386
Deferred tax liabilities		
Deferred tax liability to be recovered after more than 12 months	339,514	334,444
Deferred tax liability to be recovered within 12 months	132,788	136,358
	472,302	470,802
Deferred tax assets, net	₩ 892,938	₩ 972,584

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(4) Movements in deferred tax assets and liabilities for each of the two years in the period ended December 31, 2024, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

(in millions of Korean won)

	2024				
	Beginning balance	Profit or loss	Equity	Change in consolidation	Ending balance
Deferred tax liabilities					
Reserve for revaluation	₩ 42,676	₩ (5)	₩ -	₩ -	₩ 42,671
Deposits for severance benefits	137,171	2,717	(348)	-	139,540
Gain or loss on valuation of derivatives	12,251	20,266	(1,897)	-	30,620
Accrued interest on loans	22,469	(6,849)	-	-	15,620
Inventory construction interest	5,745	(2,801)	-	-	2,944
Others	250,490	2,625	(12,208)	-	240,907
	470,802	15,953	(14,453)	-	472,302
Deferred tax assets					
Reversal of allowance for doubtful accounts	236,078	(86,815)	-	-	149,263
Gain or loss on valuation of derivatives	10,184	20,158	(573)	-	29,769
Provisions	419,819	(54,856)	-	-	364,963
Allowance for pension benefits	117,765	1,122	8,811	-	127,698
Share of profit or loss of associates and joint ventures	30,826	10,769	-	-	41,595
Loss on asset obsolescence	110,702	(8,919)	-	-	101,783
Others	518,012	54,842	(22,685)	-	550,169
	1,443,386	(63,699)	(14,447)	-	1,365,240
Deferred tax assets (liabilities), net	₩ 972,584	₩ (79,652)	₩ 6	₩ -	₩ 892,938

(in millions of Korean won)

	2023				
	Beginning balance	Profit or loss	Equity	Change in consolidation	Ending balance
Deferred tax liabilities					
Reserve for revaluation	₩ 43,721	₩ (1,045)	₩ -	₩ -	₩ 42,676
Deposits for severance benefits	133,149	10,098	(6,076)	-	137,171
Gain or loss on valuation of derivatives	17,418	(5,689)	522	-	12,251
Accrued interest on loans	15,885	6,584	-	-	22,469
Inventory construction interest	6,276	(531)	-	-	5,745
Others	229,897	21,527	(934)	-	250,490
	446,346	30,944	(6,488)	-	470,802
Deferred tax assets					
Reversal of allowance for doubtful accounts	252,261	(16,183)	-	-	236,078
Gain or loss on valuation of derivatives	7,306	3,355	(477)	-	10,184

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Provisions	252,619	167,200	-	-	419,819
Allowance for pension benefits	107,795	7,884	2,086	-	117,765
Share of profit (loss) of associates and joint ventures	31,581	(755)	-	-	30,826
Loss on asset obsolescence	107,948	2,754	-	-	110,702
Others	485,498	31,591	923	-	518,012
	<u>1,245,008</u>	<u>195,846</u>	<u>2,532</u>	<u>-</u>	<u>1,443,386</u>
Deferred tax assets (liabilities), net	<u>₩ 798,662</u>	<u>₩ 164,902</u>	<u>₩ 9,020</u>	<u>₩ -</u>	<u>₩ 972,584</u>

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

(in millions of Korean won)	2024	
	Deductible temporary differences and others	Reason
Tax expense incurring overseas	₩ 13,975	Uncertainty of future taxable income and others

(6) The Group will be required to pay an additional tax on the difference between the GloBE effective tax rate of each constituent entity in their respective jurisdictions and the minimum tax rate of 15% according to the *Global Minimum Tax Law* that will be applied from 2024. As a result of the assessment of the potential exposure to the global minimum tax for the constituent entities, it has been determined that all entities of the Group, except for Aguas de Ensenada, S.A. de C.V. operating in Mexico, have a GloBE effective tax rate exceeding 15% in their respective countries, and the Pillar Two corporate tax expense recognized for the current period is KRW 1,107 million. Furthermore, the Group applies the exception rules for the recognition and disclosure of deferred tax assets and liabilities related to the *Global Minimum Tax Law*, and therefore, does not recognize deferred tax assets and liabilities related to the *Global Minimum Tax Law* and does not disclose information pertaining to them.

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29. Expenses Classified by Nature

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

<i>(in millions of Korean won)</i>	2024	2023
Labor cost	₩ 1,273,013	₩ 1,177,981
Materials	3,199,528	3,271,827
Outsourcing	5,603,369	6,101,495
Employee welfare benefits	165,029	171,127
Advertising	45,866	42,452
Bad debt expense	68,438	9,550
Rents	107,124	84,048
Depreciation and amortization	117,034	93,210
Taxes and dues	229,685	195,113
Service fees	873,069	1,185,144
Others	686,499	1,605,964
Changes in inventories and others	209,203	(113,282)
	<u>₩ 12,577,857</u>	<u>₩ 13,824,629</u>

The total amounts include cost of sales and selling and administrative expenses.

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30. Related Party Transactions

(1) The Group's related parties are as follows:

Relationship	Related parties
Associates ¹	GS KOCREF New Stay REIT Co., Ltd., FGS East Asia Technical Resource Management, Inc., Parkcity Co., Ltd., Beopwon Industry Urban Development Corp., PT. CORE RESOURCE, BKT Co., Ltd., Cheongju Hi Tech Valley, Gwacheon Sangsang PFV. Inc, Zero Tech Co., Ltd., Camp Stanton Co., Ltd., Cheonan Techno Park Inc., ORIGIN LATPHRAO CO., LTD., RENEW SOLAR ENERGY (JHARKHAND THREE) PRIVATE LIMITED, PARK PILLAR R4 CO., LTD., GYEONGGIPYEONGTAEK GLOBAL CO., LTD., GS Collective Fund I LLC, EPOCH PFV Co., LTD., CHEMICO ADVANCED MATERIALS CO., LTD., Zero Tech Muan Co., LTD., Bucheon Visual Culture Industrial Complex Development Co., Ltd., Incheon New Port Smart Complex Co.,Ltd., Sewoon District5 PFV Co., Ltd. ³ , IGIS General Investment Type Private Real Estate Investment Trust No. 462 ³ , Gvesco General Private Real Estate Investment No. 1 ³ , The plan H-Xplor green smart city venture investment association ³ , Euljiro 9 PFV Co., Ltd. ³ , Pavilion MC Climit Tech Cheil Hossamo Investment Co., Ltd, Daejeon High-End Development Co., Ltd., Zeit O&M Co., Ltd. ⁵ , ZEIT O&M SDN. BHD. ³ , GS Elevator Co., Ltd. ⁵ , PT. CORE RESOURCE INDONESIA, Alink Co., Ltd., Cadiz San Fernando, A.I.E., Gestion de Participes de Biorreciclaje, Participes de Biorreciclaje S.A., Utilitas Pecem ³ , Shuweihaat R O Desalination Company LLC, PHU MY VINH CONSTRUCTION & INVESTMENT CORPORATION, Gvesco Opportunity-seeking general private real estate investment trust No.1
Joint ventures ¹	G&M Estate Co., Ltd., GS MINH HUNG SIKICO CO., LTD., MJV4 Co., Ltd., MAGNA PFV Corp., Lignana LLC, Lignana LLP, VESPOLINA SP. Z O.O. , Argan Oasis Real Estate Company ³ , ALPHA INDUSTRIAL ASSET3 COMPANY ³ , Oasis Residences Real Estate, LLC, PDC INDUSTRIAL CENTER 198 SP. Z O.O, MJV5 CO.,LTD. ³ , Hialeah Water, LLP
Others ²	GS Holdings, GS Retail Co., Ltd., GS Global Corp., Samyangtongsang Ltd., GS Energy Corporation, GS Power Co., Ltd., Boryeong LNG Terminal Co., Ltd., Incheon Total Energy Co., Ltd., GS-Caltex Corporation, Inno Polytech Corporation, GS Mbiz Co., Ltd., Sangji Shipping Co., Ltd., GS BIO Co., Ltd., GS EcoMetal Co., Ltd., Fresh Serve CO., Ltd., GS Netvision Co., Ltd., Parnas Hotel Co., Ltd., PNS Co., Ltd., GS Networks Co., Ltd., GS Teleservices Co., Ltd., GS EPS Co., Ltd., PLS Co., Ltd., GS ENTEC Corp., GS E&R Corp., Donghae green energy Co., Ltd., GS Windpower Co., Ltd., GS Donghae Electric Power Co., Ltd., GS Pocheon Green Energy Corp., Yeongyang Wind Power Corporation-2, Yeongdeok Windpower Corporation1 Co., Ltd., Samcheok Green Energy Park Co., Ltd., GS Sports Co., Ltd., Oksan Ochang Highway Corporation, Eun Pyeong New Road Corp., GUMIMAKEUNMUL Co., Ltd., GS Neotek Co., Ltd., Samyang INT'L Co., Ltd., Boheun Development Co., Ltd., Chemtech International Co., Ltd., Seungsan Company Corporation, Gaseung Development Company, IN ARTS PRODUCTION INC., Central Motors Corp., Winasset Co., Ltd., Sam Joung Development Co., Ltd., Procure Co., Ltd., Kyung Won

