



HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
FOR EACH OF THE TWO YEARS IN THE PERIOD ENDED
DECEMBER 31, 2024
ATTACHMENT: INDEPENDENT AUDITORS' REPORT

HYUNDAI MOTOR COMPANY
AND ITS SUBSIDIARIES

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Independent auditor's report
(English translation of a report originally issued in Korean)

**The Shareholders and Board of Directors
Hyundai Motor Company**

Opinion

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

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

We have audited the Group's internal control over financial reporting ("ICFR") for consolidation purposes as of December 31, 2024 based on the *Conceptual Framework for Design and Operation of ICFR* established by the Operating Committee of ICFR in Korea, in accordance with Korean Standards on Auditing ("KSA"), and our report dated March 5, 2025 expressed an unqualified opinion thereon.

Basis for opinion

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

Key audit matters

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

1) Valuation of sales warranty provisions

As described in Note 2.(20) to the consolidated financial statements, the Group provides free warranty services to customers during the guaranteed period after the sale of a vehicle and also in the event of a recall or campaign due to quality issues. As of December 31, 2024, the Group has recognized a total of ₩9,567,739 million in sales warranty provisions, including provisions for the obligation to provide free warranty services (Note 16).

When estimating the balance of provisions for the obligation to provide free repairs, the Group uses historical data such as sales volume by vehicle type and past repair expenses that occurred from warranty services, and assumptions such as expected increase rate of unit repair price and expected free repair occurrence rate. The underlying data collected and aggregated in the process is vast and complex, and the management assumptions applied are highly subjective and uncertain and it is highly probable that any errors therein may cause material misstatement in the Group's consolidated financial statements. Therefore, we selected the valuation of the sales warranty provisions as a key audit matter.

The primary audit procedures we performed to address this key audit matter include the following:

- Evaluating whether control activities to measure and recognize the sales warranty provisions are properly designed and operated;
- Evaluating whether general control and automatic control of the IT system that aggregates historical sales warranty data are properly designed and operated by engaging IT specialists;
- Reviewing the underlying data of management's accounting estimates by comparing with other internal and external information;
- Analyzing the basis of management's key assumptions used for the measurement of related liabilities by comparing with historical data;
- Conducting independent recalculation of the balance of related liabilities as of December 31, 2024;
- Evaluating the estimates by vehicle type for the previous year by comparing with the actual results in the current year; and
- Evaluating the appropriateness of other significant considerations that have affected the balance of the provisions.

2) Valuation of financial services receivables

According to the accounting policies for the valuation of financial services receivables described in Note 2.(8) to the consolidated financial statements, as of December 31, 2024, the Group recognized financial services receivables, net, and loss allowance of ₩130,761,501 million and ₩ 2,087,126 million, respectively (Note 14).

In accordance with KIFRS 1109 *Financial Instruments*, the Group recognizes allowance for credit loss for financial services receivables using the expected credit loss (ECL) model. The ECL model requires management judgment to assess whether the receivable has undergone a significant increase in credit risk, as well as other assumptions, such as credit rating and macroeconomic variables. In addition, the Group also considers historical transaction data, such as delinquency days, bankruptcy, and collection, to determine assumptions used in the ECL model. As errors in the assumptions applied to the ECL model could have a significant impact on the consolidated financial statements, we identified the valuation of financial services receivables as a key audit matter.

The primary audit procedures we performed to address this key audit matter include the following:

- Assessing whether the Group's accounting policies comply with the requirements under KIFRS 1109 *Financial Instruments*;
- Reviewing the process of measurement of credit loss allowance for financial services receivables and testing relevant controls;
- Assessing the credit rating and classification of credit quality, including the identification of significant increase in credit risk, through inspection of related documents on a sample basis; and
- Reviewing the underlying data for probability of default and loss given default and testing the appropriateness of calculation methods used for the estimation through recalculation.

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

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Do Hun, Han.



Seoul, Korea

March 5, 2025

This audit report is effective as of March 5, 2025, the independent auditor's report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's report to the time this report is used. Such events and circumstances could significantly affect the accompanying consolidated financial statements and may result in modifications to this report.

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

**CONSOLIDATED FINANCIAL STATEMENTS
FOR EACH OF THE TWO YEARS IN THE PERIOD ENDED
DECEMBER 31, 2024**

“The accompanying consolidated financial statements, including all footnote disclosures, were prepared by, and are the responsibility of, the Company.”

José Muñoz
Chief Executive Officer
HYUNDAI MOTOR COMPANY

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HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2024 AND DECEMBER 31, 2023

ASSETS	NOTES	December 31, 2024	December 31, 2023
(In millions of Korean Won)			
Current assets:			
Cash and cash equivalents	19	₩ 19,014,944	₩ 19,166,619
Short-term financial instruments	19	8,473,108	7,339,968
Other financial assets	5,19	3,260,483	2,802,611
Trade notes and accounts receivable	3,19	5,908,079	4,682,182
Other receivables	4,19	3,721,312	3,431,169
Inventories	6	19,791,007	17,400,346
Current tax assets		243,802	195,696
Financial services receivables	14,19	51,428,657	43,120,684
Non-current assets classified as held for sale	8	52,239	434,503
Other assets	7,19	3,870,656	3,150,939
Total current assets		115,764,287	101,724,717
Non-current assets:			
Long-term financial instruments	19	175,242	154,966
Other financial assets	5,19	6,572,644	4,423,388
Long-term trade notes and accounts receivable	3,19	272,211	210,979
Other receivables	4,19	1,803,087	855,015
Property, plant and equipment	9,37	44,533,941	38,920,900
Investment property	10,37	142,188	146,148
Intangible assets	11,37	7,682,730	6,218,585
Investments in joint ventures and associates	13	34,644,095	28,476,142
Net defined benefit assets	32	55,394	488,181
Deferred tax assets	31	4,162,055	3,604,977
Financial services receivables	14,19	76,411,787	64,566,977
Investments in operating leases	12	43,161,623	29,664,618
Right-of-use assets	12	1,338,817	1,037,643
Other assets	7,19	3,078,328	1,970,119
Total non-current assets		224,034,142	180,738,638
Total assets		₩ 339,798,429	₩ 282,463,355

(Continued)

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2024 AND DECEMBER 31, 2023

LIABILITIES AND EQUITY	NOTES	December 31, 2024	December 31, 2023
		(In millions of Korean Won)	
Current liabilities:			
Trade notes and accounts payable	19	₩ 12,549,646	₩ 10,952,046
Other payables	19,36	9,532,876	8,642,808
Short-term borrowings	15,19	9,327,139	9,035,548
Current portion of long-term debt and debentures	15,19	26,742,213	25,109,158
Income tax payable		1,942,728	1,324,720
Provisions	16	7,381,785	7,316,877
Other financial liabilities	17,19	296,138	56,712
Lease liabilities	12,19	275,628	224,350
Non-current liabilities classified as held for sale	8	1,562	122,851
Other liabilities	18,19,25	11,459,928	10,577,033
Total current liabilities		79,509,643	73,362,103
Non-current liabilities:			
Long-term other payables	19,36	418,597	616,011
Debentures	15,19	96,134,463	73,033,493
Long-term debt	15,19	24,285,545	17,569,760
Net defined benefit liabilities	32	164,076	77,268
Provisions	16	5,005,181	4,333,841
Other financial liabilities	17,19	80,876	176,399
Deferred tax liabilities	31	5,522,927	5,438,976
Lease liabilities	12,19	986,477	834,052
Other liabilities	18,19,25	7,414,711	5,212,012
Total non-current liabilities		140,012,853	107,291,812
Total liabilities		219,522,496	180,653,915
Equity:			
Capital stock	20	1,488,993	1,488,993
Capital surplus	20	7,656,290	4,378,489
Other capital items	21	(850,447)	(1,197,084)
Accumulated other comprehensive income (loss)	22	4,212,894	(838,892)
Retained earnings	23	96,595,668	88,665,805
Equity attributable to the owners of the Company		109,103,398	92,497,311
Non-controlling interests		11,172,535	9,312,129
Total equity		120,275,933	101,809,440
Total liabilities and equity		₩ 339,798,429	₩ 282,463,355

(Concluded)

See accompanying notes to the consolidated financial statements.

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	NOTES	2024	2023
		(In millions of Korean Won, except per share amounts)	
Sales	25,37	₩ 175,231,153	₩ 162,663,579
Cost of sales	29	139,481,946	129,179,183
Gross profit		35,749,207	33,484,396
Selling and administrative expenses	26,29	21,509,615	18,357,495
Operating profit		14,239,592	15,126,901
Gain on investments in joint ventures and associates, net	13	3,114,032	2,470,933
Finance income	27	1,531,248	1,559,538
Finance expenses	27	898,551	970,700
Other income	28	2,067,530	1,782,333
Other expenses	28,29	2,272,415	2,350,343
Profit before income tax		17,781,436	17,618,662
Income tax expense	31	4,232,418	4,626,640
Profit from continuing operations		₩ 13,549,018	₩ 12,992,022
Discontinued operations			
Loss from discontinued operations	8	₩ (319,110)	₩ (719,721)
Profit for the year		13,229,908	12,272,301
Profit attributable to:			
Owners of the Company		12,526,691	11,961,717
Non-controlling interests		703,217	310,584
Earnings per share attributable to the owners of the Company:	30		
Basic earnings per share:			
Common stock		₩ 47,615	₩ 45,703
From continuing operations		48,829	47,622
From discontinued operations		(1,214)	(1,919)
1 st preferred stock		₩ 47,369	₩ 45,535
From continuing operations		48,575	47,445
From discontinued operations		(1,206)	(1,910)
Diluted earnings per share:			
Common stock		₩ 47,615	₩ 45,703
1 st preferred stock		₩ 47,369	₩ 45,535

See accompanying notes to the consolidated financial statements.

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
	(In millions of Korean Won)	
Profit for the year	₩ 13,229,908	₩ 12,272,301
Other comprehensive income (loss) :		
Items that will not be reclassified subsequently to profit or loss:		
Profit on financial assets measured at FVOCI, net	363,539	79,056
Remeasurements of defined benefit plans	(409,101)	(312,128)
Changes in retained earnings of equity-accounted investees, net	(109,997)	(219,981)
Changes in share of OCI of equity-accounted investees, net	146,829	40,297
	<u>(8,730)</u>	<u>(412,756)</u>
Items that may be reclassified subsequently to profit or loss:		
Gain (loss) on financial assets measured at FVOCI, net	(270)	13,884
Gain (loss) on valuation of cash flow hedge derivatives, net	(317,355)	(227,671)
Changes in share of OCI of equity-accounted investees, net	1,615,216	328,032
Gain on foreign operations translation, net	3,735,984	455,051
	<u>5,033,575</u>	<u>569,296</u>
Total other comprehensive income	<u>5,024,845</u>	<u>156,540</u>
Total comprehensive income	<u>₩ 18,254,753</u>	<u>₩ 12,428,841</u>
Comprehensive income attributable to:		
Owners of the Company	17,100,442	12,204,426
Non-controlling interests	1,154,311	224,415
Total comprehensive income	<u>₩ 18,254,753</u>	<u>₩ 12,428,841</u>

See accompanying notes to the consolidated financial statements.

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	Capital stock	Capital surplus	Other capital items	Accumulated other comprehensive income (loss)	Retained earnings	Total equity attributable to the owners of the Company	Non- controlling interests	Total equity
	(In millions of Korean Won)							
Balance as of January 1, 2023	₩ 1,488,993	₩ 4,241,303	₩ (1,713,928)	₩ (1,620,682)	₩ 79,953,601	₩ 82,349,287	₩ 8,547,258	₩ 90,896,545
Comprehensive income:								
Profit for the period	-	-	-	-	11,961,717	11,961,717	310,584	12,272,301
Gain (loss) on financial assets measured at FVOCI, net	-	-	-	119,124	(26,118)	93,006	(66)	92,940
Gain (loss) on valuation of cash flow hedge derivatives, net	-	-	-	(149,287)	-	(149,287)	(78,384)	(227,671)
Changes in valuation of equity-accounted investees, net	-	-	-	348,212	(219,981)	128,231	20,117	148,348
Remeasurements of defined benefit plans	-	-	-	-	(292,982)	(292,982)	(19,146)	(312,128)
Gain (loss) on foreign operations translation, net	-	-	-	463,741	-	463,741	(8,690)	455,051
Total comprehensive income	-	-	-	781,790	11,422,636	12,204,426	224,415	12,428,841
Transactions with owners, recorded directly in equity:								
Payment of cash dividends	-	-	-	-	(2,358,316)	(2,358,316)	(140,764)	(2,499,080)
Increase in paid-in capital of subsidiaries by issuing stock	-	46,828	-	-	-	46,828	814,374	861,202
Acquisition of investment in subsidiaries	-	22,898	-	-	-	22,898	(26,341)	(3,443)
Disposals of investment in subsidiaries	-	-	-	-	-	-	20,546	20,546
Disposals of treasury stocks	-	67,491	201,432	-	-	268,923	-	268,923
Retirement of treasury stocks	-	-	315,412	-	(315,412)	-	-	-
Issue of hybrid bonds	-	-	-	-	-	-	159,590	159,590
Repayments of hybrid bonds	-	-	-	-	-	-	(300,000)	(300,000)
Others	-	(31)	-	-	(36,704)	(36,735)	13,051	(23,684)
Total transactions with owners, recorded directly in equity	-	137,186	516,844	-	(2,710,432)	(2,056,402)	540,456	(1,515,946)
Balance as of December 31, 2023	₩ 1,488,993	₩ 4,378,489	₩ (1,197,084)	₩ (838,892)	₩ 88,665,805	₩ 92,497,311	₩ 9,312,129	₩ 101,809,440

(Continued)

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	Capital stock	Capital surplus	Other capital items	Accumulated other comprehensive income (loss)	Retained earnings	Total equity attributable to the owners of the Company	Non- controlling interests	Total equity
	(In millions of Korean Won)							
Balance as of January 1, 2024	₩ 1,488,993	₩ 4,378,489	₩ (1,197,084)	₩ (838,892)	₩ 88,665,805	₩ 92,497,311	₩ 9,312,129	₩ 101,809,440
Comprehensive income:								
Profit for the period	-	-	-	-	12,526,691	12,526,691	703,217	13,229,908
Gain (loss) on financial assets measured at FVOCI, net	-	-	-	344,244	15,743	359,987	3,282	363,269
Loss on valuation of cash flow hedge derivatives, net	-	-	-	(279,552)	-	(279,552)	(37,803)	(317,355)
Changes in valuation of equity-accounted investees, net	-	-	-	1,721,521	(109,997)	1,611,524	40,524	1,652,048
Remeasurements of defined benefit plans	-	-	-	-	(383,781)	(383,781)	(25,320)	(409,101)
Gain on foreign operations translation, net	-	-	-	3,265,573	-	3,265,573	470,411	3,735,984
Total comprehensive income	-	-	-	5,051,786	12,048,656	17,100,442	1,154,311	18,254,753
Transactions with owners, recorded directly in equity:								
Payment of cash dividends	-	-	-	-	(3,794,330)	(3,794,330)	(119,000)	(3,913,330)
Increase in paid-in capital of subsidiaries by issuing stock	-	(2,146)	-	-	-	(2,146)	332,809	330,663
Acquisition of investment in subsidiaries	-	-	-	-	-	-	8,360	8,360
Disposals of investment in subsidiaries	-	-	-	-	-	-	(2,603)	(2,603)
Changes in ownership interests in subsidiaries	-	3,069,080	-	-	-	3,069,080	359,581	3,428,661
Acquisition of treasury stocks	-	-	(232,152)	-	-	(232,152)	-	(232,152)
Disposals of treasury stocks	-	213,059	266,531	-	-	479,590	-	479,590
Retirement of treasury stocks	-	(1,728)	312,258	-	(312,258)	(1,728)	-	(1,728)
Issue of hybrid bonds	-	-	-	-	-	-	139,640	139,640
Others	-	(464)	-	-	(12,205)	(12,669)	(12,692)	(25,361)
Total transactions with owners, recorded directly in equity	-	3,277,801	346,637	-	(4,118,793)	(494,355)	706,095	211,740
Balance as of December 31, 2024	₩ 1,488,993	₩ 7,656,290	₩ (850,447)	₩ 4,212,894	₩ 96,595,668	₩ 109,103,398	₩ 11,172,535	₩ 120,275,933

See accompanying notes to the consolidated financial statements.

