

## IMPORTANT NOTICE

**THIS DOCUMENT IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QIBs (AS DEFINED BELOW) OR (2) NON-U.S. PERSONS (AS DEFINED BELOW).**

**IMPORTANT: You must read the following disclaimer before continuing.** If you are not the intended recipient of this message, please do not distribute or copy the information contained in this e-mail, but instead, delete and destroy all copies of this e-mail including all attachments. The following disclaimer applies to the attached offering circular (the "Offering Circular"). You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

**Confirmation of Your Representation:** In order to be eligible to view the Offering Circular or make an investment decision with respect to the securities, investors must be either (I) a Qualified Institutional Buyer within the meaning of Rule 144A ("QIB") under the U.S. Securities Act of 1933, as amended (the "Securities Act") or (II) a non-U.S. person within the meaning of Regulation S under the Securities Act ("non-US person"). By accepting the e-mail and accessing the Offering Circular, you shall be deemed to have represented to us that (1) you and any customers you represent are either (a) a QIB or (b) a non-U.S. person and that the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions and (2) you consent to the delivery of such Offering Circular by electronic transmission.

The Offering Circular has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of BNP Paribas, Merrill Lynch International, Citigroup Global Markets Inc., Crédit Agricole Corporate and Investment Bank or The Hongkong and Shanghai Banking Corporation Limited (collectively, the "Initial Purchasers"), the issuer of the securities, or any person who controls any of them or any of their respective directors, employees, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version. **We will provide a hard copy version to you upon request.**

**NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.**

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of either the issuer of the securities or the Initial Purchasers to subscribe for or purchase any of the securities described therein. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Initial Purchasers or any affiliate of the Initial Purchasers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Initial Purchasers or its affiliates on behalf of the issuer in such jurisdiction.

You are reminded that you have accessed the Offering Circular on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorized to deliver or forward this document, electronically or otherwise, to any other person. If this is not the case, you must return the Offering Circular to us immediately. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

**Actions that You May Not Take:** You should not reply by e-mail to this communication, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

**YOU ARE NOT AUTHORIZED TO AND YOU MAY NOT FORWARD OR DELIVER THE OFFERING CIRCULAR, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH OFFERING CIRCULAR IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE OFFERING CIRCULAR, IN WHOLE OR IN PART, IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.**

**You are responsible for protecting against viruses and other items of a destructive nature.** Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

## OFFERING CIRCULAR



### KT CORPORATION

*(incorporated in the Republic of Korea with limited liability)*

**US\$500,000,000**

**4.125% Notes due 2028**

**Issue Price: 99.525%**

Interest on our US\$500,000,000 4.125% notes due 2028 (the “Notes”) will be payable semi-annually in arrears on February 2 and August 2 of each year, commencing February 2, 2025, until maturity or earlier redemption. We may not redeem the Notes, in whole or in part, prior to maturity except upon the occurrence of certain events related to Korean tax law as described herein. Unless previously redeemed or purchased and in each case cancelled, the Notes will mature on February 2, 2028 at their principal amount.

The Notes will constitute our unsecured and unsubordinated obligations and will rank equally with all of our other unsecured and unsubordinated obligations from time to time outstanding.

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the “Singapore Exchange”) for the listing and quotation of the Notes on the Singapore Exchange. The Singapore Exchange assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and listing and quotation of the Notes on, the Singapore Exchange are not to be taken as an indication of the merits of us, the offering or the Notes.

The Notes are expected to be rated “A3” by Moody’s Investors Service Hong Kong Limited (“Moody’s”) and “A-” by S&P Global, Inc. (“S&P”). A rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision, suspension or withdrawal at any time by the assigning rating organizations.

**Investing in the Notes involves risks. See “Risk Factors” beginning on page 12 of this offering circular (the “Offering Circular”) and the section entitled “Item 3. Key Information – Item 3.D. Risk Factors” contained in our annual report on Form 20-F for the year ended December 31, 2023 (the “KT 2023 Annual Report on Form 20-F”) incorporated by reference herein.**

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or any state securities laws of the United States and, subject to certain exceptions, may not be offered or sold directly or indirectly within the United States or to or for the account or benefit of U.S. persons, as defined in Regulation S under the Securities Act (“Regulation S”). The Notes may be offered for sale only (i) in the United States to qualified institutional buyers (“QIBs”) within the meaning of, and in reliance on, Rule 144A under the Securities Act (“Rule 144A”) or (ii) outside the United States to non-U.S. persons in reliance on, and in accordance with, Regulation S, in each case, in compliance with applicable laws, regulations and directives. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. The Notes are not transferable except in accordance with the restrictions described under “Plan of Distribution – Selling Restrictions” and “Transfer Restrictions.”

The Notes are expected to be delivered in book-entry form only through the facilities of The Depository Trust Company (“DTC”) for the accounts of its participants, including Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, S.A. (“Clearstream”), on or about October 2, 2024.

---

#### ***Joint Lead Managers and Joint Bookrunners***

**BNP PARIBAS**  
**Crédit Agricole CIB**

**BofA Securities**

**Citigroup**  
**HSBC**

The date of this Offering Circular is September 25, 2024.

## TABLE OF CONTENTS

	<i>Page</i>
SUMMARY .....	1
THE OFFERING .....	3
RISK FACTORS .....	12
RECENT DEVELOPMENTS .....	14
USE OF PROCEEDS .....	31
CAPITALIZATION .....	32
EXCHANGE RATES .....	33
SELECTED FINANCIAL INFORMATION .....	34
TERMS AND CONDITIONS OF THE NOTES .....	39
THE GLOBAL NOTES .....	55
TAXATION .....	58
PLAN OF DISTRIBUTION .....	65
TRANSFER RESTRICTIONS .....	74
LEGAL MATTERS .....	77
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRMS .....	77
INDEX TO FINANCIAL STATEMENTS .....	F-1

**We have incorporated by reference into this Offering Circular (i) the KT 2023 Annual Report on Form 20-F and (ii) the Operating Results Discussion of 2021 Compared to 2022 (as defined herein), which includes risk factors, our audited consolidated financial statements and disclosure concerning our business and financial condition and results of operations, as well as other matters. See “Presentation of Financial Information.” You should carefully review the entire Offering Circular, including the KT 2023 Annual Report on Form 20-F and the Operating Results Discussion of 2021 Compared to 2022, before making an investment decision.**

**You should rely only on the information contained in this Offering Circular or to which we have referred you. We have not authorized anyone to provide you with information that is different. This Offering Circular may only be used where it is legal to sell these securities. The information in this Offering Circular is only accurate as of the date of this Offering Circular.**

---

We, having made all reasonable inquiries, confirm that this Offering Circular contains all information with respect to us and the Notes that is material in the context of the issue and offering of the Notes, that the information contained herein is true and accurate in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and have been reached after considering all relevant circumstances and are based on reasonable assumptions, that there are no other facts, the omission of which would, in the context of the issue and offering of the Notes, make this Offering Circular as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect, that all reasonable inquiries have been made by us to verify the accuracy of such information and that this Offering Circular does not contain any untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary in order to make the statements herein, in light of the circumstances under which they are made, not misleading. We accept responsibility accordingly. Information provided herein with respect to Korea and its political status and economy has been derived from information published by the Korean government and other public sources, and we accept responsibility only for the accurate extraction of information from such sources. The information contained in this Offering Circular may only be accurate as of the date of this Offering Circular.

The offer and sale of the Notes have not been, and the Notes will not be, registered under the Securities Act or the securities laws of any other jurisdiction. We are offering the Notes in reliance on an exemption from registration under the Securities Act for offers and sales of securities that do not involve a public offering. We are not, and the Initial Purchasers (as defined in “Plan of Distribution”) are not, making an offer to sell the Notes in any state or other jurisdiction except where an offer or sale is permitted.

This Offering Circular is for distribution only to, and is only directed at, persons who (i) are outside of the United Kingdom, (ii) have professional experience in matters relating to investments and who qualify as investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Financial Promotion Order”), (iii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Financial Promotion Order, or (iv) are persons to whom, in connection with the issue or sale of any securities, an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). The Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Offering Circular or any of its contents.

This Offering Circular has been confidentially submitted to a limited number of investors for them to consider an investment in the Notes. See “Transfer Restrictions.” We have not authorized its use for any other purpose. This Offering Circular may not be copied or reproduced in whole or in part. This Offering Circular may not be distributed, nor may its contents be disclosed, except to the prospective investors to whom it is provided. By accepting delivery of this Offering Circular, each investor agrees to all of these restrictions. Notwithstanding anything to the contrary contained in this Offering Circular, we, the Initial Purchasers and each investor (and each of their respective employees, representatives, or other agents, as applicable) may disclose to any and all persons, without limitations of any kind, the tax treatment and tax structure of the transaction (including any materials, opinions or analyses relating to such tax treatment or tax structure), provided, however, that we, the Initial Purchasers and each investor (and each of their respective employees, representatives, or other agents, as applicable) shall not disclose any information that is not necessary to understanding the tax treatment and tax structure of the transaction (including the identity of us, the Initial Purchasers or any investor and any information that could lead another to determine the identity of us, the Initial Purchasers or any investor), or any other information to the extent that such disclosure could result in a violation of any U.S. federal or state securities law.

In making an investment decision, prospective investors must rely on their own examination of us and the terms of the offering of the Notes, including the merits and risks involved. Neither we nor any of the Initial Purchasers are making any representation to any purchaser of the Notes regarding the legality of an investment in the Notes by such purchaser under any legal investment or similar laws or regulations. Neither this Offering Circular nor any information supplied in connection with the issue of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation or constituting an invitation or offer by us or any of the Initial Purchasers that any recipient of this Offering Circular should purchase any Notes. The contents of this Offering Circular should not be construed as providing legal, business, accounting or tax advice.

Any investor who purchases the Notes will be deemed to have made acknowledgements, representations, warranties and agreements intended to restrict the resale or other transfer of the Notes, as set forth under “Transfer Restrictions” in this Offering Circular. Each investor should understand that he or she might be required to bear the financial risks of the investment in the Notes for an indefinite period of time.

No person is authorized in connection with any offering of the Notes to give any information or make any representation other than as contained in this Offering Circular in connection with the offering of the Notes and, if given or made, such information or representation must not be relied upon as having been authorized by us or by the Initial Purchasers. Neither the delivery of this Offering Circular nor any sale made hereunder shall, under any circumstances, constitute a representation or create any implication that there have been no changes in our affairs since the date hereof. This Offering Circular does not constitute an offer to sell or a solicitation of an offer to buy any Notes by any person except in compliance with all applicable laws and regulations. No representation, undertaking or warranty, express or implied, is made by the Initial Purchasers or any of their affiliates or advisers as to the accuracy or completeness of the information contained herein, and nothing contained in this Offering Circular is, or shall be relied upon as a promise or representation by the Initial Purchasers or their affiliates or advisers. The Initial Purchasers have not verified any of the information contained herein (financial, legal or otherwise) and assume no responsibility or liability for the accuracy or completeness of any such information or any other information provided by us in connection with the issue of the Notes or their distribution. To the fullest extent permitted by law, none of the Initial Purchasers accepts any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by the Initial Purchasers or on their behalf in connection with the Company, or the issue and offering of the Notes. Each of the Initial Purchasers accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement.

Neither the delivery of this Offering Circular nor any sale made hereunder shall under any circumstances imply that the information herein or any information supplied in connection with the issuance of the Notes is correct as of any date subsequent to the date hereof or constitute a representation that there has been no change or development reasonably likely to involve a material adverse change in our affairs since the date hereof.

Each person receiving this Offering Circular acknowledges that such person has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with investigation of the accuracy of such information or its investment decisions.

The distribution of this Offering Circular and the sale or offering of the Notes (the "Offering") in certain jurisdictions may be restricted by law. It may not be used for or in connection with any offer to, or solicitation by, anyone in any jurisdiction in which it is unlawful to make such an offer or solicitation. Persons into whose possession this document may come are required by us and the Initial Purchasers to inform themselves about and to observe such restrictions. No action is being taken in any jurisdiction to permit an offering to the general public of the Notes or the distribution of this document in any jurisdiction where action would be required for such purposes. For a description of certain further restrictions on offers and resales of the Notes and distribution of this Offering Circular, see "Plan of Distribution."

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "SEC") or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Offering Circular or confirmed the accuracy or determined the adequacy of the information contained in this Offering Circular. Any representation to the contrary is unlawful.

We reserve the right to withdraw this offering of the Notes at any time. We and the Initial Purchasers also reserve the right to reject any offer to purchase the Notes in whole or in part for any reason and to allocate to any prospective investor less than the full amount of Notes sought by such investor.

In connection with this offering, any of the Initial Purchasers appointed and acting in its capacity as stabilisation manager (the "Stabilisation Manager") may over-allot or effect transactions that stabilize or maintain the market price of the Notes at a higher level than the Notes might otherwise achieve in the open market for a limited period of time after the issue date. Such stabilizing, if commenced, may be discontinued at any time and must be brought to an end after a limited period. For a description of these activities, see "Plan of Distribution" in this Offering Circular.

THE NOTES HAVE NOT BEEN REGISTERED WITH THE FINANCIAL SERVICES COMMISSION OF KOREA UNDER THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT OF KOREA (THE "FSCMA"). ACCORDINGLY, THE NOTES HAVE NOT BEEN AND WILL NOT BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, IN KOREA OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY RESIDENT OF KOREA (AS DEFINED IN THE FOREIGN EXCHANGE TRANSACTIONS LAW OF KOREA AND THE REGULATIONS THEREUNDER), OR TO ANY OTHER PERSON FOR REOFFERING, RESALE OR RE-DELIVERY, DIRECTLY OR INDIRECTLY, IN KOREA OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY RESIDENT OF KOREA, EXCEPT AS OTHERWISE PERMITTED BY APPLICABLE KOREAN LAWS AND REGULATIONS. IN ADDITION, WITHIN ONE YEAR FOLLOWING THE ISSUANCE OF THE NOTES, THE NOTES MAY NOT BE TRANSFERRED TO ANY RESIDENT OF KOREA OTHER THAN A QUALIFIED INSTITUTIONAL BUYER (OR A "KOREAN QIB," AS DEFINED IN THE REGULATION ON ISSUANCE, PUBLIC DISCLOSURE, ETC. OF SECURITIES OF KOREA) REGISTERED WITH THE KOREA FINANCIAL INVESTMENT ASSOCIATION (THE "KOFIA") AS A KOREAN QIB, PROVIDED THAT THE AMOUNT OF THE NOTES ACQUIRED BY SUCH KOREAN QIBS IN THE PRIMARY MARKET IS LIMITED TO LESS THAN 20 PERCENT OF THE AGGREGATE ISSUE AMOUNT OF THE NOTES.



**Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (the “SFA”)** – We have determined, and hereby notify all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Any purchase or acquisition of the Notes is in all respects conditional on the satisfaction of certain conditions set out in the Subscription Agreement and the issue of the Notes by us to the Initial Purchasers pursuant to the Subscription Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Notes pursuant to this Offering Circular shall (without liability or responsibility on the part of us or the Initial Purchasers) lapse and cease to have any effect if (for any other reason whatsoever) the Notes are not issued by us to the Initial Purchasers pursuant to the Subscription Agreement.

**NOTICE TO CAPITAL MARKET INTERMEDIARIES AND PROSPECTIVE INVESTORS  
PURSUANT TO PARAGRAPH 21 OF THE HONG KONG SFC CODE OF CONDUCT**

Prospective investors should be aware that certain intermediaries in the context of this offering of the Notes, including all Initial Purchasers, are “capital market intermediaries” (together, the “CMLs”) subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the “SFC Code”). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMLs, which require the attention and cooperation of prospective investors. Certain CMLs may also be acting as “overall coordinators” (together, the “OCs”) for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are our directors, employees or major shareholders, a CML or its group companies would be considered under the SFC Code as having an association (an “Association”) with us, the CML or the relevant group company (as the case may be). Prospective investors associated with us or any CML (including its group companies) should specifically disclose this when placing an order for the Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e., two or more corresponding or identical orders placed via two or more CMLs). If a prospective investor is an asset management arm affiliated with any Initial Purchaser, such prospective investor should so indicate when placing an order if it is for a fund or portfolio where the Initial Purchaser or its group company has more than 50% interest, in which case it will be classified as a “proprietary order” and subject to appropriate handling by CMLs in accordance with the SFC Code and should disclose, at the same time, if such “proprietary order” may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order.” If a prospective investor is otherwise affiliated with any Initial Purchaser, such that its order may be considered to be a “proprietary order” (pursuant to the SFC Code), such prospective investor should so indicate to the relevant Initial Purchaser when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order.” Where prospective investors disclose such information but do not disclose that such “proprietary order” may negatively impact the price discovery process in relation to this offering, such “proprietary order” is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Initial Purchasers and/or any other third parties as may be required by the SFC Code, including to us, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

## **CERTAIN DEFINED TERMS, CONVENTIONS AND CURRENCY OF PRESENTATION**

Except as otherwise indicated or required by context, references in this Offering Circular to the “Company,” “KT Corporation,” “we,” “us” and “our” refer to KT Corporation and, as the context may require, its subsidiaries. References to “Korea” or the “Republic” are references to The Republic of Korea. References to “domestic” or “nationwide” are used in connection with The Republic of Korea. References to the “Government” are references to the government of the Republic of Korea. We publish our financial statements in Won. References to “Won” or “W” are to Korean Won, which is the legal tender currency of Korea. References to “\$,” “US\$,” “U.S. dollars,” “U.S. Dollars” or “cents” are to the currency of the United States of America. For historical information regarding the rate of exchange between Korean Won and the U.S. Dollar, see “Exchange Rates.” Discrepancies pertaining to certain tables in this Offering Circular are due to rounding. Unless otherwise specified, all conversions of Won into U.S. Dollars were made at the market average exchange rate, announced by Seoul Money Brokerage Services Ltd., between U.S. Dollars and Won, (the “Market Average Exchange Rate”). Unless otherwise stated, the translations of Won into U.S. Dollars as of June 30, 2024 (or as of any more recent date) have been made at the Market Average Exchange Rate in effect on June 30, 2024, which was US\$1.00 to Won 1,389.2. This translation was made for the sole purpose of the reader’s convenience and has not been audited. No representation is made that the Won or U.S. Dollar amounts referred to herein could have been or could be converted into U.S. Dollars or Won, as the case may be, at any particular rate or at all. On September 24, 2024, the Market Average Exchange Rate was US\$1.00 to Won 1,335.5.

## **AVAILABLE INFORMATION**

To permit compliance with Rule 144A under the Securities Act in connection with sales of the Notes, we will be required under the fiscal agency agreement to be entered into as of the closing date of this offering (the “Fiscal Agency Agreement”) among us, Citicorp International Limited (the “Fiscal Agent”) and Citibank, N.A., London Branch (the “Principal Paying Agent”, the “Registrar” and the “Transfer Agent”), to furnish, upon request, to a Holder (as defined in “Terms and Conditions of the Notes”) and a prospective investor designated by such Holder, the information required to be delivered under Rule 144A(d)(4) under the Securities Act unless at the time of the request we are a reporting company under Section 13 or Section 15(d) of the United States Securities Exchange Act of 1934, as amended (the “Exchange Act”), or we are exempt from the registration requirements of Section 12(g) of the Exchange Act (and therefore are required to publish on our website, in English, certain information pursuant to Rule 12g3 2(b) under the Exchange Act). In accordance with the Fiscal Agency Agreement, the Fiscal Agent also will make available for inspection by Holders of the Notes upon prior written notice and satisfaction of proof of holding, at the corporate trust office of the Fiscal Agent or, in certain cases, arrange for the mailing to such Holders, certain reports or communications received from us. See “Terms and Conditions of the Notes – Notices.”



## INCORPORATION OF FORM 20-F FILINGS

We are subject to the informational requirements of the Exchange Act, and file reports and other information with the SEC. The KT 2023 Annual Report on Form 20-F that was filed with the SEC on April 30, 2024, and which includes our latest audited annual financial statements, is incorporated by reference into this Offering Circular. In addition, “Item 5. Operating and Financial Review and Prospects – Item 5.A. Operating Results – Operating Results – 2021 Compared to 2022” (“Operating Results Discussion of 2021 Compared to 2022”) of our Form 20-F for the fiscal year ended December 31, 2022, which was filed with the SEC on April 28, 2023, is incorporated by reference into this Offering Circular. Such Form 20-Fs are available to the public at the SEC’s website at <http://www.sec.gov>. As a foreign private issuer, we are exempt from certain provisions of the Exchange Act, including those requiring the furnishing and prescribing the content of proxy statements and those requiring the reporting of insider purchases and sales of our equity securities. Any filings we make electronically will be available to the public over the Internet at the SEC’s website at <http://www.sec.gov>.

The incorporation of (i) the KT 2023 Annual Report on Form 20-F and (ii) Operating Results Discussion of 2021 Compared to 2022 into this Offering Circular should not be understood to mean that any statements contained therein are true or complete as of any date subsequent to their respective filing dates. Any statement contained in a document or part of a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, be part of this Offering Circular.

## PRESENTATION OF FINANCIAL INFORMATION

The financial information as of December 31, 2022 and 2023 and for years ended December 31, 2021, 2022 and 2023 included herein is derived from our audited consolidated financial statements included in the KT 2023 Annual Report on Form 20-F, which is incorporated by reference into this Offering Circular (“Consolidated Annual Financial Statements”). Such financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The financial information presented as of June 30, 2024 and for the six-month periods ended June 30, 2023 and 2024 included herein is derived from our unaudited consolidated interim financial statements included in this Offering Circular (“Consolidated Interim Financial Statements”). Such financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by Korea (“K-IFRS”) 1034 “*Interim Financial Reporting*.”

K-IFRS differs in certain respects from IFRS as issued by the IASB in the presentation of operating profits. Additionally, under K-IFRS, revenue from the development and sale of real estate is recognized using the percentage of completion method. However, under IFRS as issued by the IASB, revenue from the development and sale of real estate is recognized when an individual unit of residential real estate is delivered to the buyer. Primarily due to such differences, our consolidated statements of comprehensive income and our consolidated statements of financial position prepared in accordance with IFRS as issued by the IASB included in the KT 2023 Annual Report on Form 20-F differ from our consolidated statements of comprehensive income and consolidated statements of financial position prepared in

accordance with K-IFRS. For a reconciliation of (i) our operating profit and profit for the year as presented in our consolidated statements of profit or loss prepared in accordance with IFRS as issued by the IASB for each of the years ended December 31, 2021, 2022 and 2023 to (ii) our operating profit and profit for the year in our consolidated statements of profit or loss prepared in accordance with K-IFRS for each of the corresponding years, see the KT 2023 Annual Report on Form 20-F under the section entitled “Item 5.A. Operating Results – Explanatory Note Regarding Presentation of Certain Financial Information under K-IFRS.”

All financial information, descriptions and other information in this Offering Circular regarding our activities, financial condition and results of operations are, unless otherwise indicated or required by context, presented on a consolidated basis.

## **FORWARD-LOOKING STATEMENTS**

This Offering Circular includes “forward-looking statements,” as defined in Section 27A of the Securities Act and Section 21E of the Exchange Act, including statements regarding our expectations and projections for future operating performance and business prospects. The words “believe,” “expect,” “anticipate,” “estimate,” “project,” “plan,” “can,” “may,” “will” and similar words identify forward-looking statements. In addition, all statements other than statements of historical facts included in this Offering Circular are forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. This Offering Circular discloses, under the caption “Risk Factors,” the section entitled “Item 3. Key Information – Item 3.D. Risk Factors” contained in the KT 2023 Annual Report on Form 20-F and elsewhere, important factors that could cause actual results to differ materially from our expectations (“Cautionary Statements”). All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the Cautionary Statements.

## **ENFORCEABILITY OF CIVIL LIABILITIES**

We are a corporation with limited liability organized under the laws of Korea. All of our directors and officers and certain other persons named in this Offering Circular reside in Korea, and all or a significant portion of the assets of the directors and officers and certain other persons named in this Offering Circular and a substantial portion of our assets are located in Korea. As a result, it may not be possible for you to effect service of process within the United States upon such persons or to enforce against them or against us in United States courts judgments predicated upon the civil liability provisions of the federal securities laws of the United States. There is doubt as to the enforceability in Korea, either in original actions or in actions for enforcement of judgments of United States courts, of civil liabilities predicated on the United States federal securities laws.

## SUMMARY

*You should read the following summary as an introduction to and in conjunction with the more detailed information about us and our consolidated financial statements contained in the KT 2023 Annual Report on Form 20-F incorporated by reference into this Offering Circular.*

### KT CORPORATION

We are the leading integrated telecommunications and platform service provider in Korea and one of the most advanced in Asia. We plan to transform ourselves into an artificial intelligence (“AI”) driven information and communication technology (“ICT”) company that integrates AI and information technology into our existing communication technology business and expands into new businesses that utilize AI. In addition, we will continue to pursue innovation in our other major business areas, including media and content services, Internet data centers and cloud services, real estate-related operations and financial services.

Our principal services include:

- mobile voice and data telecommunications services based on 5G, 4G LTE and 3G W-CDMA technology;
- fixed-line services, which include:
  - (i) fixed-line telephone services, including local, domestic long-distance and international long-distance services, (ii) Voice over Internet Protocol (“VoIP”) telephone services (i.e., provision of communication services over the Internet, and not over the fixed-line public switched telephone network (“PSTN”)) and (iii) interconnection services to other telecommunications companies;
- broadband Internet access services; and
- data communication services, including fixed-line and satellite leased line services and dedicated broadband Internet connection service to corporate and other institutional customers;
- media and content services, including IPTV, satellite TV, digital music services, e-commerce services, online advertising consulting services and web comics and novels services;
- financial services, including credit card processing and other financial services offered primarily through BC Card;
- other business activities, including information technology and network services and rental of real estate by KT Estate Inc. (“KT Estate”); and
- sale of goods, primarily sale of handsets related to our mobile services and miscellaneous telecommunications equipment, as well as sale of residential units and commercial real estate developed by KT Estate.

Leveraging our dominant position in the fixed-line telephone services market and our established customer base in Korea, we have successfully pursued new growth opportunities and obtained strong market positions in each of our principal lines of business. In particular:

- in mobile services, we achieved a market share of 30.1% with approximately 24.9 million subscribers as of June 30, 2024;
- in fixed-line and VoIP telephone services, we had approximately 11.7 million subscribers, consisting of 8.5 million PSTN subscribers and 3.2 million VoIP subscribers as of June 30, 2024. As of such date, our market share of the fixed-line local telephone and VoIP services was 62.3%; and
- we are Korea's largest broadband Internet access provider with approximately 9.9 million subscribers as of June 30, 2024, representing a market share of 40.8%.

Under K-IFRS, we generated operating revenue of ₩12,991 billion and profit for the period of ₩742 billion in the first half of 2023, compared to operating revenue of ₩13,201 billion and profit for the period of ₩804 billion in the first half of 2024. Under K-IFRS, we had total assets of ₩42,710 billion and total equity of ₩18,561 billion as of December 31, 2023, compared to total assets of ₩43,144 billion and total equity of ₩18,982 billion as of June 30, 2024. For our financial condition and results of operations data in 2021, 2022 and 2023, which are prepared pursuant to IFRS as issued by IASB, see the KT 2023 Annual Report on Form 20-F and the Operating Results Discussion of 2021 Compared to 2022.

## THE OFFERING

*Terms used in this summary and not otherwise defined shall have the meanings given to them in “Terms and Conditions of the Notes.”*

Issuer . . . . .	KT Corporation
Offering . . . . .	US\$500,000,000 4.125% Notes due 2028 are being offered to QIBs pursuant to Rule 144A and to non-U.S. persons outside of the United States in reliance on Regulation S.
Issue Price . . . . .	99.525% of the principal amount of the Notes.
Interest . . . . .	<p>The Notes bear interest at the rate of 4.125% per annum from, and including, October 2, 2024 to, but excluding, the due date for redemption of the Notes. Interest will be paid semi-annually in arrears on February 2 and August 2 in each year (each an “Interest Payment Date”). The first Interest Payment Date will be February 2, 2025 in respect of the period from and including October 2, 2024 to, but excluding, February 2, 2025.</p> <p>In the event that an Interest Payment Date is not on a day banking institutions are open for business in The City of New York, London and Seoul (“Business Day”), such payment date shall be the immediately following day which is a Business Day.</p>
Closing Date . . . . .	October 2, 2024
Maturity . . . . .	February 2, 2028
Ranking . . . . .	The Notes will constitute our direct, unconditional, unsubordinated and unsecured obligations and will rank <i>pari passu</i> among themselves and at least <i>pari passu</i> with all of our other present and future outstanding and unsecured and unsubordinated obligations other than obligations preferred by mandatory provisions of applicable law.
Form and Denomination . . . . .	The Notes will be denominated in principal amounts of US\$200,000 (which shall not be split to a lesser amount) and integral multiples of US\$1,000 in excess thereof. Notes sold to QIBs pursuant to Rule 144A (the “Rule 144A Notes”) and to non-U.S. persons pursuant to Regulation S (the “Regulation S Notes”) will be evidenced by separate global certificates (the “Global Notes”), in fully registered form without interest coupons, and deposited with a custodian for and registered in the name of a nominee of DTC. The Notes will be issued in book-entry form only.

Certain Covenants . . . . .	The Notes contain certain limitations on the creation, incurrence, issuance or assumption or the guarantee by us or certain of our subsidiaries of certain debt secured by any mortgage, charge, pledge, encumbrance or other security interest on certain of our properties or assets or those of such subsidiaries. The Notes also contain certain limitations on sale and leaseback transactions by us or certain of our subsidiaries. See “Terms and Conditions of the Notes – Covenants of the Company.”
Optional Tax Redemption . . . . .	We may, at our option, redeem the Notes, in whole but not in part, at 100% of their principal amount plus accrued interest (if any) to, but not excluding, the date fixed for redemption, if we have or would become obligated to pay additional amounts in respect of certain Korean taxes imposed in respect of payments of principal of or interest on the Notes. See “Terms and Conditions of the Notes – Optional Redemption For Tax Reasons.”
Additional Amounts . . . . .	If withholding or deduction of present or future taxes or other governmental charges is required by Korea, subject to certain exceptions, we will pay additional amounts as are necessary in order to ensure that the net amounts received by Holders of Notes after such withholding or deduction is the same as the amount of principal and interest which the Holders would have received in the absence of that withholding or deduction. See “Terms and Conditions of the Notes – Taxation.”
Listing . . . . .	Approval in-principle has been received from the Singapore Exchange for the listing and quotation of the Notes on the Singapore Exchange. For so long as the Notes are listed on the Singapore Exchange and the rules of the Singapore Exchange so require, the Notes, if traded on the Singapore Exchange, will be traded in a minimum board lot size of S\$200,000 (or its equivalent in foreign currencies). Accordingly, the Notes, if traded on the Singapore Exchange, will be traded in a minimum board lot size of US\$200,000.



Transfer of the Notes . . . . .	The Notes have not been and will not be registered under the Securities Act or any state securities laws and, subject to certain exceptions, may not be offered or sold directly or indirectly within the United States or to or for the account or benefit of U.S. persons, as defined in Regulation S. The Notes may be offered for sale only (i) in the United States, to QIBs within the meaning of, and in reliance on, Rule 144A or another available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act; or (ii) outside the United States to non-U.S. persons in reliance on, and in accordance with, Regulation S, in each case, in compliance with applicable laws, regulations and directives. See “Plan of Distribution – Selling Restrictions” and “Transfer Restrictions.”
Transfer Restrictions under Korean Law . . . . .	Korean residents (as defined as Korean resident in the Foreign Exchange Transaction Law of Korea) other than “qualified institutional buyers” (as defined in the Regulation on Issuance, Public Disclosure, etc. of Securities of Korea) are prohibited from acquiring the Notes or exercising any rights under the Notes. See “Transfer Restrictions” and “Terms and Conditions of the Notes – Transfers of Notes, Issue and Replacement of Certificates” and “Plan of Distribution – Selling Restrictions.”
Rating of the Notes . . . . .	The Notes are expected to be rated “A3” by Moody’s and “A-” by S&P. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organization.
Use of Proceeds . . . . .	We expect to use the net proceeds from the sale of the Notes for general corporate purposes, including the repayment of our existing indebtedness.
Governing Law . . . . .	The Notes and the Fiscal Agency Agreement are governed by, and construed in accordance with, the laws of the State of New York.

Fiscal Agent, Principal Paying Agent, Registrar and Transfer Agent . . . . .	Citicorp International Limited will act as the fiscal agent (the “Fiscal Agent”) and Citibank, N.A., London Branch, will act as the principal paying agent, transfer agent and registrar under the Fiscal Agency Agreement for the Notes.
--	---

For so long as the Notes are listed on the Singapore Exchange and the rules of the Singapore Exchange so require, in the event that the Global Notes are exchanged for definitive certificates, we will appoint and maintain a paying agent in Singapore (“Singapore Paying Agent”) where the Notes may be presented or surrendered for payment or redemption. In addition, in the event that the Global Notes are exchanged for definitive certificates, an announcement of such exchange will be made by or on behalf of us through the Singapore Exchange and such announcement will include all material information with respect to the delivery of the definitive certificates, including details of the Singapore Paying Agent.

Risk Factors . . . . .	Investing in the Notes involves risks. See “Risk Factors” beginning on page 12 of this Offering Circular and the section entitled “Item 3. Key Information – Item 3.D. Risk Factors” contained in the KT 2023 Annual Report on Form 20-F incorporated by reference herein for a description of certain risks that investors should consider before making an investment in the Notes.
------------------------	---

Delivery of the Notes. . . . .	Delivery of the Notes against payment in same-day funds, is expected on or about October 2, 2024.
--------------------------------	---

Security Codes . . . . .	<u>Rule 144A Notes</u>	<u>Regulation S Notes</u>
CUSIP	48268K AH4	Y49915 BC7
ISIN	US48268KAH41	USY49915BC76

## SUMMARY FINANCIAL DATA

The summary financial data as of December 31, 2022 and 2023 and for the years ended December 31, 2021, 2022 and 2023 set forth below have been derived from our Consolidated Annual Financial Statements included in the KT 2023 Annual Report on Form 20-F incorporated by reference into this Offering Circular. Such financial statements have been prepared in accordance with IFRS as issued by the IASB.

IFRS as issued by the IASB differs in certain respects from K-IFRS. See the KT 2023 Annual Report on Form 20-F under the section entitled “Item 5.A. Operating Results – Explanatory Note Regarding Presentation of Certain Financial Information under K-IFRS.”

### Summary Financial Information Related to Audited Consolidated Annual Financial Statements (IASB IFRS)

#### Consolidated Statement of Operations Data (IASB IFRS)

	Year Ended December 31,		
	2021	2022	2023
	(In billions of Won, except per share data)		
<b>Operating revenue and other income</b> . . . . .	₩25,206	₩26,234	₩26,595
Revenue . . . . .	24,898	25,639	26,287
Other income . . . . .	308	595	308
<b>Operating expenses</b> . . . . .	23,506	24,266	25,167
<b>Operating profit</b> . . . . .	1,699	1,968	1,428
Finance income . . . . .	726	690	486
Finance costs . . . . .	563	750	569
Share of net profits (loss) of associates and joint ventures . . . . .	116	(17)	(43)
<b>Profit before income tax</b> . . . . .	1,978	1,891	1,303
Income tax expense . . . . .	519	506	330
<b>Profit for the year</b> . . . . .	₩ 1,459	₩ 1,386	₩ 972
<b>Profit for the year attributable to:</b>			
Owners of the controlling company . . . . .	₩ 1,357	₩ 1,260	₩ 993
Non-controlling interest . . . . .	103	125	(21)

# Consolidated Statement of Financial Position Data (IASB IFRS)

	As of December 31,	
	2022	2023
	(In billions of Won)	
<b>Assets:</b>		
<b>Current assets:</b>		
Cash and cash equivalents . . . . .	₩ 2,449	₩ 2,880
Trade and other receivables, net . . . . .	6,098	7,170
Other financial assets . . . . .	1,322	1,440
Current income tax assets . . . . .	2	3
Inventories, net . . . . .	718	988
Other current assets . . . . .	2,101	2,113
<b>Total current assets . . . . .</b>	<b>12,690</b>	<b>14,594</b>
<b>Non-current assets:</b>		
Trade and other receivables, net . . . . .	1,491	1,404
Other financial assets . . . . .	2,501	2,725
Property and equipment, net . . . . .	14,772	14,872
Right-of-use assets . . . . .	1,280	1,305
Investment properties, net . . . . .	1,933	2,198
Intangible assets, net . . . . .	3,130	2,534
Investments in associates and joint ventures . . . . .	1,481	1,557
Deferred income tax assets . . . . .	579	615
Net defined benefit assets . . . . .	311	161
Other non-current assets . . . . .	821	827
<b>Total non-current assets . . . . .</b>	<b>28,300</b>	<b>28,197</b>
<b>Total assets . . . . .</b>	<b>₩40,990</b>	<b>₩42,792</b>
<b>Liabilities:</b>		
<b>Current liabilities:</b>		
Trade and other payables . . . . .	₩ 7,333	₩ 8,055
Borrowings . . . . .	1,827	3,059
Other financial liabilities . . . . .	9	322
Current income tax liabilities . . . . .	232	236
Provisions . . . . .	109	115
Deferred revenue . . . . .	56	52
Other current liabilities . . . . .	1,133	1,409
<b>Total current liabilities . . . . .</b>	<b>10,699</b>	<b>13,248</b>
<b>Non-current liabilities:</b>		
Trade and other payables . . . . .	1,064	820
Borrowings . . . . .	8,180	7,160
Other financial liabilities . . . . .	413	754
Defined benefit liabilities, net . . . . .	52	64
Provisions . . . . .	91	107
Deferred revenue . . . . .	165	154
Deferred income tax liabilities . . . . .	968	994
Other non-current liabilities . . . . .	946	950
<b>Total non-current liabilities . . . . .</b>	<b>11,878</b>	<b>11,001</b>
<b>Total liabilities . . . . .</b>	<b>₩22,577</b>	<b>₩24,249</b>
<b>Equity:</b>		
Share capital . . . . .	₩ 1,564	₩ 1,564
Share premium . . . . .	1,440	1,440
Retained earnings . . . . .	14,255	14,476
Accumulated other comprehensive income (loss) . . . . .	(78)	52
Other components of equity . . . . .	(572)	(802)
<b>Equity attributable to owners of the controlling company . . . . .</b>	<b>16,610</b>	<b>16,731</b>
<b>Non-controlling interest . . . . .</b>	<b>1,803</b>	<b>1,812</b>
<b>Total equity . . . . .</b>	<b>18,413</b>	<b>18,543</b>
<b>Total liabilities and equity . . . . .</b>	<b>₩40,990</b>	<b>₩42,792</b>

### Consolidated Statement of Cash Flow Data (IASB IFRS)

	Year Ended December 31,		
	2021	2022	2023
	(In billions of Won)		
Net cash inflow from operating activities . . . . .	₩ 5,562	₩ 3,597	₩ 5,503
Net cash outflow from investing activities . . . . .	(5,137)	(4,839)	(4,621)
Net cash inflow (outflow) from financing activities . . . . .	(41)	669	(453)

### Summary Financial Information Related to the Consolidated Interim Financial Statements (K-IFRS)

The summary financial data as of December 31, 2023 and June 30, 2024 and for the six months ended June 30, 2023 and 2024 set forth below have been derived from our Consolidated Interim Financial Statements included elsewhere in this Offering Circular. Such financial statements have been prepared in accordance with K-IFRS 1034 “*Interim Financial Reporting*.”