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Relationship

Related parties

Construction Co., Ltd., PANCOTEC LTD., GS Dangjin Solarfarm Co.Ltd., Hanul Love Co., Ltd., Gangnam Metro Co., Ltd., FRESHMEAT CO., LTD., G-Energy Corp., Yeongdeok Windpower Corporation 2 Co., Ltd., Pohang Windpower Corporation Co., Ltd., FIRSF Agricultural co.,Ltd., GS VENTURES CO.,LTD., Hugel Inc., ACROSS CO.,LTD., J WORLD CO.,LTD., Logispro project Y Private Real Estate Investment Company, Seongnam Green Energy Co., Ltd, Sasang Haeundae Expressway Co., Ltd, Blue Core PFV Co., Ltd, With Incheon Energy Co., Ltd, Next Renewables Solution Co., Ltd., GS Banwol CHP Co., Ltd.⁴, GS Gumi CHP Co., Ltd.⁴, Next Carbon Solution Co., Ltd⁴, GS Charev. CO. Ltd⁴, GS P&L Co., Ltd.⁴

¹ Equity ownership information is disclosed in Note 12.

² Although the entity is not the related party of the Group in accordance with KIFRS 1024, the entity belongs to a large-scale business group in accordance with the *Monopoly Regulation and Fair Trade Act*. Electronic notes are provided to several entities to guarantee construction performance and others, which are also included in Commitments and Contingencies (see Note 21).

³ Newly acquired shares for the year ended December 31, 2024.

⁴ Newly included for the year ended December 31, 2024.

⁵ Reclassified as an associate due to the Group's loss of control from partial disposal of equity interests for the year ended December 31, 2024.

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

(in millions of Korean won)

	2024									
	Sales and others					Purchase and others				
	Sales	Other income	Total	Purchase	Other expenses	Total				
Associates										
FGS East Asia Technical Resource Management, Inc.	₩	-	₩ 54	₩ 54	₩	-	₩	-	₩	-
Parkcity Co., Ltd.		-	413	413		-		-		-
Beopwon Industry Urban Development Corp.		-	2	2		-		-		-
Yeouido MBC Site Complex Development PFV Co., Ltd. ²	39,510	30,228	69,738	-	-	-		-		-
PT. CORE RESOURCE		-	336	336		-		-		-
BKT Co., Ltd.	12	-	12	1,055	-	1,055		-		1,055
Cheongju Hi-Tech Valley Co., Ltd	19,909	-	19,909	1	-	1		-		1
Gwacheon Sangsang PFV. Inc	-	3,182	3,182	-	-	-		-		-
Zero Tech Co., Ltd.	-	21	21	-	-	-		-		-
Cheonan Techno Park Inc.	15,816	-	15,816	-	-	-		-		-
ORIGIN LATPHRAO CO.,LTD.	-	2,098	2,098	-	-	-		-		-

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	2024					
	Sales and others			Purchase and others		
	Sales	Other income	Total	Purchase	Other expenses	Total
RENEW SOLAR ENERGY (JHARKHAND THREE) PRIVATE LIMITED	-	1,272	1,272	-	-	-
GYEONGGIPYEONGTAEK GLOBAL CO., LTD.	22,524	57	22,581	-	-	-
EPOCH PFV Co., LTD.	52,182	-	52,182	-	-	-
Zero Tech Muan Co., LTD.	-	67	67	-	-	-
Sewoon District 5 PFV Co., Ltd.	750	-	750	-	-	-
Gvesco General Private Real Estate Investment No. 1	46	-	46	-	-	-
The plan H-Xplor green smart city venture investment association	27	-	27	-	-	-
Zeit O&M Co., Ltd.	-	-	-	481	-	481
GS Elevator Co., Ltd.	100	-	100	2,662	1	2,663
Cadiz San Fernando, A.I.E.	-	417	417	-	-	-
Shuweihaat R O Desalination Company LLC	112,535	-	112,535	-	-	-
Gvesco Opportunity-seeking general private real estate investment trust No.1	6	-	6	-	-	-
Joint ventures						
G&M Estate Co., Ltd.	₩ 362	₩ -	₩ 362	₩ 616	₩ -	₩ 616
MAGNA PFV Corp.	10,907	-	10,907	-	-	-
VESPOLINA SP. Z O.O	-	1,876	1,876	-	-	-
PDC INDUSTRIAL CENTER 198 SP. Z O.O	-	3,666	3,666	-	-	-
Others						
GS Holdings ¹	₩ 114	₩ -	₩ 114	₩ -	₩ 18,481	₩ 18,481
GS Retail Co., Ltd.	1,245	-	1,245	2,543	172	2,715
GS Global Corp.	134	-	134	2,257	-	2,257
GS Energy Corporation	440	-	440	277	-	277
GS Power Co., Ltd.	(2,938)	-	(2,938)	32	-	32
Boryeong LNG Terminal Co., Ltd.	11,828	-	11,828	9	-	9
Incheon Total Energy Co., Ltd.	-	-	-	331	-	331
GS-Caltex Corporation	39,938	-	39,938	7,739	3	7,742
GS Mbiz Co., Ltd.	4	-	4	-	-	-
GS Net Vision Co., Ltd	-	-	-	-	5	5
Parnas Hotel Co., Ltd.	23,678	-	23,678	41	45	86
GS EPS Co., Ltd.	2,820	-	2,820	14	-	14
GS ENTEC Corp.	2	-	2	-	-	-
GS E&R Corp.	118	-	118	-	-	-
GS Windpower Co., Ltd.	8	-	8	-	-	-
GS Pocheon Green Energy Corp.	3,246	-	3,246	-	-	-

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(in millions of Korean won)

	2024					
	Sales and others			Purchase and others		
	Sales	Other income	Total	Purchase	Other expenses	Total
GS Sports Ltd.	815	-	815	-	5,370	5,370
Oksan Ochang Highway Corporation	2,157	-	2,157	-	-	-
Eun Pyeong New Road Corp.	-	11	11	-	-	-
GUMIMAKEUNMUL Co., Ltd.	4,736	-	4,736	-	-	-
GS Neotek Co., Ltd.	65	-	65	1,873	290	2,163
Samyang INT'L Co., Ltd.	-	-	-	8,258	-	8,258
Seungsan Company Corporation	-	-	-	-	21	21
Gangnam Metro Co., Ltd.	-	1	1	-	-	-
GS VENTURES CO.,LTD.	3	-	3	-	-	-
Seongnam Green Energy Co., Ltd	5,446	-	5,446	-	-	-
GS Banwol CHP Co., Ltd.	2,848	-	2,848	-	-	-
GS Gumi CHP Co., Ltd.	2,785	-	2,785	-	-	-
	₩ 374,178	₩ 43,701	₩ 417,879	₩ 28,189	₩ 24,388	₩ 52,577

¹ The amount includes the trademark agreement.

² Excluded from the related parties of the Group due to the full paid-in capital reduction for the year ended December 31, 2024.

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(in millions of Korean won)

	2023					
	Sales and others			Purchase and others		
	Sales	Other income	Total	Purchase	Other expenses	Total
Associates						
FGS East Asia Technical Resource Management, Inc.	₩ -	₩ 41	₩ 41	₩ -	₩ -	-
Parkcity Co., Ltd.(formerly, SoBaek Co., Ltd.)	-	411	411	-	-	-
Yeouido MBC Site Complex Development PFV Co., Ltd.	219,467	8,101	227,568	-	-	-
PT. CORE RESOURCE	-	293	293	-	-	-
BKT Co., Ltd.	-	-	-	1,865	-	1,865
Cheongju Hi-Tech Valley Co., Ltd	4,934	-	4,934	-	-	-
Gwacheon Sangsang PFV. Inc	61,499	13,762	75,261	-	-	-
Zero Tech Co., Ltd.	-	20	20	-	-	-
Cheonan Techno Park Inc.	4,230	-	4,230	-	-	-
ORIGIN LATPHRAO CO.,LTD.	-	93	93	-	-	-
RENEW SOLAR ENERGY (JHARKHAND THREE) PRIVATE LIMITED	-	1,226	1,226	-	-	-
GYEONGGIPYEONGTAEK GLOBAL CO., LTD.	20,404	-	20,404	-	-	-
EPOCH PFV Co., LTD.	158,434	-	158,434	-	-	-
Zero Tech Muan Co., LTD.	-	211	211	-	-	-
Bucheon Visual Culture Industrial Complex Development Co. Ltd	3,600	-	3,600	-	-	-
Cadiz San Fernando, A.I.E.	-	349	349	-	-	-
Fisia GS Inima (Al Ghubrah) LLC	-	-	-	2,262	-	2,262
Shuweihaat R O Desalination Company LLC	53,454	-	53,454	-	-	-
Alink Co., Ltd	-	-	-	27	-	27
Joint ventures						
G&M Estate Co., Ltd.	₩ 226	₩ -	₩ 226	₩ 446	₩ -	446
Lignana LLP	-	29,866	29,866	-	-	-
VESPOLINA SP. Z O.O.	-	1,674	1,674	-	-	-
PDC INDUSTRIAL CENTER 198 SP. Z O.O	-	1,936	1,936	-	-	-
MAGNA PFV Corp.	986	-	986	-	-	-
Others						
GS Holdings ¹	₩ 120	₩ -	₩ 120	₩ -	₩ 19,444	₩ 19,444
GS Retail Co., Ltd.	1,302	-	1,302	2,628	82	2,710
GS Global Corp.	157	-	157	-	-	-
Samyangtongsang Ltd	-	-	-	25	-	25
GS Energy Corporation	2,378	-	2,378	46	-	46
GS Power Co., Ltd.	1,590	-	1,590	33	-	33