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	NOTES	2024	2023
		(In millions of Korean Won)	
Cash flows from operating activities:			
Cash generated from operations:	33		
Profit for the year		₩ 13,229,908	₩ 12,272,301
Adjustments		23,949,871	21,192,358
Changes in operating assets and liabilities		(35,159,625)	(30,365,064)
		<u>2,020,154</u>	<u>3,099,595</u>
Interest received		1,532,714	1,672,380
Interest paid		(5,932,388)	(4,237,818)
Dividend received		976,716	840,925
Income tax paid		(4,258,837)	(3,893,842)
Net cash used in operating activities		<u>(5,661,641)</u>	<u>(2,518,760)</u>
Cash flows from investing activities:			
Changes in short-term financial instruments, net		(782,992)	(1,305,170)
Changes in other financial assets (current), net		50,029	3,703,249
Decrease in other financial assets (non-current)		148,249	107,256
Collection of other receivables		54,277	61,697
Disposals of long-term financial instruments		7,122	42,793
Proceeds from disposals of property, plant and equipment		171,731	144,338
Proceeds from disposals of intangible assets		125,885	2,333
Proceeds from disposals of investment in joint ventures and associates		13,056	19,650
Increases in other financial assets (non-current)		(1,290,519)	(862,570)
Increases in other receivables		(513,604)	(89,586)
Purchases of long-term financial instruments		(34,179)	(73,150)
Acquisitions of property, plant and equipment		(8,061,333)	(7,070,758)
Acquisitions of intangible assets		(2,306,122)	(1,780,423)
Acquisitions of investments in joint ventures and associates		(2,242,215)	(1,522,962)
Cash outflows from changes in consolidation		-	(12,787)
Others		37,126	(13,301)
Net cash used in investing activities		<u>(14,623,489)</u>	<u>(8,649,391)</u>

(Continued)

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	NOTES	2024	2023
		(In millions of Korean Won)	
Cash flows from financing activities:			
Proceeds from short-term borrowings	₩	3,662,892	₩ 2,144,959
Proceeds from long-term debt and debentures		61,763,960	49,089,498
Proceeds from capital contribution from non-controlling interest		335,801	713,380
Acquisitions of subsidiaries		-	(5,501)
Repayment of short-term borrowings		(4,016,458)	(4,762,286)
Repayment of long-term debt and debentures		(42,113,808)	(34,942,180)
Repayment of lease liabilities		(255,797)	(248,888)
Purchases of treasury stocks		(232,152)	-
Dividends paid		(3,913,280)	(2,499,050)
Issue of hybrid bonds		139,640	159,590
Repayment of hybrid bonds		-	(300,000)
Cash inflows from consolidated capital transactions		4,416,882	-
Others		(294,389)	43,849
Net cash provided by financing activities		19,493,291	9,393,371
Cash and cash equivalents included in assets held for sale		-	(149,673)
Effect of exchange rate changes on cash and cash equivalents		640,164	226,193
Net decrease in cash and cash equivalents		(151,675)	(1,698,260)
Cash and cash equivalents, beginning of the year		19,166,619	20,864,879
Cash and cash equivalents, end of the year	₩	19,014,944	₩ 19,166,619

See accompanying notes to the consolidated financial statements.

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

1. GENERAL:

Hyundai Motor Company (the “Company” or “Parent Company”) was incorporated in December 1967, under the laws of the Republic of Korea. The Company and its subsidiaries (the “Group”) manufacture and distribute motor vehicles and parts, operate vehicle financing and credit card processing, and manufacture trains.

The shares of the Company have been listed on the Korea Exchange since June 1974.

As of December 31, 2024, the major shareholders of the Company are Hyundai MOBIS (45,782,023 shares, 21.86%) and Mr. Chung, Mong Koo (11,395,859 shares, 5.44%).

(1) The Group’s consolidated subsidiaries as of December 31, 2024 are as follows.

Name of subsidiaries	Nature of business	Location	Ownership percentage	Indirect ownership
HYUNDAI CAPITAL SERVICES, INC.	Financing	Korea	59.72%	
HYUNDAI CARD CO., LTD. (*1)	"	"	36.96%	
HYUNDAI ROTEM COMPANY (*2)	Manufacturing	"	33.77%	
HYUNDAI KEFICO CORPORATION	"	"	100.00%	
HYUNDAI PARTECS	"	"	56.00%	
Hyundai NGV	Engineering	"	68.29%	
MAINtrans company	Services	"	100.00%	HYUNDAI ROTEM COMPANY 100.00%
Rotem SRS Co., Ltd.	"	"	100.00%	"
S-Trans Co., Ltd.	"	"	100.00%	"
Gimpo Goldline SRS Co., Ltd.	"	"	100.00%	"
JEONBUK HYUNDAI MOTORS FC CO., LTD.	Football club	"	100.00%	
AirPlug Inc.	R&D and Sales	"	99.41%	
42dot Inc.	"	"	58.65%	
42 Air, Inc.	"	USA	100.00%	42dot Inc. 100.00%
Movia Inc.	Transporting	Korea	100.00%	"
Hyundai Motor America (HMA)	Sales	USA	100.00%	
Hyundai Capital America (HCA)	Financing	"	80.00%	HMA 80.00%
Hyundai Motor Manufacturing Alabama, LLC (HMMA)	Manufacturing	"	100.00%	HMA 100.00%
Hyundai Motor Group Metaplant America, LLC (HMGMA)	"	"	60.00%	HMA 60.00%
Hyundai Translead (HT)	"	"	100.00%	
Hyundai America Technical Center, Inc. (HATCI)	R&D	"	100.00%	
Genesis Motor America LLC	Sales	"	100.00%	HMA 100.00%
HTWO Logistics	Logistics	"	75.00%	
Hyundai Rotem USA Corporation	Manufacturing	"	100.00%	HYUNDAI ROTEM COMPANY 100.00%
Hyundai Rotem Smart Electric America	"	"	100.00%	Hyundai Rotem USA Corporation 100.00%
Hyundai Motor Investment, Inc.	Investment	"	100.00%	
HYUNDAI AUTO CANADA CORP. (HACC)	Sales	Canada	100.00%	HMA 100.00%
HYUNDAI AUTO CANADA CAPTIVE INSURANCE INC. (HACCI)	Insurance	"	100.00%	"
Hyundai Capital Canada Inc. (HCCA)	Financing	"	70.00%	HYUNDAI CAPITAL SERVICES, INC. 20.00%
Hyundai Capital Lease Inc. (HCLI)	"	"	100.00%	HCCA 100.00%
HK Lease Funding LP	Financing	Canada	100.00%	HCLI 99.99%, HCCA Funding Inc. 0.01%
HCCA Funding Inc.	"	"	100.00%	HCLI 100.00%

Name of subsidiaries	Nature of business	Location	Ownership percentage	Indirect ownership
HCCA Funding Two Inc.	"	"	100.00%	HCCA 100.00%
HK Retail Funding LP	"	"	100.00%	HCCA 99.99%, HCCA Funding Two Inc. 0.01%
HYUNDAI MOTOR INDIA LIMITED (HMI)	Manufacturing	India	82.50%	
HYUNDAI MOTOR INDIA ENGINEERING PRIVATE LIMITED (HMIE)	R&D	"	100.00%	HMI 100.00%
HYUNDAI INDIA INSURANCE BROKING PRIVATE LIMITED (HIIB)	Insurance	"	100.00%	"
HYUNDAI CAPITAL INDIA PRIVATE LIMITED (HCI)	Financing	"	100.00%	HYUNDAI CAPITAL SERVICES, INC. 100.00%
Hyundai Mobility Japan Co., Ltd. (HMJ)	Sales	Japan	100.00%	
Hyundai Mobility Japan R&D Center Co., Ltd. (HMJ R&D)	R&D	"	100.00%	
Hyundai Motor Business Service Company (HMBSC)	Services	Saudi Arabia	100.00%	
HYUNDAI MOTOR MIDDLE EAST AND AFRICA L.L.C	"	United Arab Emirates	100.00%	
Beijing Jingxian Motor Safeguard Service Co., Ltd. (BJMSS)	Sales	China	100.00%	
Beijing Jingxianronghua Motor Sale Co., Ltd.	"	"	100.00%	BJMSS 100.00%
Genesis Motor Sales (Shanghai) Co., LTD.	"	"	100.00%	
Hyundai Millennium (Beijing) Real Estate Development Co., Ltd.	Real estate development	"	99.00%	CMEs 99.00%
Rotem Equipments (Beijing) Co., Ltd.	Sales	"	100.00%	HYUNDAI ROTEM COMPANY 100.00%
KEFICO Automotive Systems (Beijing) Co., Ltd.	Manufacturing	"	100.00%	HYUNDAI KEFICO CORPORATION 100.00%
Hyundai Truck & Bus (China) Co., Ltd. (HTBC)	"	"	100.00%	
CoMo China Co.,Ltd.	R&D	"	100.00%	
HYUNDAI THANH CONG VIETNAM AUTO MANUFACTURING CORPORATION (HTMV)(*1)	Manufacturing	Vietnam	50.00%	
HYUNDAI THANH CONG COMMERCIAL VEHICLE JOINT STOCK COMPANY (HTCV) (*1)	Sales	"	50.00%	
HYUNDAI THANH CONG VIETNAM AUTO JOINT VENTURE JOINT STOCK COMPANY (HTV)(*1)	"	"	50.00%	
HYUNDAI KEFICO VIETNAM COMPANY LIMITED	Manufacturing	"	100.00%	HYUNDAI KEFICO CORPORATION 100.00%
HYUNDAI KEFICO INDIA PRIVATE LIMITED	"	India	100.00%	"
HYUNDAI MOTOR COMPANY AUSTRALIA PTY LIMITED (HMCA)	Sales	Australia	100.00%	
HYUNDAI MOTOR PHILIPPINES, INC. (HMPH)	"	Philippines	100.00%	
HYUNDAI MOBILITY (THAILAND) CO., LTD. (HMT)	"	Thailand	100.00%	
Hyundai Mobility Manufacturing (Thailand) Co., Ltd. (HMMT)	"	"	99.99%	HMT 99.99%
Hyundai Manufacturing Malaysia Sdn.Bhd. (HMMY)	Manufacturing	Malaysia	100.00%	
Hyundai Motor Malaysia Sdn. Bhd. (HMY)	Sales	"	100.00%	HMMY 100.00%
PT HYUNDAI MOTOR MANUFACTURING INDONESIA (HMMI)	Manufacturing	Indonesia	100.00%	
PT HYUNDAI MOTORS INDONESIA (HMID)	Sales	"	100.00%	HMMI 0.01%

Name of subsidiaries	Nature of business	Location	Ownership percentage	Indirect ownership
PT Hyundai Solusi Mobilitas (HSM)	"	"	99.99%	HMD 99.99%
PT. HYUNDAI CAPITAL INDONESIA (HCID)	Financing	"	100.00%	HYUNDAI CAPITAL SERVICES, INC. 100.00%
Hyundai Capital Australia Pty Limited	"	Australia	100.00%	"
HR Mechanical Services Limited	Services	New Zealand	100.00%	HYUNDAI ROTEM COMPANY 100.00%
Hyundai Rotem Australia Pty Ltd,	Sales	Australia	100.00%	"
Hyundai Motor Manufacturing Czech s.r.o. (HMMC)	Manufacturing	Czech	100.00%	
Hyundai Motor Czech s.r.o. (HMCZ)	Sales	"	100.00%	
Hyundai Motor Europe GmbH (HME)	Marketing and Sales	Germany	100.00%	
Hyundai Motor Deutschland GmbH (HMD)	Sales	"	100.00%	
Hyundai Motor Europe Technical Center GmbH (HMETC)	R&D	"	100.00%	
Hyundai Motorsport GmbH (HMSG)	Marketing	"	100.00%	HME 100.00%
Hyundai Motor Europe Quality Center GmbH	Research	"	100.00%	"
Hyundai Capital Europe GmbH.	Financing	"	100.00%	HYUNDAI CAPITAL SERVICES, INC. 100.00%
HMCIS B.V.	Holding company	Netherlands	100.00%	
Hyundai Motor Netherlands B.V. (HMNL)	Sales	"	100.00%	
Hyundai Motor Sweden AB (HMS)	"	Sweden	100.00%	
Hyundai Motor CIS Limited Liability Company (HMCIS)	"	Russia	100.00%	HMCIS B.V. 100.00%
Hyundai Mobility Lab Limited Liability Company. (HML)	R&D	"	99.00%	HMCIS 99.00%
HYUNDAI CAPITAL SERVICES LIMITED LIABILITY COMPANY	Financing	"	100.00%	Hyundai Capital Europe 100.00%
Limited liability company Hyundai Truck & Bus Rus (HTBR)	Sales	"	100.00%	
Hyundai Motor Türkiye Otomotiv A.S., (HMTR)(*3)	Manufacturing	Türkiye	97.00%	
Hyundai EURotem Demiryolu Araclari Sanayi ve Ticaret A.S	"	"	50.50%	HYUNDAI ROTEM COMPANY 50.50%
Hyundai Rotem Company – Hyundai EUROTREM Demiryolu Araclari SAN. VE TIC. A.S ORTAK GIRISIMI	Sales	"	100.00%	HYUNDAI ROTEM COMPANY 65.00%, Hyundai EURotem A.S. 35.00%
Hyundai Rotem Company - Hyundai EUROTREM Mahmutbey Projesi ORTAK GIRISIMI	"	"	100.00%	HYUNDAI ROTEM COMPANY 85.00%, Hyundai EURotem A.S. 15.00%
Rotem SRS Ukraine LLC.	Services	Ukraine	100.00%	Rotem SRS Co., Ltd. 100.00%
Rotem SRS Egypt LLC.	"	Egypt	98.00%	Rotem SRS Co., Ltd. 98.00%
HYUNDAI MOTOR UK LIMITED (HMUK)	Sales	UK	100.00%	
HYUNDAI MOTOR COMPANY ITALY S.R.L. (HMCi)	"	Italy	100.00%	
HYUNDAI MOTOR ESPANA, S.L.U. (HMES)	"	Spain	100.00%	
HYUNDAI MOTOR FRANCE (HMF)	"	France	100.00%	
Hyundai Motor Poland sp. z o.o. (HMP)	"	Poland	100.00%	
HYUNDAI ROTEM EUROPE sp. z o.o.	Services	"	100.00%	HYUNDAI ROTEM COMPANY 100.00%
GENESIS MOTOR EUROPE GmbH (GME)	Sales	Germany	100.00%	
GENESIS MOTOR UK LIMITED (GMUK)	"	UK	100.00%	GME 100.00%
GENESIS MOTOR SWITZERLAND AG (GMCH)	Sales	Switzerland	100.00%	GME 100.00%
GENESIS MOTOR DEUTSCHLAND GmbH (GMD)	"	Germany	100.00%	"
Hyundai Hydrogen Mobility AG (HHM)	"	Switzerland	75.00%	