K-IFRS differs in certain respects from IFRS as issued by the IASB. See “Presentation of Financial Information.”

### Consolidated Statement of Profit or Loss Data (K-IFRS)

	Six Months Ended June 30,	
	2023	2024
	(In billions of Won, except per share data)	
<b>Operating revenue</b> . . . . .	₩12,991	₩13,201
<b>Operating expenses</b> . . . . .	11,929	12,200
<b>Operating profit</b> . . . . .	1,062	1,000
Other income . . . . .	132	180
Other expense . . . . .	135	118
Finance income . . . . .	299	469
Finance costs . . . . .	375	453
Share of net profits (loss) of associates and joint ventures . . . . .	2	7
<b>Profit before income tax expense</b> . . . . .	986	1,086
Income tax expense . . . . .	244	282
<b>Profit for the period</b> . . . . .	₩ 742	₩ 804
<b>Profit for the period attributable to:</b>		
Owners of the controlling company . . . . .	₩ 691	₩ 769
Non-controlling interest . . . . .	51	35

# **Consolidated Statement of Financial Position Data (K-IFRS)**

	As of December 31, 2023	As of June 30, 2024
	(In billions of Won)	
<b>Assets:</b>		
<b>Current assets:</b>		
Cash and cash equivalents . . . . .	₩ 2,880	₩ 3,787
Trade and other receivables, net . . . . .	7,170	6,882
Other financial assets . . . . .	1,440	1,305
Current income tax assets . . . . .	3	2
Inventories, net . . . . .	912	964
Other current assets . . . . .	2,113	2,235
<b>Total current assets . . . . .</b>	<b>14,518</b>	<b>15,175</b>
<b>Non-current assets:</b>		
Trade and other receivables, net . . . . .	1,404	1,380
Other financial assets . . . . .	2,725	3,071
Property and equipment, net . . . . .	14,872	14,592
Right-of-use assets . . . . .	1,305	1,287
Investment properties, net . . . . .	2,198	2,250
Intangible assets, net . . . . .	2,534	2,266
Investments in associates and joint ventures . . . . .	1,557	1,593
Deferred income tax assets . . . . .	609	624
Net defined benefit assets . . . . .	161	92
Other non-current assets . . . . .	827	815
<b>Total non-current assets . . . . .</b>	<b>28,192</b>	<b>27,969</b>
<b>Total assets . . . . .</b>	<b>₩42,710</b>	<b>₩43,144</b>
<b>Liabilities:</b>		
<b>Current liabilities:</b>		
Trade and other payables . . . . .	₩ 8,055	₩ 8,052
Borrowings . . . . .	3,059	3,595
Other financial liabilities . . . . .	322	325
Current income tax liabilities . . . . .	236	317
Other provisions . . . . .	115	106
Deferred income . . . . .	52	63
Other current liabilities . . . . .	1,309	1,638
<b>Total current liabilities . . . . .</b>	<b>13,147</b>	<b>14,095</b>
<b>Non-current liabilities:</b>		
Trade and other payables . . . . .	820	556
Borrowings . . . . .	7,160	6,556
Other financial liabilities . . . . .	754	697
Net defined benefit liabilities . . . . .	64	73
Other provisions . . . . .	107	111
Deferred income . . . . .	154	148
Deferred income tax liabilities . . . . .	994	1,054
Other non-current liabilities . . . . .	950	872
<b>Total non-current liabilities . . . . .</b>	<b>11,001</b>	<b>10,067</b>
<b>Total liabilities . . . . .</b>	<b>₩24,149</b>	<b>₩24,162</b>
<b>Equity:</b>		
Share capital . . . . .	₩ 1,564	₩ 1,564
Share premium . . . . .	1,440	1,440
Retained earnings . . . . .	14,494	14,453
Accumulated other comprehensive income (loss) . . . . .	52	294
Other components of equity . . . . .	(802)	(637)
<b>Equity attributable to owners of the controlling company . . . . .</b>	<b>16,749</b>	<b>17,114</b>
<b>Non-controlling interest . . . . .</b>	<b>1,812</b>	<b>1,867</b>
<b>Total equity . . . . .</b>	<b>18,561</b>	<b>18,982</b>
<b>Total liabilities and equity . . . . .</b>	<b>₩42,710</b>	<b>₩43,144</b>



**Consolidated Statement of Cash Flow Data (K-IFRS)**

	Six Months Ended June 30,	
	2023	2024
	(In billions of Won)	
Net cash inflow from operating activities . . . . .	₩ 2,678	₩ 3,236
Net cash outflow from investing activities . . . . .	(2,173)	(1,168)
Net cash outflow from financing activities . . . . .	(1,151)	(1,164)

## RISK FACTORS

*Investing in the Notes offered through this Offering Circular involves risk. Prospective investors should carefully consider the following and other risk factors in the KT 2023 Annual Report on Form 20-F under the section entitled “Item 3. Key Information – Risk Factors,” in addition to the other information contained in this Offering Circular, before investing in the Notes. The risks described below and in the KT 2023 Annual Report on Form 20-F are not the only risks that may be relevant to us or the Notes. Additional risks and uncertainties, including those of which our management is not currently aware or deems immaterial, may also have an adverse effect on our business, results of operations, financial condition or future prospects or may result in other events that could cause investors to lose all or part of their investment.*

### **Risks Relating to the Notes**

#### ***The Notes are unsecured obligations.***

Because the Notes are unsecured obligations, our ability to pay interest or principal on the Notes may be adversely affected if we enter into bankruptcy, liquidation, reorganization or other winding-up proceedings, we default in payment under our future secured indebtedness or other unsecured indebtedness, or our indebtedness becomes accelerated. If any of the foregoing events occurs, our assets may not be sufficient to pay amounts due on any of the Notes.

#### ***The Notes are subject to transfer restrictions.***

The Notes will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except to QIBs in reliance on the exemption provided by Rule 144A, to certain persons in offshore transactions in reliance on Regulation S, or, if available, pursuant to another exemption from, or in another transaction not subject to, the registration requirements of the Securities Act and, in each case, in accordance with applicable state securities laws. For a further discussion of the transfer restrictions applicable to the Notes, see “Terms and Conditions of the Notes” and “Transfer Restrictions.”

The Notes have not been and will not be registered with the FSC under the FSCMA. Accordingly, the Notes may not be offered, sold, delivered or transferred, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as defined in the Foreign Exchange Transaction Act of Korea and the Enforcement Decree thereof) or to others for re-offering or resale directly or indirectly in Korea or to any resident of Korea, except as otherwise permitted by applicable Korean laws and regulations. In addition, within one year following the issuance of the Notes, the Notes may not be transferred to any resident of Korea other than a Korean QIB registered with the KOFIA as a Korean QIB, provided that the amount of the Notes acquired by such Korean QIBs in the primary market is limited to no more than 20% of the aggregate issue amount of the Notes.

#### ***The Notes are subject to prescription regulations in Korea.***

Failure to exercise a right of action for more than a certain period of time may operate as a bar to exercise of such right. Under Korean laws, claims against the issuer in respect of the payment of principal of notes or bonds are prescribed upon the expiry of ten years, and claims for payment of interest in respect of notes or bonds are prescribed upon the expiry of five years, in each case, from the relevant due date as adjusted by any acceleration or otherwise, in respect thereof. If a Holder of the Notes fails to exercise his or her right of payment for more than the period set forth above, the Korean courts may not enforce a claim for payment for principal or interest in respect of the Notes.

***The Notes may have limited liquidity.***

The Notes constitute a new issue of securities for which there is no existing market. Approval in-principle has been received from the Singapore Exchange for the listing and quotation of the Notes on the Singapore Exchange. The offer and sale of the Notes is not conditioned on obtaining a listing and quotation of the Notes on the Singapore Exchange or any other exchange. Although the Initial Purchasers have advised us that they currently intend to make a market in the Notes, they are not obligated to do so, and any market-making activity with respect to the Notes, if commenced, may be discontinued at any time without notice in their sole discretion. For a further discussion of the Initial Purchasers' planned market-making activities, see "Plan of Distribution."

No assurance can be given as to the liquidity of, or the development and continuation of an active trading market for, the Notes. If an active trading market for the Notes does not develop or is not maintained, the market price and liquidity of the Notes may be adversely affected. If such a market were to develop, the Notes could trade at prices that may be higher or lower than the price at which the Notes are issued depending on many factors, including:

- prevailing interest rates;
- our results of operations and financial condition;
- the rate of exchange between Won and the currency of the Notes;
- political and economic developments in and affecting Korea and other regions;
- the market conditions for similar securities; and
- the financial condition and stability of the Korean financial and other sectors.

***The credit ratings assigned to us and the Notes are limited in scope.***

We and our debt securities, including the Notes, are subject to periodic review by independent credit rating agencies. Accordingly, increases in the level of our outstanding indebtedness, a deterioration in our operating performance or other events could cause the rating agencies to downgrade our credit ratings generally and the ratings on the Notes, which could adversely impact the trading prices for, or the liquidity of, the Notes. Any such downgrade could also adversely affect our cost of borrowing, limit our access to the capital markets or result in more restrictive covenants in future debt agreements.

The Notes are expected to be rated "A3" by Moody's and "A-" by S&P. The credit ratings assigned to the Notes are limited in scope, and may not reflect the potential impact of all risks related to structure and other factors that may affect the value of the Notes. Each agency's rating should be evaluated independently of any other agency's rating. A credit rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. There can be no assurance that these ratings will remain in effect for a given period or that these ratings will not be revised by the rating agencies in the future.

## RECENT DEVELOPMENTS

### Operational Data for the First Half of 2023 and the First Half of 2024

#### *Our Services*

The following table sets out our operating revenue by principal product categories and the respective percentage of total operating revenue in the first half of 2023 and the first half of 2024.

Products and services	For the Six Months Ended June 30,			
	2023		2024	
	Billions of Won	%	Billions of Won	%
Mobile services . . . . .	₩ 3,437	26.5%	₩ 3,477	26.3%
Fixed-line services:				
Fixed-line and VoIP telephone services . . . . .	656	5.0	601	4.6
Broadband Internet access services . . . . .	1,277	9.8	1,310	9.9
Data communication services . . . . .	653	5.0	662	5.0
Sub-total. . . . .	2,586	19.9	2,573	19.5
Media and content services. . . . .	1,577	12.1	1,591	12.1
Financial services. . . . .	1,981	15.2	1,878	14.2
Others. . . . .	1,851	14.2	1,980	15.0
Sale of goods <sup>(1)</sup> . . . . .	1,559	12.0	1,702	12.9
Total operating revenue. . . . .	₩12,991	100.0%	₩13,201	100.0%

(1) Primarily related to sale of handsets for our mobile service and miscellaneous telecommunications equipment, as well as sale of residential units and commercial real estate developed by KT Estate.

#### *Mobile Services*

The following table shows selected information concerning the usage of our network during the periods indicated and the number of our mobile subscribers as of the end of such periods:

	As of or for the Six Months Ended June 30,	
	2023	2024
Average monthly revenue per subscriber <sup>(1)</sup> . . . . .	₩33,948	₩34,507
Number of mobile subscribers (in thousands). . . . .	24,621	24,904
LTE subscribers . . . . .	14,256	13,604
5G subscribers . . . . .	9,278	10,391
W-CDMA subscribers . . . . .	1,087	909

(1) The average monthly revenue per subscriber is computed by dividing total monthly fees, usage charges, and value-added service fees for the period by the weighted average number of subscribers (other than MVNO subscribers and subscribers of miscellaneous Internet-of-things ("IoT") services) and dividing the quotient by the number of months in the period.

## Fixed-line Services

We provide a variety of fixed-line services, including various telephone services, broadband Internet access and data communication services.

*Fixed-line and VoIP Telephone Services.* The following table shows selected information concerning our fixed-line telephone network and the number of PSTN and VoIP subscribers as of the end of the periods indicated as well as their engagement levels during such periods.

	As of or for the Six Months Ended June 30,	
	2023	2024
Total Korean population (thousands) <sup>(1)</sup>	51,392	51,271
PSTN and VoIP lines in service (thousands)	12,310	11,748
PSTN lines in service	9,089	8,526
Local lines in service	8,154	7,605
Group lines in service	935	921
VoIP lines in service	3,221	3,222
Fiber optic cable (kilometers)	927,194	943,813
Domestic long-distance call minutes (millions) <sup>(2)</sup>	171	128
Local call pulses (millions) <sup>(2)</sup>	192	154

(1) Based on the number of registered residents as published by the Ministry of the Interior and Safety of Korea.

(2) Excluding calls placed from public telephones.

*Broadband Internet Access Services.* As of June 30, 2024, we had approximately 9.9 million broadband Internet subscribers, including approximately 6.7 million KT GiGA Internet service subscribers with enhanced data transmission speeds. We also sponsored approximately 98 thousand hot-spot zones nationwide for wireless connection as of June 30, 2024.

*Data Communication Services.* As of June 30, 2024, we leased 314,867 lines to domestic and international businesses.

## Media and Content Services

*IPTV.* We had approximately 9.4 million IPTV subscribers as of June 30, 2024.

*Satellite TV.* As of June 30, 2024, we had approximately 3.5 million subscribers for our satellite TV services, including Genie tv Skylife combination services.

## Competition

The following tables show the market shares in our principal markets in terms of subscribers as of the dates indicated:

### Mobile Services

	Market Share (%) <sup>(1)</sup>		
	KT Corporation	SK Telecom	LG U+
June 30, 2024 . . . . .	30.1%	43.9%	26.0%

Source: The MSIT.

(1) Market share in terms of MNO (mobile network operator) and MVNO (mobile virtual network operator) subscribers.

### Fixed-line Local Telephone and VoIP Services

	Market Share (%)		
	KT Corporation	SK Broadband	LG U+
June 30, 2024 . . . . .	62.3%	18.2%	19.5%

Source: The MSIT.

### Broadband Internet Access Services

	Market Share (%)			
	KT Corporation	SK Broadband	LG U+	Others
June 30, 2024 . . . . .	40.4%	28.8%	21.5%	9.3%

Source: The MSIT.

### IPTV Services

	Market Share (%)		
	KT Corporation <sup>(1)</sup>	SK Broadband	LG U+
June 30, 2024 . . . . .	43.4%	31.2%	25.4%

Source: Investor relations report of each company.

(1) Including market share of IPTV services offered by KT Skylife.



## Operating Results – First Half of 2023 Compared to First Half of 2024

The following discussion of operating results is based on financial information prepared in accordance with K-IFRS.

The following table presents selected income statement data and changes therein for the first half of 2023 and the first half of 2024:

	For the Six Months Ended June 30,		Changes	
	2023	2024	1H 2023 vs. 1H 2024	
			Amount	%
	(In billions of Won)			
Operating revenue . . . . .	₩12,991	₩13,201	₩210	1.6%
Operating expenses . . . . .	11,929	12,200	272	2.3
Operating profit . . . . .	1,062	1,000	(62)	(5.8)
Other income . . . . .	132	180	48	36.7
Other expenses . . . . .	135	118	(16)	(12.1)
Finance income . . . . .	299	469	169	56.5
Finance costs . . . . .	375	453	77	20.6
Share of net profits (losses) of associates and joint ventures . . . . .	2	7	5	235.6
Profit before income tax . . . . .	986	1,086	100	10.1
Income tax expense . . . . .	244	282	39	15.8
Profit for the period . . . . .	₩ 742	₩ 804	₩ 61	8.3%

### Operating Revenue

The following table presents a breakdown of our operating revenue and changes therein for the first half of 2023 and the first half of 2024:

Products and services	For the Six Months Ended June 30,		Changes	
	2023	2024	1H 2023 vs. 1H 2024	
			Amount	%
	(In billions of Won)			
Mobile services . . . . .	₩ 3,437	₩ 3,477	₩ 40	1.2%
Fixed-line services:				
Fixed-line and VoIP telephone services . .	656	601	(55)	(8.4)
Broadband Internet access services . . . .	1,277	1,310	33	2.6
Data communication services . . . . .	653	662	9	1.4
Sub-total. . . . .	2,586	2,573	(13)	(0.5)
Media and content services. . . . .	1,577	1,591	14	0.9
Financial services. . . . .	1,981	1,878	(103)	(5.2)
Others. . . . .	1,851	1,980	129	7.0
Sale of goods <sup>(1)</sup> . . . . .	1,559	1,702	143	9.2
Total operating revenue. . . . .	₩12,991	₩13,201	₩ 210	1.6%

(1) Primarily related to sale of handsets for our mobile service and miscellaneous telecommunications equipment, as well as sale of residential units and commercial real estate developed by KT Estate.

Total operating revenue increased by 1.6%, or ₩210 billion, from ₩12,991 billion in the first half of 2023 to ₩13,201 billion in the first half of 2024, primarily due to increases in revenue from our sale of goods, information technology and network services and new businesses categorized as “others” (particularly from the operation of Internet data centers and real estate-related operations), mobile services and broadband Internet access services, which impact was partially offset by decreases in revenue from financial services and fixed-line and VoIP telephone services.

#### *Mobile Services*

Our mobile services revenue increased by 1.2%, or ₩40 billion, from ₩3,437 billion in the first half of 2023 to ₩3,477 billion in the first half of 2024, primarily due to increases in our average revenue per user and number of mobile subscribers.

Our average revenue per user increased by 1.6%, or ₩559, from ₩33,948 in the first half of 2023 to ₩34,507 in the first half of 2024 mainly due to an increase of 5G subscribers.

Our mobile subscribers increased from approximately 24.6 million (including approximately 9.1 million subscribers of 5G services) as of June 30, 2023 to approximately 24.9 million (including approximately 10.1 million subscribers of 5G services) as of June 30, 2024.

#### *Fixed-line Services*

Our fixed-line services revenue decreased by 0.5%, or ₩13 billion, from ₩2,586 billion in the first half of 2023 to ₩2,573 billion in the first half of 2024, reflecting a decrease in revenue from fixed-line and VoIP telephone services, the impact of which was significantly offset by increases in revenue from broadband Internet access services and data communication services.

**Fixed-line and VoIP Telephone Services.** Our fixed-line and VoIP telephone services revenue decreased by 8.4%, or ₩55 billion, from ₩656 billion in the first half of 2023 to ₩601 billion in the first half of 2024 primarily due to a decrease in the number of PSTN and VoIP lines in service. Our subscribers of PSTN and VoIP services decreased from approximately 12.3 million as of June 30, 2023 to approximately 11.7 million as of June 30, 2024.

**Broadband Internet Access Services.** Our broadband Internet access services revenue increased by 2.6%, or ₩33 billion, from ₩1,277 billion in the first half of 2023 to ₩1,310 billion in the first half of 2024, primarily as a result of an increase in the number of subscribers to our broadband Internet access services. The number of such subscribers increased slightly from approximately 9.8 million as of June 30, 2023 to approximately 9.9 million as of June 30, 2024.

**Data Communication Services.** Our data communication services revenue increased by 1.4%, or ₩9 billion, from ₩653 billion in the first half of 2023 to ₩662 billion in the first half of 2024 primarily due to an increase in revenue from our dedicated line services and co-location and server leasing services offered to corporate customers.

#### *Media and Content Services*

Our media and content services revenue increased by 0.9%, or ₩14 billion, from ₩1,577 billion in the first half of 2023 to ₩1,591 billion in the first half of 2024 primarily due to an increase in the usage of IPTV premium services, the impact of which was partially offset by a slight decrease in the number of IPTV subscribers from approximately 9.5 million as of June 30, 2023 to approximately 9.4 million as of June 30, 2024.

## Financial Services

Financial services revenue decreased by 5.2%, or ₩103 billion, from ₩1,981 billion in the first half of 2023 to ₩1,878 billion in the first half of 2024 primarily reflecting a decrease in transaction amounts processed by BC Card.

## Others

Other operating revenue increased by 7.0%, or ₩129 billion, from ₩1,851 billion in the first half of 2023 to ₩1,980 billion in the first half of 2024, primarily due to increases in revenue from our information technology and network services and new businesses, particularly from the operation of Internet data centers and real estate-related operations.

## Sale of Goods

Revenue from sale of goods increased by 9.2%, or ₩143 billion, from ₩1,559 billion in the first half of 2023 to ₩1,702 billion in the first half of 2024, primarily due to increases in revenue from sale of residential units and commercial real estate developed by KT Estate and revenue from sale of handsets.

## Operating Expenses

The following table presents a breakdown of our operating expenses and changes therein for the first half of 2023 and the first half of 2024:

	For the Six Months Ended June 30,		Changes 1H 2023 vs. 1H 2024	
	2023	2024	Amount	%
(In billions of Won)				
Salaries and wages . . . . .	₩ 2,201	₩ 2,314	₩ 114	5.2%
Depreciation . . . . .	1,347	1,405	58	4.3
Depreciation of right-of-use assets . . . . .	197	206	9	4.6
Amortization of intangible assets . . . . .	314	329	14	4.6
Commissions . . . . .	601	685	85	14.1
Interconnection charges . . . . .	221	212	(9)	(4.0)
International interconnection fee . . . . .	92	63	(29)	(31.2)
Purchase of inventories . . . . .	1,495	1,716	221	14.8
Changes of inventories . . . . .	72	(52)	(124)	N.A.
Sales commissions . . . . .	1,165	1,121	(44)	(3.8)
Service costs . . . . .	1,037	1,067	29	2.8
Utilities . . . . .	192	264	72	37.4
Taxes and dues . . . . .	129	130	1	0.9
Rent . . . . .	81	76	(5)	(6.5)
Insurance premium . . . . .	32	32	(1)	(1.9)
Installation fees . . . . .	91	80	(11)	(12.4)
Advertising expenses . . . . .	75	73	(3)	(3.5)
Research and development expenses . . . . .	85	94	10	11.4
Card service costs . . . . .	1,585	1,513	(72)	(4.5)
Others . . . . .	916	872	(44)	(4.8)
Total operating expenses . . . . .	₩11,929	₩12,200	₩ 272	2.3%

N.A. means not applicable.

Total operating expenses increased by 2.3%, or ₩272 billion, from ₩11,929 billion in the first half of 2023 to ₩12,200 billion in the first half of 2024 primarily due to increases in purchase of inventories, salaries and wages and commissions, which impact was partially offset by fluctuations in changes of inventories and a decrease in card service costs. Specifically:

- Our purchase of inventories increased by 14.8%, or ₩221 billion, from ₩1,495 billion in the first half of 2023 to ₩1,716 billion in the first half of 2024 primarily reflecting increases in purchases of smart IT devices.
- Our salaries and wages increased by 5.2%, or ₩114 billion, from ₩2,201 billion in the first half of 2023 to ₩2,314 billion in the first half of 2024 primarily due to increases in wage levels.
- Commissions increased by 14.1%, or ₩85 billion, from ₩601 billion in the first half of 2023 to ₩685 billion in the first half of 2024 primarily due to increases in commissions related to our outsourcing activities.
- We recorded changes of inventories of ₩72 billion in the first half of 2023 compared to changes of inventories of ₩(52) billion in the first half of 2024 primarily related to introduction of new models of mobile handsets.
- Our card service costs decreased by 4.5%, or ₩72 billion, from ₩1,585 billion in the first half of 2023 to ₩1,513 billion in the first half of 2024 primarily reflecting a decrease in transaction amounts processed by BC Card.

### **Operating Profit**

Due to the factors described above, our operating profit decreased by 5.8%, or ₩62 billion, from ₩1,062 billion in the first half of 2023 to ₩1,000 billion in the first half of 2024. Our operating margin, which is operating profit as a percentage of operating revenue, was 8.2% in the first half of 2023 and 7.6% in the first half of 2024.

### **Other Income**

The following table presents a breakdown of our other income and changes therein for the first half of 2023 and the first half of 2024:

	For the Six Months Ended June 30,		Changes	
	2023	2024	1H 2023 vs. 1H 2024	
			Amount	%
	(In billions of Won)			
Gain on disposal of property, equipment and investment properties . . . . .	₩ 13	₩ 22	₩10	78.2%
Gain on disposal of intangible assets . . . . .	0	0	(0)	(62.7)
Gain on disposal of right-of-use assets . . . . .	2	2	(0)	(17.9)
Compensation on impairment of property and equipment . . . . .	70	66	(4)	(6.1)
Gain on government subsidies . . . . .	17	14	(3)	(18.2)
Gain on disposal of investments in associates . . . . .	6	1	(5)	(81.7)
Gain on disposal of subsidiaries . . . . .	—	53	53	N.A.
Others . . . . .	24	23	(1)	(5.5)
Other income . . . . .	₩132	₩180	₩48	36.7

N.A. means not applicable.

Our other income increased by 36.7%, or ₩48 billion, from ₩132 billion in the first half of 2023 to ₩180 billion in the first half of 2024 primarily due to gain on disposal of subsidiaries (including Lolab Co., Ltd., a logistics company in Korea) of ₩53 billion in the first half of 2024 compared to no such gain in the first half of 2023.

### **Other Expenses**

The following table presents a breakdown of our other expenses and changes therein for the first half of 2023 and the first half of 2024:

	For the Six Months Ended June 30,		Changes	
	2023	2024	1H 2023 vs. 1H 2024	
			Amount	%
(In billions of Won)				
Loss on disposal of property and equipment . . . . .	₩ 32	₩ 36	₩ 4	13.9%
Loss on disposal of intangible assets . . . . .	3	8	5	159.1
Loss on disposal of right-of-use assets . . . . .	1	1	0	34.4
Loss on disposal of investments in associates . . . . .	—	0	0	N.A.
Loss on disposal of investments in subsidiaries . . . . .	—	3	3	N.A.
Donations . . . . .	17	4	(13)	(74.9)
Other allowance for bad debts . . . . .	12	21	9	81.3
Others . . . . .	70	44	(26)	(36.5)
Other expenses . . . . .	₩135	₩118	₩(16)	(12.1)

N.A. means not applicable.

Our other expenses decreased by 12.1%, or ₩16 billion, from ₩135 billion in the first half of 2023 to ₩118 billion in the first half of 2024 primarily due to a decrease in donations.

## Finance Income (Costs)

The following table presents a breakdown of our finance income and costs and changes therein for the first half of 2023 and the first half of 2024:

	For the Six Months Ended		Changes	
	June 30,		1H 2023 vs. 1H 2024	
	2023	2024	Amount	%
(In billions of Won)				
Interest income . . . . .	₩132	₩156	₩ 25	18.8%
Gain on foreign currency transactions . . . . .	11	8	(3)	(25.9)
Gain on foreign currency translation . . . . .	14	21	6	44.4
Gain on transaction of derivatives . . . . .	5	3	(2)	(32.7)
Gain on valuation of derivatives . . . . .	98	230	132	134.8
Gain on disposal of trade receivables . . . . .	3	—	(3)	(100.0)
Dividend income . . . . .	34	42	8	23.0
Others . . . . .	2	8	6	294.9
Total finance income . . . . .	₩299	₩469	₩169	56.5
Interest expenses . . . . .	₩171	₩195	₩ 24	14.0%
Loss on foreign currency transactions . . . . .	16	6	(10)	(61.9)
Loss on foreign currency translation . . . . .	126	226	101	80.1
Loss on valuation of derivatives . . . . .	19	0	(18)	(98.1)
Loss on disposal of trade receivables . . . . .	7	4	(3)	(49.2)
Others . . . . .	37	21	(16)	(42.3)
Total finance costs . . . . .	₩375	₩453	₩ 77	20.6

Our net loss on foreign currency translation increased by 84.8%, or ₩94 billion, from ₩111 billion in the first half of 2023 to ₩205 billion in the first half of 2024, as the Won depreciated against the U.S. dollar during the first half of 2023 and further depreciated (to a greater extent) during the first half of 2024. In terms of the Market Average Exchange Rate, the Won depreciated against the U.S. dollar from ₩1,267.3 to US\$1.00 as of December 31, 2022 to ₩1,312.80 to US\$1.00 as of June 30, 2023, and depreciated against the U.S. dollar from ₩1,289.4 to US\$1.00 as of December 31, 2023 to ₩1,389.2 to US\$1.00 as of June 30, 2024. Against such fluctuations, we recognized an increase in net gain on valuation of derivatives of 190.0%, or ₩150 billion, from ₩79 billion in the first half of 2023 to ₩229 billion in the first half of 2024.

Our interest income increased by 18.8%, or ₩25 billion, from ₩132 billion in the first half of 2023 to ₩156 billion in the first half of 2024 primarily due to generally higher levels of interest-earning assets and interest rates in the first half of 2024 compared to the first half of 2023.

Our interest expenses increased by 14.0%, or ₩24 billion, from ₩171 billion in the first half of 2023 to ₩195 billion in the first half of 2024 primarily due to generally higher levels of interest rates and interest-bearing liabilities in the first half of 2024 compared to the first half of 2023.



## **Share of Net Profits (Losses) of Associates and Joint Venture**

Our share of net profits of associates and joint ventures increased by 235.6%, or ₩5 billion, from ₩2 billion in the first half of 2023 to ₩7 billion in the first half of 2024. In the first half of 2023, our share of net profits of associates and joint ventures consisted primarily of our share of profits from K Bank, the impact of which was partially offset by our share of loss from Megazone Cloud Co., Ltd. In the first half of 2024, our share of net profits of associates and joint ventures consisted primarily of our share of profits from K Bank, the impact of which was partially offset by our share of loss from KT-DSC Creative Economy Youth Start-up Investment Fund.

## **Income Tax Expense**

Income tax expense increased by 15.8%, or ₩39 billion, from ₩244 billion in the first half of 2023 to ₩282 billion in the first half of 2024, as our profit before income tax increased by 10.1%, or ₩100 billion, from ₩986 billion in the first half of 2023 to ₩1,086 billion in the first half of 2024. Our effective tax rate was 24.7% in the first half of 2023 and 26.0% in the first half of 2024. See Note 23 to the Consolidated Interim Financial Statements.

## **Profit for the Period**

Due to the factors described above, our profit for the period increased by 8.3%, or ₩61 billion, from ₩742 billion in the first half of 2023 to ₩804 billion in the first half of 2024. Our net profit margin, which is net profit for the period as a percentage of operating revenue, was 5.7% in the first half of 2023 and 6.1% in the first half of 2024.

## **Segment Results**

### *ICT Segment*

The following table presents selected income statement data of the ICT segment and changes therein for the first half of 2023 and the first half of 2024:

	For the Six Months Ended June 30,		Changes	
	2023	2024	1H 2023 vs. 1H 2024	
			Amount	%
	(In billions of Won)			
Operating revenue . . . . .	₩9,106	₩9,243	₩137	1.5%
Operating expenses . . . . .	8,311	8,490	180	2.2
Operating profit . . . . .	796	753	(43)	(5.4)
Depreciation and amortization <sup>(1)</sup> . . . . .	1,562	1,609	47	3.0

(1) Sum of the amortization of tangible assets, intangible assets, investment properties and right-of-use assets.

Our operating revenue for the ICT segment, prior to adjusting for inter-segment transactions, increased by 1.5%, or ₩137 billion, from ₩9,106 billion in the first half of 2023 to ₩9,243 billion in the first half of 2024, primarily due to increases in revenue from our mobile services and broadband Internet access services, which impact was partially offset by a decrease in revenue from our fixed-line and VoIP telephone services, as described above.

Our operating profit for the ICT segment, prior to adjusting for inter-segment transactions, decreased by 5.4%, or ₩43 billion, from ₩796 billion in the first half of 2023 to ₩753 billion in the first half of 2024, as we recorded a ₩180 billion increase in the segment's operating expenses that outpaced the ₩137 billion increase in operating revenue. For this segment, operating margin, which is operating profit as a percentage of total operating revenue prior to adjusting for inter-segment transactions, decreased from 8.7% in the first half of 2023 to 8.1% in the first half of 2024.

Our depreciation and amortization for the ICT segment, prior to adjusting for inter-segment transactions, increased by 3.0%, or ₩47 billion, from ₩1,562 billion in the first half of 2023 to ₩1,609 billion in the first half of 2024.

### *Finance Segment*

The following table presents selected income statement data of the finance segment and changes therein for the first half of 2023 and the first half of 2024:

	For the Six Months Ended June 30,		Changes	
	2023	2024	1H 2023 vs. 1H 2024	
			Amount	%
	(In billions of Won)			
Operating revenue . . . . .	₩1,843	₩1,781	₩(62)	(3.4)%
Operating expenses . . . . .	1,799	1,706	(93)	(5.2)
Operating profit . . . . .	44	75	31	70.9
Depreciation and amortization <sup>(1)</sup> . . . . .	20	17	(3)	(16.2)

(1) Sum of the amortization of tangible assets, intangible assets, investment properties and right-of-use assets.

Our operating revenue for the finance segment, prior to adjusting for inter-segment transactions, decreased by 3.4%, or ₩62 billion, from ₩1,843 billion in the first half of 2023 to ₩1,781 billion in the first half of 2024, primarily reflecting a decrease in transaction amounts processed by BC Card.

Our operating profit for the finance segment, prior to adjusting for inter-segment transactions, increased by 70.9%, or ₩31 billion, from ₩44 billion in the first half of 2023 to ₩75 billion in the first half of 2024, as we recorded a ₩93 billion decrease in the segment's operating expenses that outpaced the ₩62 billion decrease in operating revenue. For this segment, operating margin increased from 2.4% in the first half of 2023 to 4.2% in the first half of 2024.

Depreciation and amortization for the finance segment, prior to adjusting for inter-segment transactions, decreased by 16.2%, or ₩3 billion, from ₩20 billion in the first half of 2023 to ₩17 billion in the first half of 2024.

### Satellite TV Segment

The following table presents selected income statement data of the satellite TV segment and changes therein for the first half of 2023 and the first half of 2024:

	For the Six Months Ended June 30,		Changes	
	2023	2024	1H 2023 vs. 1H 2024	
			Amount	%
(In billions of Won)				
Operating revenue . . . . .	₩360	₩354	₩(6)	(1.6)%
Operating expenses . . . . .	325	328	4	1.2
Operating profit . . . . .	35	26	(9)	(26.9)
Depreciation and amortization <sup>(1)</sup> . . . . .	27	25	(3)	(9.5)

(1) Sum of the amortization of tangible assets, intangible assets, investment properties and right-of-use assets.

Our operating revenue for the satellite TV segment, prior to adjusting for inter-segment transactions, decreased by 1.6%, or ₩6 billion, from ₩360 billion in the first half of 2023 to ₩354 billion in the first half of 2024 primarily reflecting a decrease in operating revenue of KT Skylife.

Our operating profit for the satellite TV segment, prior to adjusting for inter-segment transactions, decreased by 26.9%, or ₩9 billion, from ₩35 billion in the first half of 2023 to ₩26 billion in the first half of 2024, as the segment's operating revenue decreased by ₩6 billion and the segment's operating expenses increased by ₩4 billion. Operating margin for this segment decreased from 9.8% in the first half of 2023 to 7.3% in the first half of 2024.

Depreciation and amortization for the satellite TV segment, prior to adjusting for inter-segment transactions, decreased by 9.5%, or ₩3 billion, from ₩27 billion in the first half of 2023 to ₩25 billion in the first half of 2024.

### Real Estate Segment

The following table presents selected income statement data of the real estate segment and changes therein for the first half of 2023 and the first half of 2024:

	For the Six Months Ended June 30,		Changes	
	2023	2024	1H 2023 vs. 1H 2024	
			Amount	%
(In billions of Won)				
Operating revenue . . . . .	₩252	₩287	₩35	13.7%
Operating expenses . . . . .	225	247	23	10.0
Operating profit . . . . .	27	40	12	44.3
Depreciation and amortization <sup>(1)</sup> . . . . .	35	35	0	1.3

(1) Sum of the amortization of tangible assets, intangible assets, investment properties and right-of-use assets.

Our operating revenue for the real estate segment, prior to adjusting for inter-segment transactions, increased by 13.7%, or ₩35 billion, from ₩252 billion in the first half of 2023 to ₩287 billion in the first half of 2024 primarily due to increases in revenues from the hotel operations of KT Estate.

Our operating profit for the real estate segment, prior to adjusting for inter-segment transactions, increased by 44.3%, or ₩12 billion, from ₩27 billion in the first half of 2023 to ₩40 billion in the first half of 2024, as the ₩35 billion increase in the segment's operating revenue outpaced a ₩23 billion increase in operating expenses. Operating margin for this segment increased from 10.9% in the first half of 2023 to 13.8% in the first half of 2024.

Depreciation and amortization for our real estate segment, prior to adjusting for inter-segment transactions, increased by 1.3%, or ₩0.4 billion, from ₩34.9 billion in the first half of 2023 to ₩35.3 billion in the first half of 2024.

### *Others Segment*

The following table presents selected income statement data of the others segment and changes therein for the first half of 2023 and the first half of 2024:

	For the Six Months Ended June 30,		Changes	
	2023	2024	1H 2023 vs. 1H 2024	
			Amount	%
	(In billions of Won)			
Operating revenue . . . . .	₩3,829	₩4,017	₩188	4.9%
Operating expenses . . . . .	3,663	3,885	222	6.1
Operating profit . . . . .	166	132	(34)	(20.5)
Depreciation and amortization <sup>(1)</sup> . . . . .	275	305	29	10.6

(1) Sum of the amortization of tangible assets, intangible assets, investment properties and right-of-use assets.

Our operating revenue for the others segment, prior to adjusting for inter-segment transactions, increased by 4.9%, or ₩188 billion, from ₩3,829 billion in the first half of 2023 to ₩4,017 billion in the first half of 2024, primarily due to an increase in revenue from our information technology and network services and new businesses, particularly from the operation of Internet data centers.

Our operating profit for the others segment, prior to adjusting for inter-segment transactions, decreased by 20.5%, or ₩34 billion, from ₩166 billion in the first half of 2023 to ₩132 billion in the first half of 2024, as we recorded a ₩222 billion increase in the segment's operating expenses that outpaced the ₩188 billion increase in the segment's operating revenue. Operating margin for this segment decreased from 4.3% in the first half of 2023 to 3.3% in the first half of 2024.

Depreciation and amortization for this segment, prior to adjusting for inter-segment transactions, increased by 10.6%, or ₩29 billion, from ₩275 billion in the first half of 2023 to ₩305 billion in the first half of 2024.

## Liquidity and Capital Resources

The following discussion of liquidity and capital resources is based on financial information prepared in accordance with K-IFRS.

The following table sets forth the summary of our cash flows for the periods indicated:

	For the Six Months Ended June 30,	
	2023	2024
	(In billions of Won)	
Net cash inflow from operating activities . . . . .	₩ 2,678	₩ 3,236
Net cash outflow from investing activities . . . . .	(2,173)	(1,168)
Net cash outflow from financing activities . . . . .	(1,151)	(1,164)
Cash and cash equivalents at beginning of the period . . . . .	2,449	2,880
Cash and cash equivalents at end of the period . . . . .	1,805	3,787
Net increase (decrease) in cash and cash equivalents . . . . .	(644)	907

### Capital Requirements

Historically, our capital requirements consisted principally of purchases of property and equipment and other assets and repayments of borrowings. In our investing activities, we used cash of ₩1,691 billion in the first half of 2023 and ₩1,205 billion in the first half of 2024 for the acquisition of property and equipment and investment properties. In addition, we used cash of ₩472 billion in the first half of 2023 and ₩345 billion in the first half of 2024 for the acquisition of intangible assets, which consisted primarily of acquisition of bandwidth licenses. In our financing activities, we used cash of ₩141 billion in the first half of 2023 and ₩281 billion in the first half of 2024 for net repayments of borrowings. We also used cash of ₩526 billion in the first half of 2023 and ₩626 billion in the first half of 2024 for payments of dividends. We also used cash of ₩300 billion in the first half of 2023 and ₩27 billion in the first half of 2024 for our acquisitions of treasury shares. From time to time, we may also require capital for investments involving acquisitions, including shares of our affiliates, and strategic relationships.