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(in millions of Korean won)

	2023					
	Sales and others			Purchase and others		
	Sales	Other income	Total	Purchase	Other expenses	Total
Boryeong LNG Terminal Co., Ltd.	19,776	-	19,776	5	-	5
Incheon Total Energy Co., Ltd.	-	-	-	1,285	-	1,285
GS-Caltex Corporation	11,726	-	11,726	7,765	-	7,765
GS Mbiz Co., Ltd.	4	-	4	1,253	-	1,253
GS Net Vision Co., Ltd.	1	-	1	-	-	-
Parnas Hotel Co., Ltd.	5,902	-	5,902	43	7	50
GS EPS Co., Ltd.	4,760	-	4,760	19	-	19
GS ENTEC Corp.	2	-	2	-	-	-
GS E&R Corp.	4,130	-	4,130	-	-	-
GS Windpower Co., Ltd.	6	-	6	-	-	-
GS Donghae Electric Power Co., Ltd.	2,066	-	2,066	7	-	7
GS Pocheon Green Energy Corp.	4,054	-	4,054	30	-	30
GS Sports Ltd.	857	-	857	27	4,810	4,837
Oksan Ochang Highway Corporation	2,479	320	2,799	-	-	-
Eun Pyeong New Road Corp.	-	11	11	-	-	-
GUMIMAKEUNMUL Co., Ltd.	5,181	-	5,181	-	-	-
GS Neotek Co., Ltd.	91	-	91	13,866	272	14,138
Samyang INT'L Co., Ltd.	-	-	-	21,485	-	21,485
Seungsan Company Corporation	-	-	-	-	20	20
Seoul Munsan Expressway Co., Ltd. ²	8,656	-	8,656	1,155	328	1,483
GS VENTURES CO.,LTD.	2	-	2	-	-	-
	₩ 602,474	₩ 58,314	₩ 660,788	₩ 54,272	₩ 24,963	₩ 79,235

¹ The amount includes the trademark agreement.

² Excluded from the other related parties of the Group for the year ended December 31, 2023.

(3) Receivables and payables arising from the related party transactions as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024							
	Receivables				Payables			
	Trade receivables and contract assets	Other receivables	Loans	Total	Trade payables	Other payables and contract liabilities	Total	
Associates								
FGS East Asia Technical	₩ -	₩ 145	₩ 1,197	₩ 1,342	₩ -	₩ -	₩ -	-

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(in millions of Korean won)

	2024						
	Receivables				Payables		
	Trade receivables and contract assets	Other receivables	Loans	Total	Trade payables	Other payables and contract liabilities	Total
Resource Management, Inc.							
Parkcity Co., Ltd.	-	2,680	6,856	9,536	-	-	-
Beopwon Industry Urban Development Corp.	19,567	2	145	19,714	-	-	-
PT. CORE RESOURCE	-	1,951	3,733	5,684	-	-	-
BKT Co., Ltd.	-	-	-	-	323	-	323
Cheongju Hi-Tech Valley Co., Ltd	13,964	-	-	13,964	-	3,002	3,002
Gwacheon Sangsang PFV	-	1,695	-	1,695	-	-	-
Zero Tech Co., Ltd.	-	110	450	560	-	-	-
Cheonan Techno Park Inc.	10,842	-	-	10,842	-	3,246	3,246
RENEW SOLAR ENERGY (JHARKHAND THREE) PRIVATE LIMITED	-	1,666	-	1,666	-	-	-
GYEONGGIPYEONGTAEK GLOBAL CO., LTD.	9,909	-	-	9,909	-	-	-
EPOCH PFV Co., LTD.	10,550	-	-	10,550	-	13,900	13,900
Jerotaekmuan Co., LTD	-	279	1,463	1,742	-	-	-
Bucheon Visual Culture Industrial Complex Development Co. Ltd	-	-	-	-	-	163	163
Gvesco General Private Real Estate Investment No. 1	-	8	-	8	-	-	-
Zeit O&M Co., Ltd.	-	3,073	-	3,073	503	-	503
GS Elevator Co., Ltd.	-	1,976	-	1,976	1,671	451	2,122
Cadiz San Fernando, A.I.E.	142	-	-	142	1,012	-	1,012
Gestion de Participes de Biorreciclaje	449	-	-	449	3,163	-	3,163
Participes de Biorreciclaje S.A.	92	-	-	92	-	-	-
Shuweiha R O Desalination Company LLC	37,770	-	-	37,770	19,471	-	19,471
Gvesco Opportunity-seeking general private real estate investment trust No.1	-	2	-	2	-	-	-
Joint ventures							
G&M Estate Co., Ltd.	₩ 13	₩ 31	₩ -	₩ 44	₩ -	₩ 76	₩ 76
MAGNA PFV Corp.	3,446	-	-	3,446	3,159	-	3,159
VESPOLINA SP. Z O.O.	-	1,778	27,840	29,618	-	-	-
PDC INDUSTRIAL CENTER 198 SP. Z O.O	-	3,000	56,877	59,877	-	-	-
Hialeah Water, LLP	-	-	-	-	589	-	589
Others							
GS Holdings	₩ 4	₩ -	₩ -	₩ 4	₩ -	₩ 12,618	₩ 12,618
GS Retail Co., Ltd.	64	196	-	260	449	5,956	6,405

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(in millions of Korean won)

	2024						
	Receivables				Payables		
	Trade receivables and contract assets	Other receivables	Loans	Total	Trade payables	Other payables and contract liabilities	Total
GS Global Corp.	10	-	-	10	1,738	674	2,412
GS Energy Corporation	5	23	-	28	-	1,439	1,439
GS Power Co., Ltd.	1	-	-	1	-	-	-
Boryeong LNG Terminal Co., Ltd.	-	-	-	-	-	10,729	10,729
Incheon Total Energy Co., Ltd.	-	-	-	-	117	-	117
GS-Caltex Corporation	14,173	208	-	14,381	-	6,660	6,660
GS Mbiz Co., Ltd.	-	-	-	-	-	2	2
Parnas Hotel Co., Ltd.	9,537	-	-	9,537	4	1,602	1,606
GS EPS Co., Ltd.	-	-	-	-	2	894	896
GS E&R Corp.	9	-	-	9	-	-	-
GS Pocheon Green Energy Corp.	374	-	-	374	-	-	-
GS Sports Ltd.	35	-	-	35	-	740	740
Oksan Ochang Highway Corporation	1,271	1,173	10,680	13,124	-	-	-
Eun Pyeong New Road Corp.	1,949	129	163	2,241	-	-	-
GUMIMAKEUNMUL Co., Ltd.	435	-	-	435	-	-	-
GS Neotek Co., Ltd.	1	146	-	147	262	1,991	2,253
Samyang INT'L Co., Ltd.	-	-	-	-	1,738	1,147	2,885
Seungsan Company Corporation	-	3,719	-	3,719	-	303	303
Kyung Won Construction Co., Ltd	-	-	-	-	-	114	114
Gangnam Metro Co., Ltd.	-	1	651	652	-	-	-
GS VENTURES CO.,LTD.	1	-	-	1	-	-	-
Seongnam Green Energy Co., Ltd	5,446	-	-	5,446	-	-	-
GS Banwol CHP Co., Ltd.	377	-	-	377	-	-	-
GS Gumi CHP Co., Ltd.	370	-	-	370	-	-	-
	₩ 140,806	₩ 23,991	₩ 110,055	₩ 274,852	₩ 34,201	₩ 65,707	₩ 99,908