Name of subsidiaries	Nature of business	Location	Ownership percentage	Indirect ownership
Hyundai Hydrogen Mobility Germany GmbH (HHMG)	"	Germany	100.00%	HHM 100.00%
Hyundai Commercial Vehicles and Hydrogen Europe GmbH (HCV&H2)	Investment	"	100.00%	
HYUNDAI MOTOR DE MEXICO S DE RL DE CV (HMM)	Sales	Mexico	100.00%	HT 0.01%
Hyundai de Mexico, SA DE C.V., (HYMEX)	Manufacturing	"	99.99%	HT 99.99%
HYUNDAI KEFICO MEXICO, S. DE R.L. DE C.V.	"	"	100.00%	HYUNDAI KEFICO CORPORATION 100.00%
Hyundai Rio Vista, Inc.	Real estate development	USA	100.00%	HT 100.00%
HYUNDAI MOTOR BRASIL MONTADORA DE AUTOMOVEIS LTDA (HMB)	Manufacturing	Brazil	100.00%	
Hyundai Capital Brasil Servicos De Assistencia Financeira Ltda.	Financing	"	100.00%	HYUNDAI CAPITAL SERVICES, INC. 100.00%
Hyundai Capital Kazakhstan Limited Liability Partnership	"	Kazakhstan	100.00%	HYUNDAI CAPITAL SERVICES LIMITED LIABILITY COMPANY 100.00%
PT Hyundai Capital Finance Indonesia	"	Indonesia	75.06%	HYUNDAI CAPITAL SERVICES, INC. 75.06%
Hyundai Rotem Brasil Industria E Comercio De Trens Ltda.	Manufacturing	Brazil	100.00%	HYUNDAI ROTEM COMPANY 100.00%
HMS SERVICOS DE MOBILIDADE LTDA.	Holding company	"	99.99%	HMB 99.99%
China Millennium Corporations (CMEs)	"	Cayman Islands	59.60%	
China Mobility Fund, L.P.	Investment	"	72.00%	
ZER01NE Accelerator Investment Fund No.1	"	Korea	99.00%	
Autopia Sixty-Sixth ~ Seventy-Eighth Asset Securitization Specialty Company (*1)	Financing	"	0.50%	HYUNDAI CAPITAL SERVICES, INC. 0.50%
Hyundai Auto Funding ESG First-Second Asset Securitization Specialty Company (*1)	"	"	0.50%	"
Mobilitybest2 Co., Ltd. (*1)	"	"	0.00%	HYUNDAI CAPITAL SERVICES, INC. 0.00%
Super Series Eleventh ~ Seventeenth Securitization Specialty Co., Ltd. (*1)	"	"	0.50%	HYUNDAI CARD CO., LTD. 0.50%
Bluewalnut Co., Ltd.	"	"	100.00%	HYUNDAI CARD CO., LTD. 100.00%
Bluewalnut America, Inc.	"	USA	100.00%	Bluewalnut Co., Ltd. 100.00%
Bluewalnut Europe GmbH	"	Germany	100.00%	"
Hyundai Connected Mobility GmbH	Mobility Service	"	100.00%	
MOCEAN Co.,Ltd.	"	Korea	73.28%	
UB1st Co., Ltd.	Manufacturing	"	67.99%	42dot Inc. 67.99%
Hyundai Cha Funding, LLC	Financing	USA	100.00%	HCA 100.00%
Hyundai Lease Titling Trust	"	"	100.00%	"
Hyundai HK Funding, LLC	"	"	100.00%	"
Hyundai HK Funding Two, LLC	"	"	100.00%	"
Hyundai HK Funding Three, LLC	"	"	100.00%	"
Hyundai HK Funding Four, LLC	"	"	100.00%	"
Hyundai HK Funding Five, LLC	"	"	100.00%	"
Hyundai HK Funding Six, LLC	"	"	100.00%	"
Hyundai HK Funding Seven, LLC	"	"	100.00%	"
Hyundai ABS Funding, LLC	"	"	100.00%	"
HK Real Properties, LLC	"	"	100.00%	"
Hyundai Auto Lease Offering, LLC	Financing	USA	100.00%	HCA 100.00%
Hyundai HK Lease, LLC	"	"	100.00%	"
Extended Term Amortizing Program, LLC	"	"	100.00%	"
Hyundai Asset Backed Lease, LLC	"	"	100.00%	"
HCA Exchange, LLC	"	"	100.00%	"

Name of subsidiaries	Nature of business	Location	Ownership percentage	Indirect ownership
Hyundai Protection Plan, Inc.	Insurance	"	100.00%	"
Hyundai Protection Plan Florida, Inc.	"	"	100.00%	"
Hyundai Capital Insurance Services, LLC	"	"	100.00%	"
Hyundai Capital Insurance Company	"	"	100.00%	"
Power Protect Extended Services, Inc.	"	"	100.00%	"
Power Protect Extended Services Florida, Inc.	"	"	100.00%	"

- (*)1 The Group is considered to have substantive control over the entities by virtue of an agreement or relationship with other investors, or relationship with structured entities.
- (*)2 Even though the ownership percentage is less than half, the Group has de facto control over the entity due to the relative size of the voting rights held and the degree of share dispersion of other voting rights holders.
- (*)3 During February 2025, the name of the company has been changed from Hyundai Assan Otomotiv Sanayi Ve Ticaret A.S. (HAOSVT) to Hyundai Motor Turkiye Otomotiv A.S. (HMTR).

- (2) Summarized financial position and results of operations of major consolidated subsidiaries as of and for the year ended December 31, 2024 are as follows.

Name of subsidiaries	Assets	Liabilities	Sales	Profit for the period
	(In millions of Korean Won)			
HYUNDAI CAPITAL SERVICES, INC. (*)	₩ 40,413,943	₩ 33,865,870	₩ 5,885,785	₩ 432,704
HYUNDAI CARD CO., LTD. (*)	27,389,678	23,296,111	3,963,768	316,402
HYUNDAI ROTEM COMPANY (*)	5,285,395	3,276,310	4,376,598	405,259
HYUNDAI KEFICO CORPORATION (*)	2,317,346	1,253,687	2,643,000	22,622
HCA (*)	112,562,411	102,825,719	18,117,801	585,164
HMA	18,618,835	9,644,095	46,315,068	1,545,925
HCCA (*)	12,064,305	11,188,040	1,350,643	71,069
HMMA	5,214,189	3,407,406	15,473,386	314,761
HMI (*)	4,809,919	2,274,563	11,090,993	925,693
HMMC	4,533,437	1,645,000	11,056,791	570,244
HMTR	2,450,155	1,182,298	5,204,563	245,894
HACC (*)	2,242,388	1,308,632	6,375,399	194,096
HMMI	1,941,034	1,166,999	1,887,675	66,426
HMB	1,888,307	1,095,122	3,948,594	80,903
HME (*)	1,460,329	1,348,813	16,288,589	24,267

- (*) Based on the subsidiary's consolidated financial statements

Summarized financial position and results of operations of major consolidated subsidiaries as of and for the year ended December 31, 2023 are as follows.

Name of subsidiaries	Assets	Liabilities	Sales	Profit for the period
	(In millions of Korean Won)			
HYUNDAI CAPITAL SERVICES, INC. (*)	₩ 39,602,030	₩ 33,565,942	₩ 4,873,315	₩ 459,888
HYUNDAI CARD CO., LTD. (*)	23,937,240	20,106,768	3,224,815	265,106
HYUNDAI ROTEM COMPANY (*)	5,241,485	3,954,509	3,587,382	156,779
HYUNDAI KEFICO CORPORATION (*)	2,135,064	1,130,238	2,519,796	41,047
HCA (*)	82,158,423	74,184,645	14,025,729	459,062
HMA	14,506,566	7,565,450	40,823,810	2,778,222
HCCA (*)	8,665,898	8,075,579	994,577	47,190
HMI (*)	5,000,466	1,922,363	10,634,619	921,119
HMMC	4,920,777	1,843,845	11,146,656	795,558
HMMA	4,893,938	3,606,681	13,275,365	236,265
HMTR	2,025,990	974,573	4,723,194	230,654
HACC (*)	1,994,722	1,126,555	4,870,333	139,070
HMMI	1,776,410	1,130,619	1,928,508	81,740
HMB	1,611,763	915,285	3,617,488	52,054
HME (*)	1,600,476	1,512,577	17,657,351	13,903

(*) Based on the subsidiary's consolidated financial statements

(3) The financial statements of all subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting periods as the Company's.

(4) Summarized cash flows of non-wholly owned subsidiaries that have material non-controlling interests to the Group and subsidiaries of finance segment for the year ended December 31, 2024 are as follows.

Description	HYUNDAI CAPITAL SERVICES, INC.	HYUNDAI CARD CO., LTD.	HCA	HCCA	HMI	HYUNDAI ROTEM COMPANY
Provided by (used in) operating activities	₩ 653,596	₩ (2,034,654)	₩ (16,275,624)	₩ (2,184,597)	₩ 1,095,243	₩ 142,464
Provided by (used in) investing activities	(496,539)	(97,334)	(323,869)	(2,804)	(784,973)	232,613
Provided by (used in) financing activities	(382,329)	2,968,158	16,487,752	2,190,690	(1,779,401)	(299,695)
Effect of exchange rate changes on cash and cash equivalent	2,040	279	91,962	2,571	172,602	735
Net increase (decrease) in cash and cash equivalents	(223,232)	836,449	(19,779)	5,860	(1,296,529)	76,117
Beginning balance of cash and cash equivalents	811,161	1,049,247	718,577	49,288	2,318,218	396,141
Ending balance of cash and cash equivalents	₩ 587,929	₩ 1,885,696	₩ 698,798	₩ 55,148	₩ 1,021,689	₩ 472,258

Summarized cash flows of non-wholly owned subsidiaries that had material non-controlling interests to the Group and subsidiaries of finance segment for the year ended December 31, 2023 are as follows.

Description	HYUNDAI CAPITAL SERVICES, INC.	HYUNDAI CARD CO., LTD.	HCA	HCCA	HYUNDAI ROTEM COMPANY
(In millions of Korean Won)					
Provided by (used in) operating activities	₩ (1,240,514)	₩ 617,367	₩ (13,789,397)	₩ (1,888,547)	₩ 734,192
Provided by (used in) investing activities	(289,957)	(309,410)	(131,584)	(4,046)	(270,412)
Provided by (used in) financing activities	594,005	(1,528,100)	14,078,209	1,850,713	(576,282)
Effect of exchange rate changes on cash and cash equivalent	-	-	7,726	3,374	2,635
Net increase (decrease) in cash and cash equivalents	(936,466)	(1,220,143)	164,954	(38,506)	(109,867)
Beginning balance of cash and cash equivalents	1,747,627	2,269,390	553,623	87,794	506,008
Ending balance of cash and cash equivalents	₩ 811,161	₩ 1,049,247	₩ 718,577	₩ 49,288	₩ 396,141

- (5) Details of non-wholly owned subsidiaries of the Company that have material non-controlling interests as of and for the year ended December 31, 2024 are as follows.

Description	HYUNDAI CAPITAL SERVICES, INC.	HYUNDAI CARD CO., LTD.	HYUNDAI ROTEM COMPANY
Ownership percentage of non Controlling interests	40.28%	63.04%	66.23%
Accumulated non-controlling interests	₩ 2,626,833	₩ 2,691,040	₩ 1,177,551
Profit attributable to non-controlling interests	165,215	199,472	264,019
Dividends paid to non-controlling interests	-	83,561	7,229

Details of non-wholly owned subsidiaries of the Company that had material non-controlling interests as of and for the year ended December 31, 2023 are as follows.

Description	HYUNDAI CAPITAL SERVICES, INC.	HYUNDAI CARD CO., LTD.	HYUNDAI ROTEM COMPANY
(In millions of Korean Won)			
Ownership percentage of non-controlling interests	40.28%	63.04%	66.23%
Accumulated non-controlling interests	₩ 2,425,670	₩ 2,490,730	₩ 942,579
Profit attributable to non-controlling interests	187,078	142,315	98,254
Dividends paid to non-controlling interests	-	38,442	-

(6) Financial support provided to consolidated structured entities

As of December 31, 2024, HYUNDAI CARD CO., LTD. and HYUNDAI CAPITAL SERVICES, INC., subsidiaries of the Company, have agreements that provide counterparties with rights of recourse in the event of default on the derivatives relating to asset-backed securities issued by consolidated structured entities, Autopia Sixty-Ninth, Seventy-Sixth and Seventy-Eighth Asset Securitization Specialty Company, Hyundai Auto Funding Second Asset Securitization Specialty Company, Super Series Twelfth, Fourteenth, Fifteenth and Sixteenth Securitization Specialty Co., Ltd.

(7) Nature and risks associated with interests in unconsolidated structured entities

1) Nature of interests in unconsolidated structured entities of the Group as of December 31, 2024 is as follows.

Description	Purpose	Nature of business (In millions of Korean Won)	Method of funding	Total assets (*)
Asset securitization SPC	Fund raising through asset-securitization	Fund collection	Asset Backed Securities and others	₩ 10,194,975
Investment fund	Investment trust and others	Fund management and operation, distribution of operating profit and others	Beneficiary (Investment) certificates	
				10,092,997
Structured Finance	Fund raising through project financing	Project financing for construction project and ship investment	Project financing and others	44,354,420

(*) The financial information of unconsolidated structured entity includes unaudited amounts.

Nature of interests in unconsolidated structured entities of the Group as of December 31, 2023 is as follows.