We anticipate that capital expenditures and repayment of outstanding contractual obligations and commitments (including for bandwidth licenses) will represent the most significant use of funds for the next several years. We currently expect our capital expenditures for the acquisition of property and equipment and investment property and acquisition of intangible assets in the second half of 2024 to remain at a similar level compared to those in the second half of 2023 on a standalone basis. However, the actual amount remains subject to adjustment depending on market conditions, our results of operations and changes in our build-out plan for our 5G mobile telecommunications network. We may also require capital for purchase of shares of our affiliates as well as investments involving acquisitions and strategic relationships. We compete primarily in the telecommunications and Internet-related markets in Korea, which are rapidly evolving. We may also need to incur additional capital expenditures to keep up with unexpected developments in rapidly evolving telecommunications technology. There can be no assurance that we will be able to secure funds on satisfactory terms from financial institutions or other sources that are sufficient for our unanticipated needs.

Payments of contractual obligations and commitments will also require considerable resources. In our ordinary course of business, we routinely enter into commercial commitments for various aspects of our operations, including repair and maintenance. See Note 15 of the notes to the Consolidated Interim Financial Statements for a disclosure of the guarantees provided.

## **Capital Resources**

We have traditionally met our working capital and other capital requirements principally from cash provided by operations, while raising the remainder of our requirements primarily through debt financing. Our major sources of cash have been net cash provided by operating activities, including profits for the period, expenses not involving cash payments such as depreciation and amortization, and proceeds from issuance of bonds and borrowings. We expect that these sources will continue to be our principal sources of cash in the future. We recorded profits for the period of ₩742 billion in the first half of 2023 and ₩804 billion in the first half of 2024 as discussed in “– Operating Results – First Half of 2023 Compared to First Half of 2024.” Non-cash expense adjustments in our statement of cash flows from depreciation, amortization of intangible assets and depreciation of right-of-use assets amounted to ₩1,955 billion in the first half of 2023 and ₩1,967 billion in the first half of 2024, primarily reflecting our capital investment activities during the recent years, including our payments on bandwidth licenses for our operations, investments in network infrastructures and acquisition of real estate.

We had net repayments of borrowings, after adjusting for proceeds from borrowings, of ₩141 billion in the first half of 2023 and ₩281 billion in the first half of 2024. Long-term borrowings, excluding current installments, were ₩7,160 billion as of December 31, 2023 and ₩6,556 billion as of June 30, 2024. Total short-term borrowings were ₩3,059 billion as of December 31, 2023 and ₩3,595 billion as of June 30, 2024. We periodically increase our short-term borrowings and adjust our long-term debt financing levels depending on changes in our capital requirements. For the maturity profile of our borrowings, their currency denomination and interest rates, see Note 12 of the notes to the Consolidated Interim Financial Statements. Under our borrowing policy, we continually take into consideration various factors, including financial market conditions and our business environment, in order to decide on specific terms of a borrowing, such as borrowing amount, maturity date, currency denomination and type of interest rate (fixed or floating). We also strive to prudently manage our borrowing level and mitigate our refinancing risks through various methods, including diversification of currency denominations and borrowing lines. Our liabilities-to-equity ratio, which is calculated by dividing total liabilities by total equity, was 130% as of December 31, 2023 and 127% as of June 30, 2024.

We also dispose of a portion of our trade receivables relating to handset sales to several special purpose companies, as part of our efforts to improve our cash and asset management. We entered into asset management agreements with each of these special purpose companies, and receive management fees from such companies. See Note 15 of the notes to the Consolidated Interim Financial Statements. From time to time, we also generate cash from the sale of our treasury shares.

We believe that we have sufficient working capital available to us for our current requirements and that we have a variety of alternatives available to us to satisfy our financial requirements to the extent that they are not met by funds generated by operations, including the issuance of debt securities and bank borrowings denominated in Won and various foreign currencies. See Note 12 of the notes to the Consolidated Interim Financial Statements. However, our ability to rely on some of these alternatives could be affected by factors such as the liquidity of the Korean and global financial markets, prevailing interest rates, our credit rating and the Government's policies regarding Won currency and foreign currency borrowings. Other factors which could materially affect our liquidity in the future include unanticipated increase in capital expenditures and decrease in cash provided by operations resulting from a significant decrease in demand for our services. We may also need to raise additional capital sooner than we expect in order to fund unanticipated investments and acquisitions.

Our total equity was ₩18,561 billion as of December 31, 2023 and ₩18,982 billion as of June 30, 2024.

### ***Liquidity***

We had a working capital (current assets minus current liabilities) surplus of ₩1,371 billion as of December 31, 2023 and ₩1,080 billion as of June 30, 2024.

The following table sets forth the summary of our significant current assets as of the periods indicated:

	As of December 31, 2023	As of June 30, 2024
	(In billions of Won)	
Cash and cash equivalents . . . . .	₩2,880	₩3,787
Trade and other receivables, net . . . . .	7,170	6,882
Other financial assets . . . . .	1,440	1,305
Inventories, net . . . . .	912	964

Our cash and cash equivalents (substantially all of which are in Won) totaled ₩2,880 billion as of December 31, 2023 and ₩3,787 billion as of June 30, 2024. Other current financial assets primarily consist of financial assets at amortized cost, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and derivative assets used for hedging. For a discussion of our use of financial instruments for hedging purposes, see Note 6 of the notes to the Consolidated Interim Financial Statements.

The following table sets forth the summary of our significant current liabilities as of the periods indicated:

	As of December 31, 2023	As of June 30, 2024
	(In billions of Won)	
Trade and other payables . . . . .	₩8,055	₩8,052
Borrowings . . . . .	3,059	3,595



Substantially all of our revenues are denominated in Won. Depreciation of the Won may materially affect the results of our operations because, among other things, it causes an increase in the amount of Won required by us to make interest and principal payments on our foreign currency-denominated debt, the costs of telecommunications equipment that we purchase from overseas sources, net settlement payments to foreign carriers and certain payments related to our derivative instruments entered into for foreign exchange risk hedging purposes. As of June 30, 2024, we entered into various commitments with financial institutions totaling ₩3,428 billion, US\$2,062 million, €8 million and ¥400 million, of which ₩559 billion, US\$2,062 million, €8 billion and ¥400 million were used. See Note 15 of the notes to the Consolidated Interim Financial Statements. Upon the identification and evaluation of our currency risk exposures, we, having considered various circumstances, enter into derivative financial instruments to manage such risks. We have not had, and do not anticipate that we will have, difficulty gaining access to short-term financing sufficient to meet our current requirements.

## **USE OF PROCEEDS**

We expect to use the net proceeds from the sale of the Notes for general corporate purposes, including the repayment of our existing indebtedness.

## CAPITALIZATION

The following table sets forth our consolidated capitalization as of June 30, 2024 and as adjusted to give effect to the issuance of the Notes offered hereby, before deducting the Initial Purchasers' discounts and estimated offering expenses payable by us and on the assumption that the proceeds from the issuance of the Notes will not be used for the immediate repayment of outstanding borrowings. For additional information, see our Consolidated Interim Financial Statements and the notes thereto included elsewhere in this Offering Circular.

	As of June 30, 2024	
	Actual	As Adjusted
	(in billions of Won)	
<b>Non-current borrowings:</b>		
Long-term borrowings, excluding current portion . . . . .	₩ 6,556	₩ 6,556
Notes offered hereby <sup>(1)</sup> . . . . .	—	695
Total long-term borrowings . . . . .	6,556	7,250
<b>Equity:</b>		
Share capital . . . . .	1,564	1,564
Share premium . . . . .	1,440	1,440
Retained earnings . . . . .	14,453	14,453
Accumulated other comprehensive income . . . . .	294	294
Other components of equity . . . . .	(637)	(637)
Equity attributable to owners of the controlling company . . . . .	17,114	17,114
Non-controlling interest . . . . .	1,867	1,867
Total equity . . . . .	18,982	18,982
<b>Total capitalization . . . . .</b>	<b>₩25,538</b>	<b>₩26,232</b>

(1) Translated into Won at ₩1,389.2 to US\$1.00, the Market Average Exchange Rate in effect on June 30, 2024.

There has been no material change in our total capitalization since June 30, 2024.

## EXCHANGE RATES

The table below sets forth, for the periods and dates indicated, information concerning the Market Average Exchange Rate, announced by Seoul Money Brokerage Services, Ltd., between Won and U.S. dollars and rounded to the nearest tenth of one Won. No representation is made that the Won or U.S. dollar amounts referred to herein could have been or could be converted into U.S. dollars or Won, as the case may be, at any particular rate or at all.

Period	At End of Period	Average Rate <sup>(1)</sup>	High	Low
		(Won per US\$1.00)		
2019 . . . . .	₩1,157.8	₩1,165.7	₩1,218.9	₩1,111.6
2020 . . . . .	1,088.0	1,180.1	1,280.1	1,082.7
2021 . . . . .	1,185.5	1,144.4	1,199.1	1,083.1
2022 . . . . .	1,267.3	1,292.0	1,436.6	1,185.5
2023 . . . . .	1,289.4	1,305.4	1,360.6	1,219.3
2024 (through September 24) . . . . .	1,335.5	1,353.4	1,395.3	1,289.4
March . . . . .	1,346.8	1,330.7	1,346.8	1,311.1
April . . . . .	1,378.7	1,367.8	1,395.3	1,346.8
May . . . . .	1,376.5	1,365.4	1,378.5	1,349.4
June . . . . .	1,389.2	1,380.1	1,390.1	1,366.9
July . . . . .	1,384.6	1,383.4	1,389.4	1,376.3
August . . . . .	1,335.3	1,354.2	1,380.1	1,323.9
September (through September 24) . . . . .	1,335.5	1,336.8	1,344.3	1,329.9

Source: Seoul Money Brokerage Services, Ltd.

- (1) The average rate for each year is calculated as the average of the Market Average Exchange Rates on each business day during the relevant year (or portion thereof). The average rate for a month is calculated as the average of the Market Average Exchange Rates on each business day during the relevant month (or portion thereof).

## SELECTED FINANCIAL INFORMATION

The selected financial data as of December 31, 2022 and 2023 and for the years ended December 31, 2021, 2022 and 2023 set forth below have been derived from our Consolidated Annual Financial Statements included in the KT 2023 Annual Report on Form 20-F incorporated by reference into this Offering Circular. Such financial statements have been prepared in accordance with IFRS as issued by the IASB.

IFRS as issued by the IASB differs in certain respects from K-IFRS. See the KT 2023 Annual Report on Form 20-F under the section entitled “Item 5.A. Operating Results – Explanatory Note Regarding Presentation of Certain Financial Information under K-IFRS.”

### Selected Financial Information Related to Audited Consolidated Annual Financial Statements (IASB IFRS)

#### *Consolidated Statement of Operations Data (IASB IFRS)*

	Year Ended December 31,		
	2021	2022	2023
	(In billions of Won, except per share data)		
<b>Operating revenue and other income</b> . . . . .	₩25,206	₩26,234	₩26,595
Revenue . . . . .	24,898	25,639	26,287
Other income . . . . .	308	595	308
<b>Operating expenses</b> . . . . .	23,506	24,266	25,167
<b>Operating profit</b> . . . . .	1,699	1,968	1,428
Finance income . . . . .	726	690	486
Finance costs . . . . .	563	750	569
Share of net profits (loss) of associates and joint ventures . . . . .	116	(17)	(43)
<b>Profit before income tax</b> . . . . .	1,978	1,891	1,303
Income tax expense . . . . .	519	506	330
<b>Profit for the year</b> . . . . .	₩ 1,459	₩ 1,386	₩ 972
<b>Profit for the year attributable to:</b>			
Owners of the controlling company . . . . .	₩ 1,357	₩ 1,260	₩ 993
Non-controlling interest . . . . .	103	125	(21)

# Consolidated Statement of Financial Position Data (IASB IFRS)

	As of December 31,	
	2022	2023
	(In billions of Won)	
<b>Assets:</b>		
<b>Current assets:</b>		
Cash and cash equivalents . . . . .	₩ 2,449	₩ 2,880
Trade and other receivables, net . . . . .	6,098	7,170
Other financial assets . . . . .	1,322	1,440
Current income tax assets . . . . .	2	3
Inventories, net . . . . .	718	988
Other current assets . . . . .	2,101	2,113
<b>Total current assets . . . . .</b>	<b>12,690</b>	<b>14,594</b>
<b>Non-current assets:</b>		
Trade and other receivables, net . . . . .	1,491	1,404
Other financial assets . . . . .	2,501	2,725
Property and equipment, net . . . . .	14,772	14,872
Right-of-use assets . . . . .	1,280	1,305
Investment properties, net . . . . .	1,933	2,198
Intangible assets, net . . . . .	3,130	2,534
Investments in associates and joint ventures . . . . .	1,481	1,557
Deferred income tax assets . . . . .	579	615
Net defined benefit assets . . . . .	311	161
Other non-current assets . . . . .	821	827
<b>Total non-current assets . . . . .</b>	<b>28,300</b>	<b>28,197</b>
<b>Total assets . . . . .</b>	<b>₩40,990</b>	<b>₩42,792</b>
<b>Liabilities:</b>		
<b>Current liabilities:</b>		
Trade and other payables . . . . .	₩ 7,333	₩ 8,055
Borrowings . . . . .	1,827	3,059
Other financial liabilities . . . . .	9	322
Current income tax liabilities . . . . .	232	236
Provisions . . . . .	109	115
Deferred revenue . . . . .	56	52
Other current liabilities . . . . .	1,133	1,409
<b>Total current liabilities . . . . .</b>	<b>10,699</b>	<b>13,248</b>
<b>Non-current liabilities:</b>		
Trade and other payables . . . . .	1,064	820
Borrowings . . . . .	8,180	7,160
Other financial liabilities . . . . .	413	754
Defined benefit liabilities, net . . . . .	52	64
Provisions . . . . .	91	107
Deferred revenue . . . . .	165	154
Deferred income tax liabilities . . . . .	968	994
Other non-current liabilities . . . . .	946	950
<b>Total non-current liabilities . . . . .</b>	<b>11,878</b>	<b>11,001</b>
<b>Total liabilities . . . . .</b>	<b>₩22,577</b>	<b>₩24,249</b>
<b>Equity:</b>		
Share capital . . . . .	₩ 1,564	₩ 1,564
Share premium . . . . .	1,440	1,440
Retained earnings . . . . .	14,255	14,476
Accumulated other comprehensive income (loss) . . . . .	(78)	52
Other components of equity . . . . .	(572)	(802)
<b>Equity attributable to owners of the controlling company . . . . .</b>	<b>16,610</b>	<b>16,731</b>
<b>Non-controlling interest . . . . .</b>	<b>1,803</b>	<b>1,812</b>
<b>Total equity . . . . .</b>	<b>18,413</b>	<b>18,543</b>
<b>Total liabilities and equity . . . . .</b>	<b>₩40,990</b>	<b>₩42,792</b>

### Consolidated Statement of Cash Flow Data (IASB IFRS)

	Year Ended December 31,		
	2021	2022	2023
	(In billions of Won)		
Net cash inflow from operating activities . . . . .	₩ 5,562	₩ 3,597	₩ 5,503
Net cash outflow from investing activities . . . . .	(5,137)	(4,839)	(4,621)
Net cash inflow (outflow) from financing activities . . . . .	(41)	669	(453)

### Selected Financial Information Related to the Consolidated Interim Financial Statements (K-IFRS)

The selected financial data as of December 31, 2023 and June 30, 2024 and for the six months ended June 30, 2023 and 2024 set forth below have been derived from our Consolidated Interim Financial Statements included elsewhere in this Offering Circular. Such financial statements have been prepared in accordance with K-IFRS 1034 “*Interim Financial Reporting*.”

K-IFRS differs in certain respects from IFRS as issued by the IASB. See “Presentation of Financial Information.”

### Consolidated Statement of Profit or Loss Data (K-IFRS)

	Six Months Ended June 30,	
	2023	2024
	(In billions of Won, except per share data)	
<b>Operating revenue</b> . . . . .	₩12,991	₩13,201
<b>Operating expenses</b> . . . . .	11,929	12,200
<b>Operating profit</b> . . . . .	1,062	1,000
Other income . . . . .	132	180
Other expense . . . . .	135	118
Finance income . . . . .	299	469
Finance costs . . . . .	375	453
Share of net profits (loss) of associates and joint ventures. . . .	2	7
<b>Profit before income tax expense</b> . . . . .	986	1,086
Income tax expense . . . . .	244	282
<b>Profit for the period</b> . . . . .	₩ 742	₩ 804
<b>Profit for the period attributable to:</b>		
Owners of the controlling company . . . . .	₩ 691	₩ 769
Non-controlling interest . . . . .	51	35

# Consolidated Statement of Financial Position Data (K-IFRS)

	As of December 31, 2023	As of June 30, 2024
	(In billions of Won)	
<b>Assets:</b>		
<b>Current assets:</b>		
Cash and cash equivalents . . . . .	₩ 2,880	₩ 3,787
Trade and other receivables, net . . . . .	7,170	6,882
Other financial assets . . . . .	1,440	1,305
Current income tax assets . . . . .	3	2
Inventories, net . . . . .	912	964
Other current assets . . . . .	2,113	2,235
<b>Total current assets . . . . .</b>	<b>14,518</b>	<b>15,175</b>
<b>Non-current assets:</b>		
Trade and other receivables, net . . . . .	1,404	1,380
Other financial assets . . . . .	2,725	3,071
Property and equipment, net . . . . .	14,872	14,592
Right-of-use assets . . . . .	1,305	1,287
Investment properties, net . . . . .	2,198	2,250
Intangible assets, net . . . . .	2,534	2,266
Investments in associates and joint ventures . . . . .	1,557	1,593
Deferred income tax assets . . . . .	609	624
Net defined benefit assets . . . . .	161	92
Other non-current assets . . . . .	827	815
<b>Total non-current assets . . . . .</b>	<b>28,192</b>	<b>27,969</b>
<b>Total assets . . . . .</b>	<b>₩42,710</b>	<b>₩43,144</b>
<b>Liabilities:</b>		
<b>Current liabilities:</b>		
Trade and other payables . . . . .	₩ 8,055	₩ 8,052
Borrowings . . . . .	3,059	3,595
Other financial liabilities . . . . .	322	325
Current income tax liabilities . . . . .	236	317
Other provisions . . . . .	115	106
Deferred income . . . . .	52	63
Other current liabilities . . . . .	1,309	1,638
<b>Total current liabilities . . . . .</b>	<b>13,147</b>	<b>14,095</b>
<b>Non-current liabilities:</b>		
Trade and other payables . . . . .	820	556
Borrowings . . . . .	7,160	6,556
Other financial liabilities . . . . .	754	697
Net defined benefit liabilities . . . . .	64	73
Other provisions . . . . .	107	111
Deferred income . . . . .	154	148
Deferred income tax liabilities . . . . .	994	1,054
Other non-current liabilities . . . . .	950	872
<b>Total non-current liabilities . . . . .</b>	<b>11,001</b>	<b>10,067</b>
<b>Total liabilities . . . . .</b>	<b>₩24,149</b>	<b>₩24,162</b>
<b>Equity:</b>		
Share capital . . . . .	₩ 1,564	₩ 1,564
Share premium . . . . .	1,440	1,440
Retained earnings . . . . .	14,494	14,453
Accumulated other comprehensive income (loss) . . . . .	52	294
Other components of equity . . . . .	(802)	(637)
<b>Equity attributable to owners of the controlling company . . . . .</b>	<b>16,749</b>	<b>17,114</b>
<b>Non-controlling interest . . . . .</b>	<b>1,812</b>	<b>1,867</b>
<b>Total equity . . . . .</b>	<b>18,561</b>	<b>18,982</b>
<b>Total liabilities and equity . . . . .</b>	<b>₩42,710</b>	<b>₩43,144</b>



**Consolidated Statement of Cash Flow Data (K-IFRS)**

	Six Months Ended June 30,	
	2023	2024
	(In billions of Won)	
Net cash inflow from operating activities . . . . .	₩ 2,678	₩ 3,236
Net cash outflow from investing activities . . . . .	(2,173)	(1,168)
Net cash outflow from financing activities . . . . .	(1,151)	(1,164)

## TERMS AND CONDITIONS OF THE NOTES

*The following terms and conditions (subject to amendment and except for the sentences in italics) will be endorsed on the definitive certificates issued in respect of the Notes:*

The Notes (which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 14 and forming a single series with the Notes) are issued subject to and with the benefit of the fiscal agency agreement, to be dated as of October 2, 2024 (the “Fiscal Agency Agreement”), by and among the Company, Citicorp International Limited, as the fiscal agent (the “Fiscal Agent”), and Citibank, N.A., London Branch, as the principal paying agent (the “Principal Paying Agent”), the registrar (the “Registrar”) and the transfer agent (the “Transfer Agent”).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of, and definitions in, the Fiscal Agency Agreement. Copies of the Fiscal Agency Agreement are available for inspection during normal business hours at the corporate trust office of the Fiscal Agent following prior written request and satisfactory proof of holding, and reference thereto is made for a description of the rights and limitations of rights thereunder of the Holder and the duties and immunities of the Fiscal Agent. In acting under the Fiscal Agency Agreement, the agents appointed by the Company thereunder are acting solely as agents for the Company and do not assume any obligation or relationship of agency or trust for or with the Holders. As used herein, the term “Holder” means each person in whose name a Note is registered in the Note Register (as defined in Condition 1(a) below). As used herein, references to the “Company” shall mean KT Corporation, but shall not include its consolidated subsidiaries.

The Holders will be entitled to the benefits of, and be bound by and deemed to have notice of, all of the provisions of the Fiscal Agency Agreement. The owners shown in the records of the DTC, Euroclear and Clearstream of book-entry interests in Notes are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Fiscal Agency Agreement applicable to them.

### **1. Form, Denomination and Title**

- (a) The Notes are issued in registered form in the denomination of US\$200,000 (which shall not be split to a lesser amount) and integral multiples of US\$1,000 in excess thereof. A note certificate (each a “Certificate”) will be issued to each Holder in respect of its registered holding of Notes. The Company will procure that a record of Holders with respect to the Notes (the “Note Register”) is maintained by the Fiscal Agent at the corporate trust office of the Fiscal Agent.
- (b) The Notes are direct, unconditional, unsubordinated and unsecured obligations of the Company and will rank *pari passu*, without any preference among themselves, and at least *pari passu* with all other present and future outstanding unsecured and unsubordinated obligations of the Company (other than obligations preferred by mandatory provisions of applicable law).
- (c) Title to the Notes shall pass by registration of transfers in the Note Register in accordance with the provisions of the Fiscal Agency Agreement.

- (d) Except as ordered by a court of competent jurisdiction or as required by law, the registered Holder of any Note will be treated as the absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the Certificate issued in respect of it), and none of the Company, the Fiscal Agent, the Registrar, the Transfer Agent, the paying agents and any agent thereof shall be affected by notice to the contrary.

## **2. Payments**

- (a) Payments of principal of and interest on the Notes will be made in the legal currency of the United States of America.
- (b) Payment of principal and interest will be made by transfer to the registered account of the Holder or by a U.S. dollar check drawn on a bank that processes payments in U.S. dollars mailed to the registered address of the Holder. Payments of principal and payments of interest due otherwise than on an Interest Payment Date (as defined in Condition 3) will only be made against surrender of the relevant Certificate at the corporate trust office of the Fiscal Agent or the specified office of a paying agent. Interest on Notes due on an Interest Payment Date will be paid to the Person (as defined in Condition 8) in whose name the Notes are registered in the Note Register at the close of business on the fifteenth day preceding such Interest Payment Date (each a "Record Date"), whether or not a Business Day, notwithstanding the cancellation, transfer or exchange of the Notes subsequent to the Record Date and on or prior to such Interest Payment Date, and no interest otherwise so payable on any Interest Payment Date shall be paid on the Notes if the name of its Holder was entered as such on the Note Register after the close of business on the Record Date immediately preceding such Interest Payment Date, except if and to the extent the Company shall default in the payment of the interest due on such Interest Payment Date, in which case such defaulted interest shall (unless paid together with principal of the Notes in full other than on an Interest Payment Date) be paid to the Person in whose name the Notes are registered at the close of business on a subsequent record date (which shall be not less than five (5) Business Days (as defined in paragraph (d) of this Condition) prior to the date of payment of such defaulted interest) established by notice given by mail by or on behalf of the Company to the Holders of Notes not less than 15 days preceding such subsequent record date.
- (c) For purposes of this Condition, a Holder's registered account means the U.S. dollar account maintained by or on behalf of it with a bank that processes payments in U.S. dollars, details of which appear on the Note Register at the close of business, in the case of principal and interest due otherwise than on an Interest Payment Date, on the second Business Day before the due date for payment and, in the case of interest due on an Interest Payment Date, on the relevant Record Date, and a Holder's registered address means its address appearing on the Note Register at that time.
- (d) Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a Business Day, for value the first following day which is a Business Day) will be initiated and, where payment is to be made by check, the check will be mailed (uninsured and at the risk and, if mailed at the request of the Holder otherwise than by ordinary mail, expense of the Holder), on the due date for payment (or if it is not a Business Day, the immediately following

Business Day with the same force and effect as if made on the due date for such payment) or, in the case of a payment of principal or a payment of interest due otherwise than on an Interest Payment Date, if later, on the Business Day on which the relevant Certificate is surrendered at the corporate trust office of the Registrar or the specified office of a paying agent.

Holders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Business Day, if the Holder is late in surrendering its Certificate (if required to do so) or if a check mailed in accordance with this Condition arrives after the due date for payment.

In this Condition, "Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are open for business in New York City, London and Seoul and, in the case of presentation of a Certificate, in the place in which the Certificate is presented.

- (e) If the amount of principal or interest which is due on the Notes is not paid in full, the Registrar will annotate the Note Register with a record of the amount of principal or interest in fact paid.
- (f) Any moneys paid by the Company to the Fiscal Agent for the payment of the principal of or interest on any Notes and remaining unclaimed at the end of two (2) years after such principal or interest shall have become due and payable and shall have been paid to the Fiscal Agent by the Company shall then be repaid to the Company, and upon such repayment, all liability of the Fiscal Agent with respect to such moneys shall thereupon cease and the Holder of any Note representing a claim therefor shall thereafter look only to the Company for payment thereof.

The Company reserves the right to appoint, at its discretion, additional agents, including successor agents, for the payment of principal of, premium on, if any, and interest on the Notes at such place or places as the Company may determine; provided that, the Company will ensure that, until the earlier to occur of the date on which all of the Notes shall have been delivered to the Registrar for cancellation and the date on which all of the Notes have become due and payable and moneys sufficient to pay the principal of and interest on all the Notes shall have been made available for payment and either paid or returned to the Company as provided herein, it will maintain a Fiscal Agent.

For so long as the Notes are listed on the Singapore Exchange and the rules of the Singapore Exchange so require, in the event that any of the Global Notes are exchanged for definitive certificates, the Company will appoint and maintain a paying agent in Singapore ("Singapore Paying Agent") where the Notes may be presented or surrendered for payment or redemption. In addition, in the event that any of the Global Notes are exchanged for definitive certificates, an announcement of such exchange will be made by or on behalf of the Company through the Singapore Exchange, and such announcement will include all material information with respect to the delivery of the definitive certificates, including details of the Singapore Paying Agent.

### **3. Interest**

The Notes bear interest at the rate of 4.125% per annum from, and including, October 2, 2024 to, but excluding, the due date for redemption of the Notes. Interest will be paid semi-annually in arrears on February 2 and August 2 in each year. The first Interest Payment Date will be February 2, 2025 in respect of the period from and including October 2, 2024 to, but excluding, February 2, 2025.

*So long as the Notes are represented by the Global Notes and the Global Notes are held on behalf of DTC, Euroclear or Clearstream, interest payments on the Notes are expected to be made by transfer through DTC, Euroclear or Clearstream.*

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation or surrender, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest will continue to accrue until whichever is the earlier of: (a) the date on which all amounts due in respect of such Note have been paid; and (b) the date on which the full amount of the moneys payable in respect of such Notes has been received by the Fiscal Agent and notice to that effect has been given to the Holders in accordance with these Conditions.

Interest on the Notes will be calculated on the basis of a 360-day year consisting of twelve 30-day months, and in the case of an incomplete month, the number of days elapsed on the basis of a month of 30 days.

### **4. Optional Redemption for Tax Reasons**

The Notes may be redeemed at the option of the Company in whole, but not in part, at any time at a redemption price equal to the principal amount thereof plus accrued interest, if any, to (but excluding) the date fixed for redemption on giving not less than 30 nor more than 60 days' notice to the Fiscal Agent, the Registrar and the Transfer Agent and, in accordance with Condition 12, the Holders (which notice shall be irrevocable), if (i) on the occasion of the next payment due under the Notes, the Company has or will become obliged to pay Additional Amounts (as defined in Condition 6) as a result of any change in, or amendment to, the laws of a Tax Jurisdiction (as defined in Condition 6) or any regulations or rulings promulgated thereunder or any change in the application or official interpretation of such laws or regulations or rulings, or any change in the application or official interpretation of, or any execution of or amendment to, any treaty or treaties affecting taxation to which the Tax Jurisdiction is a party, which change or amendment becomes effective on or after September 25, 2024 and (ii) such obligation cannot be avoided by the Company taking reasonable measures available to it; provided that no such notice of redemption shall be given earlier than 60 days prior to the earliest date on which the Company would be obliged to pay such Additional Amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition, the Company shall deliver to the Fiscal Agent a certificate signed by an authorized officer of the Company stating that the Company is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Company so to redeem have occurred, and an opinion of independent legal advisers of recognized standing to the effect that the Company has or will become obliged to pay such Additional Amounts as a result of such change or amendment. The Fiscal Agent shall be protected and have no liability to any Holder or any other person for so accepting and relying on such certificate or opinion.

## **5. Maturity and Purchase**

Unless previously redeemed or purchased and cancelled as provided herein, the Company will redeem the Notes at their principal amount on February 2, 2028. The Company or any Subsidiary (as defined in Condition 8) of the Company may at any time purchase Notes by tender (available to all Holders alike) or in the open market at any price. Any such Notes purchased shall be surrendered to the Registrar for cancellation. The Notes so purchased, while held by or on behalf of the Company or any of its Subsidiaries or Affiliates, shall not entitle the Holder to vote at any meeting of the Holders and shall not be deemed to be outstanding for the purpose of calculating the quorum at a meeting of the Holders or for the purpose of Conditions 10 and 11. All Notes redeemed by the Company or purchased and surrendered to the Registrar for cancellation as provided in this Condition 5 will forthwith be cancelled and all Certificates in respect of cancelled Notes will be forwarded to the Registrar and shall be promptly cancelled by it, and such Notes may not be reissued or resold.

“Affiliate” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “control” when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

## **6. Taxation**

All payments of principal and interest in respect of the Notes by the Company will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction (as defined below) (“Taxes”) unless such withholding or deduction is required by law. In such event, the Company will pay such additional amounts as shall be necessary in order that the net amounts received by the Holder or beneficial owner after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction (such additional amounts due by the Company, the “Additional Amounts”); except that no such Additional Amounts shall be payable with respect to a Note:

- (a) to or on behalf of a Holder or beneficial owner that is liable for such Taxes in respect of such Note by reason of such Holder or beneficial owner having any present or former connection with a Tax Jurisdiction other than the mere holding or beneficially owning of such Note or the receipt of any payments in respect of any Note or enforcement of rights with respect to any Note; or
- (b) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the Holder or beneficial owner thereof would have been entitled to an Additional Amount on presenting the same for payment on the last day of such 30-day period; or
- (c) to or on behalf of a Holder or beneficial owner who would be able to avoid such withholding or deduction by complying with any applicable certification, documentation, information or other reporting requirement of non-residence or other similar claim for exemption or relief from such Tax to the relevant tax authority and such Holder or beneficial owner fails to do so; or

- (d) to or on behalf of a Holder or beneficial owner to the extent that such Holder or beneficial owner would not have been liable for or subject to such deduction or withholding but for the failure of such Holder or beneficial owner (or any financial institution through which such Holder or beneficial owner holds any Notes or through which payment on the Notes is made) to comply with any certification, information, identification, documentation or other reporting requirements (including entering into and complying with an agreement with the Internal Revenue Service (the “IRS”)) imposed under Sections 1471 through 1474 of the U.S. Internal Revenue Code as in effect as of the issue date of the Notes or any successor or amended version of these provisions, to the extent such successor or amended version is not materially more onerous than these provisions as enacted on such date, or any intergovernmental agreement or legislation enacted pursuant thereto to implement such provisions; or
- (e) any combination of (a), (b), (c) or (d) above.

As used herein:

- (i) “Tax Jurisdiction” means Korea or any political subdivision or any authority thereof or therein having power to tax; and
- (ii) the “Relevant Date” in relation to any payments of interest on, or principal of, any Note means: (x) the due date for payment thereof; or (y) if the full amount of the monies payable on such date has not been received by the Fiscal Agent on or prior to such due date, the date on which, the full amount of such monies having been so received, notice to that effect is duly given to Holders of the Notes in accordance with Condition 12.

The obligation to pay additional amounts in respect of Taxes shall not apply to (a) any estate, inheritance, gift, sales, transfer, personal property or any similar tax, assessment or other governmental charge or (b) any tax, assessment or other governmental charge which is payable otherwise than by deduction or withholding from payments of principal or interest on the Notes; provided that, except as otherwise set forth in these Conditions and in the Fiscal Agency Agreement, the Company shall pay all stamp and other duties, if any, which may be imposed by Korea or any respective political subdivision thereof or any taxing authority of or in the foregoing, with respect to the Fiscal Agency Agreement or as a consequence of the initial issuance of the Notes.

The Company will provide the Fiscal Agent with documentation evidencing the payment of taxes, if any, that are withheld from payments on the Notes. Copies of such documentation will be made available to any Holder upon request therefor.

References in these Conditions to any payments of principal and interest in respect of the Notes shall be deemed also to refer to any Additional Amounts which may be payable in respect thereof under this Condition.

Whenever there is mentioned in any context the payment of principal of, or interest on, any Note, such mention shall be deemed to include payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.



None of the Fiscal Agent, the Registrar and the Transfer Agent shall be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 6 or for determining whether such amounts are payable or the amount thereof, and shall not be responsible or liable for any failure by the Company, any Holder or any third party to pay such tax, duty, charges, withholding or other payment in any jurisdiction or to provide any notice or information to the Fiscal Agent, the Registrar or the Transfer Agent that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Notes without deduction or withholding for or on account of any tax, duty, charge, withholding or other payment imposed by or in any jurisdiction.

## **7. Transfers of Notes, Issue and Replacement of Certificates**

- (a) Upon the terms and subject to the conditions set forth in the Fiscal Agency Agreement and subject to the reasonable requirements of the Company and the Registrar and/or the Transfer Agent (as the case may be), a Note may be transferred by depositing the Certificate issued in respect of that Note, with the form of transfer on the back duly completed and signed, at the office of the Registrar or the Transfer Agent or the specified offices of any of the paying agents.

*Transfers of interests in the Notes evidenced by the Global Notes will be effected in accordance with the rules of the relevant clearing systems.*

- (b) Each new Certificate to be issued upon transfer of Notes will, within five (5) business days of receipt by the Registrar, the Transfer Agent or the relevant paying agent of the duly completed form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail at the risk of the Holder entitled to the Note to the address specified in the form of transfer. For the purposes of this Condition, business day shall mean a day on which banks are open for business in the city in which the specified office of the transfer agent with whom a Certificate is deposited in connection with a transfer is located.

*Except in the limited circumstances described herein as described in "The Global Notes," owners of interests in the Notes will not be entitled to receive physical delivery of the Notes.*

Where some but not all of the Notes in respect of which a Certificate is issued are to be transferred, a new Certificate in respect of the Notes not so transferred will, within five (5) business days of receipt by the Registrar, the Transfer Agent or the relevant paying agent of the original Certificate, be mailed by uninsured mail at the risk of the Holder of the Notes not so transferred to the address of such Holder appearing on the Note Register or as specified in the form of transfer.

- (c) Registration of transfer of Notes will be effected without charge by or on behalf of the Company or any agent but upon payment (or the giving of such indemnity as the Company or any agent may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.
- (d) No Holder may require the transfer of a Note to be registered (i) during the period of 15 days ending on the due date for any payment of principal or interest on that Note or (ii) after any such Note has been called for redemption or purchase.



- (e) All transfers of Notes and entries on the Note Register will be made subject to the detailed regulations concerning transfer of Notes scheduled to the Fiscal Agency Agreement. The regulations may be changed by the Company with the prior written approval of the Transfer Agent. Any new Certificate delivered pursuant to this Condition 7 shall be so dated that neither gain nor loss of interest shall result from such transfer.
- (f) If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the office of the Registrar or the Transfer Agent, upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Company may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued. Any new Certificate delivered pursuant to this paragraph shall be so dated that neither gain nor loss of interest shall result from such replacement. In case any such mutilated, destroyed, stolen or lost Certificate has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Certificate, pay or cause to be paid such Note.

*During the first year after the issuance of the Notes, the Notes may not be offered, delivered, or sold, directly or indirectly, in Korea or to any resident of Korea (as defined in the Foreign Exchange Transactions Law of Korea and the regulations thereunder) other than to "a qualified institutional buyer" (a "Korean QIB," as defined in the Regulation on Issuance, Public Disclosure, Etc. of Securities of Korea) who is registered with the Korean Financial Investment Association as a Korean QIB.*

## **8. Covenants of the Company**

- (a) Limitation on Liens. The Company will not itself, and will not permit any Restricted Subsidiary to, create, incur, issue or assume or guarantee any External Indebtedness secured by any mortgage, charge, pledge, encumbrance or other security interest (a "Lien") on any Restricted Property without in any such case effectively providing that the Notes (together with, if the Company shall so determine, any other indebtedness of the Company or such Restricted Subsidiary then existing or thereafter created) are secured equally and ratably with or prior to such secured External Indebtedness unless, after giving effect thereto, the aggregate principal amount of all such secured External Indebtedness, plus Attributable Debt of the Company and its Restricted Subsidiaries in respect of Sale/Leaseback Transactions as described under "Limitation Upon Sale and Leaseback Transactions" below, in each case entered into after the date of the Fiscal Agency Agreement (other than such Sale/Leaseback Transactions as are permitted by Condition 8(b)(ii) below), would not exceed 10% of Consolidated Net Tangible Assets. The foregoing restriction will not apply to External Indebtedness secured by:
  - (i) any Lien existing on any Restricted Property prior to the acquisition thereof by the Company or any of its Restricted Subsidiaries or arising after such acquisition pursuant to contractual commitments entered into prior to and not in contemplation of such acquisition;

- (ii) any Lien on any Restricted Property securing External Indebtedness incurred or assumed for the purpose of financing the purchase price thereof or the cost of construction, improvement or repair of all or any part thereof, provided that such Lien attaches to such Restricted Property concurrently with or within 12 months after the acquisition thereof or completion of construction, improvement or repair thereof;
- (iii) any Lien existing on any Restricted Property of any Restricted Subsidiary prior to the time such Restricted Subsidiary becomes a Subsidiary of the Company or arising after such time pursuant to contractual commitments entered into prior to and not in contemplation thereof;
- (iv) any Lien securing External Indebtedness owing to the Company or to a Subsidiary; or
- (v) any Lien arising out of the refinancing, extension, renewal or refunding of any External Indebtedness secured by any Lien permitted by any of the foregoing clauses or existing at the date of the Fiscal Agency Agreement, provided that such External Indebtedness is not increased and is not secured by any additional Restricted Property.