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	2023							
	Receivables				Payables			
	Trade receivables and contract assets	Other receivables	Loans	Total	Trade payables	Other payables and contract liabilities	Total	
Associates								
FGS East Asia Technical Resource Management, Inc.	₩ -	₩ 78	₩ 1,018	₩ 1,096	₩ -	₩ -	₩ -	-
Parkcity Co., Ltd. (formerly, SoBaek Co., Ltd.)	-	2,268	6,856	9,124	-	-	-	-
Beopwon Industry Urban Development Corp.	19,567	-	-	19,567	-	-	-	-
Yeouido MBC Site Complex Development PFV Co., Ltd.	542,121	-	-	542,121	-	-	-	-
PT. CORE RESOURCE	-	1,333	3,274	4,607	-	-	-	-
BKT Co., Ltd.	-	425	-	425	116	-	116	116
Cheongju Hi-Tech Valley Co., Ltd	4,898	-	-	4,898	-	4,707	4,707	4,707
Zero Tech Co., Ltd.	-	89	450	539	-	-	-	-
Cheonan Techno Park Inc.	3,232	-	-	3,232	-	4,269	4,269	4,269
RENEW SOLAR ENERGY (JHARKHAND THREE) PRIVATE LIMITED	-	1,533	-	1,533	-	-	-	-
GYEONGGIPYEONGTAEK GLOBAL CO., LTD.	826	8,374	-	9,200	-	-	-	-
EPOCH PFV Co., LTD.	28,059	-	-	28,059	-	-	-	-
Zero Tech Muan Co., LTD.	-	211	1,463	1,674	-	-	-	-
Bucheon Visual Culture Industrial Complex Development Co. Ltd	-	-	-	-	-	855	855	855
Cadiz San Fernando, A.I.E.	117	-	-	117	943	-	943	943
Participes de Biorreciclaje S.A.	833	-	-	833	3,026	-	3,026	3,026
PavilionMC ClimateTech No.1 Private Equity Fund	-	-	-	-	-	1,414	1,414	1,414
Alink Co., Ltd	-	33	-	33	-	-	-	-
Joint ventures								
G&M Estate Co., Ltd.	20	43	-	63	-	84	84	84
VESPOLINA SP. Z O.O.	-	1,553	22,855	24,408	-	-	-	-
PDC INDUSTRIAL CENTER 198 SP. Z O.O	-	3,475	33,771	37,246	-	-	-	-
MAGNA PFV Corp.	2,341	-	-	2,341	-	364	364	364
Others								
GS Holdings	12	-	-	12	-	2,825	2,825	2,825
GS Retail Co., Ltd.	69	214	-	283	426	5,861	6,287	6,287
GS Global Corp.	17	-	-	17	-	674	674	674
Samyangtongsang Ltd	-	-	-	-	5	-	5	5
GS Energy Corporation	9	301	-	310	-	1,860	1,860	1,860
GS Power Co., Ltd.	8,333	-	-	8,333	-	350	350	350
Boryeong LNG Terminal Co., Ltd.	-	-	-	-	1	15,020	15,021	15,021

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(in millions of Korean won)

	2023						
	Receivables				Payables		
	Trade receivables and contract assets	Other receivables	Loans	Total	Trade payables	Other payables and contract liabilities	Total
GS-Caltex Corporation	3,920	113	-	4,033	1	7,374	7,375
Parnas Hotel Co., Ltd.	541	-	-	541	4	1,602	1,606
GS EPS Co., Ltd.	217	-	-	217	-	894	894
GS E&R Corp.	607	-	-	607	-	-	-
GS Windpower Co., Ltd.	1	-	-	1	-	-	-
GS Pocheon Green Energy Corp.	376	-	-	376	-	-	-
GS Sports Ltd.	36	-	-	36	-	704	704
Oksan Ochang Highway Corporation	1,175	1,153	8,220	10,548	-	-	-
Eun Pyeong New Road Corp.	1,949	117	163	2,229	-	-	-
GUMIMAKEUNMUL Co., Ltd.	397	29	-	426	-	-	-
GS Neotek Co., Ltd.	10	-	-	10	964	1,629	2,593
Samyang INT'L Co., Ltd.	-	-	-	-	2,714	1,147	3,861
Seungsan Company Corporation	-	3,719	-	3,719	-	303	303
Kyung Won Construction Co., Ltd	-	-	-	-	-	114	114
	₩ 619,683	₩ 25,061	₩ 78,070	₩ 722,814	₩ 8,200	₩ 52,050	₩ 60,250

Allowance for doubtful accounts of receivables from the related parties as of December 31, 2024 is ₩ 34,564 million (₩ 34,683 million in 2023), and bad debt expense recognized during the year ended December 31, 2024 is ₩ 119 million reversal (bad debt expense ₩ 19,518 million in 2023).

(4) Changes in loans to the related parties for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024								
	Annual interest rate (%)	Maturity date	Beginning	Increase	Transfer	Effects of changes in foreign exchange rates	Ending	Interest income	Equity transaction
Associates									
FGS East Asia Technical Resource Management, Inc.	4.60	2025.01.17~2025.10.15	1,018	34	-	145	1,197	54	-
Parkcity Co., Ltd.	6.00	-	6,856	-	-	-	6,856	413	-
Beopwon Industry Urban Development Corp.	6.00	2025.05.31	-	145	-	-	145	2	-

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Korean won)

	2024								
	Annual interest rate (%)	Maturity date	Beginning	Increase	Transfer	Effects of changes in foreign exchange rates	Ending	Interest income	Equity transaction
Yeouido MBC Site Complex Development PFV Co., Ltd.	-	-	-	-	-	-	-	-	(6,500)
PT. CORE RESOURCE	8.00~ 12.00	2025.12.31	3,274	-	-	459	3,733	336	-
Gwacheon Sangsang PFV. Inc	-	-	-	-	-	-	-	3,182	-
Zero Tech Co., Ltd.	4.60	-	450	-	-	-	450	21	-
ORIGIN LATPHRAO CO., LTD.	-	-	-	-	-	-	-	2,098	-
RENEW SOLAR ENERGY (JHARKHAND THREE) PRIVATE LIMITED	-	-	-	-	-	-	-	1,272	-
GS Collective Fund I LLC	-	-	-	-	-	-	-	-	1,370
Zero Tech Muan Co., LTD.	4.60	-	1,463	-	-	-	1,463	67	-
HI-ASCENT Fund no.2 ¹	-	-	-	-	-	-	-	-	(2,873)
Gvesco General Private Real Estate Investment No. 1	-	-	-	-	-	-	-	-	5,000
The plan H-Xplor green smart city venture investment association	-	-	-	-	-	-	-	-	3,000
PavilionMC ClimateTech No.1 Private Equity Fund	-	-	-	-	-	-	-	-	3,784
Cadiz San Fernando, A.I.E.	-	-	-	-	-	-	-	417	-
Utilitas Pecem	-	-	-	-	-	-	-	-	5,158
Gvesco Opportunity- seeking general private real estate investment trust No.1	-	-	-	-	-	-	-	-	9,740
Joint ventures									
VESPOLINA SP. Z O.O.	7.00	2032.02.05	22,855	1,853	-	3,132	27,840	1,876	-
Argan Oasis Real Estate Company	-	-	-	-	-	-	-	-	18,746
ALPHA INDUSTRIAL ASSET3 COMPANY	-	-	-	-	-	-	-	-	7,292
PDC INDUSTRIAL CENTER 198 SP. Z O.O	7.00	2032.03.23	33,771	21,186	-	1,920	56,877	3,666	-
MJV5 CO., LTD.	-	-	-	-	-	-	-	-	4,878
Others									

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Korean won)

	2024								
	Annual interest rate (%)	Maturity date	Beginning	Increase	Transfer	Effects of changes in foreign exchange rates	Ending	Interest income	Equity transaction
Oksan Ochang Highway Corporation	4.60	2047.12.31	8,220	2,460	-	-	10,680	-	-
Eun Pyeong New Road Corp.	6.90	-	163	-	-	-	163	11	-
Gangnam Metro Co., Ltd.	-	-	-	651	-	-	651	1	-
			₩ 78,070	₩ 26,329	₩ -	₩ 5,656	₩ 110,055	₩ 13,416	₩ 49,595

¹ Excluded from the related parties of the Group due to the full paid-in capital reduction for the year ended December 31, 2024.