Description	Purpose	Nature of business (In millions of Korean Won)	Method of funding	Total assets (*)
Asset securitization SPC	Fund raising through asset-securitization	Fund collection	Asset Backed Securities and others	₩ 847,155
Investment fund	Investment trust and others	Fund management and operation, distribution of operating profit and others	Beneficiary (Investment) certificates	
				7,288,926
Structured Finance	Fund raising through project financing	Project financing for construction project and ship investment	Project financing and others	34,569,749

(*) The financial information of unconsolidated structured entity includes unaudited amounts.

2) Risks associated with interests in unconsolidated structured entities of the Group as of December 31, 2024 are as follows.

Description	Book value in the structured entity	Financial support provided to the structured entity		Maximum amount of exposure to loss of the structured entity
		Method	Purpose	
		(In millions of Korean Won)		
Asset securitization SPC	₩ 194,261	Loan obligations	Loan agreement (Credit line)	₩ 226,500
Investment fund	532,541	Beneficiary certificates, Investment trust	Invest agreement	532,541
Structured Finance	1,616,585	Loan obligations	Loan agreement (Credit line)	2,256,700

Risks associated with interests in unconsolidated structured entities of the Group as of December 31, 2023 are as follows.

Description	Book value in the structured entity	Financial support provided to the structured entity		Maximum amount of exposure to loss of the structured entity
		Method	Purpose	
		(In millions of Korean Won)		
Asset securitization SPC	₩ 69,754	Loan obligations	Loan agreement (Credit line)	₩ 92,000
Investment fund	304,074	Beneficiary certificates, Investment trust	Invest agreement	304,074
Structured Finance	1,695,327	Loan obligations	Loan agreement (Credit line)	2,356,936

(8) Significant restrictions on the subsidiaries

As of December 31, 2024, HYUNDAI CARD CO., LTD., a subsidiary of the Company, is subject to significant restrictions that require it to obtain consent from a nominated outside director recommended by non-controlling shareholders in the events of acquiring a company, entering into new business, providing guarantees, making investments in stocks or contracts beyond a certain amount and others.

(9) Changes in consolidated subsidiaries

Subsidiaries newly included in or excluded from consolidation during the year ended December 31, 2024 are as follows.

Changes	Name of subsidiaries	Description
Included	Autopia Seventy-Eighth Asset Securitization Specialty Company	Establishment
"	Hyundai Capital Kazakhstan Limited Liability Partnership	"
"	Gimpo Goldline SRS Co., Ltd.	"
"	Hyundai Rotem Smart Electric America	"
"	Hyundai Mobility Manufacturing (Thailand) Co., Ltd. (HMMT)	"
"	Hyundai HK Funding Five, LLC	"
"	HTWO Logistics	"
"	HYUNDAI KEFICO INDIA PRIVATE LIMITED	"
"	Hyundai Motor Europe Quality Center GmbH	"
"	Hyundai Auto Funding ESG First Asset Securitization Specialty Company	"
"	Hyundai Auto Funding ESG Second Asset Securitization Specialty Company	"
"	Mobilitybest2 Co., Ltd.	"
"	Bluewalnut America, Inc.	"

Changes	Name of subsidiaries	Description
Included	Bluewalnut Europe GmbH	Establishment
"	Hyundai Manufacturing Malaysia Sdn. Bhd. (HMMY)	"
"	Hyundai Motor Malaysia Sdn. Bhd. (HMY)	"
"	Hyundai Rotem Australia Pty Ltd,	"
"	Hyundai Commercial Vehicles and Hydrogen Europe GmbH (HCV&H2)	"
"	Super Series Seventeenth Securitization Specialty Co., Ltd.	"
"	Hyundai HK Funding Six, LLC	"
"	Hyundai HK Funding Seven, LLC	"
"	CoMo China Co.,Ltd.	"
"	PT Hyundai Capital Finance Indonesia	Acquisition
Excluded	Autopia Sixty-Fifth Asset Securitization Specialty Company	Liquidation
"	Super Series Ninth Securitization Specialty Co., Ltd.	"
"	Super Series Tenth Securitization Specialty Co., Ltd.	"
"	Zavurov First Co., Ltd.	"
"	Hyundai Motor Manufacturing Rus LLC (HMMR)	Disposition

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES:

(1) Basis of consolidated financial statements preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS"), as prescribed in the Act on External Audit of Stock Companies, Etc in the Republic of Korea.

The material accounting policies used for the preparation of the consolidated financial statements are summarized below. These material accounting policies are consistent with those applied to the consolidated financial statements as of and for the year ended December 31, 2023, except for the new or amended accounting standards and interpretations described below.

1) New and amended standards that have been applied from the year beginning on January 1, 2024 are as follows.

The Group applied *Lease Liability in a Sale and Leaseback* (KIFRS 1116 *Lease*), *Classification of Liabilities as Current or Non-current* (KIFRS 1001 *Presentation of Financial Statements*), *Supplier Finance Arrangements* (KIFRS 1007 *Statement of Cash Flows*, KIFRS 1107 *Financial Instruments: Disclosure*) and *Virtual Asset Disclosure* (KIFRS 1001 *Presentation of Financial Statements*) for the first time on January 1, 2024. These standards and other new accounting standards effective from January 1, 2024 do not have a material impact on the Group's consolidated financial statements.

2) The new and amended standards and interpretations that are issued, but not yet effective, for the annual reporting periods beginning on or after January 1, 2024 are disclosed below. The Group has not early adopted these standards and interpretations.

- *Lack of Exchangeability* (KIFRS 1021 *The Effects of Changes in Foreign Exchange Rates*)

The Group is currently evaluating the effect of the new or amended standards and interpretations listed above, if any, to the consolidated financial statements.

The consolidated financial statements were approved by the Board of Directors on January 23, 2025 and are expected to be submitted for the Company's annual general meeting of shareholders.

(2) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except as otherwise stated in the accounting policies below. Historical cost is usually measured at the fair value of the consideration given to acquire the assets.

(3) Basis of consolidations

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company (or its subsidiaries). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Even if the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intragroup transactions, balances, income and expenses are eliminated in full on consolidation. Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the Group. The carrying amount of non-controlling interests consists of the amount of those non-controlling interests at the initial recognition and the changes in shares of the non-controlling interests in equity since the date of the acquisition. Total comprehensive income is attributed to the owners of the Group and to the non-controlling interests even if the non-controlling interest has a deficit balance.

Changes in the Group's ownership interests in subsidiaries, without a loss of control, are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), liabilities of the subsidiary and any non-controlling interests.

The amounts previously recognized in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e., reclassified to profit or loss or transferred directly to retained earnings as specified by applicable KIFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under KIFRS 1109 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(4) Business combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. The consideration includes any asset or liability resulting from a contingent consideration arrangement and is measured at fair value.

Acquisition-related costs are recognized in profit or loss as incurred. When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured at its fair value at the acquisition date (i.e., the date when the Group obtains control) and the resulting gain or loss, if any, is recognized in profit or loss. Prior to the acquisition date, the amount resulting from changes in the value of its equity interest in the acquiree that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were directly disposed of.

(5) Revenue recognition

In accordance with KIFRS 1115, all types of contracts recognize revenues by the 5-step revenue recognition model (1) identification of contract → (2) identification of performance obligations → (3) calculation of transaction price → (4) allocation of transaction price to performance obligations → (5) recognition of revenue when performance obligation is satisfied.

1) Identification of performance obligations

The Group operates businesses such as the manufacture and sale of automobiles and auto parts. In the automobile sales contracts with customers, services other than automobile sales are separately identified as performance obligations.

2) Performance obligations satisfied at a point in time

Revenue is recognized when the performance obligations under the terms of a contract with the Group's customer are satisfied, which generally occurs with the transfer of control of goods or services.

3) Performance obligations satisfied over time

In assessing whether the control over goods or services is transferred over time, the Group evaluates whether the customer simultaneously obtains and consumes the benefits provided by the Group's performance, whether the assets are controlled by the customer, and whether the assets created by the Group have no substitute purpose, and whether the Group is entitled to reimbursement of costs incurred to date, including a reasonable margin.

4) Allocation of transaction price

The Group allocates the transaction price to each of the performance obligations identified in a single contract in proportion to its stand-alone selling price. When the stand-alone selling price is not directly observable, the Group estimates the stand-alone selling price using the adjusted market assessment approach, or the expected cost plus a margin approach.

5) Variable consideration

The Group estimates the amount of consideration it will be entitled to receive using the method (either the expected value method or the most likely amount method) that provides the most accurate prediction.

Variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal in the cumulative amount of revenue recognized will not occur in future periods.

6) Significant financing element

If the period between the transfer of the goods or services promised to the customer and the payment from the customer is within one year, the Group does not adjust the promised amount of consideration for the effects of a significant financing component, as a practical expedient.

7) Construction contracts

Where the outcome of a construction contract can be estimated reliably, the contract revenue and contract costs associated with the construction contract are recognized as revenue and expenses, respectively, by reference to the stage of completion of the contract activity at the end of reporting period.

The percentage of completion of a contract activity is reliably measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, by surveys of work performed or by completion of a physical proportion of the contract work. Variations in contract work, claim and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable. Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognized as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

(6) Foreign currency translation

The individual financial statements of each entity in the Group are prepared and presented in the currency of the primary economic environment in which the entity operates (its functional currency).

In preparing the financial statements of the individual entities, transactions occurring in currencies other than their functional currency (foreign currencies) are recorded using the exchange rate on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated using the exchange rate at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Exchange differences resulting from settlement of assets or liabilities and translation of monetary items denominated in foreign currencies are recognized in profit or loss in the period in which they arise except for some exceptions.

Foreign exchange gains or losses are classified as finance income (expenses) or other income (expenses) by the nature of the transaction or event.

For the purpose of presenting the consolidated financial statements, assets and liabilities in the Group's foreign operations are translated into Won, using the exchange rates at the end of reporting period. Income and expense items are translated at the average exchange rate for the period, unless the exchange rate during the period has significantly fluctuated, in which case the exchange rates at the dates of the transactions are used. The exchange differences arising, if any, are recognized in equity as other comprehensive income. Upon the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate at the end of reporting period.

(7) Financial Assets

The Group classifies financial assets as financial assets measured at fair value through profit or loss, financial assets measured at amortized cost or financial assets measured at fair value through other comprehensive income according to the terms and purpose of acquisition. The Group determines the classification of a financial asset at initial recognition.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

1) Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

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

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVPL).

Despite the foregoing, the Group may make the following irrevocable election / designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortized cost or FVOCI criteria as measured at FVPL if doing so eliminates or significantly reduces an accounting mismatch.

1-1) Amortization cost and effective interest rate method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance. Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVOCI.

1-2) Debt instruments classified as at FVOCI

Corporate bonds are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these corporate bonds as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognized in profit or loss. The amounts that are recognized in profit or loss are the same as the amounts that would have been recognized in profit or loss if these corporate bonds had been measured at amortized cost. All other changes in the carrying amount of these corporate bonds are recognized in other comprehensive income and accumulated in investments revaluation reserve. When these corporate bonds are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

1-3) Equity instruments designated as at FVOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVOCI. Designation at FVOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

1-4) Financial assets measured at FVPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are measured at FVPL. Gains or losses arising from changes in the fair value of FVPL, dividends and interest income from the financial assets are recognized in profit or loss.

2) Foreign exchange gain / loss

The carrying amount of a financial asset designated as a foreign currency is determined in foreign currencies and is translated at the spot exchange rate at the end of the reporting period.

(8) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognizes lifetime expected credit losses (ECL) for trade receivables, contract assets and lease receivables. The ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and valuation of individual assets, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of forecast on present and future conditions reflecting time value of money where appropriate.

For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

1) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating; and
- other significant increases in credit risk.

2) Definition of default

The Group believes that, based on past experience, if the debtor violates the terms of the contract, it is considered to constitute a default event for internal credit risk management purposes.

3) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event as defined by the Group's internal policy.

4) Measurements and recognition of expected credit losses

The measurement of ECLs is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECLs are estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECLs in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECLs are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECLs at the current reporting date, except for financial assets for which a simplified approach is used.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(9) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

(10) Inventory

Inventory is measured at the lower of cost or net realizable value. Inventory cost, including the fixed and variable manufacturing overhead cost, is calculated, using the moving average method, except for the cost for inventory in transit, which is determined by the specific identification method.

(11) Investments in associates and joint ventures

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

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

The investment in an associate or a joint venture is initially recognized at cost and accounted for using the equity method. Under the equity method, an investment in an associate or a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or the joint venture.

When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or the joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or the joint venture.

Investment in associate or joint venture is accounted for using the equity method from the date that the investee becomes the associate or joint venture. Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate or a joint venture recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

The requirements of KIFRS 1028 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate or a joint venture. When there is any indication of impairment, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with KIFRS 1036 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with KIFRS 1036 to the extent that the recoverable amount of the investment subsequently increases.

Upon disposal of an associate or a joint venture that results in the Group losing significant influence over that associate or joint venture, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with KIFRS 1109. The difference between the previous carrying amount of the associate or joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate or joint venture on the same basis it would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as reclassification adjustment) when it loses significant influence over that associate or joint venture. When the Group reduces its ownership interest in an associate or a joint venture, but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities. In addition, the Group applies KIFRS 1105 to a portion of investment in an associate or a joint venture that meets the criteria to be classified as held for sale.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

Unrealized gains from transactions between the Group and its associates or joint ventures are eliminated up to the shares in associate (joint venture) stocks. Unrealized losses are also eliminated, unless evidence of impairment in assets transferred is produced. If the accounting policy of associates or joint ventures differs from the Group, financial statements are adjusted accordingly before applying equity method of accounting.

(12) Property, plant and equipment

Property, plant and equipment is recognized if, and only if it is probable that future economic benefits associated with the asset will flow to the Group, and the cost of the asset can be measured reliably. After the initial recognition, property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. The cost includes any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. In addition, in case the recognition criteria are met, the subsequent costs will be added to the carrying amount of the asset or recognized as a separate asset, and the carrying amount of what was replaced is derecognized.

Depreciation is computed using the straight-line method based on the estimated useful lives of the assets. The representative useful lives are as follows.

	<u>Representative useful lives (years)</u>
Buildings and structures	12 – 50
Machinery and equipment	6 – 15
Vehicles	6 – 15
Dies, mold and tools	4 – 6
Office equipment	3 – 15
Other	2 – 20

The Group reviews the depreciation method, the estimated useful lives and residual values of property, plant and equipment at the end of each annual reporting period. If expectations differ from previous estimates, the changes are accounted for as a change in accounting estimate.

(13) Investment properties

Investment properties are property held to earn rentals or for capital appreciation or both. Investment properties are measured initially at its cost and transaction costs are included in the initial measurement. After initial recognition, the book value of investment properties is presented at the cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are recognized as the carrying amount of the asset when, and only when it is probable that future economic benefits associated with the asset will flow to the Group, and the cost of the asset can be measured reliably, or recognized as a separate asset if appropriate. The carrying amount of what was replaced is derecognized.

Land is not depreciated, and other investment properties are depreciated using the straight-line method over the period from 20 to 50 years. The Group reviews the depreciation method, the estimated useful lives and residual values at the end of each annual reporting period. If expectations differ from previous estimates, the changes are accounted for as a change in accounting estimate.