For the purposes of Conditions 8(a) and 8(b) the giving of a guarantee which is secured by a Lien on a Restricted Property, and the creation of a Lien on a Restricted Property to secure External Indebtedness which existed prior to the creation of such Lien, shall be deemed to involve the creation of indebtedness in an amount equal to the principal amount guaranteed or secured by such Lien; but the amount of indebtedness secured by Liens on Restricted Properties shall be computed without cumulating the underlying indebtedness with any guarantee thereof or lien securing the same.

- (b) Limitation Upon Sale and Leaseback Transactions: So long as any of the Notes are outstanding, neither the Company nor any Restricted Subsidiary may enter into any Sale/Leaseback Transaction after the date of the Fiscal Agency Agreement, unless, either
  - (i) the Attributable Debt of the Company and its Restricted Subsidiaries in respect thereof and in respect of all other Sale/Leaseback Transactions entered into after the date of the Fiscal Agency Agreement (other than transactions permitted by clause (ii) below) plus the aggregate principal amount of External Indebtedness secured by Liens on Restricted Property then outstanding (excluding any such External Indebtedness secured by Liens described in clause (i) through (v) under "Limitation on Liens" above or existing at the date of the Fiscal Agency Agreement) without equally and ratably securing the Notes, would not exceed 10% of Consolidated Net Tangible Assets, or
  - (ii) the Company or a Restricted Subsidiary within 12 months after such Sale/Leaseback Transaction, applies to the retirement of External Indebtedness, which is not subordinate to the Notes, of the Company or a Restricted Subsidiary an amount equal to the greater of (i) the net proceeds of the sale or transfer of the property or other assets which are the subject of such Sale/Leaseback

Transaction or (ii) the fair market value of the Restricted Property so leased (in each case as determined by the Company); provided that the amount to be so applied shall be reduced by (a) the principal amount of the Notes delivered within twelve months after such Sale/Leaseback transaction to the Agent for cancellation, and (b) the principal amount of External Indebtedness of the Company or a Restricted Subsidiary, other than the Notes, voluntarily retired by the Company or a Restricted Subsidiary within twelve months after such Sale/Leaseback Transaction. Notwithstanding the foregoing, no retirement referred to in this clause (ii) may be effected by payment at maturity or pursuant to any mandatory sinking fund payment or any mandatory prepayment provision.

Notwithstanding the foregoing, where the Company or any Restricted Subsidiary is the lessee in any Sale/Leaseback Transaction, Attributable Debt shall not include any External Indebtedness resulting from the guarantee by the Company or any other Restricted Subsidiary of the lessee's obligation thereunder. The foregoing restriction shall not apply to any transaction between the Company and a Subsidiary or between a Restricted Subsidiary and a Subsidiary.

(c) Certain Definitions

"Attributable Debt" means, with respect to any Sale/Leaseback Transaction, the lesser of (x) the fair market value of the property or other assets subject to such transaction and (y) the present value (discounted at a rate per annum equal to the discount rate of a capital lease obligation with a like term in accordance with International Financial Reporting Standards as adopted in Korea (or any successor accounting principle generally accepted in Korea at the time of the relevant calculation)) of the obligations of the lessee for net rental payments (excluding amounts on account of maintenance and repairs, insurance, taxes, assessments, water rates and similar charges and contingent rents) during the term of the lease.

"Consolidated Net Tangible Assets" means the total amount of assets of the Company and its consolidated Subsidiaries, including investments in unconsolidated Subsidiaries, after deducting therefrom (a) all current liabilities (excluding any current liabilities constituting Long-term Debt by reason of their being renewable or extendible), (b) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangible assets, and (c) all write-ups of fixed assets, net of accumulated depreciation thereon, after December 31, 2023 other than as permitted by the laws of Korea applicable to the Company, all as set forth on the most recently available audited annual balance sheet of the Company and its consolidated Subsidiaries and computed in accordance with International Financial Reporting Standards as adopted in Korea (or any successor accounting principle generally accepted in Korea at the time of the relevant calculation).

"External Indebtedness" means any obligation for the payment or repayment of money borrowed which is denominated in a currency other than the currency of Korea and which has a final maturity of one year or more from its date of incurrence or issuance.

“Long-term Debt” means any note, bond, debenture or other similar evidence of indebtedness for money borrowed having a maturity of more than one year from the date such evidence of indebtedness was incurred or having a maturity of less than or equal to one year but by its terms being renewable or extendible, at the option of the borrower, beyond one year from the date such evidence on indebtedness was incurred.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“Restricted Property” means (a) any lines, exchanges, switching equipment, transmission equipment (including satellites), cables, microwave equipment and related facilities, whether at the date of the Fiscal Agency Agreement owned or thereafter acquired, used in connection with the provision of fixed-link or wireless telecommunications services, including any land, buildings, structures and other equipment or fixtures that constitute any such facility, other than any such facility, or portion thereof, reasonably determined by the Board of Directors of the Company not to be of material importance to the total business conducted by the Company and its Subsidiaries as a whole, and (b) any share of common stock or participating preferred stock of a Restricted Subsidiary.

“Restricted Subsidiary” means any Subsidiary that owns Restricted Property.

“Sale/Leaseback Transaction” means any arrangement with any Person which provides for the leasing by the Company or any Restricted Subsidiary, for an initial term of three years or more, of any Restricted Property, whether now owned or hereafter acquired, which are to be sold or transferred by the Company or any Restricted Subsidiary after the date of the Fiscal Agency Agreement to such Person for a sale price of US\$10,000,000 (or the equivalent thereof) or more where the rental payments are denominated in a currency other than the currency of Korea.

“Subsidiary” means any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by the Company.

## **9. Consolidation, Merger and Sale of Assets**

The Company, without the consent of the Holders of any of the Notes, may consolidate with, or merge into, or sell, transfer, lease or convey its assets substantially as an entirety (each a “transaction”) to any corporation organized under the laws of Korea, provided that (a) any successor corporation expressly assumes, by an agreement supplemental to the Fiscal Agency Agreement executed and delivered to the Fiscal Agent, the Company’s obligations under the Notes and the Fiscal Agency Agreement, (b) after giving effect to the transaction, no Event of Default and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing, (c) such successor corporation has the benefit of a credit rating which, at the time and immediately after such transaction takes place, is no worse than the credit rating of the Company, and (d) if, as a result of any such transaction, properties or assets of the Company or a Restricted Subsidiary would become subject to a Lien

which would not be permitted under these Conditions, the Company or such successor corporation, as the case may be, shall take such steps as shall be necessary effectively to secure the Notes (together with, if the Company shall so determine, any other indebtedness of the Company or such Subsidiary then existing or thereafter created which is not subordinate to the Notes) equally and ratably with (or prior to) all indebtedness secured thereby.

## **10. Events of Default**

The occurrence and continuance of one or more of the following events will constitute an event of default ("Event of Default") with respect to the Notes:

- (a) default in the payment of any installment of interest upon any of the Notes, whether at maturity, upon redemption or otherwise, as and when the same shall become due and payable, and continuance of such default for a period of 30 days; or
- (b) default in the payment of all or any part of the principal of any of the Notes, whether at maturity, upon redemption or otherwise, as and when the same shall become due and payable; or
- (c) failure on the part of the Company duly to observe or perform any other of the covenants or agreements on the part of the Company contained in the Notes for a period of 60 days after the date on which written notice specifying such failure, stating that notice is a "Notice of Default" under these Conditions and demanding that the Company remedy the same, shall have been given by registered or certified mail, return receipt requested, to the Company or to the Company at the office of the Fiscal Agent by the Holders of at least 10% in aggregate principal amount of the Notes at the time outstanding; or
- (d) any External Indebtedness of the Company in the aggregate principal amount of US\$30,000,000 or more either (i) becoming due and payable prior to the due date for payment thereof by reason of acceleration thereof following default by the Company or (ii) not being repaid at, and remaining unpaid after, maturity as extended by the period of grace, if any, applicable thereto, or any guarantee given by the Company in respect of External Indebtedness of any other Person in the aggregate principal amount of US\$30,000,000 or more not being honored when, and remaining dishonored after becoming, due and called; provided that, if any such default under any such External Indebtedness shall be cured or waived, then the default under these Conditions by reason thereof shall be deemed to have been cured and waived; or
- (e) a court or administrative or other governmental agency or body having jurisdiction over the Company shall enter a decree or order for relief in respect of the Company in an involuntary case under any applicable bankruptcy, insolvency, reorganization, compulsory composition or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or for any substantial part of its property or ordering the winding up, dissolution or liquidation of its affairs, or shall otherwise adjudicate or find the Company to be bankrupt or insolvent and such decree or order shall remain unstayed and in effect for a period of 120 consecutive days; or

- (f) the Company shall commence a voluntary case under any applicable bankruptcy, insolvency, reorganization, compulsory composition or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or for any substantial part of its property, or cease to carry on the whole or substantially the whole of its business or make any general assignment for the benefit of creditors, or enter into any composition with its creditors or take corporate action in furtherance of any such actions.

If an Event of Default with respect to the Notes occurs and is continuing, the Holders of not less than 25% in aggregate principal amount of the Notes then outstanding may declare the principal amount of and all accrued but unpaid interest on all the Notes to be due and payable immediately, by a notice in writing to the Company at the office of the Fiscal Agent, and upon such declaration any such principal amount and interest shall become immediately due and payable. Upon such declaration, the Fiscal Agent shall give notice thereof to the Company and, at the direction and expense of the Company, to the Holders of the Notes, by mail and publication. If, after any such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Company pays or deposits with the Fiscal Agent all amounts then due with respect to the Notes (other than amounts due solely because of such declaration) and cures all other Events of Default with respect to the Notes, such defaults may be waived and such declaration may be annulled and rescinded by the Holders of more than 50% in aggregate outstanding principal amount of the Notes by written notice thereof to the Company at the office of the Fiscal Agent.

#### **11. Meetings of Holders; Modifications and Amendments**

- (a) The Company at any time may, and at any time after the Notes shall have become immediately due and payable due to a default upon a request in writing made by Holders holding not less than 10% of the aggregate outstanding principal amount of the Notes the Fiscal Agent shall, convene a meeting of Holders of the Notes. Any such request in writing by the Holders shall be delivered to the Fiscal Agent. Further provisions concerning meetings of the Holders are set forth in the Fiscal Agency Agreement.
- (b) Modifications and amendments to the Fiscal Agency Agreement or the Notes requiring consent of Holders may be made, and future compliance therewith or past defaults by the Company may be waived, with the consent of the Company and the Holders of more than 50% in aggregate principal amount of the Notes at the time outstanding, or of such lesser percentage as may act at a meeting of Holders held in accordance with the provisions of the Fiscal Agency Agreement; provided that no such modification, amendment or waiver of the Fiscal Agency Agreement or any Note may, without the consent of each Holder affected thereby, (i) change the stated maturity of the principal of or interest on any such Note; (ii) reduce the principal of or interest on any such Note; (iii) change the currency of payment of the principal of or interest on any such Note; or (iv) reduce the above-stated percentage of aggregate principal amount of Notes outstanding or reduce the quorum requirements or the percentage of votes required for the taking of any action. Any modifications, amendments or waivers consented to or approved at a meeting will be conclusive and binding on all Holders of Notes whether or not they have given such consent or were present at such meeting,



and on all future Holders of Notes whether or not notation of such modifications, amendments or waivers is made upon the Notes. Any instrument given by or on behalf of any Holder of a Note in connection with any consent to any such modification, amendment or waiver will be irrevocable once given and will be conclusive and binding on all subsequent Holders of such Note.

- (c) At a meeting of the Holders of the Notes called for any of the above purposes, Persons entitled to vote a majority in aggregate principal amount of the Notes at the time outstanding shall constitute a quorum. In the absence of a quorum at any such meeting, the meeting may be adjourned for a period of not less than ten days; in the absence of a quorum at any such adjourned meeting, such adjourned meeting may be further adjourned for a period of not less than ten days; at the reconvening of any meeting further adjourned for lack of a quorum, the Persons entitled to vote 25% in aggregate principal amount of the Notes at the time outstanding shall constitute a quorum for the taking of any action set forth in the notice of the original meeting. At a meeting or an adjourned meeting duly convened and at which a quorum is present as aforesaid, any resolution to modify or amend, or to waive compliance with, any of the covenants or conditions referred to above (other than those set forth in clauses (i) through (iv) of Condition 11(b)) shall be effectively passed if passed by the Persons entitled to vote the lesser of (i) a majority in aggregate principal amount of Notes then outstanding or (ii) 75% in aggregate principal amount of the Notes represented and voting at the meeting.
- (d) The Fiscal Agency Agreement and these Conditions of the Notes may be modified, supplemented or amended by the Company and the Fiscal Agent, without the consent of the Holder of any Note, for the purpose of adding to the covenants of the Company for the benefit of the Holders, surrendering any right or power conferred upon the Company, securing the Notes, curing any ambiguity, correcting or supplementing any defective provision therein, implementing the provisions of this Condition 11 or in any other manner which the Company and the Fiscal Agent may mutually deem necessary or desirable and which shall not adversely affect the interests of the Holders of the Notes in any material respect, to all of which each Holder of any Note shall, by acceptance thereof, consent. Any determination required to be made pursuant to this Condition 11(d) will be made by the Company, and none of the Fiscal Agent, the Registrar and the Transfer Agent shall have any responsibility or liability whatsoever with respect to such determination.

## **12. Notices**

Except as otherwise expressly provided herein, whenever the Fiscal Agency Agreement or the Notes require that the Company or the Fiscal Agent give notice to the Holder thereof, the Company or the Fiscal Agent will cause such notice to be mailed to the Holders of Notes at their respective addresses as they appear on the Note Register. If by reason of the suspension of regular mail service, or by reason of any other cause, it shall be impracticable to give notice to the Holders of Notes in the manner prescribed herein, then such notification in lieu thereof as shall be made by the Company or by the Fiscal Agent on behalf of and at the instruction of the Company shall constitute sufficient provision of such notice, if such notification shall, so far as may be practicable, approximate the terms and conditions of the notice in lieu of which it is given. Neither the failure to give notice nor any defect in any notice given to any particular Holder of a Note shall affect the sufficiency of any notice with respect to other Notes.

*So long as the Notes are represented by one or more Global Notes and the Global Notes are held on behalf of DTC or any other clearing system, notices to Holders required by the Conditions may be given by delivery of the relevant notice to DTC or such other clearing system (as the case may be) for communication by it to entitled accountholders in accordance with applicable procedures of DTC or such other clearing system.*

So long as any of the Notes are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, during any period in which it is neither subject to Section 13 or 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, the Company will supply to (i) any Holder or beneficial owner of a Note or (ii) a prospective purchaser of a Note or a beneficial interest therein designated by such Holder or beneficial owner, the information specified in, and meeting the requirements of Rule 144A(d)(4) under the Securities Act upon the request of any Holder or beneficial owner of a Note.

### **13. Valid Obligations**

The Company hereby certifies and declares that all acts, conditions and things required to be done and performed and to have happened precedent to the creation and issuance of the Notes, and to constitute the same the valid and legally binding obligation of the Company enforceable in accordance with their terms, have been done and performed and have happened in due and strict compliance with the applicable laws of the State of New York.

### **14. Further Issues**

The Company may from time to time, without the consent of the Holders, create and issue further notes to the extent permitted under the applicable laws, having terms and conditions the same as those of the Notes, or the same except for the issue date and the date and amount of the first payment of interest, which may be consolidated and form a single series with the outstanding Notes, provided that for U.S. federal income tax purposes the further notes (i) are issued with no more than de minimis original issue discount, (ii) are issued in a “qualified reopening” or (iii) are otherwise treated as part of the same “issue” of debt instruments as the outstanding Notes.

### **15. Governing Law and Submission to Jurisdiction**

The Fiscal Agency Agreement and the Notes are governed by, and construed in accordance with, the laws of the State of New York.

The Company agrees that any suit, action or proceeding against the Company brought by any Holder arising out of or based upon the Fiscal Agency Agreement or the Notes may be instituted in any State or U.S. federal court in The City of New York and County of New York, and waives any objection which it may now or hereafter have to the laying of venue of any such proceeding, and irrevocably submits to the non-exclusive jurisdiction of such courts in any suit, action or proceeding. The Company has appointed KT America, Inc., presently located at 12750 Center Court Drive South, Suite 290, Cerritos, California 90703, as its authorized agent (the “Authorized Agent,” which expression shall include any replacement authorized agent) upon whom process may be served in any suit, action or proceeding arising out of or based upon the Fiscal Agency Agreement or the Notes that may be instituted in any State or U.S. federal court in The City of New York and County of New York, by any Holder and expressly accepts the non-exclusive jurisdiction of any such court in respect of any such suit, action or proceeding. The



Company agrees to take any and all action, including the filing of any and all documents that may be necessary to continue such appointment in full force and effect as aforesaid. If for any reason the appointment of the Authorized Agent shall cease to be in force the Company shall forthwith appoint a new agent to be the Authorized Agent and shall give notice thereof to the Fiscal Agent in any manner permitted by applicable law and the Holders in accordance with Condition 12. Service of process upon the Authorized Agent in any manner permitted by applicable law shall be deemed, in every respect, effective service of process upon the Company. Notwithstanding the foregoing, any action arising out of or based upon the Notes may be instituted in any court of competent jurisdiction in Korea or any other jurisdiction. The Company hereby waives any right to trial by jury in any action, proceeding or counterclaim arising out of or relating to the Fiscal Agency Agreement or the Notes.

## THE GLOBAL NOTES

*The Global Notes contain provisions which apply to the Notes in respect of which the Global Notes are issued, some of which modify the effect of the Terms and Conditions of the Notes. Terms defined in the Terms and Conditions of the Notes and the Fiscal Agency Agreement relating to the Notes have the same meaning in the paragraphs below. The following is a summary of those provisions:*

### **1. General**

The Notes will initially be represented by one or more Global Notes. The Notes sold to QIBs in reliance on Rule 144A will be issued initially in the form of one or more Rule 144A Global Notes in fully registered form without interest coupons, which will be deposited with Citibank, N.A., London Branch, as custodian for DTC (in such capacity, the “Custodian”) and registered in the name of Cede & Co., as nominee of DTC. The Notes sold in offshore transactions in reliance on Regulation S will be initially in the form of one or more Regulation S Global Notes in fully registered form (the “Regulation S Global Notes”) without interest coupons, which will be deposited with the Custodian and registered in the name of Cede & Co., as nominee of DTC, for the accounts of Euroclear and Clearstream, each of which maintains a U.S. depository that is a participant in DTC.

Investors may hold their interests in the Global Notes directly through DTC, Euroclear or Clearstream, as the case may be, if they are participants in such systems, or indirectly through organizations which are participants in such systems. Euroclear and Clearstream will hold interests in the Regulation S Global Notes on behalf of their participants through DTC. Persons who are not participants in such clearing systems may beneficially own interests in the Global Notes held by DTC only through participants in such clearing systems or indirect participants (as defined below). Participants include certain securities brokers and dealers, banks, trust companies and clearing corporations and may include certain other organizations. Indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly (“indirect participants”).

So long as the Notes are represented by Global Notes and such Global Notes are held by DTC or any other clearing system or by a nominee of DTC or any other clearing system, such clearing system or its nominee will be considered the sole holder of the Notes represented by the applicable Global Notes for all purposes under the Fiscal Agency Agreement, including, without limitation, obtaining consents and waivers thereunder, and neither the Fiscal Agent nor the Company shall be affected by any notice to the contrary. Neither the Fiscal Agent nor the Company shall have any responsibility or obligation with respect to the accuracy of any records maintained by any clearing system or any participant or indirect participant of such clearing system. The clearing systems will take actions on behalf of their participants (and any such participants will take actions on behalf of any indirect participants) in accordance with their standard procedures. To the extent that any clearing system acts upon the direction of the Holders of the beneficial interests in the applicable Global Note and such beneficial Holders give conflicting instructions, the applicable clearing system may take conflicting actions in accordance with such instructions.

All interests in the Global Notes, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of their respective systems.

DTC has advised the Company that it will take any action permitted to be taken by a holder of the Notes (including, without limitation, the presentation of the Notes for exchange as described below) only at the direction of one or more participants and only in respect of the principal amount of the Notes represented by the Global Note as to which such participant or participants has or have given such direction.

## **2. Cancellation**

Cancellation of any Note represented by the Global Notes following its redemption or purchase by the Company will be effected by endorsement by or on behalf of the Fiscal Agent of the reduction in the aggregate principal amount of the Notes in the Register of Noteholders.

## **3. Payments**

Payment of interest and principal on the Global Notes will be made to Cede & Co., the nominee for DTC, or such other nominee as may be requested by an authorized representative of DTC, as the registered owner of the Global Notes by wire transfer of immediately available funds. The Company will not have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Notes by DTC, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interest by DTC.

The Company has been informed by DTC that upon receipt of any payment of interest on or principal of the Global Notes, DTC will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the Global Notes as shown on the records of DTC. The Company expects that payments of interest on and principal of the Notes held through Euroclear or Clearstream will be credited to the cash accounts of Euroclear participants or Clearstream participants, as the case may be, in accordance with the relevant system's rules and procedures. Payments by participants to owners of beneficial interests in the Global Notes held through such participants will be the responsibility of such participants, as is the case with securities held by broker-dealers, either directly or through nominees, for the accounts of customers and registered in "street name."

## **4. Notices**

So long as the Notes are represented by one or more Global Notes and the Global Notes are held on behalf of DTC or any other clearing system, notices to Noteholders required by the Terms and Conditions of the Notes may be given by delivery of the relevant notice to DTC or such other clearing system (as the case may be) for communication by it to entitled accountholders.

## **5. Transfers**

The Notes (including beneficial interests in the Global Notes) will be subject to certain restrictions on transfer set forth therein and in the Fiscal Agency Agreement and will bear a legend regarding such restrictions as set forth under "Transfer Restrictions." Under certain circumstances, transfers may be made only upon receipt by the Fiscal Agent of a written certification (in the form(s) provided in the Fiscal Agency Agreement).

Transfers between participants in DTC will be effected in the ordinary way in accordance with DTC rules. Transfers between participants in Euroclear and Clearstream (“Euroclear participants” and “Clearstream participants,” respectively) will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the Notes, cross-market transfers between DTC, on the one hand, and Euroclear participants or Clearstream participants, on the other hand, will be effected in DTC in accordance with DTC rules on behalf of Euroclear or Clearstream, as the case may be. Any beneficial interest in one of the Global Notes that is transferred to an entity which takes delivery in the form of an interest in the other Global Note will, upon transfer, cease to have an interest in such Global Note and receive an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in such other Global Note for as long as it retains such an interest.

## **6. Individual Notes**

The Company will issue individual Notes in certificated, definitive registered form in exchange for the Global Notes, if (i) DTC is at any time unwilling or unable to continue as depositary and a successor depositary is not appointed by the Company within 90 days, (ii) either Euroclear or Clearstream or a successor clearing system is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or does in fact do so, or (iii) the Notes have become due and payable pursuant to Condition 10 of the Terms and Conditions of the Notes.

## **7. Miscellaneous**

DTC has advised the Company as follows: DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the Uniform Commercial Code and a “Clearing Agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for the physical movement of certificates.

Although DTC, Euroclear and Clearstream have established the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants of DTC, Euroclear and Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither the Company nor the Fiscal Agent will have any responsibility for the performance by DTC, Euroclear and Clearstream, or their respective participants or indirect participants, of their respective obligations under the rules and procedures governing their operations.

## TAXATION

### U.S. Taxation

The following summary describes certain U.S. federal income tax considerations with respect to the purchase, ownership and disposition of Notes by a U.S. Holder (as defined below). This summary is based on provisions of the Internal Revenue Code of 1986, as amended (the “Code”), applicable Treasury regulations, laws, rulings and decisions, in effect as of the date of this Offering Circular, all of which are subject to change, possibly with retroactive effect. The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to any particular investor, including tax considerations that arise from rules of general application to all taxpayers or to certain classes of investors or that are generally assumed to be known by investors. The summary set forth below deals only with beneficial owners of Notes that will purchase the Notes at their original issuance and issue price and hold as capital assets. It does not address tax considerations that may be applicable to investors that are subject to special tax rules, such as dealers in securities or currencies, short term holders of the Notes, financial institutions, tax exempt entities, insurance companies, regulated investment companies, real estate investment trusts, entities taxed as partnerships and other pass through entities for U.S. federal income tax purposes and partners or other investors therein, persons holding Notes as a part of a hedging, integrated, conversion or constructive sale transaction or a straddle or as part of a “synthetic security” or other integrated financial transaction, traders in securities that elect to use a mark to market method of accounting for their securities holdings, U.S. expatriates, nonresident alien individuals present in the United States for more than 182 days in a taxable year or persons whose “functional currency” is not the U.S. dollar.

In addition, this discussion does not consider the consequences arising under any applicable state, local or foreign tax laws, the alternative minimum tax, the Medicare tax on net investment income or under special timing rules prescribed under section 451(b) of the Code, or any aspect of U.S. federal taxation other than income taxation (such as estate and gift tax laws, or Medicare tax on net investment income).

As used herein, a “U.S. Holder” means a beneficial owner of a Note that is, for U.S. federal income tax purposes, an individual who is a citizen or resident of the United States, a corporation created or organized in or under the laws of the United States or any political subdivision thereof, or any other person that is subject to U.S. federal income tax on a net income basis in respect of its investment in the Notes.

Investors should consult their own tax advisors regarding the tax consequences of the acquisition, ownership and disposition of the Notes, including the application to their particular circumstances of the U.S. federal income tax considerations discussed below, as well as the application of U.S. state and local tax laws and non-U.S. tax laws.

#### ***Payment of Stated Interest***

The gross amount of stated interest and Additional Amounts (i.e., without reduction for any Korean withholding tax at the appropriate rate applicable to the U.S. Holder) will be taxable to a U.S. Holder as ordinary income at the time it accrues or is actually paid or constructively received, in accordance with the U.S. Holder’s method of accounting for U.S. federal income tax purposes.

It is expected, and this discussion assumes, that the Notes will not be issued with original issue discount ("OID") for U.S. federal income tax purposes. In general, however, if the Notes are issued at a discount from their stated principal amount, and such discount is equal to or more than the product of one-fourth of one percent (0.25%) of the stated principal amount of the Notes and the number of full years to their maturity, the Notes will have OID equal to such discount and a U.S. Holder will have to include OID as ordinary income in gross income under a "constant yield method" before the receipt of cash attributable to such income, regardless of the U.S. Holder's regular method of accounting for U.S. federal income tax purposes.

Subject to generally applicable limitations and conditions, any Korean interest withholding tax paid at the appropriate rate applicable to the U.S. Holder may be eligible for credit against such U.S. Holder's U.S. federal income tax liability. These generally applicable limitations and conditions include new requirements adopted by the IRS in regulations promulgated in December 2021 and any Korean tax will need to satisfy these requirements in order to be eligible to be a creditable tax for a U.S. Holder. In the case of a U.S. Holder that consistently elects to apply a modified version of these rules under recently issued temporary guidance and complies with specific requirements set forth in such guidance, the Korean tax on interest generally will be treated as meeting the new requirements and therefore as a creditable tax. In the case of all other U.S. Holders, the application of these requirements to the Korean tax on interest is uncertain and we have not determined whether these requirements have been met. If the Korean interest tax is not a creditable tax or the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes paid or accrued in the same taxable year, the U.S. Holder may be able to deduct the Korean tax in computing such U.S. Holder's taxable income for U.S. federal income tax purposes. Interest and Additional Amounts will constitute income from sources without the United States and, for U.S. Holders that elect to claim foreign tax credits, generally will constitute "passive category income" for foreign tax credit purposes.

The availability and calculation of foreign tax credits and deductions for foreign taxes depend on a U.S. Holder's particular circumstances and involve the application of complex rules to those circumstances. The temporary guidance discussed above also indicates that the Treasury and the IRS are considering proposing amendments to the December 2021 regulations and that the temporary guidance can be relied upon until additional guidance is issued that withdraws or modifies the temporary guidance. U.S. Holders should consult their own tax advisors regarding the application of these rules to their particular situations.

### ***Sale, Exchange and Retirement of Notes***

Upon the sale, exchange, retirement or other taxable disposition of a Note, a U.S. Holder will generally recognize gain or loss equal to the difference between the amount realized upon the sale, exchange, retirement or other disposition (less any amount attributable to accrued and unpaid stated interest, which will be taxable as stated interest income as discussed above to the extent not previously included in income by the U.S. Holder) and the U.S. Holder's adjusted tax basis in the Note. A U.S. Holder's adjusted tax basis in a Note will generally be the cost of that Note to the holder. Such gain or loss will be capital gain or loss and will be long-term capital gain or loss if at the time of sale, exchange, retirement or other disposition, the Note has been held for more than one year. Long-term capital gains recognized by an individual U.S. Holder generally are subject to tax at a lower rate than short-term capital gains or ordinary income. The deduction of capital losses is subject to limitations.

A U.S. Holder generally will not be entitled to credit any Korean tax imposed on the sale, exchange, retirement or other taxable disposition of the Notes against such U.S. Holder's U.S. federal income tax liability, except in the case of a U.S. Holder that consistently elects to apply a modified version of the U.S. foreign tax credit rules that is permitted under recently issued temporary guidance and complies with the specific requirements set forth in such guidance. Additionally, capital gain or loss recognized by a U.S. Holder on the sale, exchange, retirement or other taxable disposition of the Notes generally will be U.S. source gain or loss for U.S. foreign tax credit purposes. Consequently, even if the withholding tax qualifies as a creditable tax, a U.S. Holder may not be able to credit the tax against its U.S. federal income tax liability unless such credit can be applied (subject to generally applicable conditions and limitations) against tax due on other income treated as derived from foreign sources. If the Korean tax is not a creditable tax, the tax would reduce the amount realized on the sale, exchange, retirement or other disposition of the Notes even if the U.S. Holder has elected to claim a foreign tax credit for other taxes in the same year. The temporary guidance discussed above also indicates that the Treasury and the IRS are considering proposing amendments to the December 2021 regulations and that the temporary guidance can be relied upon until additional guidance is issued that withdraws or modifies the temporary guidance. U.S. Holders should consult their own tax advisors regarding the application of the foreign tax credit rules to a sale, exchange, retirement or other taxable disposition of the Notes and any Korean tax imposed on such sale, exchange, retirement or other taxable disposition.

### ***Foreign Financial Assets Reporting***

Certain U.S. Holders that own "specified foreign financial assets" with an aggregate value in excess of US\$50,000 on the last day of the taxable year or US\$75,000 at any time during the taxable year are generally required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer (which would include the Notes) that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. U.S. Holders that fail to report the required information could be subject to substantial penalties. In addition, the statute of limitations for assessment of tax would be suspended, in whole or part. Prospective investors should consult their own tax advisors concerning the application of these rules to their investment in the Notes, including the application of the rules to their particular circumstances.

### ***Information Reporting and Backup Withholding***

Payments in respect of the Notes (including the proceeds of a disposition of a Note) that are paid within the United States or through certain U.S.-related financial intermediaries are generally subject to information reporting, unless the Holder is a corporation (other than an S Corporation) or other exempt recipient. Payments to a United States person (as defined in the Code) ("U.S. Person") that is not an exempt recipient may also be subject to backup withholding, unless the U.S. Person provides an accurate taxpayer identification number and certifies that it has not lost its exemption from backup withholding. Non-U.S. Persons are generally exempt from information reporting and backup withholding, but such investors may have to comply with certification procedures to prove entitlement to this exemption. The amount of any backup withholding collected from a payment to a Holder will be allowed as a credit against the Holder's



U.S. federal income tax liability and may entitle the Holder to a refund, provided that certain required information is timely furnished to the IRS. Holders should consult their tax advisors about these rules and any other reporting obligations that may apply to the ownership or disposition of Notes.

## **Korean Taxation**

The information provided below does not purport to be a complete summary of Korean tax law and practice currently applicable. Prospective investors who are in any doubt as to their tax position should consult with their own professional advisors.

The taxation of non-resident individuals and non-Korean corporations (“Non-Residents”) depends on whether they have a “permanent establishment” (as defined under Korean law and applicable tax treaty) in Korea to which the relevant Korean source income is attributable or with which such income is effectively connected. Non-Residents without a permanent establishment in Korea are taxed in the manner described below. Non-Residents with permanent establishments in Korea are taxed in accordance with different rules.

### ***Tax on Interest***

Interest on the Notes paid to Non-Residents, being foreign currency denominated bonds issued outside of Korea, is exempt from income tax and corporation tax (whether payable by withholding or otherwise) pursuant to the Special Tax Treatment Control Law (the “STTCL”).

If the tax exemption under the STTCL referred to above were to cease to be in effect, the rate of income tax or corporation tax applicable to interest on the Notes, for a Non-Resident without a permanent establishment in Korea, would be 14% of income. In addition, a tax surcharge called a local income tax would be imposed at the rate of 10% of the income tax or corporation tax (raising the total tax rate to 15.4%).

The tax rates may be reduced by an applicable tax treaty, convention or agreement between Korea and the resident country of the recipient of the income. The relevant tax treaties are discussed below.

### ***Tax on Capital Gains***

Korean tax laws currently exclude from Korean taxation gains made by a Non-Resident without a permanent establishment in Korea from the sale of the Notes to other Non-Residents (other than to their permanent establishments in Korea). In addition, capital gains earned by Non-Residents with or without permanent establishments in Korea from the transfer taking place outside Korea of the Notes are currently exempt from taxation by virtue of the STTCL, provided that the issuance of the Notes is deemed to be an overseas issuance under the STTCL.

If the exclusion or exemption from Korean taxation referred to above were to cease to be in effect, in the absence of an applicable treaty reducing or eliminating tax on capital gains, the applicable rate of tax would be the lower of 11% (including local income tax) of the gross realization proceeds or (subject to the production of satisfactory evidence of the acquisition cost and certain direct transaction costs of the relevant Note) 22% (including local income tax) of the realized gain (i.e., the excess of the gross realization proceeds over the acquisition cost and certain direct transaction costs) made. If such evidence shows that no gain (or a loss) was made



on the sale, no Korean tax is payable. There is no provision under relevant Korean law to allow offsetting of gains and losses or otherwise aggregating transactions for the purpose of computing the net gain attributable to sales of Notes issued by Korean companies. The purchaser or any other designated withholding agent of Notes is obliged under Korean law to withhold the applicable amount of Korean tax and make payment thereof to the relevant Korean tax authority. Unless the seller can claim the benefit of an exemption from tax under an applicable tax treaty or on the failure of the seller to produce satisfactory evidence of his acquisition cost and certain direct transaction costs in relation to the instruments being sold, the purchaser or such withholding agent must withhold an amount equal to 11% of the gross realization proceeds. Any amounts withheld by the purchaser or such withholding agent must be paid to the competent Korean tax office. The purchaser or withholding agent must pay any withholding tax no later than the tenth day of the month following the month in which the payment for the purchase of the relevant instruments occurred. Failure to transmit the withheld tax to the Korean tax authorities in time subjects the purchaser or such withholding agent to penalties under Korean tax laws.

### ***Inheritance and Gift Tax***

Korean inheritance tax is imposed upon (a) all assets (wherever located) of the deceased if at the time of his death he was domiciled in Korea or had resided in Korea continuously for at least 183 days immediately prior to his death and (b) all property located in Korea that passes on death (irrespective of the domicile or residence of the deceased). Gift tax is imposed in similar circumstances to the above. The taxes are imposed if the value of the relevant property is above a certain limit and the rate varies from 10% to 50% based on the value of the relevant property. At present, Korea has not entered into any tax treaties regarding its inheritance or gift taxes.

Under Korean inheritance and gift tax laws, bonds issued by Korean corporations are deemed located in Korea irrespective of where they are physically located or by whom they are owned, and, consequently, the Korean inheritance and gift taxes will be imposed on transfers of the Notes by inheritance or gift. Prospective purchasers should consult their personal tax advisors regarding the consequences of the imposition of the Korean inheritance and gift tax.

### ***Stamp Duty and Securities Transaction Tax***

No stamp, issue or registration duties will be payable in Korea by the holders of the Notes in connection with the issue of the Notes except for a nominal amount of stamp duty on certain documents executed in Korea which will be paid by the Company. No securities transaction tax will be imposed upon the transfer of the Notes.

### ***Tax Treaties***

At the date of this Offering Circular, Korea has tax treaties with, inter alia, Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, The Netherlands, New Zealand, Norway, Singapore, Sweden, Switzerland, the United Kingdom and the United States of America, under which the rate of withholding tax on interest is reduced, generally to between 5 and 15% (including local income tax), and the tax on capital gains is often eliminated.

Each holder of the Notes should inquire whether such holder is entitled to the benefit of a tax treaty with respect to any transaction involving the Notes. It is the responsibility of the party claiming the benefits of a tax treaty in respect of interest payments to file with the payer or the Company a certificate as to his tax residence. In the absence of sufficient proof, the payer or the Company must withhold taxes in accordance with the above discussion.

Furthermore, in order for a Non-Resident to claim the benefit of a tax rate reduction or tax exemption on certain Korean source income (such as interest or capital gains) under an applicable tax treaty, Korean tax law requires such Non-Resident (or its agents) to submit an application (for reduced withholding tax rate, “application for entitlement to reduced tax rate,” and in the case of exemptions from withholding tax, “application for tax exemption,” along with a certificate of tax residency of such Non-Resident issued by a competent authority of the Non-Resident’s country of tax residence, subject to certain exceptions) as the beneficial owner of such Korean source income (“BO application”), provided that if such tax exemption is being sought by an entity for an amount that is Won 1 billion or more (including where the aggregate amount exempted within one year from the last day of the month in which the payment was made is Won 1 billion or more), in addition to the certificate of tax residency issued by a competent authority of the Non-Resident’s residence country, it will also be required to submit the names and addresses of all members of the board of directors, the identities and shareholding percentages of all shareholders (provided that if there are more than 100 shareholders, the Non-Resident may instead provide a statement showing the total number of shareholders and aggregate investment amount from each country), and audit reports for the three most recent years submitted to the country of residence (or, if the entity has been in existence for less than three years, audit reports following its incorporation). Such application should be submitted to the withholding agent prior to the payment date of the relevant income. Subject to certain exceptions, where the relevant income is paid to an overseas investment vehicle (which is not the beneficial owner of such income) (“OIV”), a beneficial owner claiming the benefit of an applicable tax treaty with respect to such income must submit its BO application to such OIV, which must submit an OIV report and a schedule of beneficial owners (and the BO applications collected from each beneficial owner, in case of the application for tax exemption) to the withholding agent prior to the payment date of such income. As one of the exceptions, effective from January 1, 2022, an OIV is deemed to be a beneficial owner of the Korean source income if (i) under the applicable tax treaty, the OIV bears tax liabilities in the country in which it is established and (ii) the Korean source income is eligible for the treaty benefits under the tax treaty. The benefits under a tax treaty between Korea and the country of which the OIV is a resident will apply with respect to the relevant income paid to such OIV, subject to certain application requirements as prescribed by the Corporate Income Tax or Individual Income Tax Law. In the case of a tax exemption application, the withholding agent is required to submit such applications (together with the applicable OIV report in the case of income paid to an OIV) to the relevant district tax office by the ninth day of the month following the date of the payment of such income. However, this requirement does not apply to tax exemptions under Korean tax laws such as the STTCL.