(5) Guarantees between related parties

Details of payment guarantees that the Group provides to the related parties as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won and in thousands of foreign currencies)

	Type	Beneficiary	Period	2024		2023	
Associates							
Parkcity Co., Ltd.	Payment guarantee	KB Securities	2022.08~2025.08	KRW	100,000	KRW	43,400
			2022.08~2025.08	KRW	78,400	KRW	105,000
		Daishin Securities	2022.08~2025.08	KRW	20,000	KRW	20,000
		IBK Capital	2022.08~2025.08	KRW	20,000	KRW	20,000
		SC Bank	2021.04~2025.12	KRW	145,000	KRW	145,000
Bucheon Visual Culture Industrial Complex Development Co. Ltd.	Payment guarantee	ACPG Bucheon Development Limited	2021.06~2025.06	USD	30,000	USD	30,000
EPOCH PFV Co., LTD.	Conditional debt acquisition	INDUSTRIAL BANK OF KOREA and others	2022.03~2024.09	KRW	-	KRW	238,100
		Pavilion Asset Management Co.,Ltd.	2022.03~2024.09	KRW	-	KRW	50
Cheonan Techno Park Inc.	Conditional debt acquisition	INDUSTRIAL BANK OF KOREA and others	2022.04~2026.04	KRW	56,000	KRW	125,800
Cheongju Hi Tech Valley	Conditional debt acquisition	Korea Investment & Securities Co., Ltd. and others	2022.04~2026.04	KRW	55,000	KRW	105,600
Shuweiha R O Desalination Company LLC	Payment guarantee	Commercial Bank of Dubai PSC	2024.02~2025.02	USD	54,702	USD	-
Euljiro 9 PFV Co., Ltd.	Payment guarantee	KB Securities	2024.11~2028.12	KRW	25,700	KRW	-
			2024.11~2028.12	KRW	51,000	KRW	-

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(in millions of Korean won and in thousands of foreign currencies)

	Type	Beneficiary	Period	2024		2023	
		KB Capital	2024.11~2028.12	KRW	8,700	KRW	-
		INDUSTRIAL BANK OF KOREA	2024.11~2028.12	KRW	14,400	KRW	-
		KB Bank	2024.11~2028.12	KRW	8,700	KRW	-
Others							
Oksan Ochang Highway Corporation	Payment guarantee	Meritz Fire & Marine Insurance CO., Ltd. and others	2015.10~2045.12	KRW	7,920	KRW	1,980

The Group provides payment guarantees of USD 337,133,000 (from December, 2023 to May, 2026) for the contract performance guarantees provided to its associate, Shuweiha RO Desalination Company L.L.C

(6) Details of the assets pledged as collaterals for the related parties as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

(in millions of Korean won)	Type	Beneficiary	2024	2023
Associates				
RENEW SOLAR ENERGY (JHARKHAND THREE) PRIVATE LIMITED	Equity securities	COOPERATIEVE RABOBANK U.A., HONG KONG BRANCH and others	₩ 18,024	₩ 16,252
GYEONGGIPYEONGTAEK GLOBAL CO., LTD.	Equity securities	KDB and others	-	4,000
Others				
Oksan Ochang Highway Corporation	Equity securities	Meritz Fire & Marine Insurance Co., Ltd. and others	29,940	29,940
	Electronic bill	Meritz Fire & Marine Insurance Co., Ltd. and others	17,000	17,000
GUMIMAKEUNMUL Co., Ltd.	Equity securities	Mirae Asset green infrastructure special asset investment trust 2	584	584
GS Power Co., Ltd.	Electronic bill	GS Power Co., Ltd.	33,254	-
GS EPS Co., Ltd.	Electronic bill	GS EPS Co., Ltd.	1,448	-
GS Energy Corporation	Electronic bill	GS Energy Corporation	459	-

(7) Compensation for key management personnel of the Company as of December 31, 2024 and 2023 consists of the following:

(in millions of Korean won)

	2024		2023	
Salaries	₩	31,894	₩	35,267
Severance benefits		3,384		3,741
	₩	35,278	₩	39,008

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31. Cash Flows

(1) Cash flows from operating activities for each of the two years in the period ended December 31, 2024 are as follows:

<i>(in millions of Korean won)</i>	2024		2023	
Profit (loss) for the year	₩	263,924	₩	(419,501)
Adjustments for:				
Income tax expenses (benefits)	₩	177,576	₩	(97,986)
Interest expenses		314,833		306,281
Interest income		(172,477)		(198,225)
Dividend income		(8,650)		(9,435)
Depreciation		89,138		67,071
Amortization		27,896		26,139
Depreciation of investment property		12,281		20,105
Depreciation of right-of-use assets		79,405		80,088
Bad debt expense		165,486		169,919
Reversal of allowance for bad debt		(97,853)		(156,281)
Provision for severance benefits		64,502		54,512
Loss on disposal of account receivables		1,254		197
Gain on foreign currency translation		(101,758)		(5,329)
Loss on disposal of property, plant and equipment		315		373
Impairment loss on property, plant and equipment		3,525		18,160
Gain on disposal of intangible assets		(213)		(153)
Impairment loss on intangible assets		-		4,912
Reversal of impairment loss on intangible assets		(320)		(431)
Gain on disposal of investment property		-		(141)
Impairment loss on investment property		1,940		5,381
Loss on valuation of derivatives		4,044		16,586
Gain on derivatives transactions		(711)		(21,273)
Financial guarantee expenses		-		3,084
Reversal of financial guarantee liabilities		(6,954)		(3,302)
Construction warranty expenses		204,820		109,560
Reversal of provision for construction warranties		(6,176)		(6,613)
Provision for construction losses		90,070		681,328
Reversal of provision for construction losses		(279,590)		(248,122)
Provision for others		50,265		307,088
Reversal of provision for others		(6,619)		(3,006)
Loss on valuation of financial assets at fair value through profit or loss		6,017		3,807
Loss on disposal of financial assets at fair value through profit or loss		13,517		126

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<i>(in millions of Korean won)</i>	2024	2023
Loss on disposal of financial assets	675	4,737
Loss on overseas operations translation	190,282	23,414
Gain on overseas operations translation	(79,021)	(10,347)
Gain on disposal of investments in associates	(130,573)	(1)
Share of loss (profit) of associates and joint ventures	7,242	(39,931)
Gain on changes in leases	(194)	(4)
Others	(5,493)	375
	₩ 608,481	₩ 1,102,663
Changes in operating assets and liabilities		
Trade receivables	₩ 302,925	₩ (287,616)
Other receivables	(119,533)	20,256
Contract assets	104,039	366,642
Inventories	188,842	314,492
Settlement of derivatives transactions	(2,599)	41,576
Other current assets	(19,545)	37,493
Other non-current assets	6,496	3,838
Trade payables	(92,800)	(95,607)
Other payables	(65,517)	8,602
Contract liabilities	(323,348)	(158,817)
Other current liabilities	(81,165)	(20,268)
Other current provision	(29,251)	(31,033)
Non-current provision	(165,965)	(107,340)
Other non-current liabilities	(2,815)	10,955
Payment of severance benefits	(55,352)	(71,741)
Others	(11,762)	(3,960)
	₩ (367,350)	₩ 27,472
	₩ 505,055	₩ 710,634

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

<i>(in millions of Korean won)</i>	2024	2023
Reclassification to current portion of borrowings	₩ 1,435,736	₩ 477,724
Reclassification to current portion of debentures	276,216	211,219
Write-off of other receivables and others	245,768	69,141
Reclassification of accounts receivable and other receivables to loans	176,236	-
Reclassification to current portion of lease liabilities	72,170	70,208

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<i>(in millions of Korean won)</i>	2024	2023
Reclassification of other provisions to present value discount on loans	64,235	-
Changes in lease liabilities	56,148	79,893
Reclassification of deposits for business to loans	55,200	138,195
Reclassification of plan assets to net defined benefit assets	38,627	14,939
Non-cash acquisition of property, plant and equipment	24,837	23,179
Reclassification to current portion of leasehold deposits received	27,664	35,599
Reclassification between long-term and short-term loans	19,582	213,018
Reclassification of inventories to tangible assets	18,602	10,488
Reclassification of current portion of financial guarantee liabilities	10,719	-
Reclassification of investment property to inventories	311	172,377

(3) Details of changes in liabilities arising from financing activities for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Korean won)	2024								
	Cash flows from financing activities		Impact on non-cash transactions						
			Beginning	Additional expenses	Current portion	Transfer	Changes in consolidation scope	Exchange differences	Ending
Short-term borrowings	₩ 1,286,213	₩ (43,961)	₩ (3,462)	₩ (14,324)	₩ (141,451)	₩ 686	₩ 46,871	₩ 1,130,572	
Current portion of debentures	214,186	(206,251)	490	276,216	-	-	7,774	292,415	
Current portion of long-term borrowing	837,266	(798,053)	-	1,450,060	139,420	-	75,623	1,704,316	
Current financial guarantee liabilities	8,432	-	-	20,038	(8,544)	-	1	19,927	
Current lease liabilities	94,720	(96,502)	-	72,170	1,992	-	2,655	75,035	
Current portion of leasehold deposits received	32,713	-	-	(27,664)	-	-	-	5,049	
Other current liabilities	174,353	(4,459)	-	1,238	-	-	-	171,132	
Debentures	443,112	180,719	480	(276,216)	-	-	3,409	351,504	
Long-term borrowings	2,467,330	1,006,966	2,161	(1,435,736)	5,682	-	105,138	2,151,541	