(14) Intangible assets

1) Goodwill

Goodwill arising from a business combination is recognized as an asset at the time of obtaining control (the acquisition date). Goodwill is measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of the Group's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed exceeds the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition-date fair value of the Group's previously held equity interest in the acquiree, the excess is recognized immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortized, but tested for impairment at least annually. For purposes of impairment tests, goodwill is allocated to those cash-generating units ("CGU") of the Group expected to have synergies from the business combination. CGU that goodwill has been allocated is tested for impairment every year or when an event occurs that indicates impairment.

If the recoverable amount of a CGU is less than its carrying amount, the impairment will first decrease the goodwill allocated to that CGU and the remaining impairment will be allocated among other assets relative to its carrying value. Impairment recognized for goodwill may not be reversed. When disposing a subsidiary, related goodwill will be included in gain or loss from disposal.

2) Development costs

The expenditure on research is recognized as an expense when it is incurred. The expenditure on development is recognized as an intangible asset, and amortization is computed using the straight-line method based on the estimated useful lives of the assets since the asset is available for use or sale.

Research and development activities are conducted in phases of preceding research, development approval, product development and mass production. The Group generally recognizes intangible assets as development activities after the development approval phases which product specification, release schedule, and sales plan are established. Expenditure incurred at the previous phase is recognized as an expense as it is considered as research activities when it is incurred.

3) Intangible assets acquired separately

Intangible assets are measured initially at cost, and are subsequently measured at cost less accumulated amortization and accumulated impairment losses.

Intangible assets are amortized by the straight-line method based on estimated useful lives from the date of availability. The Group reviews the estimated useful life and amortization method at the end of each annual reporting period. If expectations differ from previous estimates, the changes are accounted for as a change in accounting estimate. Intangible assets assessed as having indefinite useful life such as club membership are subjected to impairment test at least once a year without amortization.

The representative useful lives are as follows.

	<u>Representative useful lives (years)</u>
Development costs	(*)
Industrial property rights	5 – 10
Software	3 – 7
Other	3 – 40

(*) Development costs recognized as assets are amortized over useful lives which reflects the developed assets' life cycles.

The Group reviews the estimated useful life and amortization method at the end of each annual reporting period and changed the estimated useful life of some types of development costs during the year ended December 31, 2024. As a result of this change in accounting estimate, net profit has increased by ₩419,817 million.

(15) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset to determine the extent of the impairment loss. Recoverable amount is the higher of fair value less costs to sell and value in use. If the cash inflows of an individual asset are largely independent from other assets or group of assets, the recoverable amount is measured for that individual asset; otherwise, it is measured for the cash generating unit (CGU) to which the asset belongs. An impairment loss in respect of goodwill is not reversed. For other assets, impairment loss is reversed if the recoverable amount increases in subsequent years, but only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Intangible assets with indefinite useful lives or intangible assets not yet available for use are not amortized, but tested for impairment annually.

(16) Non-current assets classified as held for sale

The Group classifies a non-current asset (or disposal group) as held for sale, if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable. The management must be committed to a plan to sell the asset (or disposal group), and the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (or disposal group) classified as held for sale are measured at the lower of their carrying amount and fair value, less costs to sell.

(17) Lease

At contract inception, the Group assesses whether a contract is or contains a lease. A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. When assessing whether the contract conveys a right to control the use of an identified asset, definition of a lease under KIFRS 1116 has been applied.

1) As a lessee

At inception or effective date of change, the Group allocates the consideration in the contract to each lease on the basis of their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right-of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2) As a lessor

The accounting policies applicable in the same period to the Group as a lessor are not different from those under KIFRS 1116. When the Group acted as a lessor, it determined at lease inception whether each lease was a finance lease or an operating lease. To classify each lease, the Group made an overall assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. If this was the case, then the lease was a finance lease; if not, then it was an operating lease.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease interest income is allocated to accounting periods so as to reflect an effective interest rate on the Group's net investment outstanding in respect of the leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the carrying amount of investments in operating leases and recognized as expense on a straight-line basis over the lease term.

(18) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized to the cost of those assets, until they are ready for their intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(19) Defined benefit plans

The retirement benefit obligation recognized in the consolidated statements of financial position represents the present value of the defined benefit obligation, less the fair value of plan assets. Defined benefit obligations are calculated annually by an actuary using the Projected Unit Credit Method.

The present value of the defined benefit obligations is measured by discounting estimated future cash outflows by the interest rate of high-quality corporate bonds, with similar maturity as the expected retirement benefit payment date. In countries where there is no deep market in such bonds, the market yields at the end of the reporting period on government bonds are used.

The remeasurements of the net defined benefit liabilities (assets) comprising actuarial gain or loss from changes in actuarial assumptions or differences between actuarial assumptions and actual results, the effect of the changes to the asset ceiling and return on plan assets, excluding amounts included in net interest on the net defined benefit liabilities (assets), are recognized in other comprehensive income of the consolidated statements of comprehensive income, which is immediately recognized as retained earnings. Those recognized in retained earnings will not be reclassified in profit or loss. Past service costs are recognized in profit and loss when the plan amendment occurs, and net interest is calculated by applying the discount rate determined at the beginning of the annual reporting period to the net defined benefit liabilities (assets). Defined benefit costs are composed of service cost (including current service cost, past service cost, as well as gains and losses on settlements), net interest expense (income), and remeasurements.

The retirement benefit obligation recognized in the consolidated statements of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Contributions to defined contribution retirement benefit plans are recognized as expenses when employees provide services eligible for payment.

(20) Provisions

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. A provision is measured using the present value of the cash flows estimated to settle the present obligation. The increase in provision due to passage of time is recognized as interest expense.

The Group recognizes provisions for costs expected to be incurred in the future for the repair of regular parts within the warranty period based on historical experience and compensation for accidents caused by defects in the exported products or parts of the product when such amounts are probable of payment. Also, the Group recognizes provisions for the probable losses of unused loan commitment, construction contracts, pre-contract sale or service contract due to legal or constructive obligations. In addition, provisions are recognized for estimated payments of long-term employee benefits that will be paid to employees in return for their long-term service.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(21) Taxation

Income tax expense is composed of current and deferred tax.

1) Current tax

The current tax is computed based on the taxable profit for the current year. The taxable profit differs from the profit before income tax as reported in the consolidated statements of income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's current tax liability is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets shall be generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities shall not be recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, except when the Group is able to control the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that taxable profit will be available against which the temporary difference can be utilized and they are expected to be reversed in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied in the period in which the liability is settled or the asset is realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects to recover or settle the carrying amount of its assets and liabilities at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income tax levied by the same taxation authority. Also, they are offset when different taxable entities that intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3) Recognition of current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, or items arising from initial accounting treatments of a business combination. The tax effect arising from a business combination is included in the accounting for the business combination.

In addition, Pillar Two laws have been enacted or substantially enacted in some jurisdictions where the Group operates, and Pillar Two laws have come into effect during the Group's reporting period beginning on January 1, 2024.

(22) Treasury stock

When the Group repurchases its equity instruments (treasury stock), the incremental costs and net of tax effect are deducted from equity and recognized as other capital item deducted from the total equity in the consolidated statements of financial position. In addition, profits or losses from purchase, sale or retirement of treasury stocks are directly recognized in equity and not in current profit or loss.

(23) Financial liabilities and equity instruments

Debt instruments and equity instruments issued by the Group are recognized as financial liabilities or equity depending on the contract and the definitions of financial liability and equity instrument.

1) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2) Financial guarantee liability

A financial guarantee contract is a contract that the issuer must pay a certain amount of money to compensate for losses incurred by the holder due to the failure of a specific debtor to pay the due date on the original contract or modified terms of the debt instrument. Financial guarantee liabilities are measured initially at fair value and subsequently measured at the greater of the following, unless they are designated as at fair value through profit or loss or arising from the transfer of assets.

- Loss provision calculated in accordance with KIFRS 1109
- The amount recognized less the accumulated profits recognized in accordance with KIFRS 1115

3) Financial liabilities measured at FVPL

Financial liabilities are classified as at FVPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVPL as of the date of initial recognition.

However, for financial liabilities that are designated as at FVPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability. Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as at FVPL are recognized in profit or loss.

4) Financial liabilities measured subsequently at amortized cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVPL as of the date of initial recognition, are measured subsequently at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period.

5) Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

(24) Derivatives

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately, unless the derivative is designated and effective as a hedging instrument, in such case, the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

The Group designates certain derivatives as hedging instruments to hedge the risk of changes in fair value of a recognized asset or liability or an unrecognized firm commitment (fair value hedges) and the risk of changes in cash flow of a highly probable forecast transaction and the risk of changes in foreign currency exchange rates of firm commitment (cash flow hedges).

1) Fair value hedges

The Group recognizes the changes in the fair value of derivatives that are designated and qualified as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated or exercised, or when it is no longer qualified for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortized to profit or loss from that date.

2) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss. Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. If the forecast transaction results in the recognition of a non-financial asset or liability, the related gain and loss recognized in other comprehensive income and accumulated in equity are transferred from equity to the initial cost of related non-financial asset or liability.

Cash flow hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated or exercised, or it no longer qualifies for the criteria of hedging. Any gain or loss accumulated in equity at that time remains in equity, and is recognized as profit or loss when the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

(25) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of KIFRS 1116 *Leases*, and measurements that have some similarities to fair value, but are not fair value, such as net realisable value in KIFRS 1002 *Inventories* or value in use in KIFRS 1036 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorized into Levels 1, 2 or 3, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described in Note 19.

(26) Accounting Treatment related to the Emission Rights Cap and Trade Scheme

The Group classifies the emission rights as intangible assets. The emission rights allowances received from the government free of charge are measured at zero, while purchased emission rights allowances are measured at cost. No emission liability is recognized if the expected quantity of emission for the performing period does not exceed the emission allowance in possession. If the expected emissions exceed the emission allowances held, the emission liability is measured and recognized based on the expected excess quantity of emissions and the market unit price of the emission rights at the end of the reporting period.

(27) Significant accounting estimates and key sources of estimation uncertainties

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that cannot be identified from other sources. The estimation and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may be different from those estimations. The estimates and underlying assumptions are continually evaluated. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Information about assumptions and estimation uncertainties at December 31, 2024 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is as follows.

1) Impairment test for goodwill and non-financial assets

Determining whether goodwill and non-financial asset is impaired requires an estimation of the value in use of the CGU to which goodwill has been allocated and value in use of non-financial assets. The value in use calculation requires the management to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value.

2) Warranty provision

The Group recognizes provisions for the warranties of its products as described in Note 2.(20). The amounts are recognized based on the best estimate of amounts necessary to settle the present and future warranty obligation.

3) Defined benefit plans

The Group operates defined retirement benefit plans. Defined benefit obligations are determined at the end of each reporting period using an actuarial valuation method that requires management assumptions on discount rates, rates of expected future salary increases and mortality rates. The characteristic of post-employment benefit plan that serves for the long term period causes significant uncertainties when the post-employment benefit obligation is estimated.

4) Taxation

The Group recognizes current tax and deferred tax based on the best estimates of income tax effect to be charged in the future as the result of operating activities until the end of the reporting period. However, actual final income tax to be charged in the future may differ from the relevant assets and liabilities recognized at the end of the reporting period and the difference may affect income tax charged or credited, or deferred tax assets and liabilities in the period in which the final income tax determined.

5) Fair value of financial instruments

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain type of financial instruments. The Group makes judgements on the choice of various valuation methods and assumptions based on the condition of the principal market at the end of the reporting period.

6) Measurement and useful lives of property, plant, equipment or intangible assets

When the Group acquires property, plant, equipment or intangible assets from a business combination, it is required to estimate the fair value of the assets at the acquisition date and determine the useful lives of such assets for depreciation and amortization.

7) Credit loss allowance

The Group sets credit loss allowance upon evaluation of impairment relating to account receivables and financial services receivables as described in Note 2.(8). The precision in loss allowance is based on the estimation of expected cash flow and assumptions and variables of risk measurement model used for the estimation.

3. TRADE NOTES AND ACCOUNTS RECEIVABLE:

(1) Trade notes and accounts receivable as of December 31, 2024 and December 31, 2023 are as follows.

Description	December 31, 2024		December 31, 2023	
	Current	Non-current	Current	Non-current
	(In millions of Korean Won)			
Trade notes and accounts receivable	₩ 5,926,594	₩ 327,407	₩ 4,701,721	₩ 241,556
Loss allowance	(18,515)	(6,443)	(19,539)	(5,005)
Present value discount accounts	-	(48,753)	-	(25,572)
	₩ 5,908,079	₩ 272,211	₩ 4,682,182	₩ 210,979

(2) Aging analysis of trade notes and accounts receivable

As of December 31, 2024, aging analysis of total trade notes and accounts receivable that are past due, but not impaired is as follows.

Description	Not due	Overdue Within 90days	Overdue Within 180days More than 91days	Overdue More than 180 days	Total amounts	Amount of impaired receivables
(In millions of Korean Won)						
Total trade notes and accounts receivable	₩ 5,440,517	₩ 450,082	₩ 5,992	₩ 357,410	₩ 6,254,001	₩ 24,958

As of December 31, 2023 aging analysis of total trade notes and accounts receivable that are past due, but not impaired is as follows.

Description	Not due	Overdue Within 90days	Overdue Within 180days More than 91days	Overdue More than 180 days	Total amounts	Amount of impaired receivables
(In millions of Korean Won)						
Total trade notes and accounts receivable	₩ 4,227,084	₩ 396,061	₩ 56,367	₩ 263,765	₩ 4,943,277	₩ 24,544

(3) Transferred trade notes and accounts receivable that are not derecognized

As of December 31, 2024 and December 31, 2023, total trade notes and accounts receivable (including inter-company receivables within the Group) which the Group transferred to financial institutions but did not qualify for derecognition, amount to ₩501,960 million and ₩0, respectively. Cash and cash equivalents received as consideration for the transfer are recognized as short-term borrowings due to the fact that the risks and rewards were not transferred substantially.

(4) Changes in loss allowance for the years ended December 31, 2024 and December 31, 2023 are as follows.

Description	2024	2023
(In millions of Korean Won)		
Beginning of the year	₩ 24,544	₩ 24,886
Impairment loss (reversal)	(2,756)	14,817
Write-off	(669)	(15,208)
Effect of foreign exchange differences and others	3,839	49
End of the year	₩ 24,958	₩ 24,544

4. OTHER RECEIVABLES:

(1) Other receivables as of December 31, 2024 and December 31, 2023 are as follows.

Description	December 31, 2024		December 31, 2023	
	Current	Non-current	Current	Non-current
	(In millions of Korean Won)			
Accounts receivable – others (*)	₩ 2,900,476	₩ 870,616	₩ 2,223,588	₩ 462,064
Due from customers for contract work	809,034	-	1,191,078	-
Lease and rental deposits	15,475	420,527	17,104	332,215
Deposits	8,830	511,944	9,020	60,736
Others	22,817	-	9,237	-
Loss allowance	(35,320)	-	(18,858)	-
	₩ 3,721,312	₩ 1,803,087	₩ 3,431,169	₩ 855,015

(*) As of December 31, 2024 and December 31, 2023, the Group recognized the reimbursement related to the warranty provisions as a separate asset in the amount of ₩1,135,897 million and ₩1,008,099 million, respectively.