At present, Korea has not entered into any tax treaties regarding its inheritance tax or gift tax.

### ***Withholding and Gross Up***

As mentioned above, interest on the Notes paid to Non-Residents without a permanent establishment in Korea is exempt from any withholding or deduction on account of income tax or corporation tax pursuant to STTCL if the Notes are deemed to be issued outside Korea under the STTCL. However, in the event that the payer or the Company is required by law to make any withholding or deduction for or on account of any Korean taxes (as more fully described in “Terms and Conditions of the Notes – Taxation”) the Company has agreed to pay (subject to the customary exceptions as set out in “Terms and Conditions of the Notes – Taxation”) such Additional Amounts as may be necessary in order that the net amounts received by the holder of any Note after such withholding or deduction shall equal the respective amounts which would have been received by such holder in the absence of such withholding or deduction.

### ***The Proposed Financial Transaction Tax***

On 14 February 2013, the European Commission published a proposal for a directive for a common financial transaction tax (the “FTT”) in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the “Participating Member States”). Political consensus on a final directive for the FTT was not achieved. Additional EU Member States may decide to participate and/or certain of the Participating Member States (in addition to Estonia which meanwhile withdrew) may decide to withdraw.

Whether the FTT will ultimately be implemented and, if so, in what form, as well as the transactions that may be covered by it, is uncertain at this stage. If enacted, the FTT could apply under certain circumstances to transactions involving the Notes. The mechanism by which the FTT would be applied and collected is not yet known, but if the FTT or any similar tax is adopted, transactions in the Notes could be subject to higher costs, and the liquidity of the market for the Notes may be diminished.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the consequences of the FTT that could be associated with subscribing for, purchasing, holding and disposing of the Notes.

## PLAN OF DISTRIBUTION

Subject to the terms and conditions in a Purchase Agreement dated September 25, 2024 (the “Purchase Agreement”), each Initial Purchaser named below has severally agreed to purchase, and we have agreed to sell to each Initial Purchaser, the principal amount of the Notes set forth opposite the Initial Purchaser’s name.

Initial Purchasers	Principal Amount of Notes
BNP Paribas . . . . .	US\$100,000,000
Merrill Lynch International. . . . .	100,000,000
Citigroup Global Markets Inc.. . . . .	100,000,000
Crédit Agricole Corporate and Investment Bank . . . . .	100,000,000
The Hongkong and Shanghai Banking Corporation Limited . . . . .	100,000,000
Total. . . . .	<u>US\$500,000,000</u>

The Purchase Agreement provides that we will pay the Initial Purchasers an underwriting commission and reimburse the Initial Purchasers for certain of their expenses incurred in connection with the issue of the Notes. We have agreed to indemnify the Initial Purchasers against certain liabilities, including liabilities under the Securities Act or to contribute to payments which the Initial Purchasers may be required to make in respect of any such liabilities. The Purchase Agreement may be terminated in certain circumstances prior to payment of the issue price to us.

We have been advised that the Initial Purchasers propose to resell the Notes at the issue price set forth on the cover page of this Offering Circular. The price at which the Notes are offered and other selling terms may be changed from time to time without notice by the Initial Purchasers. The Initial Purchasers may offer the Notes in various jurisdictions through certain of their affiliates.

The Notes are a new issue of securities with no established trading market. We have been advised by the Initial Purchasers that they intend to make a market in the Notes, but they are not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the Notes.

In connection with the Offering, the Initial Purchasers may purchase and sell Notes in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the Initial Purchasers of a greater number of Notes than they are required to purchase in the Offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Notes while the Offering is in progress. These activities by the Stabilisation Managers, as well as other purchases by the Stabilisation Managers for their own accounts, may stabilize, maintain or otherwise affect the market price of the Notes. As a result, the price of the Notes may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Stabilisation Managers at any time. These transactions may be effected in the open market or otherwise.

The Initial Purchasers and their respective affiliates are full service financial institutions engaged in various activities, which may include trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the Initial Purchasers and their respective affiliates have, from time to time, provided, and may in the future provide, various financial advisory, commercial and investment banking services and other services to us and to persons and entities with relationships with us, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Initial Purchasers and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and financial instruments for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and trading activities may involve or relate to our assets, securities and/or instruments or the assets, securities and/or instruments of persons and entities related to us. The Initial Purchasers and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments. Each Initial Purchaser and/or its affiliate(s) may place orders, purchase Notes and be allocated Notes for asset management and/or proprietary purposes (and such orders, purchase and allocations may be material), acting as investor for their own accounts and not with a view to distribution, and may in that capacity retain, purchase or sell for its own account such securities and any securities of the Issuer or related investments and may offer or sell such securities or other investments otherwise than in connection with the offering of the Notes. Accordingly, references herein to the Notes being offered should be read as including any offering of the Notes to the Initial Purchasers and/or their respective affiliates acting in such capacity. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Any offer or sale in the United States will be made by affiliates of the Initial Purchasers who are broker-dealers registered under the Exchange Act.

If you purchase Notes in this Offering, you will be deemed to have made representations and agreements as described under “Transfer Restrictions.”

#### **Important Notice to CMI (including private banks)**

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are our directors, employees or major shareholders, a CMI or its group companies would be considered under the SFC Code as having an Association with us, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with us or any CMI (including its group companies) and inform the Initial Purchasers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions set out elsewhere in this Offering Circular.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place “X-orders” into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by us. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Notes.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Initial Purchasers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Notes, private banks should disclose, at the same time, whether such order is placed other than on a “principal” basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a “principal” basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a “principal” basis may require the relevant affiliated Initial Purchaser(s) (if any) to categorize it as a proprietary order and apply the “proprietary orders” requirements of the SFC Code to such order.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any “Associations” (as used in the SFC Code);
- Whether any underlying investor order is a “Proprietary Order” (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.



Underlying investor information in relation to omnibus orders should be sent to: dl.asia.syndicate@asia.bnpparibas.com, bofa\_dcm\_syndicate\_pb\_orders@bofa.com, dcmomnibus@citi.com, HKG-Syndicate@ca-cib.com and hk\_syndicate\_omnibus@hsbc.com.hk.

To the extent information being disclosed by CMIIs and investors is personal and/or confidential in nature, CMIIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to us, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. CMIIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The relevant Initial Purchaser may be asked to demonstrate compliance with their obligations under the SFC Code and may request other CMIIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIIs (including private banks) are required to provide the relevant Initial Purchaser with such evidence within the timeline requested.

## **Selling Restrictions**

### ***Hong Kong***

Each Initial Purchaser has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

## ***Japan***

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law. No. 25 of 1948 as amended) (the “FIEL”) and disclosure under the FIEL has not been and will not be made with respect to any Notes. Each Initial Purchaser has severally represented, warranted and agreed that it has not offered or sold, and it will not offer or sell, directly or indirectly, the Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan except (1) pursuant to an exemption from the registration requirements of the FIEL and (2) in compliance with any other applicable laws and regulations and ministerial guidelines of Japan.

## ***Korea***

The Notes have not been and will not be registered under the FSCMA. Accordingly, the Notes may not be offered, sold or delivered, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), except as otherwise permitted under applicable Korean laws and regulations.

In addition, until the expiration of one year after the issuance of the Notes, the Notes may not be transferred to any resident of Korea other than to a Korean QIB registered with KOFIA as a Korean QIB as defined in the Regulation on Issuance, Public Disclosure, etc. of Securities of Korea, provided that the amount of the Notes acquired by such Korean QIBs in the primary market is limited to less than 20 percent of the aggregate issue amount of the Notes.

## ***Singapore***

Each Initial Purchaser has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Initial Purchaser has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

**Notification under Section 309B(1)(c) of the SFA** – We have determined, and hereby notify all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).



## ***European Economic Area***

In relation to each Member State of the European Economic Area (each, a “Relevant State”), each Initial Purchaser has represented and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular to the public in that Relevant State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant dealer or dealers nominated by us for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes shall require us or any Initial Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer of notes to the public” in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129, as amended.

## ***United Kingdom***

Each Initial Purchaser has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to us; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## ***United States***

The Initial Purchasers propose to offer the Notes for resale in transactions not requiring registration under the Securities Act or applicable state securities laws, including sales pursuant to Rule 144A and Regulation S. The Initial Purchasers will not offer or sell the Notes except: in the United States, to persons they reasonably believe to be qualified institutional buyers within the meaning of Rule 144A; or outside the United States, to non U.S. persons within the meaning of Regulation S.

Each Initial Purchaser has severally represented, warranted and agreed that, except as permitted by the Purchase Agreement and set forth in the preceding paragraph, it will not offer or sell the Notes: (i) as part of its distribution at any time; or (ii) otherwise until 40 days after the later of the date upon which the Offering commences and the time of delivery of the Notes, within the United States or to, or for the account or benefit of, U.S. persons. Each Initial Purchaser has further severally agreed that, at or prior to confirmation of a sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from or through it during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the later of the commencement of the Offering and the time of delivery, an offer or sale of the Notes within the United States by any dealer (whether or not participating in this Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each purchaser of the Notes will be deemed to have made acknowledgements, representations and agreements as described under “Transfer Restrictions.”

***United Arab Emirates (excluding the Dubai International Financial Centre and Abu Dhabi Global Market)***

The Notes have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (the UAE) (excluding the Dubai International Financial Centre and Abu Dhabi Global Market) other than in compliance with the laws of the UAE (excluding the Dubai International Financial Centre and Abu Dhabi Global Market) governing the issue, offering and sale of securities. Further, this Offering Circular does not constitute a public offer of securities in the UAE (excluding the Dubai International Financial Centre and Abu Dhabi Global Market) and is not intended to be a public offer. This Offering Circular has not been approved by or filed with the Central Bank of the UAE, the Securities and Commodities Authority or the Dubai Financial Services Authority or the Abu Dhabi Global Market.

***Abu Dhabi Global Market***

The Notes have not been, and are not being offered to any person in the Abu Dhabi Global Market unless such offer is:

- (a) An “Exempt Offer” in accordance with Rule 4.3 of the Markets Rules of the Financial Services Regulatory Authority (the FSRA Rulebook); and
- (b) Made only to persons who meet the Professional Client criteria set out in the Conduct of Business Module of the FSRA Handbook.

## **Dubai International Financial Centre**

The Notes have not been, and are not being offered to any person in the Dubai International Financial Centre unless such offer is:

- (a) an “Exempt Offer” in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority (the DFSA) Rulebook; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA Rulebook.

## **Italy**

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“CONSOB”) pursuant to Italian securities legislation and, accordingly, the Notes may not be offered, sold or delivered, nor may copies of this Offering Circular or of any other document relating to any Notes be distributed in Italy, except in accordance with any Italian securities, tax and other applicable laws and regulations.

Each Initial Purchaser has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver any Notes or distribute any copy of this Offering Circular or any other document relating to the Notes in Italy except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of February 24, 1998 (the “Financial Services Act”) and Article 34-ter, paragraph 1, letter (b) of CONSOB Regulation No. 11971 of May 14, 1999 (the “Issuers Regulation”), all as amended from time to time; or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Issuers Regulation.

In any event, any offer, sale or delivery of the Notes or distribution of copies of this Offering Circular or any other document relating to the Notes in Italy under paragraphs (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of September 1, 1993 (the “Banking Act”) and CONSOB Regulation No. 20307 of February 15, 2018, all as amended from time to time;
- (ii) in compliance with Article 129 of the Banking Act, as amended from time to time, and the implementing guidelines of the Bank of Italy, as amended from time to time; and
- (iii) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by CONSOB or the Bank of Italy or other competent authority.

## ***Switzerland***

This Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Offering Circular nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland or a simplified prospectus or a prospectus as such term is defined in the Swiss Collective Investment Scheme Act, and neither this Offering Circular nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Offering Circular nor any other offering or marketing material relating to the offering, nor the Issuer nor the Notes have been or will be filed with or approved by any Swiss regulatory authority. The Notes are not subject to the supervision by any Swiss regulatory authority, e.g., the Swiss Financial Markets Supervisory Authority, and investors in the Notes will not benefit from protection or supervision by such authority.

## ***General***

If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Initial Purchaser or any affiliate of any Initial Purchaser is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Initial Purchaser or its affiliate on behalf of us in such jurisdiction.

## TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult with legal counsel prior to making any offer, resale, pledge or other transfers of the Notes.

The Notes have not been and will not be registered under the Securities Act or any state securities laws and, subject to certain exceptions, may not be offered or sold directly or indirectly within the United States or to or for the account or benefit of U.S. persons, as defined in Regulation S. The Notes may be offered for sale only (i) in the United States, to QIBs within the meaning of, and in reliance on, Rule 144A or another available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act; or (ii) outside the United States to non U.S. persons in reliance on, and in accordance with, Regulation S, in each case, in compliance with applicable laws, regulations and directives.

The Notes have not been registered with the FSC under the FSCMA. Accordingly, the Notes have not been and will not be offered, delivered, or sold directly or indirectly in Korea or to any resident of Korea (as defined in the Foreign Exchange Transactions Act of Korea and the regulations thereunder) or to others for re-offering or resale directly or indirectly in Korea or to any resident of Korea except as otherwise permitted under applicable Korean laws and regulations. In addition, within one year following the issuance of the Notes, the Notes may not be transferred to any resident of Korea other than a Korean QIB registered with the KOFIA as a Korean QIB, provided that the amount of the Notes acquired by such Korean QIBs in the primary market is limited to no more than 20% of the aggregate issue amount of the Notes.

Each purchaser of the Notes will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S under the Securities Act are used herein as defined therein):

1. The purchaser (A)(i) is a qualified institutional buyer, (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring the Notes for its own account or for the account of a qualified institutional buyer or (B) is a non-U.S. person purchasing the Notes in an offshore transaction pursuant to Regulation S.
2. The purchaser understands that the Notes are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the Notes have not been and will not be registered under the Securities Act and that, in the event of Notes sold in reliance on Rule 144A, if in the future it decides to offer, resell, pledge or otherwise transfer any of the Notes, such Notes may be offered, resold, pledged or otherwise transferred only (A)(i) to the Company, (ii) to a person whom the seller reasonably believes is a qualified institutional buyer in a transaction meeting the requirements of Rule 144A, (iii) to a non-U.S. person in an offshore transaction meeting the requirements of Rule 903 or Rule 904 under the Securities Act, (iv) pursuant to an exemption from registration under the Securities Act provided by Rule 144 under the Securities Act (if available), or (v) pursuant to another exemption from the Securities Act, provided that, as a condition to the registration of the transfer thereof, the Company or the Fiscal Agent may require the delivery of any documents, including an opinion of counsel that it, in its sole discretion, may deem necessary or appropriate to evidence compliance with such exemption, or (B) pursuant to an effective registration statement under the Securities Act, and, in each of such cases, in accordance with any applicable securities laws of any state of the United States. The purchaser will, and each subsequent holder is required to, notify any subsequent purchaser of the Notes from it of the resale restrictions referred to in (A) above.

3. The purchaser understands that the Notes will, unless we determine otherwise in compliance with applicable law, bear a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, AGREES FOR THE BENEFIT OF KT CORPORATION (THE "COMPANY") THAT THIS SECURITY MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A)(i) TO THE COMPANY, (ii) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER, AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, (iii) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT, (iv) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (v) PURSUANT TO ANOTHER EXEMPTION FROM THE SECURITIES ACT, PROVIDED THAT, AS A CONDITION TO THE REGISTRATION OF THE TRANSFER THEREOF, THE COMPANY OR THE FISCAL AGENT MAY REQUIRE THE DELIVERY OF ANY DOCUMENTS, INCLUDING AN OPINION OF COUNSEL THAT IT, IN ITS SOLE DISCRETION, MAY DEEM NECESSARY OR APPROPRIATE TO EVIDENCE COMPLIANCE WITH SUCH EXEMPTION, OR (B) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, AND, IN EACH OF SUCH CASES IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY SUBSEQUENT PURCHASER OF THE SECURITY FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE.

THE NOTES HAVE NOT BEEN REGISTERED WITH THE FINANCIAL SERVICES COMMISSION OF KOREA UNDER THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT OF KOREA. ACCORDINGLY, THE NOTES HAVE NOT BEEN AND WILL NOT BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, IN KOREA OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY RESIDENT OF KOREA (AS DEFINED IN THE FOREIGN EXCHANGE TRANSACTIONS LAW OF KOREA AND THE REGULATIONS THEREUNDER), OR TO ANY OTHER PERSON FOR REOFFERING, RESALE OR RE-DELIVERY, DIRECTLY OR INDIRECTLY, IN KOREA OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY RESIDENT OF KOREA, EXCEPT AS OTHERWISE PERMITTED BY APPLICABLE KOREAN LAWS AND REGULATIONS. IN ADDITION, WITHIN ONE YEAR FOLLOWING THE ISSUANCE OF THE NOTES, THE NOTES MAY NOT BE TRANSFERRED TO ANY RESIDENT OF KOREA OTHER THAN A QUALIFIED INSTITUTIONAL BUYER (OR A "KOREAN QIB," AS DEFINED IN THE REGULATION ON ISSUANCE, PUBLIC DISCLOSURE, ETC. OF SECURITIES OF KOREA) REGISTERED WITH THE KOREA FINANCIAL INVESTMENT ASSOCIATION AS A KOREAN QIB, PROVIDED THAT THE AMOUNT OF THE NOTES ACQUIRED BY SUCH KOREAN QIBS IN THE PRIMARY MARKET IS LIMITED TO LESS THAN 20 PERCENT OF THE AGGREGATE ISSUE AMOUNT OF THE NOTES.

4. The purchaser understands that the offer or sale of Notes sold in reliance on Regulation S may not be made to U.S. person or for the account or benefit of a U.S. person (other than a distributor) until the expiration of 40 days after the later of the commencement of this offering and the completion of the distribution of the Notes, and unless otherwise agreed by the Company, will bear a legend substantially to the following effect:

THIS SECURITY (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON UNTIL 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE SECURITY AND THE DATE OF ORIGINAL ISSUANCE OF THE SECURITY, EXCEPT PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS. TERMS USED ABOVE HAVE THE MEANINGS GIVEN TO THEM IN REGULATION S UNDER THE SECURITIES ACT.

## LEGAL MATTERS

Certain legal matters with respect to the issue and sale of the Notes will be passed upon for us by Kim & Chang, Seoul, Korea and for the Initial Purchasers by Cleary Gottlieb Steen & Hamilton LLP. Kim & Chang may rely on the opinion of Cleary Gottlieb Steen & Hamilton LLP with respect to matters of New York law, and Cleary Gottlieb Steen & Hamilton LLP may rely on the opinion of Kim & Chang with respect to matters of Korean law.

## INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRMS

The consolidated annual financial statements as of December 31, 2022 and 2021 and for each of the two years in the period ended December 31, 2022 incorporated in this Offering Circular by reference to KT Corporation's Annual Report on Form 20-F for the year ended December 31, 2023 have been audited by Samil PricewaterhouseCoopers, an independent registered public accounting firm, as stated in their report incorporated herein.

The consolidated annual financial statements as of December 31, 2023 and for the year ended December 31, 2023 (which management has disclosed as being prepared in accordance with IFRS as issued by the IASB) incorporated in this Offering Circular by reference to KT Corporation's Annual Report on Form 20-F for the year ended December 31, 2023, and the effectiveness of internal control over financial reporting as of December 31, 2023, have been audited in accordance with the standards of the PCAOB by Deloitte Anjin LLC, an independent registered public accounting firm, as stated in their report incorporated herein.

With respect to our unaudited consolidated interim financial statements for the six-month periods ended June 30, 2024 and 2023 (which management has disclosed as being prepared in accordance with K-IFRS 1034 "*Interim Financial Reporting*") included in this Offering Circular, Deloitte Anjin LLC reported that they have applied limited procedures in accordance with the Review Standards for Quarterly and Semi-annual Financial Statements established by the Securities and Futures Commission of the Republic of Korea for a review of such information. However, their separate report dated August 14, 2024 appearing herein states that they did not audit and they do not express an opinion on that unaudited financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.



## INDEX TO FINANCIAL STATEMENTS

Report on Review of Interim Financial Statements . . . . .	F-2
Consolidated Interim Statements of Financial Position as of June 30, 2024 and December 31, 2023 . . . . .	F-4
Consolidated Interim Statements of Profit or Loss for the six-month periods ended June 30, 2024 and 2023 . . . . .	F-6
Consolidated Interim Statements of Comprehensive Income for the six-month periods ended June 30, 2024 and 2023 . . . . .	F-7
Consolidated Interim Statements of Changes in Equity for the six-month periods ended June 30, 2024 and 2023 . . . . .	F-8
Consolidated Interim Statements of Cash Flows for the six-month periods ended June 30, 2024 and 2023 . . . . .	F-10
Notes to Consolidated Interim Financial Statements . . . . .	F-12

## **Independent Auditor's Review Report**

[English Translation of Independent Auditor's Review Report Originally Issued in Korean on August 14, 2024]

**To the Shareholders and the Board of Directors of KT Corporation.**

### **Reviewed Consolidated Interim Financial Statements**

We have reviewed the accompanying consolidated interim financial statements of KT Corporation and its subsidiaries (the "Group"). The consolidated interim financial statements consist of the consolidated statement of financial position as of June 30, 2024, and the related consolidated interim statements of profit or loss and comprehensive income for the three-month and six-month periods ended June 30, 2024 and 2023, and changes in equity and cash flows for the six-month periods ended June 30, 2024 and 2023, all expressed in Korean won, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated Interim Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with Korean International Financial Reporting Standards ("K-IFRS") No. 1034 Interim Financial Reporting, and for such internal control as management determines is necessary to enable the preparation of consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express a conclusion on these consolidated interim financial statements based on our reviews.

We conducted our reviews in accordance with the Review Standards for Quarterly and Semi-annual Financial Statements established by the Securities and Futures Commission of the Republic of Korea. A review of consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Korean Standards on Auditing ("KSA") and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements referred to above do not present fairly, in all material respects, the financial position as of June 30, 2024, and its financial performance and its cash flows for the six-month periods ended June 2024 in accordance with K-IFRS No.1034 Interim Financial Reporting.

## Other Matters

We have audited the consolidated statement of financial position as of December 31, 2023, and the related consolidated statement of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, which are not accompanying this report, in accordance with KSA. We expressed an unqualified opinion on those consolidated financial statements in our audit report dated March 18, 2024. The accompanying consolidated statement of financial position as of December 31, 2023, presented for comparative purposes, is not different from the audited consolidated statement of financial position above in all material respects.

/s/ Deloitte Anjin LLC

Seoul, Korea

August 14, 2024

### Notice to Readers

This review report is effective as of August 14, 2024, the auditor's review report date. Certain subsequent events or circumstances may have occurred between the auditor's review report date and the time the auditor's review report is read. Such events or circumstances could significantly affect the financial statements and may result in modifications to the auditor's review report.

**KT Corporation and Its Subsidiaries**  
**Consolidated Interim Statements of Financial Position**  
**As of June 30, 2024 and December 31, 2023**

(In millions of Korean won)

	Notes	June 30, 2024	December 31, 2023
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4,29	₩ 3,786,724	₩ 2,879,554
Trade and other receivables, net	4,5,29	6,881,876	7,170,289
Other financial assets	4,6,29	1,304,742	1,440,200
Current income tax assets		2,325	3,299
Inventories, net	7	964,044	912,262
Other current assets	8	2,235,470	2,112,553
Total Current Assets		15,175,181	14,518,157
<b>Non-Current Assets</b>			
Trade and other receivables, net	4,5,29	1,379,706	1,404,168
Other financial assets	4,6,29	3,070,502	2,724,761
Property and equipment, net	9	14,591,713	14,872,079
Right-of-use assets	16	1,286,681	1,304,963
Investment properties, net	9	2,250,074	2,198,135
Intangible assets, net	9	2,266,316	2,533,861
Investments in associates and joint ventures	10	1,592,746	1,556,889
Deferred income tax assets		623,699	608,924
Net defined benefit assets	14	92,458	160,748
Other non-current assets	8	815,303	827,297
Total Non-Current Assets		27,969,198	28,191,825
<b>Total Assets</b>		<b>₩ 43,144,379</b>	<b>₩ 42,709,982</b>

**KT Corporation and Its Subsidiaries**  
**Consolidated Interim Statements of Financial Position**  
**As of June 30, 2024 and December 31, 2023**

(In millions of Korean won)

	Notes	June 30, 2024	December 31, 2023
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	4,11,29	₩ 8,052,305	₩ 8,054,922
Borrowings	4,12,29	3,595,006	3,058,564
Other financial liabilities	4,6,29	324,832	322,099
Current income tax liabilities		316,958	236,463
Other provisions	13,15	105,854	115,209
Deferred income	19	62,500	51,537
Other current liabilities	4,8,16	1,637,760	1,308,615
Total Current Liabilities		14,095,215	13,147,409
<b>Non-Current Liabilities</b>			
Trade and other payables	4,11,29	556,236	819,558
Borrowings	4,12,29	6,555,579	7,159,601
Other financial liabilities	4,6,29	696,966	753,739
Net defined benefit liabilities	14	73,113	63,616
Other provisions	13,15	111,420	107,014
Deferred income	19	147,972	153,563
Deferred income tax liabilities		1,053,640	994,330
Other non-current liabilities	4,8,16	872,337	950,015
Total Non-Current Liabilities		10,067,263	11,001,436
<b>Total Liabilities</b>		<b>24,162,478</b>	<b>24,148,845</b>
<b>Equity Attribute to Owners of the Controlling Company</b>			
Share capital		1,564,499	1,564,499
Share premium		1,440,258	1,440,258
Retained earnings	17	14,452,660	14,494,430
Accumulated other comprehensive income		294,207	52,407
Other components of equity	18	(637,177)	(802,418)
		17,114,447	16,749,176
<b>Non-Controlling Interest</b>		<b>1,867,454</b>	<b>1,811,961</b>
<b>Total Equity</b>		<b>18,981,901</b>	<b>18,561,137</b>
<b>Total Liabilities and Equity</b>		<b>₩ 43,144,379</b>	<b>₩ 42,709,982</b>

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

**KT Corporation and Its Subsidiaries**  
**Consolidated Interim Statements of Profit or Loss**  
**For the three-month and six-month periods ended June 30, 2024 and 2023**

(In millions of Korean won, except per share amounts)	Notes	Three-Month and Six-Month Periods Ended June 30			
		2024		2023	
		Three-month	Six-month	Three-month	Six-month
<b>Operating Revenue</b>	19,27	₩ 6,546,399	₩ 13,200,973	₩ 6,547,521	₩ 12,991,197
<b>Operating Expenses</b>	20	6,052,413	12,200,487	5,971,413	11,928,984
<b>Operating Profit</b>	27	493,986	1,000,486	576,108	1,062,213
Other income	21	107,459	180,297	62,945	131,931
Other expenses	21	48,027	118,399	74,399	134,636
Finance income	22	218,356	468,632	126,026	299,360
Finance costs	22	212,032	452,524	148,498	375,279
Share of net profits (losses) of associates and joint ventures	10	(3,033)	7,205	5,952	2,147
<b>Profit before Income Tax</b>		556,709	1,085,697	548,134	985,736
Income tax expense	23	146,168	282,153	115,635	243,609
<b>Profit for the Period</b>		₩ 410,541	₩ 803,544	₩ 432,499	₩ 742,127
<b>Profit for the Period Attributable to:</b>					
Owners of the Controlling Company		₩ 393,025	₩ 768,555	₩ 394,533	₩ 691,147
Non-controlling interests		17,516	34,989	37,966	50,980
<b>Earnings per share attributable to the equity holders of the Controlling Company during the period (in Korean won):</b>	24				
Basic earnings per share		₩ 1,598	₩ 3,122	₩ 1,580	₩ 2,734
Diluted earnings per share		1,597	3,120	1,578	2,731

The above consolidated interim statements of profit or loss should be read in conjunction with the accompanying notes.

**KT Corporation and Its Subsidiaries**  
**Consolidated Interim Statements of Comprehensive Income**  
**For the three-month and six-month periods ended June 30, 2024 and 2023**

(In millions of Korean won)	Notes	Three-Month and Six-Month Periods Ended June 30			
		2024		2023	
		Three-month	Six-month	Three-month	Six-month
<b>Profit for the period</b>		₩ 410,541	₩ 803,544	₩ 432,499	₩ 742,127
<b>Other comprehensive income (loss)</b>					
<b>Items that will not be reclassified to profit or loss:</b>					
Remeasurements of the net defined benefit liabilities	14	(1,251)	(648)	4,114	(1,296)
Share of remeasurement gain of associates and joint ventures		(601)	(696)	(836)	232
Gain on valuation of equity instruments at fair value through other comprehensive income	6	117,346	230,801	41,222	114,039
<b>Items that are or may be subsequently reclassified to profit or loss:</b>					
Valuation gains (losses) on cash flow hedges	6	58,683	141,436	(9,247)	47,349
Other comprehensive income from cash flow hedges reclassified to profit or loss		(66,223)	(152,944)	(8,388)	(75,413)
Share of other comprehensive income of associates and joint ventures		4,303	4,917	4,532	13,371
Exchange differences on translation of foreign operations		680	46,406	13,924	21,401
<b>Other comprehensive income (loss) for the period, net of tax</b>		112,937	269,272	45,321	119,683
<b>Total comprehensive income for the period</b>		₩ 523,478	₩ 1,072,816	₩ 477,820	₩ 861,810
<b>Total comprehensive income for the period attributable to:</b>					
Owners of the Controlling Company		₩ 504,272	₩ 1,011,815	₩ 430,149	₩ 795,672
Non-controlling interests		19,206	61,001	47,671	66,138

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

**KT Corporation and Its Subsidiaries**  
**Consolidated Interim Statements of Changes in Equity**  
**For the six-month periods ended June 30, 2024 and 2023**

(In millions of Korean won)										
		Attributable to owners of the Controlling Company								
	Notes	Share capital	Share premium	Retained earnings	Accumulated other comprehensive income	Other components of equity	Total	Non controlling interest	Total Equity	
		₩	₩	₩	₩	₩	₩	₩	₩	₩
<b>Balance as of January 1, 2023</b>										
<b>Comprehensive income</b>										
	14	-	-	691,147	-	-	691,147	50,980	742,127	
		-	-	1,291	-	-	1,291	(2,587)	(1,296)	
		-	-	223	-	-	223	9	232	
		-	-	-	-	-	-	-	-	
	6	-	-	-	10,303	-	10,303	3,068	13,371	
		-	-	-	(27,888)	-	(27,888)	(176)	(28,064)	
		-	-	222	113,822	-	114,044	(5)	114,039	
		-	-	-	6,552	-	6,552	14,849	21,401	
		-	-	692,883	102,789	-	795,672	66,138	861,810	
<b>Transactions with owners</b>										
		-	-	(501,843)	-	-	(501,843)	-	(501,843)	
		-	-	-	-	-	-	(24,441)	(24,441)	
		-	-	-	-	2,405	2,405	(7,608)	(5,203)	
		-	-	(44,422)	-	44,422	-	-	-	
		-	-	-	-	(300,086)	(300,086)	-	(300,086)	
		-	-	-	-	7,029	7,029	1,751	8,780	
		-	-	(546,265)	-	(246,230)	(792,495)	(30,298)	(822,793)	
		-	-	-	-	-	-	-	-	
		₩	₩	₩	₩	₩	₩	₩	₩	₩
		1,564,499	1,440,258	14,403,961	25,013	(818,382)	16,615,349	1,838,391	18,453,740	
<b>Balance as at June 30, 2023</b>										



**KT Corporation and Its Subsidiaries**  
**Interim Consolidated Statements of Changes in Equity**  
**For the six-month periods ended June 30, 2024 and 2023**

		Attributable to owners of the Controlling Company						
		Accumulated			Other components of equity		Total	
Notes	Share capital	Share premium	Retained earnings	other comprehensive income	W	W	W	W
	₩ 1,564,499	₩ 1,440,258	₩ 14,494,430	₩ 52,407	₩ (802,418)	₩ 16,749,176	₩ 1,811,961	₩ 18,561,137
<b>Balance as of January 1, 2024</b>								
<b>Comprehensive income</b>								
Profit for the period	-	-	768,555	-	-	768,555	34,989	803,544
Remeasurements of net defined benefit liabilities	-	-	556	-	-	556	(1,204)	(648)
Share of remeasurement of the net defined benefit liabilities of associates and joint ventures	-	-	(510)	-	-	(510)	(186)	(696)
Share of other comprehensive income of associates and joint ventures	-	-	-	4,463	-	4,463	454	4,917
Valuation gains (losses) on cash flow hedges	-	-	-	(11,219)	-	(11,219)	(289)	(11,508)
Valuation gains on financial instruments at fair value through other comprehensive income	-	-	1,414	229,077	-	230,491	310	230,801
Exchange differences on translation of foreign operations	-	-	-	19,479	-	19,479	26,927	46,406
<b>Total comprehensive income for the period</b>	-	-	₩ 770,015	₩ 241,800	-	₩ 1,011,815	₩ 61,001	₩ 1,072,816
<b>Transactions with owners</b>								
Dividends paid by the Controlling Company	-	-	(482,970)	-	-	(482,970)	-	(482,970)
Interim dividends paid by the Controlling Company	-	-	(122,859)	-	-	(122,859)	-	(122,859)
Dividends paid to non-controlling interest of subsidiaries	-	-	-	-	-	-	(20,642)	(20,642)
Change in Consolidation Scope	-	-	-	-	-	-	(796)	(796)
Change in ownership interests in subsidiaries	-	-	-	-	(15,777)	(15,777)	14,562	(1,215)
Acquisition of treasury stock	-	-	-	-	(27,100)	(27,100)	-	(27,100)
Disposal of treasury stock	-	-	-	-	3,760	3,760	-	3,760
Retirement of treasury stocks	-	-	(205,956)	-	-	205,956	-	-
Others	-	-	-	-	(1,598)	(1,598)	1,368	(230)
<b>Subtotal</b>	-	-	(811,785)	-	165,241	(646,544)	(5,508)	(652,052)
<b>Balance as of June 30, 2024</b>	₩ 1,564,499	₩ 1,440,258	₩ 14,452,660	₩ 294,207	₩ (637,177)	₩ 17,114,447	₩ 1,867,454	₩ 18,981,901

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

**KT Corporation and Its Subsidiaries**  
**Consolidated Interim Statements of Cash Flows**  
**For the six-month periods ended June 30, 2024 and 2023**

(In millions of Korean won)	Notes	Six-Month Periods Ended June 30	
		2024	2023
<b>Cash flows from operating activities</b>			
Cash generated from operations	25	₩ 3,428,623	₩ 2,864,299
Interest paid		(214,215)	(190,745)
Interest received		188,726	173,784
Dividends received		48,179	37,661
Income tax paid		(214,987)	(207,457)
<b>Net cash inflow from operating activities</b>		<b>3,236,326</b>	<b>2,677,542</b>
<b>Cash flows from investing activities</b>			
Collection of loans		18,672	22,240
Disposals of financial assets at fair value through profit or loss		74,119	65,088
Disposals of financial assets at amortized cost		949,781	924,623
Disposals of financial assets at fair value through other comprehensive income		7,851	306
Disposals of investments in associates and joint ventures		3,745	5,405
Disposals of property, equipment and investment properties		26,696	33,556
Disposals of intangible assets		4,069	4,641
Disposals of right-of-use assets		100	1,330
Disposals of derivatives		-	4,888
Increase in cash due to consolidation scope change		9,847	1,765
Loans granted		(14,278)	(16,865)
Acquisitions of financial assets at fair value through profit or loss		(105,687)	(49,719)
Acquisitions of financial assets at amortized cost		(546,754)	(960,331)
Acquisitions of financial assets at fair value through other comprehensive income		(1,000)	(501)
Acquisitions of investments in associates and joint ventures		(29,580)	(42,911)
Acquisitions of property and equipment and investment properties		(1,205,286)	(1,690,823)
Acquisitions of intangible assets		(345,359)	(471,838)
Acquisitions of right-of-use assets		(4,666)	(568)
Decrease in cash due to consolidation scope change		(10,310)	(3,134)
<b>Net cash outflow from investing activities</b>		<b>₩ (1,168,040)</b>	<b>₩ (2,172,848)</b>

**KT CORPORATION and ITS SUBSIDIARIES**  
**Consolidated Interim Statements of Cash Flows**  
**For the six-month periods ended June 30, 2024 and 2023**

		Six-Month Periods Ended June 30	
(In millions of Korean won)	Notes	2024	2023
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		₩ 2,060,181	₩ 3,356,398
Cash inflow from derivatives contracts		1,118	26,593
Cash inflow from transactions with non-controlling shareholders		812	-
Cash inflow from other financing activities		130	2,017
Repayments of borrowings		(2,341,632)	(3,497,760)
Dividends paid		(626,429)	(526,268)
Decrease in finance lease liabilities		(200,555)	(208,342)
Decrease in other financial liabilities		-	(4)
Acquisition of treasury stock		(27,100)	(300,086)
Cash outflow from transactions with non-controlling shareholders		(30,738)	(3,085)
Cash outflow from other financing activities		(36)	-
<b>Net cash outflow from financing activities</b>		<b>(1,164,249)</b>	<b>(1,150,537)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>		<b>3,133</b>	<b>2,278</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>907,170</b>	<b>(643,565)</b>
<b>Cash and cash equivalents</b>			
Beginning of the period		2,879,554	2,449,062
End of the period		₩ 3,786,724	₩ 1,805,497

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

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

---

**1. General Information**

The consolidated financial statements have been prepared by KT Corporation, the “Controlling Company” as defined under Korean IFRS 1110 *Consolidated Financial Statements*, by consolidating 82 subsidiaries (collectively referred to as the “Group”) including BC Card Co., Ltd., etc. as described in Note 1.2

**1.1 The Controlling Company**

KT Corporation (the “Controlling Company”) commenced operations on January 1, 1982, when it spun off from the Korea Communications Commission (formerly the Korean Ministry of Information and Communications) to provide telecommunication services and to engage in the development of advanced communications services under the Act of Telecommunications of Korea. The address of the Controlling Company’s registered office is 90, Buljeong-ro, Bundang-gu, Seongnam City, Gyeonggi Province, Korea.

On October 1, 1997, upon the announcement of Act on the Management of the Government-Invested Institutions and the Privatization Law, the Controlling Company became a government-funded institution under the Commercial Code of Korea.

On December 23, 1998, the Controlling Company’s shares were listed on the Korea Exchange.

On May 29, 1999, the Controlling Company issued 24,282,195 additional shares and issued American Depositary Shares (ADS), which represents new shares and 20,813,311 government-owned shares, on the New York Stock Exchange. On July 2, 2001, additional ADS representing 55,502,161 government-owned shares were issued on the New York Stock Exchange.

In 2002, the Controlling Company acquired the entire government-owned shares in accordance with the Korean government’s privatization plan. As of June 30, 2024, the Korean government does not own any shares in the Controlling Company.