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	2024							
	Beginning	Cash flows from financing activities	Impact on non-cash transactions					Ending
			Additional expenses	Current portion	Transfer	Changes in consolidation scope	Exchange differences	
Financial guarantee liabilities	51,835	-	(6,954)	(20,038)	11,658	-	-	36,501
Leasehold deposits received	18,228	(25,979)	-	27,664	-	-	438	20,351
Non-current lease liabilities	353,506	(2,326)	(133)	(72,170)	56,894	-	4,421	340,192
Other non-current liabilities	41,772	4,619	-	(1,238)	-	-	-	45,153
	<u>₩ 6,023,666</u>	<u>₩ 14,773</u>	<u>₩ (7,418)</u>	<u>₩ -</u>	<u>₩ 65,651</u>	<u>₩ 686</u>	<u>₩ 246,330</u>	<u>₩ 6,343,688</u>

(in millions of
Korean won)

(in millions of Korean won)	2023													
			Cash flows		Impact on non-cash transactions									
	Beginning		from financing activities		Additional expenses		Current portion		Transfer		Exchange differences		Ending	
Short-term borrowings	₩	879,143	₩	77,600	₩	12,966	₩	36,585	₩	315,250	₩	(35,331)	₩	1,286,213
Current portion of debentures		488,676		(487,717)		820		211,219		-		1,188		214,186
Current portion of long-term borrowing		783,794		(113,689)		5,030		441,139		(315,250)		36,242		837,266
Current financial guarantee liabilities		6,662		-		26		2,859		(1,114)		(1)		8,432
Current lease liabilities		111,123		(113,878)		-		70,208		27,176		91		94,720
Current portion of leasehold deposits received		68,312		-		-		(35,599)		-		-		32,713
Other current liabilities		180,296		(3,554)		-		(2,390)		-		1		174,353
Debentures		386,086		257,709		309		(211,219)		-		10,227		443,112
Long-term borrowings		1,847,894		1,063,905		9,338		(477,724)		-		23,917		2,467,330
Financial guarantee liabilities		80,454		4,338		118		(2,859)		(30,216)		-		51,835
Leasehold deposits received		48,400		(57,856)		-		35,599		(7,913)		(2)		18,228
Non-current lease liabilities		371,676		(3,467)		-		(70,208)		55,449		56		353,506
Other non-current liabilities		31,117		8,265		-		2,390		-		-		41,772
	₩	5,283,633	₩	631,656	₩	28,607	₩	-	₩	43,382	₩	36,388	₩	6,023,666

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32. Financial Risk Management

The Group's activities are exposed to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group supports to generate stable and continuous business performance and simultaneously focuses on improvement of cost competitiveness by improving financial structure and reducing financial cost.

The Group's overall risk management program focuses to minimize potential adverse effects on the Group's financial risk by monitoring periodical financial risk and rearranging the financial risk management policy.

(1) Financial risk

(a) Market risk

i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The Group's principal monetary assets and liabilities denominated in currencies other than its functional currency as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won and in thousands of foreign currencies)	2024			
	Financial assets		Financial liabilities	
	Foreign currency	Korean won equivalent	Foreign currency	Korean won equivalent
USD	816,771	₩ 1,200,654	1,212,205	₩ 1,781,942
EUR	20,274	30,994	275,140	420,615
KWD	16,149	77,038	8,893	42,423
JPY	-	-	228,260	2,138
AUD	-	-	2	2

(in millions of Korean won and in thousands of foreign currencies)	2023			
	Financial assets		Financial liabilities	
	Foreign currency	Korean won equivalent	Foreign currency	Korean won equivalent
USD	583,632	₩ 752,536	1,289,817	₩ 1,663,090
EUR	17,076	24,360	378,035	539,301
KWD	419	1,759	8,893	37,307
JPY	-	-	260	2
AUD	11,940	10,508	-	-

As of December 31, 2024 and 2023, if the Group's functional currency had weakened/ strengthened by 5% against foreign currencies with all other variables held constant, profit before income tax would have been affected as follows:

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	(in millions of Korean won)							
	2024		2023		2024		2023	
	Weakened (5%)	Strengthened (5%)	Weakened (5%)	Strengthened (5%)	Weakened (5%)	Strengthened (5%)	Weakened (5%)	Strengthened (5%)
USD	₩ (29,064)	₩ 29,064	₩ (45,528)	₩ 45,528				
EUR	(19,481)	19,481	(25,747)	25,747				
KWD	1,731	(1,731)	(1,777)	1,777				
JPY	(107)	107	-	-				
AUD	-	-	525	(525)				

ii) Interest rate risk

The Group's interest rate risk arises from variable-rate borrowings, and related interest expense is exposed to interest rate risk. As of December 31, 2024, the financial liabilities that are exposed to interest rate risk are the variable-rate borrowings issued at variable rates amounting to ₩ 3,933,586 million (₩ 3,911,348 million in 2023).

As of December 31, 2024 and 2023, if interest rates had been fluctuated by 100bp with all other variables held constant, interest expenses would have been affected as follows:

	(in millions of Korean won)							
	2024		2023		2024		2023	
	100bp increase	100bp decrease	100bp increase	100bp decrease	100bp increase	100bp decrease	100bp increase	100bp decrease
Interest expenses	₩ 32,479	₩ (32,479)	₩ 29,364	₩ (29,364)				

(b) Credit risk

Credit risk occurs in the ordinary course of business and investment activities of the Group when the customers or counterparties could not comply with the obligations of the contract. To manage the credit risk, the Group evaluates the credit of customers periodically, considering past experience and other factors and sets individual credit limit considering the credit quality of customer.

Credit risk arises from cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit risk to primary customers, including outstanding receivables and firm committed transactions.

The Group's credit risk is managed in accordance with the Group's credit policy with the purpose of minimizing possible loss through efficient credit risk management, support for rapid decision making and implementation of safety measures on the Group's accounts receivable. The Group appropriately evaluates and reflects the risks to the statement of financial position when a default is expected, as of December 31, 2024, for receivables with any signs of impairment or those for which recovery date has passed.

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The provision matrix for trade receivables based on collective assessment as of December 31, 2024 is as follows:

<i>(in millions of Korean won)</i>	Expected credit losses ratio (%)	Book value		Expected credit losses	
Receivable not past due	1.98	₩	557,667	₩	11,048
Less than 3 months	2.61		340,055		8,889
Between 4 ~ 12 months	10.28		242,197		24,907
Between 13 ~ 24 months	29.12		48,748		14,198
Between 25 ~ 36 months	57.52		6,614		3,804
Over 36 months	72.33		6,187		4,476
		₩	1,201,468	₩	67,322

In addition, the Group has recognized for doubtful account on trade receivables of ₩ 185,564 million by individual basis assessment as of December 31, 2024.

Details of maximum exposure to credit risk as of December 31, 2024 and 2023 are as follows:

<i>(in millions of Korean won)</i>	2024	2023
Cash equivalents (excluding cash on hands)	₩ 2,081,972	₩ 2,244,032
Trade and other receivables	3,050,492	3,529,003
Contract assets	1,200,904	1,267,066
Short-term financial assets	514,421	586,665
Long-term financial assets	717,438	784,575
Long-term trade and other receivables	1,961,793	1,374,648
Financial guarantee contracts	8,286,995	8,567,879

In addition to the above-mentioned financial guarantee contracts, the Group also has provided an intermediate payment loan guarantee agreement, a housing guarantee agreement, and a loan agreement. The maximum exposure to credit risk is the amount provided in the agreements (see Note 21).

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(c) Liquidity risk

The Group's liquidity risk arises when it does not have sufficient cash to fulfill payment obligations from financial liabilities or to meet operational needs.

The Group manages possible liquidity risk in advance through monitoring forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

Major commitments related to the credit limit of financial institutions as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	Financial institutions	2024		2023	
		Limited amount	Used amount	Limited amount	Used amount
Short-term and long-term financial liabilities ¹	Korea Exim bank and others	₩ 9,804,278	₩ 6,065,222	₩ 10,921,062	₩ 7,024,489

¹ Include amounts related to comprehensive trading limit (letter of credit and foreign bond) and the Group's borrowings and exclude lease liabilities.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

(in millions of Korean won)

	2024					
	Book value	Cash flow on contract	Residual maturity			
			Less than 1 year	Between 1 year and 2 years	Between 2 years and 3 years	Over 3 years
Trade and other payables	₩ 1,838,233	₩ 1,838,233	₩ 1,838,233	₩ -	₩ -	₩ -
Short-term and long-term financial liabilities ¹	6,180,325	6,846,866	3,691,252	938,280	981,153	1,236,181
Financial guarantee liabilities ²	56,428	8,286,995	8,286,995	-	-	-
	<u>₩ 8,074,986</u>	<u>₩ 16,972,094</u>	<u>₩ 13,816,480</u>	<u>₩ 938,280</u>	<u>981,153</u>	<u>1,236,181</u>

¹ Includes interest expense.

² The contractual cash flows are the principal amount and commitment limits from the PF, redevelopment projects, SOC, overseas operations and others that are recognized as financial guarantee liabilities. In addition to the above-mentioned financial guarantee contracts, the Group also has provided an intermediate payment loan guarantee agreement and a housing guarantee agreement. The maximum exposure to liquidity risk is the amount provided in the agreements (see Note 21).