(2) Changes in other allowance for the years ended December 31, 2024 and December 31, 2023 are as follows.

Description	2024		2023	
	(In millions of Korean Won)			
Beginning of the year	₩	18,858	₩	134,385
Impairment loss		15,121		5,165
Write-off		(1,302)		(4,104)
Effect of foreign exchange differences		2,643		(116,588)
End of the year	₩	35,320	₩	18,858

5. OTHER FINANCIAL ASSETS:

(1) Other financial assets as of December 31, 2024 are as follows.

Description	December 31, 2024	
	Current	Non-current
	(In millions of Korean Won)	
Financial assets measured at FVPL	₩ 2,486,885	₩ 730,356
Financial assets measured at FVOCI	80,303	3,587,365
Financial assets measured at amortized cost	234,233	1,264,934
Derivative assets that are effective hedging instruments	459,062	989,989
	₩ 3,260,483	₩ 6,572,644

Other financial assets as of December 31, 2023 are as follows.

Description	December 31, 2023	
	Current	Non-current
	(In millions of Korean Won)	
Financial assets measured at FVPL	₩ 2,374,032	₩ 493,423
Financial assets measured at FVOCI	89,252	2,900,170
Financial assets measured at amortized cost	20,604	588,502
Derivative assets that are effective hedging instruments	318,723	441,293
	₩ 2,802,611	₩ 4,423,388

(2) Financial assets measured at FVOCI as of December 31, 2024 and December 31, 2023 are as follows.

Description	December 31, 2024			December 31, 2023		
	Acquisition		Book value (In millions of Korean Won)	Book value		
	cost					
Debt instruments	₩	864,456	₩	849,287	₩	611,668
Equity instruments (*)		2,619,799		2,818,381		2,377,754
	₩	3,484,255	₩	3,667,668	₩	2,989,422

(*) The Group makes an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is not held for trading at the date of initial recognition.

(3) Equity instruments classified into financial assets measured at FVOCI as of December 31, 2024 and December 31, 2023 are as follows.

Name of the company	December 31,				December 31,	
	2024				2023	
	Ownership percentage	Acquisition cost		Book value	Book value	
	(%)	(In millions of Korean Won)				
KT Corporation (*1)	4.76	₩	458,793	₩	537,217	421,442
Hyundai Glovis Co., Ltd.	4.88		210,688		432,468	350,625
ANI Technologies Private Limited (OLA)	3.38		278,955		313,063	282,285
Grab Holdings Limited	1.10		442,922		297,568	186,356
Hyundai Oilbank Co., Ltd.	4.35		53,734		243,947	224,367
Hyundai Steel Company (*2)	6.87		727,028		193,104	334,836
OLA Electric Mobility (*3)	2.47		14,295		160,440	14,295
HD Hyundai	2.20		9,018		137,394	109,811
NICE Information Service Co., Ltd.	2.25		3,312		16,637	12,935
Hyundai M Partners Co., Ltd.	9.29		9,888		14,812	14,720
Hyundai Green Food Co., Ltd. (*4)	2.36		5,203		11,555	9,187
Hyundai G.F. Holdings Co., Ltd. (*4)	0.97		9,801		7,364	5,487
NICE Holdings Co., Ltd.	1.30		3,491		5,344	6,480
Hyundai Asan Corporation	0.88		22,500		2,117	2,117
Others			370,171		445,351	402,811
		₩	2,619,799	₩	2,818,381	2,377,754

(*1) The Group has 12,011,143 shares in KT Corporation by the exchange of treasury stocks for the purpose of strengthening its business partnership with KT Corporation, and the shares are restricted from disposal for a certain period of time.

(*2) The Group entered into a total return swap agreement to transfer 1,367,114 shares out of total 10,540,709 shares with a third party. The Group has disposed of all of its shares during the year ended December 31, 2023.

(*3) During the year ended December 31, 2024, OLA Electric Mobility was listed on the National Stock Exchange of India.

(*4) During the year ended December 31, 2023, Hyundai Green Food Co., Ltd. was spun off into Hyundai G.F. Holdings Co., Ltd., the surviving entity, and Hyundai Green Food Co., Ltd., the new entity.

6. INVENTORIES:

Inventories as of December 31, 2024 and December 31, 2023 are as follows.

Description	December 31, 2024		December 31, 2023	
	(In millions of Korean Won)			
Finished goods	₩	11,331,461	₩	10,509,361
Merchandise		225,088		121,347
Semifinished goods		695,436		632,114
Work in progress		687,552		497,054
Raw materials		3,704,979		3,535,109
Supplies		383,858		360,031
Materials in transit		948,474		566,475
Others (*1)		1,814,159		1,178,855
Total (*2)	₩	19,791,007	₩	17,400,346

(*1) As of December 31, 2024 and December 31, 2023, others include inventories provided by operating lease with repurchase agreement in the amount of ₩297,372 million and ₩157,442 million, respectively.

(*2) As of December 31, 2024 and December 31, 2023, the Group recognized a valuation allowance in the amount of ₩434,383 million and ₩238,834 million, respectively.

7. OTHER ASSETS:

Other assets as of December 31, 2024 and December 31, 2023 are as follows.

Description	December 31, 2024		December 31, 2023	
	Current	Non-current	Current	Non-current
	(In millions of Korean Won)			
Accrued income	₩ 690,840	₩ 465	₩ 668,301	₩ 379
Advanced payments	1,561,608	45,780	1,175,996	137,377
Prepaid expenses	863,212	3,020,673	713,067	1,795,515
Prepaid value-added tax and others	754,996	11,410	593,575	36,848
	₩ 3,870,656	₩ 3,078,328	₩ 3,150,939	₩ 1,970,119

8. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS:

(1) Non-current assets classified as held for sale and non-current liabilities classified as held for sale as of December 31, 2024 and December 31, 2023 are as follows.

Description	December 31, 2024		December 31, 2023	
	(In millions of Korean Won)			
Land	₩	36,676	₩	-
Building and others		15,563		-
Subsidiaries (*)		-		434,503
Total	₩	52,239	₩	434,503
Non-current liabilities classified as held for sale	₩	1,562	₩	122,851

(*) As the Group decided to sell all of its shares of Hyundai Motor Manufacturing Rus LLC during the year ended December 31, 2023, it classified assets and liabilities related to Hyundai Motor Manufacturing Rus LLC as of December 31, 2023 as disposal group held for sale, recognizing other comprehensive loss cumulatively in the amount of ₩321,879 million. The Group also recognized impairment loss in the amount of ₩483,992 million arising from measuring disposal group held for sale at fair value less costs to sell. The entire disposal group held for sale was eliminated as sale of Hyundai Motor Manufacturing Rus LLC was completed during the year ended December 31, 2024.

(2) The sale of Hyundai Motor Manufacturing Rus LLC (HMMR) was approved by the Board of Directors on December 19, 2023, and the sale was completed during the year ended December 31, 2024. As a result, Hyundai Motor Manufacturing Rus LLC (HMMR) was excluded from the consolidated financial statements during the year ended December 31, 2024, and the related profits and losses were classified as discontinued operations.

Operating results of Hyundai Motor Manufacturing Rus LLC (HMMR) for each of the two years in the period ended December 31, 2024 are as follows.

	For the year ended December 31,	
	2024	2023
	(In millions of Korean Won, except per share amounts)	
Sales	₩ 210	₩ 41,244
Cost of sales	689	106,235
Gross profit	(479)	(64,991)
Selling and administrative expenses	1,288	(8,401)
Operating profit	(1,767)	(56,590)
Gain on investments in joint ventures and associates, net	787	1,297
Finance income	(2,559)	32,638
Finance expenses	130	128,420
Other income	16,813	105,750
Other expenses (*)	326,185	65,920
Impairment loss (reversal) on revaluation	(21,954)	630,131
Loss before income tax	(291,087)	(741,376)
Income tax expense (benefit)	28,023	(21,655)
Discontinued operations		
Loss from discontinued operations	₩ (319,110)	₩ (719,721)

(*) Other expenses include accumulated loss of ₩319,662 million on foreign operations translation which was previously recognized as other comprehensive income and reclassified subsequently to profit or loss.

Assets and liabilities classified as held for sale due to discontinued operations as of December 31, 2024 and December 31, 2023 are as follows.

Description	December 31, 2024	December 31, 2023
	(In millions of Korean Won)	
Assets:		
Current assets:		
Cash and cash equivalents	₩ -	₩ 70,804
Other receivables	-	4,445
Inventories	-	268,071
Other assets	-	11,773
Others	-	2,730
Total current assets	-	357,823
Non-current assets:		
Other assets	-	8,927
Property, plant and equipment	-	54,761
Deferred tax assets	-	12,295
Others	-	697
Total non-current assets	-	76,680
Liabilities:		
Current liabilities:		
Trade notes and accounts payable	-	3,061
Current portion of long-term debts	-	88,462
Provisions	-	8,682
Other liabilities	-	13,631
Total current liabilities	-	113,836
Non-current liabilities:		
Provisions	-	9,015
Total non-current liabilities	-	9,015

Net cash flows generated from Hyundai Motor Manufacturing Rus LLC (HMMR) for each of the two years in the period ended December 31, 2024 are as follows.

Description	For the year ended December 31,	
	2024	2023
	(In millions of Korean Won)	
Cash flows used in operating activities	₩ (7,108)	₩ (276,116)
Cash flows provided by (used in) investing activities	5,556	(65,282)
Cash flows used in financing activities	(88,831)	(228,892)

9. PROPERTY, PLANT AND EQUIPMENT:

(1) Property, plant and equipment (“PP&E”) as of December 31, 2024 and 2023 are as follows.

Description	December 31, 2024			December 31, 2023		
	Acquisition cost	Accumulated depreciation (*)	Book value	Acquisition cost	Accumulated depreciation (*)	Book value
(In millions of Korean Won)						
Land	₩ 12,675,550	₩ -	₩ 12,675,550	₩ 12,490,298	₩ -	₩ 12,490,298
Buildings	15,306,582	(5,283,716)	10,022,866	12,184,105	(4,799,368)	7,384,737
Structures	2,097,918	(1,033,554)	1,064,364	1,869,394	(924,658)	944,736
Machinery and equipment	20,306,545	(12,668,753)	7,637,792	18,183,078	(11,790,269)	6,392,809
Vehicles	761,013	(279,538)	481,475	704,453	(259,992)	444,461
Dies, molds and tools	17,600,855	(13,449,297)	4,151,558	16,567,090	(12,368,355)	4,198,735
Office equipment	2,471,102	(1,784,763)	686,339	2,223,452	(1,640,610)	582,842
Others	188,281	(81,994)	106,287	165,125	(60,664)	104,461
Construction in progress	7,707,710	-	7,707,710	6,377,821	-	6,377,821
	<u>₩ 79,115,556</u>	<u>₩ (34,581,615)</u>	<u>₩ 44,533,941</u>	<u>₩ 70,764,816</u>	<u>₩ (31,843,916)</u>	<u>₩ 38,920,900</u>

(*) Accumulated impairment losses are included.

(2) The changes in PP&E for the year ended December 31, 2024 are as follows.

Description	Beginning of the year	Acquisitions	Transfers within PP&E	Disposals	Depreciation	Others (*)	End of the year
(In millions of Korean Won)							
Land	₩ 12,490,298	₩ 39,185	₩ 185,813	₩ (9,923)	₩ -	₩ (29,823)	₩ 12,675,550
Buildings	7,384,737	1,063,336	1,678,801	(44,254)	(400,575)	340,821	10,022,866
Structures	944,736	62,975	119,649	(9,787)	(91,670)	38,461	1,064,364
Machinery and equipment	6,392,809	423,306	1,706,678	(79,806)	(1,072,217)	267,022	7,637,792
Vehicles	444,461	153,879	130,686	(137,627)	(105,807)	(4,117)	481,475
Dies, molds and tools	4,198,735	12,757	1,285,390	(4,183)	(1,493,405)	152,264	4,151,558
Office equipment	582,842	82,807	228,133	(3,141)	(208,735)	4,433	686,339
Others	104,461	17,906	10,263	(2,102)	(19,795)	(4,446)	106,287
Construction-in-progress	6,377,821	6,555,275	(5,345,413)	(1,146)	-	121,173	7,707,710
	<u>₩ 38,920,900</u>	<u>₩ 8,411,426</u>	<u>₩ -</u>	<u>₩ (291,969)</u>	<u>₩ (3,392,204)</u>	<u>₩ 885,788</u>	<u>₩ 44,533,941</u>

(*) Others include the effect of foreign exchange differences, transfers from or to other accounts, changes in the scope of consolidation and others.

The changes in PP&E for the year ended December 31, 2023 are as follows.

Description	Beginning of the year	Acquisitions	Transfers within PP&E	Disposals	Depreciation	Others (*)	End of the year
(In millions of Korean Won)							
Land	₩ 12,180,112	₩ 196,315	₩ 105,432	₩ (2,172)	₩ -	₩ 10,611	₩ 12,490,298
Buildings	7,130,705	51,594	690,587	(26,949)	(374,434)	(86,766)	7,384,737
Structures	850,886	28,225	160,215	(14,211)	(80,314)	(65)	944,736
Machinery and equipment	6,583,161	26,453	1,153,470	(117,038)	(1,074,619)	(178,618)	6,392,809
Vehicles	362,246	141,460	162,268	(116,583)	(103,785)	(1,145)	444,461
Dies, molds and tools	4,128,365	13,273	1,467,093	(77,934)	(1,443,734)	111,672	4,198,735
Office equipment	489,564	68,535	217,751	(5,018)	(185,761)	(2,229)	582,842
Others	157,808	4,867	24,041	(40)	(15,681)	(66,534)	104,461
Construction-in-progress	4,270,343	6,535,901	(3,980,857)	(4,393)	-	(443,173)	6,377,821
	<u>₩ 36,153,190</u>	<u>₩ 7,066,623</u>	<u>₩ -</u>	<u>₩ (364,338)</u>	<u>₩ (3,278,328)</u>	<u>₩ (656,247)</u>	<u>₩ 38,920,900</u>

(*) Others include the effect of foreign exchange differences, transfers from or to other accounts, changes in the scope of consolidation, impairment loss of ₩140,170 million for the CGU attributable to Hyundai Motor Manufacturing Rus LLC and others.

10. INVESTMENT PROPERTY:

(1) Investment property as of December 31, 2024 and December 31, 2023 is as follows.