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

**1.2 Consolidated Subsidiaries**

(1) The consolidated subsidiaries as of June 30, 2024 and December 31, 2023, are as follows:

Subsidiary	Type of business	Location	Controlling Interest <sup>1</sup> (%)		Closing month
			June 30, 2024	December 31, 2023	
KT Linkus Co., Ltd.	Public telephone maintenance	Korea	92.4%	92.4%	December
KT Telecop Co., Ltd.	Security service	Korea	86.8%	86.8%	December
KT Alpha Co., Ltd. <sup>5</sup>	Data communication	Korea	73.0%	73.0%	December
KT Service Bukbu Co., Ltd.	Opening services of fixed line	Korea	67.3%	67.3%	December
KT Service Nambu Co., Ltd.	Opening services of fixed line	Korea	77.3%	77.3%	December
KT Commerce Inc.	B2C, B2B service	Korea	100.0%	100.0%	December
KT Strategic Investment Fund No.3	Investment fund	Korea	100.0%	100.0%	December
KT Strategic Investment Fund No.4	Investment fund	Korea	100.0%	100.0%	December
KT Strategic Investment Fund No.5	Investment fund	Korea	100.0%	100.0%	December
BC-VP Strategic Investment Fund No.1	Investment fund	Korea	100.0%	100.0%	December
BC Card Co., Ltd.	Credit card business	Korea	69.5%	69.5%	December
VP Inc. <sup>5</sup>	Payment security service for credit card, others	Korea	72.2%	72.2%	December
H&C Network	Call center for financial sectors	Korea	100.0%	100.0%	December
BC Card China Co., Ltd.	Software development and data processing	China	100.0%	100.0%	December
INITECH Co., Ltd. <sup>5</sup>	Internet banking ASP and security solutions	Korea	66.1%	63.9%	December
Smartro Co., Ltd.	VAN (Value Added Network) business	Korea	64.5%	64.5%	December
KTDS Co., Ltd. <sup>5</sup>	System integration and maintenance	Korea	91.6%	91.6%	December
KT M&S Co., Ltd.	PCS distribution	Korea	100.0%	100.0%	December
GENIE Music Corporation <sup>2</sup>	Online music production and distribution	Korea	36.0%	36.0%	December
KT MOS Bukbu Co., Ltd. <sup>5</sup>	Telecommunication facility maintenance	Korea	100.0%	100.0%	December
KT MOS Nambu Co., Ltd. <sup>5</sup>	Telecommunication facility maintenance	Korea	98.4%	98.4%	December
KT Skylife <sup>5</sup>	Satellite TV	Korea	50.6%	50.6%	December
Skylife TV Co., Ltd.	TV contents provider	Korea	100.0%	100.0%	December
KT Estate Inc.	Residential building development and supply	Korea	100.0%	100.0%	December
KT Investment Management Inc.	Asset management, real estate, and consulting services	Korea	100.0%	100.0%	December
NEXR Co., Ltd.	Cloud system implementation	Korea	100.0%	100.0%	December
KTGDH Co., Ltd.	Data center development and related service	Korea	100.0%	100.0%	December
KT Sat Co., Ltd.	Satellite communication business	Korea	100.0%	100.0%	December
Nasmedia, Co., Ltd. <sup>2,5</sup>	Solution provider and IPTV advertisement sales business	Korea	44.1%	44.1%	December
KT Sports Co., Ltd.	Management of sports teams	Korea	100.0%	100.0%	December
KT Music Contents Fund No.2	Music and contents investment business	Korea	100.0%	100.0%	December
KTCS Corporation <sup>2,5</sup>	Database and online information provider	Korea	34.1%	34.1%	December
KTIS Corporation <sup>2,5</sup>	Database and online information provider	Korea	33.3%	33.3%	December

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

Subsidiary	Type of business	Location	Controlling Interest <sup>1</sup> (%)		Closing month
			June 30, 2024	December 31, 2023	
KT M Mobile Co., Ltd.	Special category telecommunications operator and sales of communication device	Korea	100.0%	100.0%	December
KT Investment Co., Ltd.	Financing business for new technology	Korea	100.0%	100.0%	December
PlayD Co., Ltd.	Advertising agency	Korea	70.4%	70.4%	December
Next Connect PFV	Residential building development and supply	Korea	100.0%	100.0%	December
KT Rwanda Networks Ltd.	Network installation and management	Rwanda	51.0%	51.0%	December
AOS Ltd.	System integration and maintenance	Rwanda	51.0%	51.0%	December
KT Japan Co., Ltd.	Foreign investment business and local counter work	Japan	100.0%	100.0%	December
East Telecom LLC	Wireless/fixed line internet business	Uzbekistan	91.6%	91.6%	December
KT America, Inc.	Foreign investment business and local counter work	USA	100.0%	100.0%	December
PT. BC Card Asia Pacific	Software development and supply	Indonesia	99.9%	99.9%	December
KT Hongkong Telecommunications Co., Ltd.	Fixed line telecommunication business	Hong Kong	100.0%	100.0%	December
Korea Telecom Singapore Pte. Ltd.	Foreign investment business and local counter work	Singapore	100.0%	100.0%	December
Texnoprosistem LLC	Fixed line internet business	Uzbekistan	100.0%	100.0%	December
Nasmedia Thailand Co., Ltd.	Internet advertising solution	Thailand	99.9%	99.9%	December
KT Huimangjjeum	Manufacturing	Korea	100.0%	100.0%	December
K-REALTY RENTAL HOUSING REIT 3	Residential building	Korea	88.6%	88.6%	December
Storywiz Co., Ltd.	Contents and software development and supply	Korea	100.0%	100.0%	December
KT Engineering Co., Ltd.	Telecommunication facility construction and maintenance	Korea	100.0%	100.0%	December
KT Studio Genie Co., Ltd.	Data communication service and data communication construction business	Korea	90.9%	90.9%	December
KHS Corporation	Operation and maintenance of facilities	Korea	100.0%	100.0%	December
HCN Co., Ltd.	Cable television service	Korea	100.0%	100.0%	December
Millie Seojae <sup>2</sup>	Book contents service	Korea	38.7%	30.2%	December
KT ES Pte. Ltd.	Foreign investment business	Singapore	68.8%	57.6%	December
Epsilon Global Communications PTE. Ltd.	Network service industry	Singapore	100.0%	100.0%	December
Epsilon Telecommunications (SP) PTE. Ltd.	Fixed line telecommunication business	Singapore	100.0%	100.0%	December
Epsilon Telecommunications (US) PTE. Ltd.	Fixed line telecommunication business	Singapore	100.0%	100.0%	December
Epsilon Telecommunications Limited	Fixed line telecommunication business	UK	100.0%	100.0%	December
Epsilon Telecommunications (HK) Limited	Fixed line telecommunication business	Hong Kong	100.0%	100.0%	December
Epsilon US Inc.	Fixed line telecommunication business	USA	100.0%	100.0%	December
Epsilon Telecommunications (BG) EOOD	Employee support service	Bulgaria	100.0%	100.0%	December
Nasmedia-KT Alpha Future Growth Strategic Investment Fund	Investment fund	Korea	100.0%	100.0%	December
KT Strategic Investment Fund 6	Investment fund	Korea	100.0%	100.0%	December

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

Subsidiary	Type of business	Location	Controlling Interest <sup>1</sup> (%)		Closing month
			June 30, 2024	December 31, 2023	
Altimedia Corporation	Software development and delivery	Korea	100.0%	100.0%	December
Altimidia B.V.	Software development and delivery	Netherlands	100.0%	100.0%	December
Altimidia Vietnam	Software development and delivery	Vietnam	100.0%	100.0%	December
BCCARD VIETNAM LTD.	Software sales business	Vietnam	100.0%	100.0%	December
KTP SERVICES INC.	Fixed line telecommunication business	Philippines	100.0%	100.0%	December
KT RUS LLC	Foreign investment business	Russia	100.0%	100.0%	December
Hangang Real Estate Investment Trust No. 24	Investment fund	Korea	75.0%	75.0%	December
KT DX VIETNAM COMPANY LIMITED	Software development	Vietnam	100.0%	100.0%	December
KT Cloud Co., Ltd.	Information and communications development	Korea	92.7%	92.7%	December
PT CRANIUM ROYAL ADITAMA	Software development	Indonesia	67.0%	67.0%	December
Juice Inc. <sup>3,5</sup>	Online information provider/Software development and delivery	Korea	41.9%	42.6%	December
	IT consulting service and Telecommunication equipment sales	Korea	100.0%	100.0%	December
Open cloud lab Co., Ltd		Korea	100.0%	100.0%	December
KT Living, Inc. (formerly KD Living, Inc.)	Residential building management	Korea	100.0%	100.0%	December
K-Realty Qualified Private Real Estate Investment Trust No. 1 <sup>4</sup>	Real estate management	Korea	6.5%	6.5%	December
AQUA RETAIL VIETNAM COMPANY LIMITED	E-voucher issuance and trading business	Vietnam	100.0%	100.0%	December
K-Realty Qualified Private Real Estate Investment Trust No. 4	Real estate management	Korea	93.9%	93.9%	December
BC Strategic Investment Fund 2	Investment fund	Korea	100.0%	-	December

<sup>1</sup> Sum of the interests owned by the Controlling Company and subsidiaries.

<sup>2</sup> Although the Controlling Company owns less than 50% interest in Nasmedia, Co., Ltd., KTCS Corporation and KTIS Corporation, Millie Seojae, and GENIE Music Corporation, considering voting patterns at previous shareholders' meetings, these entities are consolidated as the Controlling Company has the ability to exercise the majority of the voting rights in its decision-making process at all times.

<sup>3</sup> Although the Controlling Company owns less than 50% interest in, Juice Inc., this entity is consolidated as the Controlling Company holds the majority of the voting right based on an agreement with other investors.

<sup>4</sup> Although the Controlling Company owns less than 50% interest in K-Realty Qualified Private Real Estate Investment Trust No. 1, this entity is consolidated by comprehensively considering the criteria for determining control, such as 'power', 'variable profit', and 'relationship between power and variable profit', rather than simply judging by the interests owned by the Controlling Company.

<sup>5</sup> The number of treasury stocks held by subsidiaries are deducted from the total number of shares when calculating the controlling percentage interest.



**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

---

(2) Changes in Scope of Consolidation

Subsidiaries newly included and excluded in the consolidation during the six-month period ended June 30, 2024:

<b>Changes</b>	<b>Location</b>	<b>Name of subsidiary</b>	<b>Reason</b>
Included	Korea	BC Strategic Investment Fund 2	Newly established
Excluded	Korea	Lolab Co., Ltd.	Excluded
Excluded	Korea	Pocheon Jeonggyori Development Co., Ltd.	Liquidated
Excluded	Vietnam	KT HEALTHCARE VINA COMPANY LIMITED	Excluded

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

(3) Summarized information for consolidated subsidiaries as of June 30, 2024 and December 31, 2023 and for the six-month periods ended June 30, 2024 and 2023, is as follows

		June 30, 2024		Six-month period ended	
				June 30, 2024 <sup>3</sup>	
		Total assets	Total liabilities	Operating revenues	Profit(loss) for the period
	(In millions of Korean won)				
KT Linkus Co., Ltd.	₩	57,482	57,954	39,554	(1,335)
KT Telecop Co., Ltd.		391,984	249,256	262,403	5,911
KT Alpha Co., Ltd.		429,865	173,140	214,323	13,533
KT Service Bukbu Co., Ltd.		56,093	52,874	110,547	(5,181)
KT Service Nambu Co., Ltd.		62,364	56,856	137,851	(7,323)
BC Card Co., Ltd. <sup>1</sup>		6,319,545	4,594,100	1,913,228	99,904
H&C Network		82,389	4,001	13,438	996
Nasmedia Co., Ltd. <sup>1</sup>		500,893	247,483	67,991	10,182
KTDS Co., Ltd. <sup>1</sup>		377,980	170,842	336,092	23,182
KT M&S Co., Ltd.		267,875	209,824	391,267	8,650
KT MOS Bukbu Co., Ltd.		54,976	31,831	49,590	826
KT MOS Nambu Co., Ltd.		54,023	31,625	49,984	1,571
KT Skylife Co., Ltd. <sup>1</sup>		1,276,393	546,879	509,026	(1,437)
KT Estate Inc. <sup>1</sup>		2,607,700	959,544	291,521	13,540
KT GDH Co., Ltd.		7,837	1,390	2,101	188
KT Sat Co., Ltd.		717,505	90,889	90,339	15,580
KT Sports Co., Ltd.		45,377	27,934	42,130	2,133
KT Music Contents Fund No.2		5,343	1,526	65	31
KT M Mobile Co., Ltd.		185,361	72,651	167,951	5,205
KT Investment Co., Ltd. <sup>1</sup>		85,382	57,828	5,932	1,336
KTCS Corporation <sup>1</sup>		447,576	253,747	583,588	(902)
KTIS Corporation		477,651	270,487	296,883	8,039
Next Connect PFV		1,133,755	821,975	-	(5,098)
KT Japan Co., Ltd. <sup>1</sup>		1,797	2,866	1,600	183
KT America, Inc.		6,382	607	3,798	82
KT Rwanda Networks Ltd. <sup>2</sup>		137,896	329,171	10,740	(4,447)
AOS Ltd. <sup>2</sup>		12,275	17,275	5,338	769
KT Hong Kong Telecommunications Co., Ltd.		12,093	5,147	10,205	386
KT Huimangjeum <sup>1</sup>		9,057	2,241	9,008	1,457
KT Engineering Co., Ltd.		138,204	82,418	130,292	(1,518)
KT Studio Genie Co., Ltd. <sup>1</sup>		974,115	245,990	205,949	(3,176)
East Telecom LLC <sup>1</sup>		72,685	39,352	17,619	4,767
KT ES Pte. Ltd. <sup>1</sup>		155,923	64,317	46,484	(6,764)
KTP SERVICES INC.		2,826	662	398	101
Altimedia Corporation <sup>1</sup>		44,229	10,574	17,268	232
KT RUS LLC		452	-	-	(90)
KT DX VIETNAM COMPANY		1,581	91	159	(142)

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

---

LIMITED				
KT Cloud Co., Ltd. <sup>1</sup>	2,033,100	537,007	355,253	14,548
K-Realty Qualified Private Real Estate Investment Trust No. 1	79,407	50,589	2,017	(755)
AQUA RETAIL VIETNAM COMPANY LIMITED	845	94	211	(415)

<sup>1</sup> As intermediate controlling companies, financial information from their consolidated financial statements is presented.

<sup>2</sup> Convertible preferred stock issued by subsidiaries as of the end of the reporting period is included in liabilities.

<sup>3</sup> Profit or loss from the acquisition date of control to the end of the reporting period is included.

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

		December 31, 2023		Six-month period ended June 30, 2023 <sup>3</sup>	
		Total assets	Total liabilities	Operating revenues	Profit(loss) for the period
(In millions of Korean won)					
	₩				
KT Linkus Co., Ltd.		64,178	63,452	39,337	1,254
KT Telecop Co., Ltd.		375,596	235,947	262,124	3,216
KT Alpha Co., Ltd.		443,639	191,254	217,449	12,496
KT Service Bukbu Co., Ltd.		63,760	55,360	115,457	(2,482)
KT Service Nambu Co., Ltd.		71,576	58,745	140,109	(2,491)
BC Card Co., Ltd. <sup>1</sup>		6,352,878	4,722,432	2,002,365	30,635
H&C Network		81,107	4,863	13,728	933
Nasmedia Co., Ltd. <sup>1</sup>		513,311	262,336	67,510	7,646
KTDS Co., Ltd. <sup>1</sup>		393,667	202,067	340,777	18,873
KT M&S Co., Ltd.		258,477	209,075	320,488	3,215
KT MOS Bukbu Co., Ltd.		50,750	28,431	47,848	5,798
KT MOS Nambu Co., Ltd.		46,839	26,012	47,564	4,246
KT Skylife Co., Ltd. <sup>1</sup>		1,220,842	479,369	516,072	24,208
KT Estate Inc. <sup>1</sup>		2,664,880	1,021,741	258,212	10,979
KT GDH Co., Ltd.		7,760	1,501	2,233	303
KT Sat Co., Ltd.		699,607	88,524	86,592	13,567
KT Sports Co., Ltd.		26,615	11,299	30,107	(6,291)
KT Music Contents Fund No.2		5,558	1,772	285	138
KT M Mobile Co., Ltd.		176,838	69,317	145,227	3,119
KT Investment Co., Ltd. <sup>1</sup>		83,638	57,420	23,019	3,681
KTCS Corporation <sup>1</sup>		434,900	234,850	470,984	9,910
KTIS Corporation		447,609	243,519	287,211	9,489
Next Connect PFV		946,687	629,809	-	(1,514)
KT Japan Co., Ltd. <sup>1</sup>		2,015	3,341	1,382	(6)
KT America, Inc.		6,013	701	4,562	86
KT Rwanda Networks Ltd. <sup>2</sup>		134,847	313,787	16,247	(28,379)
AOS Ltd. <sup>2</sup>		10,763	1,983	4,129	680
KT Hong Kong Telecommunications Co., Ltd.		11,142	5,121	9,475	115
KT Huimangjeum <sup>1</sup>		8,073	2,715	8,159	1,359
KT Engineering Co., Ltd.		160,243	104,005	80,823	(5,235)
KT Studio Genie Co., Ltd. <sup>1</sup>		989,187	259,413	233,832	14,975
Lolab Co., Ltd.		42,744	37,838	79,795	(6,841)
East Telecom LLC <sup>1</sup>		48,483	22,632	14,594	3,373
KT ES Pte. Ltd. <sup>1</sup>		117,009	90,392	43,125	(3,851)
KTP SERVICES INC.		2,967	919	283	12
Altimedia Corporation <sup>1</sup>		48,381	12,374	21,909	2,768
		501			
KT RUS LLC			10	-	(382)

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

(In millions of Korean won)	December 31, 2023		Six-month period ended	
			June 30, 2023 <sup>3</sup>	
	Total assets	Total liabilities	Operating revenues	Profit(loss) for the period
KT DX VIETNAM COMPANY LIMITED	1,694	102	23	(94)
KT cloud Co., Ltd. <sup>1</sup>	1,983,972	503,241	302,433	18,345
KT HEALTHCARE VINA COMPANY LIMITED	12,730	439	-	(138)
K-Realty Qualified Private Real Estate Investment Trust No. 1	80,266	50,693	1,965	(947)
AQUA RETAIL VIETNAM COMPANY LIMITED	1,202	62	-	4

<sup>1</sup> As intermediate controlling companies, financial information from their consolidated financial statements is presented.

<sup>2</sup> Convertible preferred stock issued by subsidiaries as of the end of the reporting period is included in liabilities.

<sup>3</sup> Profit or loss from the acquisition date of control to the end of the reporting period is included.

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

---

**2. Material Accounting Policies**

**2.1 Basis of Preparation**

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

The consolidated interim financial statements of the Group for the six-month period ended June 30, 2024, have been prepared in accordance with Korean IFRS 1034 *Interim Financial Reporting*. In order to understand the consolidated interim financial statements, the annual consolidated financial statements as of December 31, 2023 prepared in accordance with IFRS should be used together.

**2. 2 Changes in Accounting Policy and Disclosures**

*(1) New and amended standards and interpretations adopted by the Group*

The Group has applied a number of new and amended standards and new interpretations issued that are effective for accounting periods beginning on January 1, 2024.

- K-IFRS 1001 Presentation of Financial Statements (Amendment in 2020) – Classification of Liabilities as Current or Non-current

The amendments clarify that the classification of liabilities as current and non-current is based on rights that are existing at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

- K-IFRS 1001 Presentation of Financial Statements (Amendment in 2023) - Non-current Liabilities with Covenants

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date. Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date.

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

---

The amendments also specify that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity must only comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

- K-IFRS 1007 Cash Flow Statement and K-IFRS 1107 Financial Instruments Disclosure  
(Amendment) - Supplier Finance Agreements

The amendments add a disclosure objective in K-IFRS 1007 *Cash Flow Statement* stating that an entity is required to disclose information about supplier finance agreements that enables users of financial statements to assess the effects of those arrangements on the Group's liabilities and cash flows. In addition, K-IFRS 1107 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance agreements' is not defined; instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of an agreement
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Types of non-cash changes in the carrying amount of financial liabilities corresponding to supplier finance agreements and their impact
- Liquidity risk information



**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

---

- K-IFRS 1116 *Leases* (Amendment) - Lease Liability in a Sale and Leaseback

The amendments add a subsequent measurement requirement for sale and leaseback transactions that satisfy the requirements in K-IFRS 1115 Revenue from contracts with customers. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' in such a way that the seller-lessee does not recognise a gain or loss that relates to the right of use asset retained by the seller-lessee, after the lease commencement date.

- K-IFRS 1001 *Presentation of Financial Statements* (Amendment in 2023) - Disclosure of Virtual Assets

The amendments, in addition to additional disclosure requirements required by other Standards for transactions related to virtual assets, set out the disclosure requirements in each case of 1) holding virtual assets; 2) holding virtual assets on behalf of customers; and 3) issuing virtual assets.

When holding a virtual asset, disclosure on the general information of the virtual asset, the applied accounting policy, and the acquisition method, acquisition cost, and the fair value of each virtual asset at the end of the reporting period must be disclosed. In addition, when issuing a virtual asset, the entity's obligations and the status of fulfilment of the obligation related to the issued virtual asset, the timing and amount of the recognized revenue of the sold virtual asset, the quantity of virtual assets held after issuance, and important contract details should be disclosed.

*(2) New and revised standards and interpretations in issue but not yet effective or adopted by the Group*

At the date of authorization of these financial statements, the Group has not applied the following new and amended K-IFRS standards that have been issued but are not yet effective:

- K-IFRS 1021 The effects of changes in foreign exchange rates and K-IFRS 1101 First time adoption of international financial reporting- Improving Interchangeability

The amendments define situations in which exchange with other currencies is possible for accounting purposes and clarify the assessment of the exchangeability with other currencies, the estimation and requirements for disclosure of spot exchange rates to be used in the absence of exchangeability.

If exchange for other currencies is not possible, the spot exchange rate should be estimated on the measurement date, and the observable exchange rate should be used without adjustment or other estimation techniques should be used.

The above amendments are applicable for annual reporting periods beginning on or after 1 January 2025, with early application permitted.

The Group is reviewing the impact of the above-listed amendments on the financial statements.

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

---

**2.3 Accounting Policies**

Material accounting policies and method of computation used in the preparation of the consolidated interim financial statements are consistent with those of the consolidated financial statements for the year ended December 31, 2023, except for the changes due to the application of amendment and enactments of standards described in Note 2.2 (1) and as described below.

**2.3.1 Income Tax Expense**

Income tax expense for the interim period is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate is applied to the pre-tax income of the interim period.

**3. Critical Accounting Estimates and Assumptions**

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

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

**4. Financial Instruments by Category**

Financial instruments by category as of June 30, 2024 and December 31, 2023, are as follows:

(In millions of Korean won)

(In millions of Korean won)		June 30, 2024				
		Financial assets at amortized cost	Financial assets at FVTPL	Financial assets at FVOCI	Derivatives used for hedging	Total
Financial assets						
Cash and cash equivalents	₩	3,786,724	-	-	-	3,786,724
Trade and other receivables		8,148,722	-	112,860	-	8,261,582
Other financial assets		1,002,142	1,064,624	1,983,633	324,845	4,375,244

(In millions of Korean won)

(In millions of Korean won)		June 30, 2024				
		Financial liabilities at amortized cost	Financial liabilities at FVTPL	Derivatives used for hedging	Others	Total
Financial liabilities						
Trade and other payables <sup>1</sup>	₩	8,007,446	-	-	-	8,007,446
Borrowings		10,150,585	-	-	-	10,150,585
Other financial liabilities		906,785	113,329	1,684	-	1,021,798
Lease liabilities		-	-	-	1,138,425	1,138,425

<sup>1</sup> Amounts related to employee benefit plans are excluded in Trade and other payables.

(In millions of Korean won)

(In millions of Korean won)		December 31, 2023				
		Financial assets at amortized cost	Financial assets at FVTPL	Financial assets at FVOCI	Derivatives used for hedging	Total
Financial assets						
Cash and cash equivalents	₩	2,879,554	-	-	-	2,879,554
Trade and other receivables		8,458,259	-	116,198	-	8,574,457
Other financial assets		1,385,921	939,661	1,680,168	159,211	4,164,961

(In millions of Korean won)

(In millions of Korean won)		December 31, 2023				
		Financial liabilities at amortized cost	Financial liabilities at FVTPL	Derivatives used for hedging	Others	Total
Financial liabilities						
Trade and other payables <sup>1</sup>	₩	8,317,822	-	-	-	8,317,822
Borrowings		10,218,165	-	-	-	10,218,165
Other financial liabilities		915,185	136,106	24,547	-	1,075,838
Lease liabilities		-	-	-	1,179,909	1,179,909

<sup>1</sup> Amounts related to employee benefit plans are excluded in Trade and other payables.

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

**5. Trade and Other Receivables**

(1) Trade and other receivables as of June 30, 2024 and December 31, 2023, are as follows:

(In millions of Korean won)

		June 30, 2024			
		Total amounts	Provision for impairment	Present value discount	Carrying amount
<b>Current assets</b>					
Trade receivables	₩	3,543,584	(363,387)	(8,896)	3,171,301
Other receivables		<u>3,807,265</u>	<u>(94,357)</u>	<u>(2,333)</u>	<u>3,710,575</u>
Total		<u>7,350,849</u>	<u>(457,744)</u>	<u>(11,229)</u>	<u>6,881,876</u>
<b>Non-current assets</b>					
Trade receivables		261,774	(1,295)	(16,224)	244,255
Other receivables		<u>1,244,964</u>	<u>(96,551)</u>	<u>(12,962)</u>	<u>1,135,451</u>
Total	₩	<u>1,506,738</u>	<u>(97,846)</u>	<u>(29,186)</u>	<u>1,379,706</u>

(In millions of Korean won)

		December 31, 2023			
		Total amounts	Provision for impairment	Present value discount	Carrying amount
<b>Current assets</b>					
Trade receivables	₩	3,596,899	(330,002)	(9,165)	3,257,732
Other receivables		<u>3,990,900</u>	<u>(76,089)</u>	<u>(2,254)</u>	<u>3,912,557</u>
Total		<u>7,587,799</u>	<u>(406,091)</u>	<u>(11,419)</u>	<u>7,170,289</u>
<b>Non-current assets</b>					
Trade receivables		318,429	(1,288)	(19,476)	297,665
Other receivables		<u>1,227,929</u>	<u>(107,547)</u>	<u>(13,879)</u>	<u>1,106,503</u>
Total	₩	<u>1,546,358</u>	<u>(108,835)</u>	<u>(33,355)</u>	<u>1,404,168</u>

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

---

(2) Details of other receivables as of June 30, 2024 and December 31, 2023, are as follows:

<i>(In millions of Korean won)</i>	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Loans	₩ 43,058	51,854
Receivables <sup>1</sup>	3,407,553	3,539,742
Accrued income	52,143	43,920
Refundable deposits	268,403	299,935
Loans receivable	1,058,088	1,067,005
Finance lease receivables	151,747	141,883
Others	55,942	58,357
Less: Provision for impairment	(190,908)	(183,636)
Total	₩ 4,846,026	5,019,060

<sup>1</sup> As of June 30, 2024, credit sales asset of ₩ 2,551,310 million (December 31, 2023: ₩ 2,696,505 million) held by BC Card Co., Ltd. are included.

(3) The maximum exposure to credit risks for trade and other receivables is the carrying amount of each class of receivables mentioned above as of June 30, 2024.

(4) The Group classifies a certain portion of trade receivables as financial assets at FVOCI, based on, business model for managing the asset and the cash flow characteristics of the contract.

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

**6. Other Financial Assets and Liabilities**

(1) Details of other financial assets and liabilities as of June 30, 2024 and December 31, 2023, are as follows:

<i>(In millions of Korean won)</i>		<b>June 30, 2024</b>	<b>December 31, 2023</b>
<b>Other financial assets</b>			
Financial assets at amortized cost <sup>1</sup>	₩	1,002,142	1,385,921
Financial assets at FVTPL <sup>1,2</sup>		1,064,624	939,661
Financial assets at FVOCI		1,983,633	1,680,168
Derivatives used for hedging		324,845	159,211
Less: Non-current		(3,070,502)	(2,724,761)
Current	₩	1,304,742	1,440,200
<b>Other financial liabilities</b>			
Financial liabilities at amortized cost <sup>3,4</sup>	₩	906,785	915,185
Financial liabilities at FVTPL		113,329	136,106
Derivatives used for hedging		1,684	24,547
Less: Non-current		(696,966)	(753,739)
Current	₩	324,832	322,099

<sup>1</sup> As of June 30, 2024, the Group's financial instruments amount to ₩116,822 million (December 31, 2023: ₩98,309 million) and consist of checking account deposits, time deposits, and others which are subject to withdrawal restrictions.

<sup>2</sup> As of June 30, 2024, the Group provided investments in Korea Software Financial Cooperative and others amounting to ₩9,485 million as a collateral in exchange for the payment guarantee provided by the Korea Software Financial Cooperative and others.

<sup>3</sup> The amount includes liabilities related to the obligation to acquire additional shares in Epsilon Global Communications Pte. Ltd. and KT Cloud Co., Ltd. (Note 15).

<sup>4</sup> The amount includes liabilities convertible preferred Stock issued by KT Cloud Co., Ltd. (Note 15).

(2) Financial Assets at fair value through profit or loss

1) Details of financial assets at fair value through profit or loss as of June 30, 2024 and December 31, 2023, are as follows:

<i>(In millions of Korean won)</i>		<b>June 30, 2024</b>	<b>December 31, 2023</b>
Equity instruments (Listed)	₩	8,042	13,911
Equity instruments (Unlisted)		41,886	42,185
Debt securities		1,007,044	880,549
Derivatives held for trading <sup>1</sup>		7,652	3,016
Total		1,064,624	939,661
Less: Non-current		(841,814)	(782,143)
Current	₩	222,810	157,518

<sup>1</sup> According to a derivative arrangement with LS Cable & System Ltd. in connection with LS Marine Solution Co., Ltd., derivative assets amounting to ₩1,015 million is included as of June 30, 2024 (Note 15).

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

2) The maximum exposure to credit risks for debt instruments of financial assets at fair value through profit or loss is the carrying amount of each class of debt instruments above as of June 30, 2024.

(3) Financial Assets at fair value through other comprehensive income

1) Details of financial assets at fair value through other comprehensive income as of June 30, 2024 and December 31, 2023, are as follows:

<i>(In millions of Korean won)</i>		<b>June 30, 2024</b>	<b>December 31, 2023</b>
Equity instruments (Listed)	₩	1,533,518	1,231,188
Equity instruments (Unlisted)		444,198	443,067
Debt securities		5,917	5,913
Total		1,983,633	1,680,168
Less: Non-current		(1,983,633)	(1,680,168)
Current	₩	-	-

2) Upon disposal of these equity investments, any balance within the accumulated other comprehensive income is reclassified not to profit or loss, but to retained earnings. Upon disposal of these debt investments, the remaining balance of the accumulated other comprehensive income is reclassified to profit or loss.

(4) Derivatives used for Hedging

1) Details of valuation of derivatives used for hedging as of June 30, 2024 and December 31, 2023, are as follows:

<i>(In millions of Korean won)</i>		<b>June 30, 2024</b>		<b>December 31, 2023</b>	
		<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>
Interest rate swap <sup>1</sup>	₩	1,729	82	1,530	191
Currency swap <sup>2</sup>		323,116	1,602	157,681	24,356
Total		324,845	1,684	159,211	24,547
Less: Non-current		(239,899)	-	(107,802)	(23,696)
Current	₩	84,946	1,684	51,409	851

<sup>1</sup> The interest rate swap contract is to hedge the risk of variability in cash flow from the floating-rate borrowings due to changes in interest rate.

<sup>2</sup> The currency swap contract is to hedge the risk of variability in cash flow from the borrowings due to changes in interest rate and foreign exchange rate and the expected maximum period for the Group to be exposed to risks of cash flow fluctuation by hedged items is until September 7, 2034.

The entire fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is within 12 months.



**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

- 2) Details of valuation gains and losses on the derivative instruments for the six-month periods ended June 30, 2024 and 2023, are as follows:

(In millions of Korean won)

Type of transaction	2024			2023		
	Valuation gain	Valuation loss	Other comprehensive loss <sup>1</sup>	Valuation gain	Valuation loss	Other comprehensive loss <sup>1</sup>
Interest rate swap ₩	31	-	324	-	31	(1,353)
Currency swap	202,420	354	(15,642)	96,663	185	(36,178)
Total ₩	202,451	354	(15,318)	96,663	216	(37,531)

<sup>1</sup> The amounts are before adjustments for deferred income tax and allocations to non-controlling interests and have been directly reflected in equity.

- 3) The ineffective portion recognized in profit or loss relate to cash flow hedges is valuation gain of ₩1,302 million for the six-month periods ended June 30, 2024 (For the Six-month periods ended June 30, 2023: valuation gain of ₩958 million).

(5) Financial Liabilities at fair value through profit or loss

- 1) Details of financial liabilities at fair value through profit or loss as of June 30, 2024 and December 31, 2023, are as follows:

(In millions of Korean won)

	June 30, 2024	December 31, 2023
Derivatives held for trading <sup>1,2</sup> ₩	113,329	136,106

<sup>1</sup> The Group signed a shareholder-to-share agreement with financial investors participating in the paid-in capital increase of K Bank Inc. for the six-month period ended June 30, 2024. According to the Drag-Along Right, if K Bank Inc. fails to be listed on the terms agreed upon for the date of completion of the acquisition, financial investors may exercise the Drag-Along right to the Group, and the Group may comply or exercise the right to claim for sale. If financial investors exercise the Drag-Along Right, the Group must exercise the right to claim for sale or guarantee the return on the terms agreed upon by financial investors. (Note 15).

<sup>2</sup> The amount includes derivatives separated from convertible bonds issued by the Group (Note 12).

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

- 2) The valuation gain and loss on financial liabilities at fair value through profit or loss for the six-month periods ended June 30, 2024 and 2023, are as follows:

(In millions of Korean won)		2024		2023	
		Valuation gain	Valuation loss	Valuation gain	Valuation loss
Derivatives liabilities held for trading	₩	22,777	-	-	22,808

**7. Inventories**

Inventories as of June 30, 2024 and December 31, 2023, are as follows:

		June 30, 2024			December 31, 2023		
		Acquisition cost	Valuation allowance	Carrying amount	Acquisition cost	Valuation allowance	Carrying amount
Merchandise	₩	1,011,164	(78,966)	932,198	981,127	(102,215)	878,912
Others		31,846	-	31,846	33,350	-	33,350
Total	₩	1,043,010	(78,966)	964,044	1,014,477	(102,215)	912,262

Cost of inventories recognized as expenses for the six-month period ended June 30, 2024 amounts to ₩1,687,715 million (For the six-month periods ended June 30, 2023: ₩1,574,186 million) and reversal inventory valuation loss amounts to ₩23,249 million for the six-month period ended June 30, 2024 (For the six-month periods ended June 30, 2023: reversal valuation loss on inventory of ₩6,683 million).

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

**8. Other Assets and Liabilities**

Other assets and liabilities as of June 30, 2024 and December 31, 2023, are as follows:

<i>(In millions of Korean won)</i>		<b>June 30, 2024</b>	<b>December 31, 2023</b>
<b>Other assets</b>			
Advance payments	₩	262,255	217,997
Prepaid expenses		231,769	146,628
Contract cost		1,705,013	1,727,468
Contract assets		837,364	832,520
Others		14,372	15,237
Less: Non-current		<u>(815,303)</u>	<u>(827,297)</u>
Current	₩	<u>2,235,470</u>	<u>2,112,553</u>
<b>Other liabilities</b>			
Advances received <sup>1</sup>	₩	914,965	582,652
Withholdings		128,198	159,080
Unearned revenue <sup>1</sup>		29,683	27,392
Lease liabilities		1,138,425	1,179,909
Contract liabilities		274,795	278,749
Others		24,031	30,848
Less: Non-current		<u>(872,337)</u>	<u>(950,015)</u>
Current	₩	<u>1,637,760</u>	<u>1,308,615</u>

<sup>1</sup> The amounts include adjustments arising from adoption of Korean IFRS 1115 *Revenue from Contracts with Customers* (Note 19).

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

**9. Property and Equipment, Investment Properties, and Intangible Assets**

(1) Changes in property and equipment for six-month period ended June 30, 2024 and 2023, are as follows:

<i>(In millions of Korean won)</i>		<b>2024</b>	<b>2023</b>
Beginning, net	₩	14,872,079	14,772,179
Acquisition and capital expenditure		1,233,426	1,417,303
Disposal and termination		(38,785)	(38,069)
Depreciation		(1,399,430)	(1,346,129)
Transfer to investment properties		(43,710)	(130,250)
Changes in consolidation scope		(1,326)	76,631
Impairment		-	(522)
Others		(30,541)	(75,579)
Ending, net	₩	14,591,713	14,675,564

Details of properties and equipments and Investment Properties provided as collateral as of June 30, 2024 and December 31, 2023, are as follows:

<i>(In millions of Korean won)</i>		<b>June 30, 2024</b>				
<b>Collateral</b>		<b>Carrying amount</b>	<b>Secured amount</b>	<b>Related account</b>	<b>Related amount</b>	<b>Secured party</b>
Land and buildings	₩	80,356	65,880	Borrowings	54,900	Industrial Bank of Korea ShinhanBank Standard Chartered Bank Korea
Land and Buildings		550,370	66,289	Deposits	56,746	Lessee

  

<i>(In millions of Korean won)</i>		<b>December 31, 2023</b>				
<b>Collateral</b>		<b>Carrying amount</b>	<b>Secured amount</b>	<b>Related account</b>	<b>Related amount</b>	<b>Secured party</b>
Land and Buildings	₩	81,057	64,680	Borrowings	54,900	Industrial Bank of Korea/Shinhan Bank/Standard Chartered Bank Korea
Land and Buildings		555,921	64,877	Deposits	55,965	Lessee

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

(2) Changes in investment properties for the six-month period ended June 30, 2024 and 2023, are as follows:

<i>(In millions of Korean won)</i>		<b>2024</b>	<b>2023</b>
Beginning, net	₩	2,198,135	1,933,358
Acquisition		37,403	61,659
Disposal		(1,772)	(4,228)
Depreciation		(26,537)	(25,325)
Transfer to investment properties		43,710	130,250
Others		(865)	(1,922)
Ending, net	₩	2,250,074	2,093,792

As of June 30, 2024, the Group (Lessor) has entered into a non-cancellable operating lease contract for real estate. The future minimum lease payments under this contract amount to ₩ 108,434 million for one year or less, ₩ 131,863 million for more than one year and less than five years, ₩ 14,186 million for over five years, and ₩ 254,483 million in total.

(3) Changes in intangible assets for the six-month period ended June 30, 2024 and 2023, are as follows:

<i>(In millions of Korean won)</i>		<b>2024</b>	<b>2023</b>
Beginning, net	₩	2,533,861	3,129,833
Acquisition and capital expenditure <sup>1</sup>		77,106	236,076
Disposal and termination		(11,797)	(7,367)
Amortization		(335,071)	(386,055)
Impairment		(857)	(695)
Changes in consolidation scope		(9,371)	6,207
Others		12,445	26,114
Ending, net	₩	2,266,316	3,004,113

<sup>1</sup> Amounts include transfers from property and equipment.