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	2023						
	Book value	Cash flow on contract	Residual maturity				Over 3 years
			Less than 1 year	Between 1 year and 2 years	Between 2 years and 3 years		
Trade and other payables	₩ 1,814,648	₩ 1,814,648	₩ 1,810,904	₩ 3,744	₩ -	₩ -	-
Short-term and long-term financial liabilities ¹	5,763,731	6,295,084	2,762,337	1,393,340	988,648		1,150,759
Financial guarantee liabilities ²	60,268	8,567,879	8,567,879	-	-		-
	<u>₩ 7,638,647</u>	<u>₩ 16,677,611</u>	<u>₩ 13,141,120</u>	<u>₩ 1,397,084</u>	<u>₩ 988,648</u>		<u>₩ 1,150,759</u>

¹ Includes interest expense.

² The contractual cash flows are the principal amount and commitment limits from the PF, redevelopment projects, SOC, overseas operations and others that are recognized as financial guarantee liabilities. In addition to the above-mentioned financial guarantee contracts, the Group also has provided an intermediate payment loan guarantee agreement and a housing guarantee agreement. The maximum exposure to liquidity risk is the amount provided in the agreements (see Note 21).

The Group has entered into a supplier financing arrangement with a financial institution, which is renewed annually (see Note 17). The financial institution with which the supplier financing arrangement has been established maintains a sound financial position, and the Group does not have any significant liquidity risk concentration related to this financial institution.

(2) Capital risk management

The Group's capital management objectives are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Gearing ratios as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)	2024	2023
Total liabilities (A)	₩ 12,716,170	₩ 12,822,139
Total equity (B)	5,087,124	4,885,160
Deposits (C)	2,081,972	2,244,032
Borrowings (D)	5,630,347	5,248,105
Debt-to-equity ratio (A/B)	250%	262%
Net borrowings ratio ((D-C)/B)	70%	61%

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33. Fair Value

For the year ended December 31, 2024, there are no significant changes in the business environment and economic environment that affect the fair value of financial assets and financial liabilities of the Group.

(1) Fair value of financial instruments by category

Carrying amounts and fair values of financial instruments by category as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024		2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	₩ 2,083,025	₩ 2,083,025	₩ 2,244,925	₩ 2,244,925
Trade and other receivables	3,050,492	3,050,492	3,529,003	3,529,003
Short-term financial assets	520,621	520,621	592,972	592,972
Long-term trade and other receivables	1,961,793	1,961,793	1,374,648	1,374,648
Long-term financial assets	717,438	717,438	784,575	784,575
Financial assets at fair value through profit or loss	239,766	239,766	263,978	263,978
	<u>₩ 8,573,135</u>	<u>₩ 8,573,135</u>	<u>₩ 8,790,101</u>	<u>₩ 8,790,101</u>
Financial liabilities				
Trade and other payables	₩ 1,838,233	₩ 1,838,233	₩ 1,810,904	₩ 1,810,904
Short-term financial liabilities	3,262,870	3,265,121	2,481,711	2,480,353
Other current liabilities	598,136	598,136	606,190	606,190
Long-term trade and other payables	-	-	3,744	3,744
Long-term financial liabilities	2,973,883	2,975,511	3,342,288	3,345,882
Other non-current liabilities	110,441	110,441	111,689	111,689
	<u>₩ 8,783,563</u>	<u>₩ 8,787,442</u>	<u>₩ 8,356,526</u>	<u>₩ 8,358,762</u>

(2) Fair value hierarchy

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

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

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Valuation methods used to measure the fair value of financial instruments include the following:

- disclosed market price of similar product or dealer price;
- fair value of derivatives is measured by discounting to present value using forward exchange rate as of December 31, 2024 and 2023; and
- cash flow discount method is used for others.

(3) Fair value hierarchy classifications of the financial assets and financial liabilities that are measured at fair value or of which fair values are disclosed

Fair value hierarchy classifications of the financial assets and financial liabilities that are measured at fair value or of which fair values are disclosed as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

		2024			
		Level 1	Level 2	Level 3	Total
Financial assets					
Short-term financial assets	₩	-	₩ 36,200	₩ -	₩ 36,200
Derivative assets		-	30,570	-	30,570
Financial assets at fair value through profit or loss		358	-	239,408	239,766
Financial liabilities					
Derivative liabilities		-	37,543	71,808	109,351

(in millions of Korean won)

		2023			
		Level 1	Level 2	Level 3	Total
Financial assets					
Short-term financial assets	₩	-	₩ 36,307	₩ -	₩ 36,307
Derivative assets		-	8,327	-	8,327
Financial assets at fair value through profit or loss		565	-	263,413	263,978
Financial liabilities					
Derivative liabilities		-	16,459	-	16,459

(4) Transfers between the levels of each fair value hierarchy

There are no transfers between the levels of each fair value hierarchy for the year ended December 31, 2024.

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(5) Valuation techniques and inputs used in the fair value measurements categorized within Level 2 and Level 3 of the fair value hierarchy as of December 31, 2024 are as follows:

(in millions of Korean won)

		2024			
	Fair value	Level	Valuation techniques	Inputs	Range of inputs (weighted average)
Financial assets at fair value through profit or loss					
Gyongbuk Green Energy	₩ 1,532	3	Discounted cash flow model	Discount rate	14.80%
Ulsan green Co., Ltd.	3,368	3	Dividend discount model	Discount rate	12.13%
Wonju Green Co., Ltd.	1,151	3	Discounted cash flow model	Discount rate	10.58%
Public Development Co., Ltd.	4,380	3	Discounted cash flow model	Discount rate	10.82%
Angelswing Co., Ltd.	1,731	3	Binomial model	Discount rate	23.26%
				Risk-free rate of return	2.94%
CHEMICO ADVANCED MATERIALS CO., LTD.	3,383	3	Binomial model	Discount rate	23.54%
				Risk-free rate of return	3.00%
Gaya Railway Co., Ltd.	161	3	Shareholders' discounted cash flow model	Discount rate	7.29%
Gumi Green Water Co., Ltd.	1,413	3	Discounted cash flow model	Discount rate	6.59%
Masan Drain Co., Ltd.	352	3	Dividend discount model	Discount rate	6.94%
Seoul Northern Highway Co., Ltd.	2,154	3	Dividend discount model	Discount rate	12.07%
Seoul Tunnel Co., Ltd.	8,410	3	SPA compliance assessment	-	-
Seoul-Munsan Highway Co., Ltd.	16,851	3	SPA compliance assessment	-	-
Pyeongtaek EOS	2,394	3	Discounted cash flow model	Discount rate	15.38%
Hwaseong Gwangju Highway	15,668	3	Discounted cash flow model	Discount rate	12.07%
Gunsan Green Energy Center Co., Ltd.	595	3	Dividend discount model	Discount rate	14.07%
Other equity securities	175,865	3	Precedent transactions analysis	-	-
Derivative assets					
Currency forward	₩ 6,228	2	Present value method	CD rate	3.29% ~ 3.69%
Currency swap	19,869	2	Present value method	CD rate	3.29% ~ 3.69%
Interest rate swap	4,473	2	Present value	-	-

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				method		
Derivative liabilities						
Currency forward	₩	37,543	2	Present value method	CD rate	3.29% ~ 3.69%
Other option		71,808	3	Binomial model	Risk-free rate of return	2.78% ~ 3.44%

(6) Valuation processes for fair value measurements categorized as Level 3

The Group performs the fair value measurements, including Level 3 fair values, for major equity securities by using the estimate of external independent valuer who holds a certified professional qualification and performing internal review.