Description	December 31, 2024			December 31, 2023		
	Acquisition cost	Accumulated depreciation	Book value	Acquisition cost	Accumulated depreciation	Book value
	(In millions of Korean Won)					
Land	₩ 54,284	₩ -	₩ 54,284	₩ 54,284	₩ -	₩ 54,284
Buildings	325,062	(246,448)	78,614	310,646	(228,480)	82,166
Structures	18,629	(9,339)	9,290	18,629	(8,931)	9,698
	₩ 397,975	₩ (255,787)	₩ 142,188	₩ 383,559	₩ (237,411)	₩ 146,148

(2) The changes in investment property for the year ended December 31, 2024 are as follows:

Description	Beginning of the year	Depreciation	Effect of foreign exchange differences	End of the year
Land	₩ 54,284	₩ -	₩ -	₩ 54,284
Buildings	82,166	(4,994)	1,442	78,614
Structures	9,698	(408)	-	9,290
	₩ 146,148	₩ (5,402)	₩ 1,442	₩ 142,188

The changes in investment properties for the year ended December 31, 2023 are as follows.

Description	Beginning of the year	Transfers (*)	Depreciation	Effect of foreign exchange differences	End of the year
	(In millions of Korean Won)				
Land	₩ 47,608	₩ 6,676	₩ -	₩ -	₩ 54,284
Buildings	86,737	465	(4,994)	(42)	82,166
Structures	10,105	-	(408)	1	9,698
	₩ 144,450	₩ 7,141	₩ (5,402)	₩ (41)	₩ 146,148

(*) Transferred amount from Construction-in-progress and other accounts

(3) The fair value of investment properties as of December 31, 2024 and December 31, 2023 are as follows.

Description	December 31, 2024	December 31, 2023
	(In millions of Korean Won)	
Land	₩ 54,284	₩ 54,284
Buildings	276,321	261,906
Structures	15,496	15,496
	₩ 346,101	₩ 331,686

The fair value measurement of the investment properties was performed by an independent third party. The Group deems the change in fair value from the fair value measurement performed at the initial recognition of the investment properties is not material.

The fair value of the investment properties is classified as Level 3, based on the inputs used in the valuation techniques. The fair value has been determined based on the cost approach and the market approach. The cost approach measures fair value as current replacement cost considering building structures and design, supplementary installation, depreciation period.

(4) Income and expenses related to investment properties for the years ended December 31, 2024 and 2023 are as follows.

Description	2024	2023
	(In millions of Korean Won)	
Rental income	₩ 48,519	₩ 43,881
Operating and maintenance expenses	13,445	13,271

11. INTANGIBLE ASSETS:

(1) Intangible assets as of December 31, 2024 and December 31, 2023 are as follows.

Description	December 31, 2024			December 31, 2023		
	Acquisition cost	Accumulated amortization (*)	Book value	Acquisition cost	Accumulated amortization (*)	Book value
	(In millions of Korean Won)					
Goodwill	₩ 767,639	₩ (40,809)	₩ 726,830	₩ 738,791	₩ (37,972)	₩ 700,819
Development costs	11,725,060	(7,073,519)	4,651,541	10,205,023	(6,849,151)	3,355,872
Industrial property rights	628,604	(440,932)	187,672	582,180	(400,272)	181,908
Software	2,559,084	(1,735,600)	823,484	2,219,784	(1,454,281)	765,503
Others	1,390,562	(394,064)	996,498	1,059,105	(247,173)	811,932
Construction in progress	333,343	(36,638)	296,705	434,544	(31,993)	402,551
	₩ 17,404,292	₩ (9,721,562)	₩ 7,682,730	₩ 15,239,427	₩ (9,020,842)	₩ 6,218,585

(*) Accumulated impairment losses are included.

(2) The changes in intangible assets for the year ended December 31, 2024 are as follows.

Description	Beginning of the year	Internal developments	External acquisition	Transfers within intangible assets	Disposals
	(In millions of Korean Won)				
Goodwill	₩ 700,819	₩ -	₩ -	₩ -	₩ -
Development Costs	3,355,872	1,774,371	29,264	72,842	(37)
Industrial property rights	181,908	87	1,036	36,341	(28)
Software	765,503	1,745	74,816	60,095	(291)
Others	811,932	1,150	25,531	271,461	(129,482)
Construction in progress	402,551	16,950	362,933	(440,739)	-
	₩ 6,218,585	₩ 1,794,303	₩ 493,580	₩ -	₩ (129,838)

Description	Amortization	Impairment loss /reversal (*1)	Others (*2)	End of the year
	(In millions of Korean Won)			
Goodwill	₩ -	₩ -	₩ 26,011	₩ 726,830
Development Costs	(585,593)	(21,416)	26,238	4,651,541
Industrial property rights	(36,609)	(2)	4,939	187,672
Software	(239,725)	-	161,341	823,484
Others	(27,473)	(1,125)	44,504	996,498
Construction in progress	-	(3,832)	(41,158)	296,705
	₩ (889,400)	₩ (26,375)	₩ 221,875	₩ 7,682,730

- (*1) Impairment losses include impairment of development costs due to the discontinued sales and development projects and others for the year ended December 31, 2024.
- (*2) Others include the effect of foreign exchange differences, transfers from or to other accounts, changes in the scope of consolidation and others.

The changes in intangible assets for the year ended December 31, 2023 are as follows.

Description	Beginning of the year	Internal developments	External acquisition	Transfers within intangible assets	Disposals
(In millions of Korean Won)					
Goodwill	₩ 692,717	₩ -	₩ -	₩ -	₩ -
Development Costs	3,554,425	1,318,026	21,675	46,161	(2,310)
Industrial property rights	148,351	81	998	59,963	(94)
Software	654,883	3,567	48,455	82,747	(4,146)
Others	657,483	247	10,266	178,914	(10,088)
Construction in progress	394,518	31,126	343,218	(367,785)	-
	₩ 6,102,377	₩ 1,353,047	₩ 424,612	₩ -	₩ (16,638)

Description	Amortization	Impairment loss /reversal (*1)	Others (*2)	End of the year
(In millions of Korean Won)				
Goodwill	₩ -	₩ -	₩ 8,102	₩ 700,819
Development Costs	(1,408,725)	(197,229)	23,849	3,355,872
Industrial property rights	(32,167)	-	4,776	181,908
Software	(207,256)	(221)	187,474	765,503
Others	(14,617)	(19)	(10,254)	811,932
Construction in progress	-	(2,081)	3,555	402,551
	₩ (1,662,765)	₩ (199,550)	₩ 217,502	₩ 6,218,585

- (*1) Impairment losses include impairment of development costs due to the discontinued sales and development projects and others for the year ended December 31, 2023.
- (*2) Others include the effect of foreign exchange differences, transfers from or to other accounts, changes in the scope of consolidation and others.

(3) Development costs of intangible assets as of December 31, 2024 consist of as follows.

Description		Book value		Remaining amortization period (*)
		(In millions of Korean Won)		
Automobile	Developing	₩	1,930,317	-
"	Amortizing		2,146,535	56 months
Powertrain	Developing		185,760	-
"	Amortizing		112,443	62 months
Others	Developing		57,547	-
"	Amortizing		218,939	47 months
		₩	4,651,541	

(*) Since the remaining amortization period differs for each project, the weighted average remaining useful lives of the development costs at the end of reporting period are disclosed.

Development costs of intangible assets as of December 31, 2023 consist of as follows.

Description		Book value		Remaining amortization period (*)
		(In millions of Korean Won)		
Automobile	Developing	₩	1,209,380	-
"	Amortizing		1,711,268	30 months
Powertrain	Developing		103,963	-
"	Amortizing		105,478	24 months
Others	Developing		34,748	-
"	Amortizing		191,035	42 months
		₩	3,355,872	

(*) Since the remaining amortization period differs for each project, the weighted average remaining useful lives of the development costs at the end of reporting period are disclosed.

(4) Research and development expenditures for the years ended December 31, 2024 and 2023 are as follows.

Description	2024		2023	
	(In millions of Korean Won)			
Development costs (intangible assets)	₩	1,803,635	₩	1,339,701
Research and development costs (*1)		2,782,812		2,629,163
Total (*2)	₩	4,586,447	₩	3,968,864

(*1) Presented in manufacturing costs, administrative expenses.

(*2) Amortization of development costs is not included.

(5) Impairment test of goodwill

The allocation of goodwill amongst the Group's CGUs as of December 31, 2024 and December 31, 2023 is as follows.

Segment	December 31, 2024	December 31, 2023
	(In millions of Korean Won)	
Vehicle	₩ 286,397	₩ 261,782
Finance	1,878	482
Others	438,555	438,555
	₩ 726,830	₩ 700,819

The recoverable amounts of the Group's CGUs are measured as their value-in-use calculated based on cash flow projections of financial budgets for the next five years approved by management. The pre-tax discount rate applied to the cash flow projections for the years ended December 31, 2024 and 2023 are 10.9% and 14.2%, respectively. Cash flow projections beyond the five-year period are extrapolated by using the estimated growth rate which does not exceed the long-term average growth rate of the region and industry to which the CGU belongs. No impairment loss had been recognized for the years ended December 31, 2024 and 2023.

12. LEASES (AS A LESSEE):

(1) The changes in right-of-use assets for the year ended December 31, 2024 are as follows.

Description	Beginning of the year	Acquisitions	Disposals	Depreciation	Others(*)	End of the year
	(In millions of Korean Won)					
Land	₩ 102,708	₩ 108,521	₩ (158)	₩ (16,020)	₩ 16,741	₩ 211,792
Buildings	871,175	542,937	(86,871)	(259,044)	(8,759)	1,059,438
Vehicles	27,936	30,569	(662)	(19,903)	1,359	39,299
Others	35,824	3,547	(225)	(14,500)	3,642	28,288
	₩ 1,037,643	₩ 685,574	₩ (87,916)	₩ (309,467)	₩ 12,983	₩ 1,338,817

(*) Others include the effect of foreign exchange differences, changes in the scope of consolidation and others.

The changes in right-of-use assets for the year ended December 31, 2023 are as follows.

Description	Beginning of the year	Acquisitions	Disposals	Depreciation	Others(*)	End of the year
	(In millions of Korean Won)					
Land	₩ 251,898	₩ 37,144	₩ (173,643)	₩ (14,159)	₩ 1,468	₩ 102,708
Buildings	819,353	383,571	(76,542)	(227,877)	(27,330)	871,175
Vehicles	26,593	12,739	(416)	(13,358)	2,378	27,936
Others	19,449	30,558	-	(13,841)	(342)	35,824
	₩ 1,117,293	₩ 464,012	₩ (250,601)	₩ (269,235)	₩ (23,826)	₩ 1,037,643

(*) Others include the effect of foreign exchange differences, changes in the scope of consolidation and others.

(2) Lease liabilities as of December 31, 2024 and December 31, 2023 are as follows.

Description	December 31, 2024	December 31, 2023
	(In millions of Korean Won)	
Undiscounted lease liabilities	₩ 1,470,103	₩ 1,260,621
Discounted lease liabilities	1,262,105	1,058,402
Current	275,628	224,350
Non-current	986,477	834,052

(3) Expenses recognized in relation to leases for the years ended December 31, 2024 and 2023 are as follows.

Description	December 31, 2024	December 31, 2023
	(In millions of Korean Won)	
Interest on lease liabilities	₩ 35,240	₩ 37,635
Expenses in relation to leases of short-term and low-value assets	19,424	17,117

(4) Investments in operating leases as of December 31, 2024 and December 31, 2023 are as follows.

Description	December 31, 2024	December 31, 2023
	(In millions of Korean Won)	
Acquisition cost	₩ 51,523,705	₩ 37,319,651
Accumulated depreciation	(8,214,573)	(7,520,255)
Accumulated impairment loss	(147,509)	(134,778)
	₩ 43,161,623	₩ 29,664,618

(5) Future minimum lease payment receivable related to investments in operating leases as of December 31, 2024 and December 31, 2023 is as follows.

Description	December 31, 2024	December 31, 2023
	(In millions of Korean Won)	
Not later than one year	₩ 7,519,906	₩ 5,356,971
Later than one year and not later than five years	9,910,157	6,674,656
Later than five years	194	233
	₩ 17,430,257	₩ 12,031,860

13. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES:

(1) Investments in joint ventures and associates as of December 31, 2024 are as follows.

Name of the company	Nature of business	Location	Ownership percentage	Book value
			(%)	(In millions of Korean Won)
Beijing Hyundai Qiche Financing Company (BHAF) (*1,3)	Financing	China	53.00	₩ 718,182
Hyundai WIA Automotive Engine (Shandong) Company (WAE)	Manufacturing	China	31.40	117,710
Beijing-Hyundai Motor Company (BHMC) (*1,5)	Manufacturing	China	50.00	-
HMG Global LLC	New business			
	Investment & management	USA	49.50	2,424,332
Motional AD LLC (*1,4)	R&D	USA	44.20	1,377,465
Boston Dynamics AI Institute, LLC	R&D	USA	47.50	208,161
supernal, LLC	R&D	USA	44.44	221,677
Hyundai Capital Bank Europe GmbH (HCBE)	Financing	Germany	49.00	940,191
Hyundai Capital France (HCF) (*1)	Financing	France	50.00	146,169
HYUNDAI MOTOR GROUP INNOVATION CENTER IN SINGAPORE PTE. LTD.(HMGICS)	Manufacturing	Singapore	40.00	146,413
Kia Corporation	Manufacturing	Korea	34.53	19,339,281
Hyundai Engineering & Construction Co., Ltd.	Construction	Korea	20.95	3,106,564
Hyundai Transys Inc.	Manufacturing	Korea	41.13	1,218,147
Hyundai WIA Corporation	Manufacturing	Korea	25.35	831,705
Hyundai Commercial Inc.	Financing	Korea	37.50	536,244
Hyundai Autoever Corp.	IT service	Korea	31.59	530,338
Hyundai Motor Securities Co., Ltd.	Securities			
	Brokerage	Korea	25.43	351,574
Eukor Car Carriers Inc. (*2)	Transportation	Korea	12.00	347,549
Tiger Alternative Investment trust No.318 (*1)	Real Estate			
	Investment	Korea	50.00	246,479
Haevichi Hotels & Resorts Co., Ltd.	Hotelkeeping	Korea	41.90	74,530
Others				1,761,384
				₩ 34,644,095

(*1) Each of the joint arrangements in which the Group retains joint control is structured through a separate entity and there are no contractual terms stating that the parties retain rights to the assets and obligations for the liabilities relating to the joint arrangement or other relevant facts and circumstances. As a result, the Group considers that the parties that retain joint control in the arrangement have rights to the net assets and classifies the joint arrangements as joint ventures. Also, there are restrictions, which require consent from the director who is designated by the other investors, for certain transactions, such as payment of dividend.

(*2) As the Group is considered to be able to exercise significant influence by representation on the board of directors of the investee and other reasons, although the total ownership percentage is less than 20%, the investment is accounted for using the equity method.

(*3) The entity is categorized as a joint venture although the Group's total ownership percentage is a majority share of 53%, because the Group does not have control over the entity by virtue of an agreement with the other investors.

(*4) During the year ended December 31, 2024, the Group's ownership percentage increased to 44.20% as the Group contributed capital of ₩341,639 million, acquired Aptiv's shares of Motional AD LLC of ₩319,100 million and common stock owned by Aptiv were converted into preferred stock.