The carrying amount of intangible assets with indefinite useful lives, including membership rights (except for goodwill), that are not subject to amortization, is ₩203,954 million as of June 30, 2024 (December 31, 2023: ₩212,910 million).

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

Goodwill is allocated to the Group's cash-generating units, which are identified by operating segments. As of June 30, 2024, the goodwill allocated to each cash-generation unit is as follows:

*(In millions of Korean won)*

<b>Cash-Generating Unit</b>		<b>Amount</b>
Mobile services	₩	65,057
BC Card Co., Ltd.		41,234
HCN Co., Ltd.		128,688
GENIE Music Corporation		50,214
MILLIE Co., Ltd.		54,725
PlayD Co., Ltd.		40,068
KT Telecop Co., Ltd.		15,418
Epsilon Global Communications Pte. Ltd.		49,205
KT MOS Bukbu Co., Ltd. and others		45,840
Total	₩	490,449

The recoverable amount of goodwill has been determined based on the fair value obtained by calculating the value in use or deducting the cost of disposal. The value in use was calculated using pre-tax cash flow estimates based on financial budgets, such as the budget for the next five years. Cash flows after the estimated period were estimated using the expected growth rate, and the growth rate does not exceed the long-term average growth rate of the industry to which the cash-generating unit belongs. The Group has determined revenue growth rate based on past performance and expectations of future market changes. The Group has determined pre-tax cash flow estimates based on past earnings and market growth forecasts, and the discount rate used reflects the specific risks associated with related operations.

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

**10. Investments in Associates and Joint Ventures**

(1) Details of associates as of June 30, 2024 and December 31, 2023, are as follows:

	Percentage of ownership (%)		Location	Closing month
	June 30, 2024	December 31, 2023		
KIF Investment Fund	33.3%	33.3%	Korea	December
K Bank Inc.	33.7%	33.7%	Korea	December
HD Hyundai Robotics Co., Ltd. <sup>1</sup>	10.0%	10.0%	Korea	December
Megazone Cloud Corporation <sup>1</sup>	6.8%	6.8%	Korea	December
IGIS No. 468-1 General Private Real Estate Investment Company	44.6%	44.6%	Korea	December
KT-DSC Creative Economy Youth Start-up Investment Fund	28.6%	28.6%	Korea	December
IGIS No. 395 Professional Investors Private Investment Real Estate Investment LLC	35.3%	35.3%	Korea	December
LS Marine Solution Co., Ltd. <sup>1</sup>	6.6%	7.3%	Korea	December

<sup>1</sup> Although the Group holds less than 20% interest in ordinary share as of June 30, 2024, these entities are included in investments in associates as the Group exerts significant influence over operational and financial policies.

(2) Changes in investments in associates and joint ventures for the six-month period ended June 30, 2024 and 2023, are as follows:

(In millions of Korean won)

		2024			
		Beginning	Acquisition (Disposal)	Share of net profit (loss) from associates and joint ventures <sup>1</sup>	Ending
KIF Investment Fund	₩	177,054	-	579	178,616
K Bank Inc.		872,881	-	28,235	902,878
HD Hyundai Robotics Co., Ltd.		47,734	-	717	47,805
Megazone Cloud Corporation		131,694	-	(1,684)	131,228
IGIS No. 468-1 General Private Real Estate Investment Company		23,484	-	(53)	23,431
KT-DSC Creative Economy Youth Start-up Investment Fund		25,117	(275)	(5,817)	17,520
IGIS Professional Investors Private Investment Real Estate Investment LLC No 395		11,942	-	(1,208)	10,734
LS Marine Solution Co., Ltd.		23,492	-	237	23,438
Others <sup>1</sup>		243,491	27,186	(13,854)	257,096
Total	₩	1,556,889	26,911	7,152	1,592,746

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

(In millions of Korean won)

		2023				
		Beginning	Acquisition (Disposal)	Share of net profit (loss) from associates and joint ventures <sup>1</sup>	Others	Ending
KIF Investment Fund	₩	170,979	-	1,122	300	172,401
K Bank Inc.		852,756	-	6,222	10,173	869,151
HD Hyundai Robotics Co., Ltd.		49,372	-	252	(155)	49,469
Megazone Cloud Corporation		136,199	-	(3,117)	799	133,881
IGIS No. 468-1 General Private Real Estate Investment Company		23,589	-	(54)	-	23,535
KT-DSC Creative Economy Youth Start-up Investment Fund		22,123	(500)	1,985	-	23,608
IGIS Professional Investors Private Investment Real Estate Investment LLC No 395		16,620	-	(715)	-	15,905
Others <sup>1</sup>		209,084	39,877	(3,498)	(7,116)	238,347
Total	₩	1,480,722	39,377	2,197	4,001	1,526,297

<sup>1</sup> KT Investment Co., Ltd., a subsidiary of the Group, recognized net profit (loss) in the investments in associates as operating income. Net profit recognized as operating income for the six-months period ended June 30, 2024 amount to ₩85 million (six-month period ended June 30, 2023: net profit of ₩51 million).



**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

- (3) Summarized statements of financial position of the major associates and joint ventures as of June 30, 2024 and December 31, 2023 and summarized statements of profit or loss for the six-month period ended June 30, 2024 and 2023, are as follows:

(In millions of Korean won)

		June 30, 2024			
		Assets	Liabilities	Operating revenue	Profit(loss) for the period
KIF Investment Fund	₩	535,848	-	14,380	1,736
K Bank Inc.		24,284,996	22,328,766	569,666	85,989
HD Hyundai Robotics Co., Ltd.		389,364	118,740	111,536	4,175
Megazone Cloud Corporation		1,073,641	480,069	839,184	(6,038)
IGIS No. 468-1 General Private Real Estate Investment Company		52,498	11	3	(118)
KT-DSC Creative Economy Youth Start-up Investment Fund		61,724	404	3,994	(20,358)
IGIS Professional Investors Private Investment Real Estate Investment LLC No 395		162,345	114,060	-	(172)
LS Marine Solution Co., Ltd.		194,799	37,328	52,043	3,821

(In millions of Korean won)

		December 31, 2023		June 30, 2023	
		Assets	Liabilities	Operating revenue	Profit(loss) for the period
KIF Investment Fund	₩	531,163	-	15,474	3,368
K Bank Inc		21,410,602	19,545,592	447,675	23,614
HD Hyundai Robotics Co., Ltd.		386,292	116,332	80,234	(1,427)
Megazone Cloud Corporation		1,142,383	546,766	710,068	(7,239)
IGIS No. 468-1 General Private Real Estate Investment Company		52,616	11	3	(121)
KT-DSC Creative Economy Youth Start-up Investment Fund		88,010	101	10,659	6,948
IGIS Professional Investors Private Investment Real Estate Investment LLC No 395		151,459	107,553	-	(154)
LS Marine Solution Co., Ltd.		147,074	24,113	26,527	6,186

- (4) Due to discontinuance of equity method of accounting, the Group has not recognized loss from associates and joint ventures of ₩542 million for the six-month period June 30, 2024 (six-month period ended June 30, 2023: ₩334million). The unrecognized accumulated comprehensive loss of associates and joint ventures as of June 30, 2024 is ₩6,724 million (December 31, 2023: ₩10,748 million).

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

**11. Trade and Other Payables**

(1) Details of trade and other payables as of June 30, 2024 and December 31, 2023, are as follows:

<i>(In millions of Korean won)</i>		<b>June 30, 2024</b>	<b>December 31, 2023</b>
<b>Current liabilities</b>			
Trade payables	₩	1,427,914	1,297,752
Other payables		6,624,391	6,757,170
Total	₩	8,052,305	8,054,922
<b>Non-current liabilities</b>			
Trade payables		922	3,202
Other payables	₩	555,314	816,356
Total	₩	556,236	819,558

(2) Details of other payables as of June 30, 2024 and December 31, 2023, are as follows:

<i>(In millions of Korean won)</i>		<b>June 30, 2024</b>	<b>December 31, 2023</b>
Non-trade payables <sup>1</sup>	₩	4,511,468	5,207,165
Accrued expenses		1,586,144	1,267,700
Operating deposits		858,278	880,810
Others		223,815	217,851
Less: non-current		(555,314)	(816,356)
Current	₩	6,624,391	6,757,170

<sup>1</sup> As of June 30, 2024, credit sale liabilities amounting to ₩ 2,182,324 million (December 31, 2023: ₩ 2,314,077 million) held by BC Card Co., Ltd. (a subsidiary of the Group) are included

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

**12. Borrowings**

(1) Details of borrowings as of June 30, 2024 and December 31, 2023, are as follows:

**1) Debentures**

<i>(In millions of Korean won and foreign currencies in thousands)</i>			June 30, 2024		December 31, 2023	
Type	Maturity	Annual interest rates	Foreign currency	Korean won	Foreign currency	Korean won
USD						
MTNP notes <sup>1</sup>	Sep. 07, 2034	6.500%	100,000	₩ 138,920	USD 100,000	₩ 128,940
USD						
MTNP notes	Jul. 18, 2026	2.500%	400,000	555,680	USD 400,000	515,760
MTNP notes	Jul. 19, 2024	0.330%	JPY 400,000	3,457	JPY 400,000	3,651
USD						
MTNP notes	Sep. 01, 2025	1.000%	400,000	555,680	USD 400,000	515,760
Compounded USD						
FR notes <sup>2</sup>	Nov. 01, 2024	SOFR+1.210%	350,000	486,220	USD 350,000	451,290
USD						
MTNP notes	Jan. 21, 2027	1.375%	300,000	416,760	USD 300,000	386,820
USD						
MTNP notes	Aug. 08, 2025	4.000%	500,000	694,600	USD 500,000	644,700
The 183-3rd Public bond	Dec. 22, 2031	4.270%	-	160,000	-	160,000
The 184-3rd Public bond	Apr. 10, 2033	3.170%	-	100,000	-	100,000
The 186-3rd Public bond	Jun. 26, 2024	-	-	-	-	110,000
The 186-4th Public bond	Jun. 26, 2034	3.695%	-	100,000	-	100,000
The 187-3rd Public bond	Sep. 02, 2024	3.314%	-	170,000	-	170,000
The 187-4th Public bond	Sep. 02, 2034	3.546%	-	100,000	-	100,000
The 188-2nd Public bond	Jan. 29, 2025	2.454%	-	240,000	-	240,000
The 188-3rd Public bond	Jan. 29, 2035	2.706%	-	50,000	-	50,000
The 189-3rd Public bond	Jan. 28, 2026	2.203%	-	100,000	-	100,000
The 189-4th Public bond	Jan. 28, 2036	2.351%	-	70,000	-	70,000
The 190-3rd Public bond	Jan. 30, 2028	2.947%	-	170,000	-	170,000
The 190-4th Public bond	Jan. 30, 2038	2.931%	-	70,000	-	70,000
The 191-2nd Public bond	Jan. 15, 2024	-	-	-	-	80,000
The 191-3rd Public bond	Jan. 15, 2029	2.160%	-	110,000	-	110,000
The 191-4th Public bond	Jan. 14, 2039	2.213%	-	90,000	-	90,000
The 192-2nd Public bond	Oct. 11, 2024	1.578%	-	100,000	-	100,000
The 192-3rd Public bond	Oct. 11, 2029	1.622%	-	50,000	-	50,000
The 192-4th Public bond	Oct. 11, 2039	1.674%	-	110,000	-	110,000
The 193-2nd Public bond	Jun. 17, 2025	1.434%	-	70,000	-	70,000
The 193-3rd Public bond	Jun. 17, 2030	1.608%	-	20,000	-	20,000
The 193-4th Public bond	Jun. 15, 2040	1.713%	-	60,000	-	60,000
The 194-1st Public bond	Jan. 26, 2024	-	-	-	-	130,000
The 194-2nd Public bond	Jan. 27, 2026	1.452%	-	140,000	-	140,000
The 194-3rd Public bond	Jan. 27, 2031	1.849%	-	50,000	-	50,000

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

(In millions of Korean won and foreign currencies in thousands)			June 30, 2024		December 31, 2023	
Type	Maturity	Annual interest rates	Foreign currency	Korean won	Foreign currency	Korean won
The 194-4th Public bond	Jan. 25, 2041	1.976%	-	80,000	-	80,000
The 195-1st Public bond	Jun. 10, 2024	-	-	-	-	180,000
The 195-2nd Public bond	Jun. 10, 2026	1.806%	-	80,000	-	80,000
The 195-3rd Public bond	Jun. 10, 2031	2.168%	-	40,000	-	40,000
The 196-1st Public bond	Jan. 27, 2025	2.596%	-	270,000	-	270,000
The 196-2nd Public bond	Jan. 27, 2027	2.637%	-	100,000	-	100,000
The 196-3rd Public bond	Jan. 27, 2032	2.741%	-	30,000	-	30,000
The 197-1st Public bond	Jun. 27, 2025	4.191%	-	280,000	-	280,000
The 197-2nd Public bond	Jun. 29, 2027	4.188%	-	120,000	-	120,000
The 198-1st Public bond	Jan. 10, 2025	3.847%	-	70,000	-	70,000
The 198-2nd Public bond	Jan. 12, 2026	3.869%	-	150,000	-	150,000
The 198-3rd Public bond	Jan. 12, 2028	3.971%	-	80,000	-	80,000
The 199-1st Public bond	Jul. 11, 2025	4.028%	-	85,000	-	85,000
The 199-2nd Public bond	Jul. 10, 2026	4.146%	-	160,000	-	160,000
The 199-3rd Public bond	Jul. 12, 2028	4.221%	-	155,000	-	155,000
The 200-1st Public bond	Feb. 27, 2026	3.552%	-	120,000	-	-
The 200-2nd Public bond	Feb. 26, 2027	3.608%	-	200,000	-	-
The 200-3rd Public bond	Feb. 27, 2029	3.548%	-	80,000	-	-
The 18-1st unsecured bond	Jul. 02, 2024	1.844%	-	100,000	-	100,000
The 18-2nd unsecured bond	Jul. 02, 2026	2.224%	-	50,000	-	50,000
The 19-1nd unsecured bond	Jun. 12, 2027	3.691%	-	50,000	-	-
The 19-2nd unsecured bond	Jun. 12, 2029	3.783%	-	50,000	-	-
The 149-1st Won-denominated unsecured bond	Mar. 08, 2024	-	-	-	-	70,000
The 149-2nd Won-denominated unsecured bond	Mar. 10, 2026	1.756%	-	30,000	-	30,000
The 150-2nd Won-denominated unsecured bond	Apr. 08, 2024	-	-	-	-	30,000
The 151-2nd Won-denominated unsecured bond	May. 14, 2024	-	-	-	-	40,000
The 152-1st Won-denominated unsecured bond	Aug. 30, 2024	1.813%	-	80,000	-	80,000
The 152-2nd Won-denominated unsecured bond	Aug. 28, 2026	1.982%	-	20,000	-	20,000
The 153-2nd Won-denominated unsecured bond	Nov. 11, 2024	2.425%	-	70,000	-	70,000
The 154th Won-denominated unsecured bond	Jan. 23, 2025	2.511%	-	40,000	-	40,000
The 155-1st Won-denominated unsecured bond	Feb. 29, 2024	-	-	-	-	50,000

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

(In millions of Korean won and foreign currencies in thousands)			June 30, 2024		December 31, 2023	
Type	Maturity	Annual interest rates	Foreign currency	Korean won	Foreign currency	Korean won
The 155-2nd Won-denominated unsecured bond	Sep. 02, 2024	2.745%	-	20,000	-	20,000
The 155-3rd Won-denominated unsecured bond	Feb. 28, 2025	2.880%	-	20,000	-	20,000
The 156-1st Won-denominated unsecured bond <sup>3</sup>	Mar. 25, 2025	5Y CMS+0.404%	-	60,000	-	60,000
The 156-2nd Won-denominated unsecured bond <sup>3</sup>	Mar. 25, 2032	10Y CMS+0.965%	-	40,000	-	40,000
The 158th Won-denominated unsecured bond	Jan. 27, 2025	4.421%	-	50,000	-	50,000
The 159-1st Won-denominated unsecured bond	Aug. 09, 2024	4.267%	-	30,000	-	30,000
The 159-2nd Won-denominated unsecured bond	Aug. 11, 2027	4.505%	-	30,000	-	30,000
The 160-1st Won-denominated unsecured bond	Jun. 14, 2024	-	-	-	-	20,000
The 160-2nd Won-denominated unsecured bond	Dec. 13, 2024	5.667%	-	20,000	-	20,000
The 160-3rd Won-denominated unsecured bond	Dec. 12, 2025	5.769%	-	30,000	-	30,000
The 161-1st Won-denominated unsecured bond	Jun. 21, 2024	-	-	-	-	10,000
The 161-2nd Won-denominated unsecured bond	Dec. 20, 2024	5.557%	-	20,000	-	20,000
The 161-3rd Won-denominated unsecured bond	Jun. 20, 2025	5.594%	-	30,000	-	30,000
The 161-4th Won-denominated unsecured bond	Dec. 22, 2025	5.615%	-	10,000	-	10,000
The 162-2nd Won-denominated unsecured bond	Jan. 26, 2024	-	-	-	-	40,000
The 162-3rd Won-denominated unsecured bond	Apr. 26, 2024	-	-	-	-	10,000
The 163-1st Won-denominated unsecured bond	Feb. 20, 2026	4.059%	-	20,000	-	20,000

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

(In millions of Korean won and foreign currencies in thousands)			June 30, 2024		December 31, 2023	
Type	Maturity	Annual interest rates	Foreign currency	Korean won	Foreign currency	Korean won
The 163-2nd Won-denominated unsecured bond	Feb. 22, 2028	4.311%	-	80,000	-	80,000
The 164-1st Won-denominated unsecured bond	Apr. 12, 2024	-	-	-	-	10,000
The 164-2nd Won-denominated unsecured bond	Oct. 24, 2024	3.821%	-	30,000	-	30,000
The 164-3rd Won-denominated unsecured bond	Apr. 14, 2028	4.220%	-	30,000	-	30,000
The 165-1st Won-denominated unsecured bond	May. 09, 2025	3.870%	-	30,000	-	30,000
The 165-2nd Won-denominated unsecured bond	Nov. 09, 2026	3.932%	-	10,000	-	10,000
The 165-3rd Won-denominated unsecured bond	May. 07, 2027	3.972%	-	30,000	-	30,000
The 166-1st Won-denominated unsecured bond	Nov. 22, 2024	4.205%	-	20,000	-	20,000
The 166-2nd Won-denominated unsecured bond	Apr. 22, 2025	4.310%	-	40,000	-	40,000
The 166-3rd Won-denominated unsecured bond	May. 21, 2025	4.332%	-	10,000	-	10,000
The 166-4th Won-denominated unsecured bond	May. 22, 2025	4.332%	-	40,000	-	40,000
The 167-1st Won-denominated unsecured bond	Dec. 20, 2024	3.865%	-	30,000	-	30,000
The 167-2nd Won-denominated unsecured bond	Jan. 22, 2025	3.864%	-	50,000	-	50,000
The 167-3rd Won-denominated unsecured bond	Feb. 21, 2025	3.864%	-	10,000	-	10,000
The 167-4th Won-denominated unsecured bond	Dec. 22, 2025	3.858%	-	10,000	-	10,000
The 168-1st Won-denominated unsecured bond	Jun. 05, 2025	3.687%	-	40,000	-	-
The 168-2nd Won-denominated unsecured bond	Aug. 06, 2025	3.703%	-	70,000	-	-

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

<i>(In millions of Korean won and foreign currencies in thousands)</i>			<b>June 30, 2024</b>		<b>December 31, 2023</b>	
<b>Type</b>	<b>Maturity</b>	<b>Annual interest rates</b>	<b>Foreign currency</b>	<b>Korean won</b>	<b>Foreign currency</b>	<b>Korean won</b>
The 168-3rd Won-denominated unsecured bond	Oct. 02, 2025	3.724%	-	40,000	-	-
The 169th Won-denominated unsecured bond	Apr. 04, 2025	3.671%	-	50,000	-	-
The 170th Won-denominated unsecured bond	Jun. 12, 2025	3.688%	-	<u>50,000</u>	-	<u>-</u>
Subtotal				8,621,317		8,446,921
Less: Current portion				(2,578,761)		(1,924,523)
Discount on bonds				<u>(18,262)</u>		<u>(19,248)</u>
Total				<u>₩ 6,024,294</u>		<u>₩ 6,503,150</u>

<sup>1</sup> As of June 30, 2024, the Controlling Company has outstanding notes in the amount of USD 100 million with fixed interest rates under Medium Term Note Program ("MTNP") registered on the Singapore Stock Exchange, which allowed issuance of notes of up to USD 2,000 million. However, the MTNP has been terminated since 2007.

<sup>2</sup> The Daily SOFR is approximately 5.330% as of June 30, 2024.

<sup>3</sup> The CMS (5Y) and CMS (10Y) is approximately 3.145% and 3.150%, respectively as of June 30, 2024.

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

**2) Convertible bonds**

(In millions of Korean won)

Type	Issuance Date	Maturity	Annual interest Rate		
				June 30, 2024	December 31, 2023
The 1st CB (Private) <sup>1</sup>	Jun. 5, 2020	Jun. 5, 2025	<sup>2</sup>	₩ 8,000	8,000
Redemption premium				2,267	2,267
Conversion rights adjustment				(1,220)	(1,811)
Subtotal				9,047	8,456
Less: Current portion				(9,047)	(8,456)
Total				₩ -	-

<sup>1</sup> Common shares of Storywiz are subject to conversion (appraisal period: June 5, 2021~May 4, 2025).

<sup>2</sup> Nominal interest rate and maturity yield is approximately 0% and 5%, respectively, and will be settled on maturity.

**3) Borrowings**

**a. Short-term borrowings**

(In millions of Korean won)

Type	Financial institution	Annual interest rates	June 30, 2024		December 31, 2023	
			Foreign currency	Korean won	Foreign currency	Korean won
Operational			-	₩ 71,000	-	₩ 151,500
	Shinhan Bank	4.370%~6.200%	-	91,890	-	70,000
		4.400%~5.490%	-	-	-	-
	Woori Bank	-	-	-	-	20,000
	Korea Development Bank	4.680%~6.060%	-	14,500	-	34,900
	Industrial Bank of Korea	4.862%	-	6,000	-	6,000
		-	-	-	-	4,800
	Hana Bank	4.280%	-	28,000	-	-
	KB SECURITIES	3.810%~3.820%	-	80,000	-	69,635
	HSBC	-	-	-	USD 23,600	30,450
		-	-	-	-	8,500
	NongHyup Bank <sup>1</sup>	KORIBOR(1M)+1.230%	-	4,300	-	-
	Korea Investment	3.810%	-	20,000	-	30,000
	NH INVESTMENT & SECURITIE	3.820%	-	20,000	-	-
	HANYANG SECURITIE	3.690%	-	99,210	-	-
	Total			₩ 434,900		₩ 425,785

<sup>1</sup> The KORIBOR(1M) is approximately 3.540% as of June 30, 2024.



**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

**b. Long-term borrowings**

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

Financial institution	Type	Annual interest rates	June 30, 2024		December 31, 2023	
			Foreign currency	Korean won	Foreign currency	Korean won
Export-Import Bank of Korea	Inter-Korean Cooperation Fund <sup>1</sup>	1.00%	-	₩ 1,234	-	₩ 1,480
CA-CIB	General loans	3.380%	-	100,000	-	200,000
JPM	General loans	2.700%	-	100,000	-	200,000
DBS	General loans	3.820%	-	100,000	-	100,000
	General loans	4.090%	-	100,000	-	-
	General loans <sup>2</sup>	Term SOFR(3M)+1.700%	USD 8,910	12,378	USD 8,910	11,489
	General loans	2.630%~3.230%	USD 27,002	37,453	USD 31,472	40,655
Shinhan Bank	General loans <sup>3</sup>	4.490%	-	62,398	-	62,398
	General loans <sup>2</sup>	Term SOFR(3M)+1.600%	USD 21,127	29,349	USD 21,127	27,241
	General loans <sup>2</sup>	Term SOFR(3M)+1.940%	USD 35,000	48,622	USD 35,000	45,129
	General loans <sup>2</sup>	CD(91D)+1.800%	-	16,900	-	16,900
	General loans <sup>2</sup>	EURIBOR(3M)+0.900%	EUR 7,700	11,450	EUR 7,700	10,985
Woori Bank	General loans	3.320%~5.310%	-	41,526	-	41,526
Hi Investment & Securities	CP	2.302%	-	94,150	-	92,994
Bookook Investment	CP	3.603%	-	9,836	-	19,525
Korea Investment	CP	3.622%	-	77,416	-	75,928
Korea Development Bank	General loans	4.740%~4.960%	-	33,000	-	137,000
	loans <sup>4</sup>	23.000%	UZS 44,989,915	4,950	-	-
KDB Bank Uzbekistan	loans <sup>4</sup>	10.300%	USD 5,400	7,522	-	-
NH Jayang	PF loans <sup>2</sup>	CD(91D)+1.150%	-	31,166	-	53,033
Kyobo Life Insurance	PF loans <sup>2</sup>	CD(91D)+1.150%~	-	64,905	-	84,586
		CD(91D)+3.450%	-		-	
Standard Chartered Bank Korea	PF loans <sup>2</sup>	CD(91D)+1.150%~	-	43,270	-	56,390
		CD(91D)+3.450%	-		-	
	General loans <sup>2</sup>	CD(91D)+0.750%	-	32,000	-	32,000
Samsung Life Insurance	PF loans	1.860%~4.160%	-	36,058	-	46,992
Kookmin Bank	General loans	4.750%	-	8,000	-	-
	Subtotal			1,103,583		1,356,251
	Less: Current portion			(572,298)		(699,800)
	Total			₩ 531,285		₩ 656,451

<sup>1</sup> The above Inter-Korean Cooperation Fund is repayable in installments over 13 years after a 7-year grace period.

<sup>2</sup> EURIBOR (3M), Term SOFR (3M) and CD (91D) are approximately 3.711%, 5.325%, 3.600% respectively, as of June 30, 2024.

<sup>3</sup> The general loans are repayable in installments over 4 years after a three-year grace period.

<sup>4</sup> The general loans are repayable in installments over 3 years after a two-year grace period.

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

(2) Repayment schedule of the Group's debentures and borrowings including the portion of current liabilities as of June 30, 2024, is as follows:

(In millions of Korean won)

	Bonds			Borrowings			Total
	In local currency	In foreign currency	Sub-total	In local currency	In foreign currency	Sub-total	
Jul. 1, 2024 ~ Jun. 30, 2025₩	2,098,000	489,677	2,587,677	867,942	139,256	1,007,198	3,594,875
Jul. 1, 2025 ~ Jun. 31, 2026	935,000	1,250,280	2,185,280	46,719	-	46,719	2,231,999
Jul. 1, 2026 ~ Jun. 31, 2027	740,000	972,440	1,712,440	136,997	4,157	141,154	1,853,594
Jul. 1, 2027 ~ Jun. 31, 2028	390,000	-	390,000	15,600	4,156	19,756	409,756
After Jul. 1, 2028	1,615,000	138,920	1,753,920	319,499	4,157	323,656	2,077,576
Total ₩	5,778,000	2,851,317	8,629,317	1,386,757	151,726	1,538,483	10,167,800

### 13. Provisions

Changes in provisions the six-month period ended June 30, 2024 and 2023, are as follows:

		2024			
		Litigation	Restoration cost	Others	Total
(In millions of Korean won)					
<b>Beginning balance</b>	₩	29,707	133,159	59,357	222,223
Increase (transfer)		(194)	3,287	3,888	6,981
Usage		(3,389)	(738)	(3,816)	(7,943)
Reversal		(3,102)	(491)	(394)	(3,987)
<b>Ending balance</b>	₩	23,022	135,217	59,035	217,274
Less: Current	₩	(22,990)	(23,869)	(58,995)	(105,854)
Non-current		32	111,348	40	111,420

  

		2023			
		Litigation	Restoration cost	Others	Total
(In millions of Korean won)					
<b>Beginning balance</b>	₩	36,329	108,962	55,075	200,366
Increase (transfer)		40	13,835	4,124	17,999
Usage		(262)	(602)	(2,003)	(2,867)
Reversal		-	(561)	(51)	(612)
Others		-	(445)	445	-
<b>Ending balance</b>	₩	36,107	121,189	57,590	214,886
Less: Current	₩	34,532	20,556	57,172	112,260
Non-current		1,575	100,633	418	102,626

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

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

- (1) The amounts recognized in the statements of financial position as of June 30, 2024 and December 31, 2023, are determined as follows:

<i>(In millions of Korean won)</i>		<b>June 30, 2024</b>	<b>December 31, 2023</b>
Present value of defined benefit obligations	₩	2,452,769	2,365,793
Fair value of plan assets		(2,472,114)	(2,462,925)
Liabilities	₩	73,113	63,616
Assets	₩	92,458	160,748

- (2) Changes in the defined benefit obligations for the six-month period ended June 30, 2024 and 2023, are as follows:

<i>(In millions of Korean won)</i>		<b>2024</b>	<b>2023</b>
Beginning	₩	2,365,793	2,218,655
Current service cost		109,967	105,230
Interest expense		41,963	49,252
Benefit paid		(67,381)	(58,602)
Remeasurements:		2,990	5,045
Changes in scope of consolidation		(422)	427
Others		(141)	140
Ending	₩	2,452,769	2,320,147

- (3) Changes in the fair value of plan assets for the six-month period ended June 30, 2024 and 2023, are as follows:

<i>(In millions of Korean won)</i>		<b>2024</b>	<b>2023</b>
Beginning	₩	2,462,925	2,478,143
Interest income		45,631	57,257
Remeasurements on plan assets:		220	3,777
Employer contributions		5,609	1,558
Benefits paid		(70,052)	(44,586)
Changes in scope of consolidation		-	339
Others		27,781	21,595
Ending	₩	2,472,114	2,518,083

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

- (4) Amounts recognized in the consolidated statement of profit or loss for the six-month period ended June 30, 2024 and 2023, are as follows:

<i>(In millions of Korean won)</i>		<b>2024</b>	<b>2023</b>
Current service cost	₩	109,967	105,230
Net interest expense		(3,668)	(8,005)
Transfer out		(7,556)	(5,437)
Total expenses	₩	<u>98,743</u>	<u>91,788</u>

**15. Commitments and Contingencies**

- (1) As of June 30, 2024, major commitments with local financial institutions are as follows:

<i>(In millions of Korean won and foreign currencies in thousands)</i>	<b>Financial institution</b>	<b>Limit</b>	<b>Used amount</b>
Bank overdraft	Kookmin Bank and others	374,000	-
Inter-Korean Cooperation Fund	Export-Import Bank of Korea	37,700	1,234
Economic Cooperation Business Insurance	Export-Import Bank of Korea	3,240	1,732
Collateralized loan on electronic accounts receivable-trade	Kookmin Bank and others	545,350	41,524
Plus electronic notes payable	Industrial Bank of Korea	50,000	3,370
	Korea Development Bank and others	1,593,500	246,790
Working capital loan	Shinhan Bank	USD 92,039	USD 92,039
	Woori Bank	EUR 7,700	EUR 7,700
Facility loans	Shinhan Bank and others	824,000	264,324
	Korea Development Bank	USD 1,970,000	USD 1,970,000
Derivatives transaction limit	and others		
	Citi Bank	JPY 400,000	JPY 400,000
	KRW	3,427,790	558,974
	USD	2,062,039	2,062,039
	EUR	7,700	7,700
	JPY	400,000	400,000
Total			

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

(2) As of June 30, 2024, guarantees received from financial institutions are as follows:

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

	<b>Financial institution</b>	<b>Limit</b>
	Guarantee for payment in Korean currency	4,000
	Comprehensive credit line and others	3,100
Hana Bank	Guarantee for payment in foreign currency	USD 59
	Comprehensive credit line and others	USD 10,300
Kookmin Bank	Guarantee for payment in foreign currency	USD 3,186
	Guarantee for payment in foreign currency and others	USD 89,516
	Corporate card issuance guarantee	VND 222,914
Woori Bank	Guarantee for payment in Korean currency	5,100
	Guarantee for payment in foreign currency	USD 5,360
Korea Development Bank	Refund guarantee for advances received	USD 6,811
HSBC	Guarantees for depositions	USD 808
Seoul Guarantee Insurance Company	Performance guarantee and others	345,812
Korea Software Financial Cooperative	Performance guarantee and others	1,417,465
Korea Specialty Contractor Financial Cooperative	Performance guarantee and others	135
Korea Housing Finance Corporation	Performance guarantee and others	44,000
Korea Housing & Urban Guarantee Corporation <sup>1</sup>	Performance guarantee and others	691,530
Information & Communication Financial Cooperative	Performance guarantee and others	81,865
	KRW	2,593,007
Total	USD	116,040
	VND	222,914

<sup>1</sup> Inventory assets (₩303,717 million) and investment properties (₩317,323 million) are provided as collateral with commitment respectively, as of June 30, 2024.

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

(3) As of June 30, 2024, guarantees provided by the Group to third parties are as follows:

(In millions of Korean won)

	Subject to payment		Used	
	guarantees	Creditor	Limit	amount
KT Estate Inc	Wonju Bando U-bora Mark Bridge Buyer	Hana Bank	103,00 0	68,761
KT Engineering Co., Ltd. <sup>1</sup>	Gasas Solar Power Plant Inc.	Shinhan Bank	4,700	196
KT Alpha Co., Ltd.	Cash payers	T-commerce cash payers	710	-
Nasmedia Co., Ltd.	Stockholders Association Members	Korea Securities Finance Corp	754	256

<sup>1</sup> KT Engineering Co., Ltd., a subsidiary of the Group, is subject to payment, depending on the reimbursement of principal debtor.

(4) The Controlling Company is jointly and severally obligated with KT Sat Co., Ltd., a subsidiary, to pay KT Sat Co., Ltd.'s liabilities incurred prior to spin-off. As of June 30, 2024, the Controlling Company and KT Sat Co., Ltd. are jointly and severally liable for reimbursement of ₩434 million.

(5) For the six-month period ended June 30, 2024, the Group entered into agreements with the Securitization Specialty Companies (2024: First 5G 73<sup>rd</sup> to 75<sup>th</sup> Securitization Specialty Co., Ltd., 2023: First 5G 67<sup>th</sup> to 72<sup>nd</sup> Securitization Specialty Co., Ltd.) and disposed of its trade receivables related to handset sales. The Group also made asset management agreements with each securitization specialty company and in accordance with the agreement, the Group will receive asset management fees upon liquidation of the securitization specialty company.

(6) As of June 30, 2024, the Group is a defendant in 181 lawsuits with the total claimed amount of ₩169,028 million (As of December 31, 2023: ₩167,834 million). As of June 30, 2024, litigation provisions of ₩23,022 million for pending lawsuits and unasserted claims are recorded as liabilities for potential loss in the ordinary course of business. The final outcomes of the cases cannot be estimated as of June 30, 2024 (Note 13).

(7) According to the financial and other covenants included in certain debentures and borrowings, the Group is required to maintain certain financial ratios such as debt-to-equity ratio, use the funds for the designated purpose and report to the creditors periodically. The covenant also contains restriction on provision of additional collateral and disposal of certain assets.

(8) As of June 30, 2024, the Group participates in Algeria Sidi Abdela new town development consortium (percentage of ownership: 2.5%) and has joint liability with other consortium participants.

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

---

- (9) As of June 30, 2024, the contract amount of properties and equipments acquisition agreement made but not yet recognized amounts to ₩383,855 million (As of December 31, 2023: ₩489,231 million).
- (10) As of June 30, 2024, there are derivatives generated by the Group granting Drag-Along Right to financial investors participating in paid-in capital increase of K Bank Inc. (Note 6).
- (11) The Group has an agreement with a transferor participated in share transfer agreement of MILLE Co., Ltd. As per the conditions of the agreement, the founding shareholders and others can exercise Put Option for the ordinary shares they hold, and it was exercised during the six-month period ended June 30, 2024.
- (12) The Group entered into an agreement with financial investors of Epsilon Global Communications Pte regarding the acquisition of shares contract. If certain conditions are not met in the future as disclosed in the terms and conditions of the agreement, financial investors may exercise Tag-Along Right, Drag-Along Right, and the right to sell shares for the convertible preferred shares they hold (Note 6).
- (13) The Group has an obligation for additional contributions as per agreement to Storm Ventures FUND VII and others. As of June 30, 2024, remaining amounts of USD 33,900 thousand and JPY 320,000 thousand will be invested through the Capital Call method in the future.
- (14) The Group has the amount of ₩201,615 million (40%) of joint responsibility obligation and ₩302,423 million (60%) of obligation to provide financial support as a construction investor during the construction period with respect to K Defense Co., Ltd. established in accordance with the Private Investment Act on Social Infrastructure. During the operating period, the Group has the amount of ₩438,312 million (100%) of obligation to provide financial support as an operating investor.
- (15) The Group entered into a stock sale contract with HYUNDAI MOBIS and HYUNDAI MOTOR COMPANY. If a certain period of time has elapsed from the date of the contract and the acquired stocks are to be disposed to a third party, HYUNDAI MOBIS and HYUNDAI MOTOR COMPANY may exercise a preferential purchase right to designate a buyer with priority.
- (16) The Group entered into an agreement with LS Cable & System Ltd., which participated in the stock acquisition contract of LS Marine Solution Co., Ltd. Under the agreement, the Group may exercise a Put-Option to LS Cable & System Ltd in the future (Note 6).
- (17) During the prior period, the Group entered into an agreement with equity investor who participated in the equity acquisition contract of KT Cloud Co., Ltd. According to this agreement, in specific occasion, the financial investor may exercise a Tag-Along of common shares or a Put-Option to the Group in the future. In relation to this contract, the Group and the financial investor may settle mutual profits if there is a difference between the final public offering price and the preliminary public offering price (Note 6).
- (18) The Group has the obligation of paying Minimum Guarantee as utilizing product bundling of Tving Co., Ltd., and the right to be paid certain proportion of the excess as per agreement.

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

---

**16. Leases**

Information for leases when the Group acts as a lessee is as follows. Information on leases when the Group acts as a lessor is described in Note 9.

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

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

<i>(In millions of Korean won)</i>		<b>June 30, 2024</b>	<b>December 31, 2023</b>
Right-of-use assets			
Property and building	₩	984,537	1,019,537
Machinery and communication line facilities		109,985	89,150
Others		192,159	196,276
Total	₩	1,286,681	1,304,963
 <i>(In millions of Korean won)</i>			
Lease liabilities <sup>1</sup>			
Current	₩	333,378	307,868
Non-current		805,047	872,042
Total	₩	1,138,425	1,179,910

<sup>1</sup> Included in the line item 'other current liabilities and other non-current liabilities' in the consolidated statements of financial position (Note 8).

Right-of-use assets related to leases increased by ₩171,613 million and ₩185,196 million for the six-month period ended June 30, 2024, and 2023, respectively.