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34. Service Concession Arrangements

GS Inima Environment S.A., a subsidiary of GLOBAL WATER SOLUTION CO., LTD., has constructed, operated and maintained Service Concession Arrangements through its subsidiaries and details of significant business information are as follows:

<i>(in millions of Korean won)</i>	Principal business activity	Countries	Start date	Expiry date	Amount	Classification
Aguas de Ensenada, S.A. de C.V.	Seawater desalinating plant and others/ DBOOT (design, construction, operation, possession and transfer at the end of project period)	Mexico	2018.06	2036.05	₩ 74,747	Financial assets
Ambient Servicos Ambientais de Ribeirao Preto, S.A.	Sewage purifying plant and others, DBOOT (design, construction, operation, possession and transfer at the end of project period)	Brazil	1995.09	2033.09	62,367	Financial assets
Samar Solucoes Ambientais de Aracatuba S.A.	Water and sewage processing plan and others / BOT (construction, operation and transfer at the end of the project period)	Brazil	2012.09	2042.01	69,097	Intangible assets
Shariket Miyeh Ras Djinet, Spa	Seawater desalinating plant and others/ DBOOT (design, construction, operation, possession and transfer at the end of project period)	Algeria	2012.02	2037.09	80,559	Financial assets
GS Inima Industrial Triunfo, S.A.(formerly, Distribuidora de Aguas Triunfo S.A.)	Industrial waterworks in chemical complex and others / AOO (Operation through acquisition of shares)	Brazil	2014.03	2054.02	101,071	Intangible assets
GS Inima Barka 5 Desalination Company, S.A.O.C.	Seawater desalinating plant and others/ DBOOT (design, construction, operation, possession and transfer at the end of project period)	Oman	2024.06	2044.06	187,343	Financial assets
Ourinhos Saneamento S.A	Water and sewage processing plant and others / BOT (construction, operation and transfer at the end of the project period)	Oman	2024.06	2054.04	66,337	Intangible assets

Audit opinion on internal control over financial reporting

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

Attachments:

1. Independent auditor's report on internal control over financial reporting for consolidated purposes
2. ICFRCP Operating Status Report

Independent auditor's report on internal control over financial reporting
(English translation of a report originally issued in Korean)

GS Engineering & Construction Corporation
The Shareholders and Board of Directors

Opinion on internal control over financial reporting for consolidation purpose

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

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

We also have audited, in accordance with Korean Standards on Auditing ("KSA"), the consolidated statement of financial position as of December 31, 2024, and the consolidated statement of profit or loss, consolidated statement of comprehensive income or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including material accounting policy information, of the Group, and our report dated March 17, 2025 expressed an unqualified opinion thereon.

Basis for opinion on ICFR

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

Responsibilities of management and those charged with governance for ICFR

Management is responsible for designing, implementing and maintaining an effective ICFR, and for assessing the effectiveness of the ICFR included in the accompanying ICFRCP Operating Status Report.

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

Auditor's responsibilities for the audit of ICFR

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

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

ICFR definition and inherent limitations

An ICFR of company and its subsidiaries is implemented by those charged with governance, management, and other employees and is a process designed to provide reasonable assurance regarding the reliability of financial reporting

and the preparation of the consolidated financial statements for external purposes in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS"). The ICFR of the company and its subsidiaries includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company and its subsidiaries; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated financial statements in accordance with KIFRS, and that receipts and expenditures of the company and its subsidiaries are being made only in accordance with authorizations of management and directors of the company and its subsidiaries; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the assets of the company and its subsidiaries that could have a material effect on the consolidated financial statements.

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

The engagement partner on the audit resulting in this independent auditor's report is *Tae Gon Lee*.



March 17, 2025

This audit report is effective as of March 17, 2025, the independent auditor's report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's report to the time this report is used. Such events and circumstances could significantly affect the Group's ICFR and may result in modifications to this report.

ICFRCP Operating Status Report

(English Translation of a Report Originally Issued in Korean)

To. the Shareholders, Board of Directors, and Audit Committee of GS Engineering & Construction Corporation

We, as the Representative Director / CEO and the Internal Accounting Manager of GS Engineering & Construction Corporation ("the Company"), assessed operating status of the Company's Internal Control over Financial Reporting for Consolidation Purposes ("ICFRCP") for the year ending December 31, 2024.

Design and operation of ICFRCP is the responsibility of the Company's management, including the Representative Director / CEO and the Internal Accounting Manager (collectively, "We", "Our" or "Us").

We evaluated whether the Company effectively designed and operated its ICFRCP to prevent and detect errors or frauds which may cause a misstatement in consolidated financial statements to ensure preparation and disclosure of reliable consolidated financial information.

We used the 'Conceptual Framework for Designing and Operating Internal Control over Financial Reporting' established by the Operating Committee of Internal Control over Financial Reporting in Korea (the "ICFR Committee") as the criteria for design and operation of the Company's ICFRCP. And we conducted an evaluation of ICFRCP based on the 'Standards for Evaluating and Reporting the Effectiveness of Internal Control over Financial Reporting' pursuant to Appendix 6 of the Detailed Regulations on External Audit and Accounting, etc.

Based on our assessment, we concluded that the Company's ICFRCP is designed and operated effectively as of December 31, 2024, in all material respects, in accordance with the 'Conceptual Framework for Designing and Operating Internal Control over Financial Reporting'.

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

(Attachment)

◦ Internal control activities implemented by the Company to respond financial misconduct risks such as embezzlement, etc.

February 20, 2025



Chae, Hun geun
Internal Accounting Manager



Huh, Yoon Hong
Representative Director / CEO

(Attachment)

◦ Internal control activities implemented by the Company to respond financial misconduct risks such as embezzlement, etc.

Category	Control Activities Performed by the Company	Company List	Inspection Results of Design and Operation Status (Performing Team, Execution Timing, etc.)
Entity Level Controls	<Operating Fraud Prevention System> Management operates regular ethics audits and internal/external whistleblowing programs, etc. to prevent embezzlement and fraud. Audit results are reported to the audit committee, and management's commitment to compliance with the fraud prevention system is communicated to all employees via company-wide announcements.	GS E&C, Xi S&D and 1 other company	No material weaknesses found as test results (Internal Accounting Control Team, Jul 2024, Nov 2024, Feb 2025)
	<Fraud Risk Assessment> The compliance team notifies the internal accounting control team of the annual operation plan and internal audit results based on fraud risk assessments and response measures. The internal accounting control team reviews the information and incorporates it into controls if necessary.	GS E&C, Xi S&D and 1 other company	No material weaknesses found as test results (Internal Accounting Control Team, Jul 2024, Nov 2024, Feb 2025)
	<Task Allocation Management> When designing transaction-level controls, management considers task allocation and access restrictions in accordance with internal accounting control guidelines. The internal accounting control team ensures the task allocation list is kept up to date.	GS E&C, Xi S&D and 1 other company	No material weaknesses found as test results (Internal Accounting Control Team, Jul 2024, Nov 2024, Feb 2025)
Financial Misconduct Controls (Account Management, Cash In/Out Management, Fundraising, etc.)	<Account Registration/Modification> The account opening in charge person prepares a proposal before opening an account under company's name, and the approving authority reviews and approves the reason for the request per company's regulations. After opening the account, it is registered in the designated system for management purposes.	GS E&C, Xi S&D and 2 other companies	No material weaknesses found as test results (Internal Accounting Control Team, Jul 2024, Nov 2024, Feb 2025)
	<Account Status Management> The financing team leader (or the international finance team leader for foreign currency accounts, and the marketing team leader for sales accounts) reviews and approves account purposes, usage organizations, and whether accounts should be closed, based on the account management system.	GS E&C, Xi S&D and 1 other company	No material weaknesses found as test results (Internal Accounting Control Team, Jul 2024, Nov 2024, Feb 2025)
	<Seal Usage Control> The corporate seal is stored in a safe with restricted physical access. The life & culture team leader reviews and approves requests for seal use, and all sealing activities are recorded as electronic data.	GS E&C, Xi S&D and 1 other company	No material weaknesses found as test results (Internal Accounting Control Team, Jul 2024, Nov 2024, Feb 2025)
	<Fund Disbursement Restrictions, Firm Banking> Payments to partner companies are only transferred to accounts registered in the partner account management system.	GS E&C, Xi S&D and 1 other company	No material weaknesses found as test results (Internal Accounting Control Team, Jul 2024, Nov 2024, Feb 2025)
	<Fund Disbursement Review> The financing team leader (or the international finance team leader for foreign currency transactions) reviews and approves fund disbursement requests, communication slips, and supporting documents to ensure consistency and validity.	GS E&C, Xi S&D and 6 other companies	No material weaknesses found as test results (Internal Accounting Control Team, Jul 2024, Nov 2024, Feb 2025)

	<Task Allocation for Approval of Fund Disbursement Vouchers> The person entering the voucher and the person approving it are separate, as are the requester and final approver for fund disbursement.	GS E&C, Xi S&D and 5 other companies	No material weaknesses found as test results (Internal Accounting Control Team, Jul 2024, Nov 2024, Feb 2025)
	<Cash Balance Reconciliation Management> The financing team leader (or the international finance team leader) reviews whether the ending balance in the monthly cash report matches the bank statements. If discrepancies exist, the reasons are investigated and approved.	GS E&C, Xi S&D and 7 other companies	No material weaknesses found as test results (Internal Accounting Control Team, Jul 2024, Nov 2024, Feb 2025)
	<Funding Review> For company borrowings and bond issuances, proposals detailing the source, amount, terms, and duration are prepared and approved by the appropriate authority per company's regulations. If board approval is required, the board resolution is obtained.	GS E&C, Xi S&D and 3 other companies	No material weaknesses found as test results (Internal Accounting Control Team, Jul 2024, Nov 2024, Feb 2025)
	<Vendor Master Creation/Modification Review> The financing team in charge person reviews and approves newly registered vendor account details to ensure they match the attached supporting documents.	GS E&C, Xi S&D and 1 other company	No material weaknesses found as test results (Internal Accounting Control Team, Jul 2024, Nov 2024, Feb 2025)