**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

(2) Amounts recognized in the consolidated statement of profit or loss

The consolidated statement of profit or loss relating to leases for the six-month period June 30, 2024, and 2023, are as follows:

<i>(In millions of Korean won)</i>		<b>2024</b>	<b>2023</b>
Depreciation of right-of-use assets			
Property and building	₩	149,095	149,002
Machinery and communication line facilities		12,875	13,390
Others		44,221	34,754
Total	₩	206,191	197,146
Depreciation of investment property		-	1
Interest expense relating to lease liabilities	₩	25,198	25,402
Expense relating to short-term leases		2,908	6,336
Expense relating to leases of low-value assets that are not short-term leases		6,826	11,535
Expense relating to variable lease payments not included in lease liabilities		7,188	4,198

Total cash outflow from leases was ₩242,236 million and ₩253,730 million for the six-month periods ended June 30, 2024 and 2023, respectively.

## 17. Retained Earnings

Details of retained earnings as of June 30, 2024 and December 31, 2023, are as follows:

<i>(In millions of Korean won)</i>		<b>June 30, 2024</b>	<b>December 31, 2023</b>
Legal reserve <sup>1</sup>	₩	782,249	782,249
Voluntary reserves <sup>2</sup>		4,651,362	4,651,362
Unappropriated retained earnings		9,019,049	9,060,819
Total	₩	14,452,660	14,494,430

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

<sup>2</sup> The reserves of research and development of human resources in other surplus reserves are separately accumulated on disposal of retained earnings on tax filing adjustments when calculating income taxes in accordance with regulations of Tax Reduction and Exemption Control Act of Korea. Reversal of the reserves according to the relevant tax law can be paid out as dividends.

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

**18. Other Components of Equity**

- (1) The Group's other components of equity, as of June 30, 2024 and December 31, 2023, are as follows:

<i>(In millions of Korean won)</i>		<b>June 30, 2024</b>	<b>December 31, 2023</b>
Treasury stock	₩	(215,459)	(398,075)
Gain on disposal of treasury stock		2,850	3,220
Share-based compensation		4,486	8,773
Equity transactions within consolidated entities <sup>1</sup>		(429,054)	(416,336)
Total	₩	(637,177)	(802,418)

<sup>1</sup> Profit or loss incurred from transactions with non-controlling interest and investment difference incurred from change in proportion of subsidiaries are included.

- (2) As of June 30, 2024 and December 31, 2023, the details of treasury stock, are as follows:

		<b>June 30, 2024</b>	<b>December 31, 2023</b>
Number of shares <i>(in shares)</i>		6,195,910	11,447,338
Amount <i>(in millions of Korean won)</i>	₩	215,459	398,075

Treasury stock held as of June 30, 2024, is expected to be utilized for stock compensation for the Group's directors, employees, and for other purposes.

**19. Revenue from Contracts with Customers and Relevant Contract Assets and Liabilities**

- (1) The Group has recognized the following amounts relating to revenue for three- and the six-month periods ended June 30, 2024 and 2023:

<i>(In millions of Korean won)</i>		<b>2024</b>		<b>2023</b>	
		<b>Three-month</b>	<b>Six-month</b>	<b>Three-month</b>	<b>Six-month</b>
Revenue from contracts with customers	₩	6,489,158	13,087,000	6,490,230	12,879,571
Revenue from other sources		57,241	113,973	57,291	111,626
Total	₩	6,546,399	13,200,973	6,547,521	12,991,197

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

- (2) Operating revenues for the three- and six-month periods ended June 30, 2024 and 2023, are as follows:

(In millions of Korean won)	2024		2023	
	Three-month	Six-month	Three-month	Six-month
Services provided	₩ 5,776,645	11,499,295	5,834,448	11,431,988
Sales of goods	769,754	1,701,678	713,073	1,559,209
Total	₩ 6,546,399	13,200,973	6,547,521	12,991,197

Revenue from providing services is recognized over time and revenue from sales of goods are recognized at a point in time. Revenues from construction commitments included in sales of goods are recognized using the percentage of completion method.

- (3) The contract assets, liabilities and deferred revenue recognized in relation to the revenues from contracts with customers are as follows:

(In millions of Korean won)	June 30, 2024	December 31, 2023
Contract assets <sup>1</sup>	₩ 1,111,507	1,130,745
Contract liabilities <sup>1</sup>	307,419	311,023
Deferred revenue <sup>2</sup>	85,202	81,067

<sup>1</sup> The Group recognized contract assets of ₩274,143 million and contract liabilities of ₩32,624 million for long-term construction contract as of June 30, 2024 (December 31, 2023: contract assets of 308,821 million and contract liabilities of ₩32,274 million). The Group recognizes contract assets as trade receivables and other receivables, and contract liabilities as other current liabilities.

<sup>2</sup> Deferred revenue related to government grant is excluded.

- (4) The contract costs recognized as assets are as follows:

(In millions of Korean won)	June 30, 2024	December 31, 2023
Incremental costs of obtaining a contract	₩ 1,633,564	1,656,711
Cost of contract performance	71,448	70,757
Total	₩ 1,705,012	1,727,468

As of June 30, 2024, the Group recognized contract assets in the amount of ₩857,847 million as operating expenses (June 30, 2023: ₩888,317 million).

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

---

- (5) For the three- and six-month periods ended June 30, 2024 and 2023, revenue recognized from carried-forward contract liabilities and deferred revenue from prior year, is as follows:

(In millions of Korean won)		2024		2023	
		Three-month	Six-month	Three-month	Six-month
Revenue recognized from the beginning balance of contract liabilities					
Allocation of the transaction price	₩	47,225	115,785	59,902	134,898
Deferred revenue of joining/installment fees		10,835	22,704	11,016	23,208
Total	₩	58,060	138,489	70,918	158,106

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

**20. Operating Expenses**

- (1) Operating expenses for the three- and six-month periods ended June 30, 2024 and 2023, are as follows:

(In millions of Korean won)

		2024		2023	
		Three-month	Six-month	Three-month	Six-month
Salaries and wages	₩	1,213,152	2,314,075	1,131,456	2,200,537
Depreciation		700,943	1,404,779	675,525	1,347,057
Depreciation of right-of-use assets		103,285	206,191	97,717	197,146
Amortization of intangible assets		161,938	328,881	155,948	314,430
Commissions		332,380	685,388	298,182	600,587
Interconnection charges		102,165	212,091	109,660	220,898
International interconnection fees		26,425	63,285	44,244	92,018
Purchase of inventories		823,891	1,716,248	540,295	1,495,233
Changes of inventories		(64,906)	(51,782)	142,661	72,270
Sales promotion expense and sales commissions		554,351	1,120,721	600,486	1,165,094
Service costs		504,760	1,066,801	491,994	1,037,326
Utilities		130,059	264,430	89,160	192,477
Taxes and dues		64,437	129,728	63,368	128,582
Rent		39,043	76,181	41,725	81,475
Insurance premiums		13,504	31,641	14,427	32,270
Installation fees		42,220	80,051	38,049	91,349
Advertising expenses		40,754	72,809	40,145	75,460
Research and development expenses		43,144	94,178	41,690	84,525
Card service costs		771,019	1,512,921	825,748	1,584,610
Others		449,849	871,870	528,933	915,640
Total	₩	6,052,413	12,200,487	5,971,413	11,928,984

- (2) Details of employee benefits for the three- and six-month periods ended June 30, 2024 and 2023, are as follows:

(In millions of Korean won)

		2024		2023	
		Three-month	Six-month	Three-month	Six-month
Short-term employee benefits	₩	1,132,289	2,152,008	1,054,610	2,049,482
Post-employment benefits (defined benefits)		49,256	98,743	46,314	91,788
Post-employment benefits (defined contributions)		24,460	45,989	18,953	40,467
Share-based compensation		929	3,848	6,417	9,338
Others		6,218	13,487	5,162	9,462
Total	₩	1,213,152	2,314,075	1,131,456	2,200,537

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

**21. Other Income and Other Expenses**

(1) Other income for the three- and six-month periods ended June 30, 2024 and 2023, are as follows:

<i>(In millions of Korean won)</i>		<b>2024</b>		<b>2023</b>	
		<b>Three-month</b>	<b>Six-month</b>	<b>Three-month</b>	<b>Six-month</b>
Gain on disposal of property and equipment and investment properties	₩	5,167	22,484	5,007	12,617
Gain on disposal of intangible assets		-	112	-	300
Gain on disposal of right-of-use assets		1,236	1,527	1,496	1,861
Compensation on impairment of property and equipment		35,515	65,600	37,836	69,848
Gain on government subsidies		4,856	14,207	7,957	17,359
Gain on disposal of investments in associates		1,106	1,106	2,880	6,054
Gain on disposal of subsidiaries		52,688	52,688	-	-
Others		6,891	22,573	7,769	23,892
Total	₩	<u>107,459</u>	<u>180,297</u>	<u>62,945</u>	<u>131,931</u>

(2) Other expenses for the three- and six-month periods ended June 30, 2024 and 2023, are as follows:

<i>(In millions of Korean won)</i>		<b>2024</b>		<b>2023</b>	
		<b>Three-month</b>	<b>Six-month</b>	<b>Three-month</b>	<b>Six-month</b>
Loss on disposal of property and equipment	₩	20,701	36,345	19,125	31,900
Loss on disposal of intangible assets		1,744	7,839	2,456	3,026
Loss on disposal of right-of-use assets		981	1,275	719	949
Loss on disposal of investments in associates		12	12	-	-
Loss on disposal of subsidiaries		3,154	3,154	-	-
Donations		573	4,326	411	17,261
Other allowance for bad debts		11,214	21,119	7,640	11,651
Others		9,648	44,329	44,048	69,849
Total	₩	<u>48,027</u>	<u>118,399</u>	<u>74,399</u>	<u>134,636</u>

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

**22. Finance Income and Costs**

- (1) Details of finance income for the three- and six-month periods ended June 30, 2024 and 2023, are as follows:

		2024		2023	
		Three-month	Six-month	Three-month	Six-month
<i>(In millions of Korean won)</i>					
Interest income	₩	78,728	156,475	63,542	131,736
Gain on foreign currency transactions		5,111	7,908	5,728	10,671
Gain on foreign currency translation		16,472	20,915	8,913	14,482
Gain on transaction of derivatives		3,209	3,209	3,159	4,771
Gain on valuation of derivatives		100,289	229,833	7,434	97,891
Gain on disposal of trade receivables		-	-	3,441	3,441
Divided income		11,166	42,212	33,034	34,322
Others		3,381	8,080	775	2,046
Total	₩	218,356	468,632	126,026	299,360

- (2) Details of finance costs for the three- and six-month periods ended June 30, 2024 and 2023, are as follows:

		2024		2023	
		Three-month	Six-month	Three-month	Six-month
<i>(In millions of Korean won)</i>					
Interest expenses	₩	91,039	194,863	92,158	170,865
Loss on foreign currency transactions		3,792	6,038	8,442	15,861
Loss on foreign currency translation		96,714	226,252	22,569	125,617
Loss on valuation of derivatives		261	354	2,784	18,749
Loss on disposal of trade receivables		3,227	3,589	2,129	7,065
Others		16,999	21,428	20,416	37,122
Total	₩	212,032	452,524	148,498	375,279

**23. Income Tax Expense**

Income tax expense is recognized based on the best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual income tax rate used for the year ending December 31, 2024, is 26.0%.

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

**24. Earnings per Share**

Basic earnings per share for the three- and six-month periods ended June 30, 2024 and 2023, are calculated as follows:

**(1) Basic Earnings per Share**

Basic earnings per share is calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period, excluding ordinary shares held by the Group as treasury stock.

		2024		2023	
		Three-month	Six-month	Three-month	Six-month
Profit attributable to ordinary shares					
(In millions of Korean won)	₩	392,764	768,038	394,248	690,580
Weighted average number of ordinary shares outstanding					
(In number of shares)		245,756,858	245,993,685	249,590,243	252,588,199
Basic earnings per share (In Korean won)	₩	1,598	3,122	1,580	2,734

**(2) Diluted Earnings per Share**

Diluted earnings per share from operations is calculated by adjusting the weighted average number of ordinary shares outstanding assuming that all dilutive potential ordinary shares are converted into ordinary shares. The Group has dilutive potential ordinary shares from convertible bonds, convertible preferred stock and other share-based payments:

		2024		2023	
		Three-month	Six-month	Three-month	Six-month
Profit attributable to ordinary shares					
(In millions of Korean won)	₩	392,764	768,038	394,248	690,580
Adjusted net income attributable to ordinary shares					
(In millions of Korean won)		(142)	(241)	(256)	(443)
Diluted profit attributable to ordinary shares					
(In millions of Korean won)		392,622	767,797	393,992	690,137
Number of dilutive potential ordinary shares outstanding					
(In number of shares)		25,111	66,620	135,219	123,912
Weighted average number of ordinary shares outstanding					
(In number of shares)		245,781,969	246,060,305	249,725,462	252,712,111
Diluted earnings per share					
(In Korean won)	₩	1,597	3,120	1,578	2,731



**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

---

Diluted earnings per share is calculated by dividing the profit for the period by the sum of the weighted average number of ordinary shares and dilutive potential ordinary shares. This calculation takes into account both ordinary shares and all dilutive potential shares

**25. Cash Generated from Operations**

(1) Cash flows from operating activities for the six-month periods ended June 30, 2024 and 2023, are as follows:

*(In millions of Korean won)*

	<b>2024</b>	<b>2023</b>
<b>1. Profit for the period</b>	<b>₩ 803,544</b>	<b>742,127</b>
<b>2. Adjustments for:</b>		
Income tax expense	282,153	243,609
Interest income <sup>1</sup>	(209,382)	(186,786)
Interest expense <sup>1</sup>	222,652	197,753
Dividend income <sup>2</sup>	(43,637)	(35,758)
Depreciation	1,425,967	1,371,454
Amortization of intangible assets	335,071	386,055
Depreciation of right-of-use assets	206,191	197,146
Provisions for post-employment benefits (defined benefits)	106,299	97,225
Allowance for bad debts	104,814	79,106
Share of net profit or loss of associates and joint ventures	(7,290)	(2,197)
Gain on disposal of associates and joint ventures	(50,628)	(6,054)
Loss on disposal of property, equipment and investment properties <sup>3</sup>	13,861	8,741
Impairment loss on property and equipment	-	522
Gain on disposal of right-of-use assets	(252)	(912)
Loss on disposal of intangible assets	7,727	2,726
Impairment loss on intangible assets	857	695
Loss on foreign currency translation	205,180	111,135
Gain on valuation of derivatives	(232,719)	(61,657)
Loss on disposal of financial assets at amortized cost	1	1
Gain on disposal of financial assets at fair value through profit or loss	(3,440)	(908)
Loss on valuation of financial assets at fair value through profit or loss <sup>4</sup>	8,672	2,821
Others	66,719	71,256
<b>3. Changes in operating assets and liabilities</b>		
Decrease (increase) in trade receivables	(108,465)	5,765
Decrease in other receivables	84,990	436,030
Increase in other current assets	(49,235)	(43,890)

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

Increase in other non-current assets	(19,669)	(32,768)
Decrease (Increase) in inventories	(41,734)	69,973
Increase (decrease) in trade payables	79,917	(15,205)
Increase (decrease) in other payables	38,331	(651,115)
Increase (decrease) in other current liabilities	260,749	(56,394)
Decrease in other non-current liabilities	(11,142)	(18,017)
Increase (Decrease) in provisions	(2,640)	2,885
Increase (Decrease) in deferred revenue	(882)	639
Decrease in plan assets	158,417	115,748
Payment of post-employment benefits (defined benefit)	(202,374)	(167,452)
<b>4. Cash generated from operations (1+2+3)</b>	<b>3,428,623</b>	<b>2,864,299</b>

<sup>1</sup> Subsidiaries such as BC Card Co., Ltd. recognize interest income and expense as operating revenue and expense, respectively. Interest income of ₩52,907 million (For the six-month period ended June 30, 2023: ₩55,050 million) recognized as operating revenue and interest expense of ₩27,789 million (For the six-month periods ended June 30, 2023: ₩27,778 million) recognized as operating expense, for the six-month period ended June 30, 2024, are included in the adjustment.

<sup>2</sup> BC Card Co., Ltd. recognized dividend income as operating revenue. Dividend income of ₩1,425 million recognized as operating revenue for the six-month period ended June 30, 2024 (six-month period ended June 30, 2023: ₩1,426 million) is included in the adjustment.

<sup>3</sup> Gains and losses on disposal of investment properties of KT Estate Inc. are presented as operating revenue and operating expense, respectively. Gain on disposal of investment properties amounting to: ₩10,542 million, recognized as operating revenue for the six-month period ended June 30, 2023, is included.

<sup>4</sup> Subsidiaries such as KT Investment Co., Ltd. recognized gain and loss on valuation of financial assets at fair value through profit or loss as operating revenue and expense, respectively. Loss on valuation of financial assets at fair value through profit or loss of ₩1,141 million (For the six-month period ended June 30, 2023: gain on valuation of financial assets at fair value through profit or loss of ₩11,727 million) that is recognized as operating revenue and expense, for the six-month period ended June 30, 2024, is included in the adjustment.

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

---

(2) Significant transactions not affecting cash flows for the six-month periods ended June 30, 2024 and 2023, are as follows:

*(In millions of Korean won)*

		<b>2024</b>	<b>2023</b>
Reclassification of current portion of borrowings	₩	1,827,739	1,286,741
Reclassification of construction-in-progress to property and equipment		979,155	1,343,059
Change of other payables relating to acquisition of property and equipment		66,921	(211,861)
Change of other payables relating to acquisition of intangible assets		(285,805)	(235,761)
Reclassification of other payables from net defined benefit liabilities		(14,648)	(13,014)
Increase in financial assets due to stock exchange		52,841	-

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

**26. Changes in Liabilities Arising from Financing Activities**

Details of changes in liabilities arising from financing activities, liabilities related to cashflow to be classified as future financing activities, for the six-month periods ended June 30, 2024 and 2023, are as follows:

		<b>2024</b>						
		<b>Others</b>						
		<b>Beginning</b>	<b>Cash flows</b>	<b>Acquisition</b>	<b>Changes in FX rate</b>	<b>Fair value change</b>	<b>Other changes</b>	<b>Ending</b>
Borrowings	₩	10,218,165	(281,451)	-	213,500	-	371	10,150,585
Lease liabilities		1,179,909	(200,555)	180,971	-	264	(22,164)	1,138,425
Derivative liabilities		24,547	-	-	193	(639)	(22,417)	1,684
Derivative assets		(159,211)	1,118	-	(196,606)	7,437	22,417	(324,845)
Total	₩	<u>11,263,410</u>	<u>(480,888)</u>	<u>180,971</u>	<u>17,087</u>	<u>7,062</u>	<u>(21,793)</u>	<u>10,965,849</u>

		<b>2023</b>						
		<b>Others</b>						
		<b>Beginning</b>	<b>Cash flows</b>	<b>Acquisition</b>	<b>Changes in FX rate</b>	<b>Fair value change</b>	<b>Other changes</b>	<b>Ending</b>
Borrowings	₩	10,006,685	(141,362)	-	100,058	515	70,145	10,036,041
Lease liabilities		1,172,038	(208,342)	173,095	-	50	(5,380)	1,131,461
Derivative liabilities		33,555	-	-	(22,565)	6,479	-	17,469
Derivative assets		(190,830)	26,593	-	(71,435)	28,601	(3,132)	(210,203)
Total	₩	<u>11,021,448</u>	<u>(323,111)</u>	<u>173,095</u>	<u>6,058</u>	<u>35,645</u>	<u>61,633</u>	<u>10,974,768</u>

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

**27. Segment Information**

- (1) The management of the Group determines the operating segments based on the reported information when establishing the business strategy.

Details	Business service
ICT	Mobile/fixed line telecommunication service and convergence business, B2B business and others
Finance	Credit card business
Satellite TV	Satellite TV business
Real estate	Residential building development and supply
Others	IT, facility security, global business, and others

- (2) Details of each segment for the three- and six-month periods ended June 30, 2024 and 2023, are as follows:

(In millions of Korean won)

		2024					
		Operating revenues		Operating profit		Depreciation and amortization <sup>1</sup>	
		Three-month	Six-month	Three-month	Six-month	Three-month	Six-month
ICT	₩	4,548,296	9,243,124	358,858	752,631	803,949	1,609,251
Finance		907,046	1,780,963	42,225	74,923	8,445	16,939
Satellite TV		176,206	354,090	12,723	25,685	12,238	24,609
Real estate		153,478	286,637	23,410	39,550	17,159	35,339
Others		2,019,313	4,016,985	73,848	132,072	153,417	304,714
Subtotal		7,804,339	15,681,799	511,064	1,024,861	995,208	1,990,852
Elimination		(1,257,940)	(2,480,826)	(17,078)	(24,375)	(29,042)	(51,001)
Consolidated amount	₩	6,546,399	13,200,973	493,986	1,000,486	966,166	1,939,851

<sup>1</sup> Sum of the amortization of property and equipment, intangible assets, investment properties and right-of-use assets

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

(In millions of Korean won)

		2023					
		Operating revenues		Operating profit		Depreciation and amortization <sup>1</sup>	
		Three-month	Six-month	Three-month	Six-month	Three-month	Six-month
ICT	₩	4,487,417	9,106,412	407,424	795,567	782,598	1,561,821
Finance		959,350	1,843,337	33,008	43,842	8,299	20,211
Satellite TV		181,008	359,687	18,831	35,135	13,480	27,188
Real estate		141,876	251,993	23,021	27,415	17,452	34,902
Others		1,995,074	3,828,946	105,929	166,042	140,621	275,424
Subtotal		7,764,725	15,390,375	588,213	1,068,001	962,450	1,919,546
Elimination		(1,217,204)	(2,399,178)	(12,105)	(5,788)	(33,260)	(60,913)
Consolidated amount	₩	6,547,521	12,991,197	576,108	1,062,213	929,190	1,858,633

<sup>1</sup> Sum of the amortization of property and equipment, intangible assets, investment properties and right-of-use assets.

(3) Operating revenues for the six-month periods ended June 30, 2024 and 2023, and non-current assets as of June 30, 2024 and December 31, 2023, by geographical regions, are as follows:

(In millions of Korean won)

		2024		
		Operating revenues		Non-current assets <sup>1</sup>
		Three-month	Six-month	June 30, 2024
Domestic	₩	6,500,587	13,113,006	20,162,187
Overseas		45,812	87,967	232,597
Total	₩	6,546,399	13,200,973	20,394,784

(In millions of Korean won)

		2023		
		Operating revenues		Non-current assets <sup>1</sup>
		Three months	Six months	December 31, 2023
Domestic	₩	6,501,361	12,904,253	20,725,694
Overseas		46,160	86,944	183,344
Total	₩	6,547,521	12,991,197	20,909,038

<sup>1</sup> Sum of property and equipment, intangible assets, investment properties and right-of-use assets.

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

**28. Related Party Transactions**

(1) The list of related party of the Group as of June 30, 2024, is as follows:

Relationship	Name of Entity
Associates and joint ventures	53 entities such as K Bank Inc., KIF Investment Fund, Megazone Cloud Corporation, and KIAMCO Data Center Development Real Estate General Private Placement Investment Blind Trusts
Others <sup>1</sup>	Goody Studio Co., Ltd., Rebellion Inc., Digital Pharm Co., Ltd., Mastern No.127 Logispoint Daegu Co., KORAMKO No. 143 General Private Real Estate Investment Company

<sup>1</sup> Included within the scope of related parties under Korean IFRS 1024 due to the presence of significant influence, even though treated in accordance with Korean IFRS 1109 .

(2) Outstanding balances of receivables and payables in relations to transactions with related parties as of June 30, 2024 and December 31, 2023, are as follows:

(In millions of Korean won)

		June 30, 2024					
Relationship	Name of Entity	Receivables			Payables		
		Trade receivables	Other receivables	Lease receivables	Trade payables	Other payables	Lease liabilities
Associates and joint ventures	K Bank, Inc.	₩ 826	196,930	628	-	335	-
	Little Big Pictures	235	4,796	-	-	4	-
	K-Realty 11th Real Estate Investment Trust Company	110	1,283	-	-	-	6,316
	K-Realty No.3 Real Estate General Private Placement Investment	3,112	-	-	-	-	-
	Others	2,530	894	-	21	6,650	-
	Total	₩ 6,813	203,903	628	21	6,989	6,316

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

(In millions of Korean won)

		December 31, 2023					
Relationship	Name of Entity	Receivables			Payables		
		Trade receivables	Other receivables	Lease receivables	Trade payables	Other payables	Lease liabilities
Associates and joint ventures	K Bank, Inc.	₩ 862	326,006	769	-	299	-
	Little Big Pictures	232	3,473	-	9	6	-
	K-Realty 11th Real Estate Investment Trust Company	110	1,283	-	-	-	6,732
	K-Realty No.3 Real Estate General Private Placement Investment	4,576	-	-	-	-	-
	Others	2,044	162	-	2,900	3,029	-
	Total	₩ 7,824	330,924	769	2,909	3,334	6,732

(3) Significant transactions with related parties for the six-month periods ended June 30, 2024 and 2023, are as follows:

(In millions of Korean won)

		2024				
Relationship	Name of Entity	Sales		Purchases		Acquisition of right-of-use assets
		Operating revenue	Other income	Operating expenses	Others <sup>1</sup>	
Associates and joint ventures	K Bank, Inc.	₩ 16,574	-	9,453	-	-
	HD Hyundai Robotics Co., Ltd.	38	-	-	-	-
	K-Realty 11th Real Estate Investment Trust Company	18	100	1,385	-	19
	K-Realty No.3 Real Estate General Private Placement Investment Company	5,241	164	-	-	-
	Others	12,280	302	17,772	-	-
	Rebellions Co.,Ltd	17	-	-	430	-
	Total	₩ 34,168	566	28,610	430	19

<sup>1</sup> The amount of acquisition of property, equipment and others is included .



**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

(In millions of Korean won)

Relationship	Name of Entity		2023			
			Sales		Purchases	
			Operating revenue	Other income	Operating expenses	Others <sup>1</sup>
Associates and joint ventures	K Bank, Inc.	₩	11,196	-	5,647	-
	Hyundai Robotics Co., Ltd. <sup>1</sup>		40	-	182	-
	K-Realty 11th Real Estate Investment Trust Company		128	100	1,149	-
	Others <sup>2</sup>		8,085	413	20,061	137
	Total	₩	19,449	513	27,039	137
						34

<sup>1</sup>The amount of acquisition of property, equipment and others is included .

<sup>2</sup> Transactions with KT Living, Inc. (formerly KD Living, Inc.) before it was classified as subsidiary of the Group are included.

(In millions of Korean won)

Relationship	Name of Entity		2024			2023		
			Finance income	Finance costs	Dividend Income	Finance income	Finance costs	Dividend income
Associates and joint ventures	K Bank, Inc.	₩	4,403	-	-	3,853	-	-
	K-Realty 11th Real Estate Investment Trust Company		-	102	202	-	129	277
	Others <sup>1</sup>		-	-	4,495	-	-	1,629
	Total	₩	4,403	102	4,697	3,853	129	1,906

<sup>1</sup> Transactions with KT Living, Inc. (formerly KD Living, Inc.) before it was classified as subsidiary of the Group are included.

(4) Key management compensation for the six-month periods ended June 30, 2024 and 2023, consists of:

(In millions of Korean won)

	2024	2023
Salaries and other short-term benefits	₩ 824	619
Post-employment benefits	97	71
Share-based compensation	332	302
Total	₩ 1,253	992

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

(5) Fund transactions with related parties for the six-month periods ended June 30, 2024 and 2023, are as follows:

(In millions of Korean won)

(In millions of Korean won)		2024		
		Borrowing transactions <sup>1</sup>		Equity contributions in cash
		Borrowings	Repayments	
Associates and joint ventures				
IBK-KT Young Entrepreneurs MARS Investment Fund	₩	-	-	6,000
K-Realty 11th Real Estate Investment Trust Company		-	508	-
TeamFresh Corp. <sup>2</sup>		-	-	52,841
Others		-	-	19,835
Others				
Rebellions Co.,Ltd.		-	-	9,999
Total	₩	-	508	88,675

(In millions of Korean won)

(In millions of Korean won)		2023		
		Borrowing transactions <sup>1</sup>		Equity contributions in cash
		Borrowings	Repayments	
Associates and joint ventures				
Megazone Cloud Corporation	₩	30,000	-	-
K-Realty 11th Real Estate Investment Trust Company		-	494	-
STIC Place General Private Placement Real Estate Investment Trust No.2		-	-	20,000
Telco Credit Bureau Co.,Ltd.		-	-	6,500
				6,000
Super Growth K-contents Fund		-		
6,000Others <sup>3</sup>		-	-	5,967
Total	₩	30,000	494	38,467

<sup>1</sup> Lease transactions are included in borrowing transactions.

<sup>2</sup> The transaction involved acquiring redeemable convertible preference shares of TeamFresh Corp. and occurred in the process of exchange with the shares of Lolab Co., Ltd. that were held.

<sup>3</sup> Includes transactions before Studio Discovery Co., Ltd. was excluded from the associates.

(6) Provision of collateral and investment agreement and others

The Group has an obligation according to invest agreements with related parties such as KIAMCO Data Center Development Real Estate General Private Placement Investment Blind Trusts. As of June 30, 2024 the Group has a plan to make an additional investment of ₩106,928 million.

(7) As of June 30, 2024, the limit of the credit card contract provided by the Group to K Bank, Inc. is ₩1,344 million (December 31, 2023: ₩1,050 million).

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

**29. Fair Value**

(1) Fair Value of Financial Instruments by Category

Carrying amount and fair value of financial instruments by category as of June 30, 2024 and December 31, 2023, are as follows:

(In millions of Korean won)

(In millions of Korean won)		June 30, 2024		December 31, 2023	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Cash and cash equivalents	₩	3,786,724	<sup>1</sup>	2,879,554	<sup>1</sup>
Trade and other receivables					
Financial assets at amortized cost <sup>2</sup>		8,006,889	<sup>1</sup>	8,326,229	<sup>1</sup>
Financial assets at fair value through other comprehensive income		112,860	112,860	116,198	116,198
Other financial assets					
Financial assets at amortized cost		1,002,142	<sup>1</sup>	1,385,921	<sup>1</sup>
Financial assets at fair value through profit or loss		1,064,624	1,064,624	939,661	939,661
Financial assets at fair value through other comprehensive income		1,983,633	1,983,633	1,680,168	1,680,168
Derivative financial assets for hedging		324,845	324,845	159,211	159,211
Total	₩	16,281,717		15,486,942	
Financial liabilities					
Trade and other payables	₩	8,007,446	<sup>1</sup>	8,317,822	<sup>1</sup>
Borrowings		10,150,585	9,596,901	10,218,165	9,979,545
Other financial liabilities					
Financial liabilities at amortized cost		906,785	<sup>1</sup>	915,185	<sup>1</sup>
Financial liabilities at fair value through profit or loss		113,329	113,329	136,106	136,106
Derivative financial liabilities for hedging		1,684	1,684	24,547	24,547
Total	₩	19,179,829		19,611,825	

<sup>1</sup> Since the carrying amount represents a reasonable approximation of fair value, it has been excluded from the fair value disclosures.

<sup>2</sup> Lease receivables are excluded from fair value disclosure in accordance with Korean IFRS 1107.

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

(2) Fair Value Hierarchy

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

- Level 1: The quoted (unadjusted) price in active markets for identical assets or liabilities that an entity can access at the measurement date.
- Level 2: All inputs other than quoted prices included in Level 1 that are observable (either directly that is, or indirectly that is, derived from prices) for the asset or liability.
- Level 3: The unobservable inputs for the asset or liability.

Fair value hierarchy classifications of the financial assets and financial liabilities that are measured disclosed at fair value or its fair value is disclosed as of June 30, 2024 and December 31, 2023, are as follows:

(In millions of Korean won)

		June 30, 2024			
		Level 1	Level 2	Level 3	Total
<b>Assets</b>					
Trade and other receivables					
Financial assets at fair value					
through other comprehensive income	₩	-	112,860	-	112,860
Other financial assets					
Financial assets at fair value through profit or loss		8,042	196,813	859,769	1,064,624
Financial assets at fair value through other comprehensive income		1,533,170	5,331	445,132	1,983,633
Derivative financial assets for hedging		-	324,845	-	324,845
Total	₩	<u>1,541,212</u>	<u>639,849</u>	<u>1,304,901</u>	<u>3,485,962</u>
<b>Liabilities</b>					
Borrowings	₩	-	9,596,901	-	9,596,901
Other financial liabilities					
Financial liabilities at fair value through profit or loss		-	-	113,329	113,329
Derivative financial liabilities for hedging		-	1,684	-	1,684
Total	₩	<u>-</u>	<u>9,598,585</u>	<u>113,329</u>	<u>9,711,914</u>

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

(In millions of Korean won)

		December 31, 2023			
		Level 1	Level 2	Level 3	Total
<b>Assets</b>					
Trade and other receivables					
Financial assets at fair value					
through other comprehensive income	₩	-	116,198	-	116,198
Other financial assets					
Financial assets at fair value through					
profit or loss		13,911	156,918	768,832	939,661
Financial assets at fair value through					
other comprehensive income		1,230,936	5,206	444,026	1,680,168
Derivative financial assets for hedging		-	159,211	-	159,211
Total	₩	1,244,847	437,533	1,212,858	2,895,238
<b>Liabilities</b>					
Borrowings	₩	-	9,979,545	-	9,979,545
Other financial liabilities					
Financial liabilities at fair value					
through profit or loss		-	1,545	134,561	136,106
Derivative financial liabilities for					
hedging		-	24,547	-	24,547
Total	₩	-	10,005,637	134,561	10,140,198

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

(3) Transfers Between Fair Value Hierarchy Levels of Recurring Fair Value Measurements

- 1) Details of transfers between Level 1 and Level 2 of the fair value hierarchy for recurring fair value measurements

There are no transfers between Level 1 and Level 2 of the fair value hierarchy for the recurring fair value measurements.

- 2) Details of changes in Level 3 of the fair value hierarchy for recurring fair value measurements.

Details of changes in Level 3 of the fair value hierarchy for the recurring fair value measurements are as follows:

(In millions of Korean won)

		<b>2024</b>		
		<b>Financial assets</b>		<b>Financial liabilities</b>
		<b>Financial assets at</b>	<b>Financial assets at</b>	<b>Financial liabilities at</b>
		<b>FVTPL</b>	<b>FVOCI</b>	<b>FVTPL</b>
Beginning balance	₩	768,832	444,026	134,561
Acquisition		38,519	1,011	-
Transfer		50,995	(207)	5,772
Disposal		(9,388)	-	-
Amount recognized in profit or loss		10,811	-	(27,004)
Amount recognized in other comprehensive income		-	302	-
Ending balance	₩	859,769	445,132	113,329

(In millions of Korean won)

(In millions of Korean won)		2023			
		Financial assets			Financial liabilities
		Financial assets at FVTPL	Financial assets at FVOCI	Derivative financial assets (liabilities) for hedging	Financial liabilities at FVTPL
Beginning balance	₩	612,069	497,129	1,113	141,280
Acquisition		38,358	-	-	-
Transfer		(2,453)	(511)	(1,113)	-
Changes in consolidation scope		252	-	-	-
Disposal		(4,704)	(6)	-	-
Amount recognized in profit or loss		(18,943)	-	-	22,004
Amount recognized in other comprehensive income		-	(233)	-	-
Ending balance	₩	624,579	496,379	-	163,284

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

(4) Valuation Technique

Valuation techniques used in the recurring, non-recurring fair value measurements and disclosed fair values categorized within Level 2 and Level 3 of the fair value hierarchy as of June 30, 2024 and December 31, 2023, are as follows:

(In millions of Korean won)

		June 30, 2024		
		Fair value	Level	Major valuation techniques
<b>Assets</b>				
Trade and other receivables				
Financial assets at fair value through other comprehensive income	₩	112,860	2	DCF Model
Other financial assets				
Financial assets at fair value through profit or loss		1,056,582	2,3	DCF Model, Adjusted Net Asset Model, Monte-Carlo Simulation
Financial assets at fair value through other comprehensive income		450,463	2,3	DCF Model, Market Approach Model
Derivative financial assets for hedging		324,845	2	DCF Model
<b>Liabilities</b>				
Borrowings		9,596,901	2	DCF Model
Other financial liabilities				
Financial liabilities at fair value through profit or loss		113,329	3	Binomial Option Pricing Model
Derivative financial liabilities for hedging		1,684	2	DCF Model

**KT Corporation and Its Subsidiaries**  
**Notes to the Consolidated Interim Financial Statements**  
**As of June 30, 2024 and 2023, and December 31, 2023**

(In millions of Korean won)

(In millions of Korean won)		December 31, 2023		
		Fair value	Level	Major valuation techniques
Assets				
Trade and other receivables				
Financial assets at fair value through other comprehensive income	₩	116,198	2	DCF Model
Other financial assets				
				DCF Model,
Financial assets at fair value through profit or loss		925,750	2,3	Adjusted Net Asset Model, Monte-Carlo Simulation
Financial assets at fair value through other comprehensive income		449,232	2,3	DCF Model, Market Approach Model
Derivative financial assets for hedging		159,211	2	DCF Model
Liabilities				
Borrowings		9,979,545	2	DCF Model
Other financial liabilities				
Financial liabilities at fair value through profit or loss		136,106	2,3	DCF Model, Binomial Option Pricing Model
Derivative financial liabilities for hedging		24,547	2	DCF Model

(5) Valuation Processes for Fair Value Measurements Categorized Within Level 3

The Group engages external experts that perform the fair value measurements required for financial reporting purposes. External experts report directly to the chief financial officer (CFO), and discuss the valuation processes and results with the CFO in line with the Group's closing dates.

**30. Events After the Reporting Period**

- (1) The Group has decided on a quarterly dividend at the Board of Directors dated July 16, 2024, and the details are as follows.

Type	Details
Dividend per share	₩500 (Total dividend: ₩122,913 million)
Dividend yield	1.4%
Dividend report date	June 30, 2024
Dividend pay date	July 30, 2024

- (2) KT Cloud Co., Ltd., a subsidiary of the Group, exercised its stock purchase right (exercise amount: ₩20,328 million) for the entire shares of its subsidiary, Open cloud lab Co., Ltd., on July 1, 2024.



**PRINCIPAL EXECUTIVE OFFICES OF THE COMPANY**

**KT CORPORATION**

KT Gwanghwamun Building East  
33, Jong-ro 3-gil, Jongno-gu  
Seoul 03155, Korea

**FISCAL AGENT**

**Citicorp International Limited**

40/F, Champion Tower  
3 Garden Road  
Central, Hong Kong

**PAYING AGENT, TRANSFER AGENT AND  
REGISTRAR**

**Citibank, N.A., London Branch**

c/o Citibank, N.A., Dublin Branch  
1 North Wall Quay  
Dublin 1, Ireland

**LEGAL ADVISORS**

*To the Company as to Korean law*

**Kim & Chang**

Seyang Building  
39, Sajik-ro 8-gil, Jongno-gu  
Seoul 03170, Korea

*To the Initial Purchasers as to U.S. law*

**Cleary Gottlieb Steen & Hamilton LLP**

19F, Ferrum Tower  
19, Eulji-ro 5-gil, Jung-gu  
Seoul 04539, Korea

**SINGAPORE LISTING AGENT**

**Shook Lin & Bok LLP**

1 Robinson Road  
#18-00 AIA Tower  
Singapore 048542

**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

**Deloitte Anjin LLC**

9th Floor, One IFC Building  
10, Gukjegeumyung-ro, Yeongdeungpo-gu  
Seoul 07326, Korea

**Samil PricewaterhouseCoopers**

100 Hangang-daero  
Yongsan-gu  
Seoul 04386, Korea