(*5) The Group has stopped recognizing its share of losses in Beijing-Hyundai Motor Company (BHMC), and the Group's share of losses for the period and other comprehensive loss that are not recognized are ₩318,230 million and (-)₩16,224 million, respectively.

Investments in joint ventures and associates as of December 31, 2023 are as follows.

Name of the company	Nature of business	Location	Ownership percentage (%)	Book value (In millions of Korean Won)
Beijing Hyundai Qiche Financing Company (BHAF) (*1,3)	Financing	China	53.00	₩ 637,681
Hyundai WIA Automotive Engine (Shandong) Company (WAE) (*4)	Manufacturing	China	31.40	91,058
Beijing-Hyundai Motor Company (BHMC) (*1)	Manufacturing	China	50.00	9,413
HMG Global LLC	New business Investment & management	USA	49.50	1,275,203
Motional AD LLC (*1)	R&D	USA	26.00	700,691
Boston Dynamics AI Institute, LLC	R&D	USA	47.50	246,535
supernal, LLC (*1)	R&D	USA	44.44	163,943
Hyundai Capital Bank Europe GmbH (HCBE)	Financing	Germany	49.00	671,589
Hyundai Capital France (HCF) (*1)	Financing	France	50.00	123,879
HYUNDAI MOTOR GROUP INNOVATION CENTER IN SINGAPORE PTE. LTD.(HMGICS)	Manufacturing	Singapore	40.00	117,494
Kia Corporation	Manufacturing	Korea	34.16	15,976,149
Hyundai Engineering & Construction Co., Ltd.	Construction	Korea	20.95	3,125,635
Hyundai Transys Inc.	Manufacturing	Korea	41.13	1,181,611
Hyundai WIA Corporation	Manufacturing	Korea	25.35	783,750
Hyundai Commercial Inc.	Financing	Korea	37.50	492,127
Hyundai Autoever Corp.	IT service	Korea	31.59	486,425
Hyundai Motor Securities Co., Ltd.	Securities			
	Brokerage	Korea	25.43	344,646
Eukor Car Carriers Inc. (*2)	Transportation	Korea	12.00	321,030
Tiger Alternative Investment trust No.318 (*1)	Real Estate Investment	Korea	50.00	250,796
Haevichi Hotels & Resorts Co., Ltd.	Hotelkeeping	Korea	41.90	84,997
Others				1,391,490
				<u>₩ 28,476,142</u>

- (*1) Each of the joint arrangements in which the Group retains joint control is structured through a separate entity and there are no contractual terms stating that the parties retain rights to the assets and obligations for the liabilities relating to the joint arrangement or other relevant facts and circumstances. As a result, the Group considers that the parties that retain joint control in the arrangement have rights to the net assets and classifies the joint arrangements as joint ventures. Also, there are restrictions, which require consent from the director who is designated by the other investors, for certain transactions, such as payment of dividend.
- (*2) As the Group is considered to be able to exercise significant influence by representation on the board of directors of the investee and other reasons, although the total ownership percentage is less than 20%, the investment is accounted for using the equity method.
- (*3) The entity is categorized as a joint venture although the Group's total ownership percentage is a majority share of 53%, because the Group does not have control over the entity by virtue of an agreement with the other investors.
- (*4) The recoverable amount was less than the carrying amount and the impairment loss amounting to ₩105,284 million was recognized during the year ended December 31, 2023. The recoverable amount is determined based on the value of use, and the discount rate applied to measure the value of use is 11.18% per annum.

(2) The changes in investments in joint ventures and associates for the year ended December 31, 2024 are as follows.

Name of the company	Beginning of the year	Acquisitions (disposals)	Share of profits (losses) for the period	Dividends	Others (*)	End of the year
(In millions of Korean Won)						
BHAF	₩ 637,681	₩ -	₩ 7,953	₩ -	₩ 72,548	₩ 718,182
WAE	91,058	-	5,348	-	21,304	117,710
BHMC	9,413	-	(9,413)	-	-	-
HMG Global LLC	1,275,203	822,697	(125,702)	-	452,134	2,424,332
Motional AD LLC	700,691	660,739	(121,081)	-	137,116	1,377,465
Boston Dynamics AI Institute, LLC	246,535	-	(67,406)	-	29,032	208,161
supernal, LLC	163,943	317,006	(291,410)	-	32,138	221,677
HCBE	671,589	236,972	(13,218)	-	44,848	940,191
HCF	123,879	-	12,990	-	9,300	146,169
HMGICS	117,494	33,234	(17,741)	-	13,426	146,413
Kia Corporation	15,976,149	-	3,458,078	(768,982)	674,036	19,339,281
Hyundai Engineering & Construction Co., Ltd.	3,125,635	-	(30,565)	(13,996)	25,490	3,106,564
Hyundai Transys Inc.	1,181,611	(334)	(9,589)	-	46,459	1,218,147
Hyundai WIA Corporation	783,750	-	25,785	(5,860)	28,030	831,705
Hyundai Commercial Inc.	492,127	-	66,157	-	(22,040)	536,244
Hyundai Autoever Corp.	486,425	-	58,230	(12,390)	(1,927)	530,338
Hyundai Motor Securities Co., Ltd.	344,646	-	9,194	(3,226)	960	351,574
Eukor Car Carriers Inc.	321,030	-	65,915	(81,669)	42,273	347,549
Tiger Alternative Investment trust No.318	250,796	30	7,153	(11,500)	-	246,479
Haevichi Hotels & Resorts Co., Ltd.	84,997	-	(9,895)	-	(572)	74,530
Others	1,391,490	205,004	92,082	(14,262)	87,070	1,761,384
	<u>₩ 28,476,142</u>	<u>₩ 2,275,348</u>	<u>₩ 3,112,865</u>	<u>₩ (911,885)</u>	<u>₩ 1,691,625</u>	<u>₩ 34,644,095</u>

(*) Others consist of changes in accumulated other comprehensive income (loss) and others.

The changes in investments in joint ventures and associates for the year ended December 31, 2023 are as follows.

Name of the company	Beginning of the year	Acquisitions (disposals)	Share of profits (losses) for the period (In millions of Korean Won)	Dividends	Others (*)	End of the year
BHAF	₩ 759,766	₩ -	₩ 24,648	₩ (144,672)	₩ (2,061)	₩ 637,681
WAE	215,786	-	(19,110)	-	(105,618)	91,058
BHMC	525,250	-	(524,377)	-	8,540	9,413
HMG Global LLC	608,223	754,776	(86,091)	-	(1,705)	1,275,203
Motional AD LLC	907,061	-	(201,394)	-	(4,976)	700,691
Boston Dynamics AI Institute, LLC	266,357	-	(24,772)	-	4,950	246,535
supernal, LLC	178,564	215,887	(229,267)	-	(1,241)	163,943
HCBE	508,110	140,581	(21,188)	-	44,086	671,589
HCF	75,323	38,990	6,448	-	3,118	123,879
HMGICS	104,556	29,300	(20,315)	-	3,953	117,494
Kia Corporation	13,251,475	-	3,129,359	(480,614)	75,929	15,976,149
Hyundai Engineering & Construction Co., Ltd.	3,033,945	-	109,811	(13,996)	(4,125)	3,125,635
Hyundai Transys Inc.	1,157,462	-	33,554	-	(9,405)	1,181,611
Hyundai WIA Corporation	759,270	-	19,516	(4,826)	9,790	783,750
Hyundai Commercial Inc.	374,970	-	83,650	-	33,507	492,127
Hyundai Autoever Corp.	449,994	-	47,993	(9,877)	(1,685)	486,425
Hyundai Motor Securities Co., Ltd.	332,624	-	12,860	(4,436)	3,598	344,646
Eukor Car Carriers Inc.	269,261	-	89,015	(38,646)	1,400	321,030
Tiger Alternative Investment trust No.318	-	256,200	(5,404)	-	-	250,796
Haevichi Hotels & Resorts Co., Ltd.	96,303	-	(11,200)	-	(106)	84,997
Others	1,325,137	57,267	76,204	(79,592)	12,474	1,391,490
	<u>₩ 25,199,437</u>	<u>₩ 1,493,001</u>	<u>₩ 2,489,940</u>	<u>₩ (776,659)</u>	<u>₩ 70,423</u>	<u>₩ 28,476,142</u>

(*) Others consist of changes in accumulated other comprehensive income (loss) and others.

(3) Summarized financial information of the Group's major joint ventures and associates as of and for the year ended December 31, 2024 is as follows.

Name of the company	Current assets	Non-current assets	Current liabilities	Non-current liabilities
	(In millions of Korean Won)			
BHAF (*)	₩ 1,633,790	₩ -	₩ 278,730	₩ -
WAE	402,935	372,172	86,511	6,350
BHMC	1,634,484	2,510,799	4,451,497	308,505
HMG Global LLC	372,556	5,466,379	142,774	494,596
Motional AD LLC	307,159	3,332,977	72,769	155,461
Boston Dynamics AI Institute, LLC	419,652	81,459	32,776	30,375
supernal, LLC	278,220	413,567	87,089	112,965
HCBE (*)	16,422,162	-	14,508,984	-
HCF (*)	4,388,953	-	4,097,778	-
HMGICS	88,489	707,734	309,281	128,045
Kia Corporation	41,797,457	50,958,417	26,977,376	9,938,189
Hyundai Engineering & Construction Co., Ltd.	21,100,663	5,912,826	14,663,775	2,697,769
Hyundai Transys Inc.	5,370,442	4,400,578	4,405,474	1,953,495
Hyundai WIA Corporation	3,966,900	3,109,091	2,400,075	649,617
Hyundai Commercial Inc. (*)	13,134,771	-	11,392,619	-
Hyundai Autoever Corp.	2,215,497	1,134,020	1,242,253	376,738
Hyundai Motor Securities Co., Ltd. (*)	11,991,996	-	10,689,901	-
Eukor Car Carriers Inc.	1,294,844	3,780,709	951,454	1,231,876
Tiger Alternative Investment trust No.318	4,950	369,746	289,163	29,255
Haevichi Hotels & Resorts Co., Ltd.	36,993	455,236	148,495	229,713

Name of the company	Sales	Profit (loss) for the period from continuing operations	Other comprehensive income (loss)	Total comprehensive income (loss)
	(In millions of Korean Won)			
BHAF (*)	₩ 161,446	₩ 15,004	₩ -	₩ 15,004
WAE	471,434	28,905	-	28,905
BHMC	3,311,604	(717,660)	-	(717,660)
HMG Global LLC	116,109	(467,674)	304,645	(163,029)
Motional AD LLC	2,264	(369,313)	498	(368,815)
Boston Dynamics AI Institute, LLC	-	(43,744)	(500)	(44,244)
supernal, LLC	-	(658,359)	-	(658,359)
HCBE (*)	1,542,049	(26,376)	89,953	63,577
HCF (*)	292,706	25,981	18,601	44,582
HMGICS	162,612	(44,351)	-	(44,351)
Kia Corporation	107,448,752	9,775,005	2,036,023	11,811,028
Hyundai Engineering & Construction Co., Ltd.	32,670,268	(766,221)	58,952	(707,269)
Hyundai Transys Inc.	12,746,390	23,086	154,423	177,509
Hyundai WIA Corporation	8,180,886	106,478	152,722	282,194
Hyundai Commercial Inc. (*)	1,042,364	193,385	(46,358)	147,027
Hyundai Autoever Corp.	3,713,617	175,182	(2,811)	172,371
Hyundai Motor Securities Co., Ltd. (*)	1,795,633	36,150	3,772	39,922
Eukor Car Carriers Inc.	3,221,591	583,210	311,926	895,136
Tiger Alternative Investment trust No.318	58,132	14,405	-	14,405
Haevichi Hotels & Resorts Co., Ltd.	167,057	(23,695)	(975)	(24,670)

(*) The companies operate financial business and their total assets (liabilities) are included in current assets (liabilities) as the companies do not distinguish current and non-current portion in their separate financial statements.

Summarized financial information of the Group's major joint ventures and associates as of and for the year ended December 31, 2023 is as follows.

Name of the company	Current assets	Non-current assets	Current liabilities	Non-current liabilities
	(In millions of Korean Won)			
BHAF (*)	₩ 2,787,605	₩ -	₩ 1,584,432	₩ -
WAE	328,159	378,785	116,180	5,397
BHMC	2,381,289	2,453,993	4,484,377	281,563
HMG Global LLC	255,370	3,226,650	124,210	303,525
Motional AD LLC	195,840	2,954,385	132,590	290,284
Boston Dynamics AI Institute, LLC	508,378	67,955	21,790	35,796
supernal, LLC	184,936	382,837	109,761	99,471
HCBE (*)	13,466,701	-	12,101,110	-
HCF (*)	3,572,040	-	3,325,447	-
HMGICS	66,473	678,881	196,468	262,288
Kia Corporation	37,466,302	43,161,524	25,674,105	8,395,486
Hyundai Engineering & Construction Co., Ltd.	18,613,430	5,101,065	10,356,647	2,902,333
Hyundai Transys Inc.	4,407,156	3,608,930	3,404,363	1,662,230
Hyundai WIA Corporation	3,721,639	3,092,821	1,972,463	1,075,243
Hyundai Commercial Inc. (*)	11,826,809	-	10,211,806	-
Hyundai Autoever Corp.	1,833,667	1,009,390	922,947	327,798
Hyundai Motor Securities Co., Ltd. (*)	11,585,257	-	10,307,455	-
Eukor Car Carriers Inc.	1,417,292	3,257,299	722,525	1,270,233
Tiger Alternative Investment trust No.318	9,721	372,556	288,304	29,100
Haevichi Hotels & Resorts Co., Ltd.	42,103	404,699	248,049	60,061

Name of the company	Sales	Profit (loss) for the period from continuing operations	Other comprehensive income (loss)	Total comprehensive income (loss)
	(In millions of Korean Won)			
BHAF (*)	₩ 236,851	₩ 46,507	₩ -	₩ 46,507
WAE	365,973	(65,014)	-	(65,014)
BHMC	4,763,204	(994,057)	-	(994,057)
HMG Global LLC	84,398	(343,794)	5,069	(338,725)
Motional AD LLC	1,775	(803,742)	12,115	(791,627)
Boston Dynamics AI Institute, LLC	-	(51,357)	-	(51,357)
supernal, LLC	-	(526,387)	-	(526,387)
HCBE (*)	1,256,007	40,187	88,806	128,993
HCF (*)	173,068	12,777	4,581	17,358
HMGICS	79,792	(50,787)	-	(50,787)
Kia Corporation	99,808,420	8,777,817	190,203	8,968,020
Hyundai Engineering & Construction Co., Ltd.	29,651,357	654,281	(28,254)	626,027
Hyundai Transys Inc.	11,693,980	96,745	(21,456)	75,289
Hyundai WIA Corporation	8,590,316	52,548	(792)	51,756
Hyundai Commercial Inc. (*)	728,303	133,182	8,311	141,493
Hyundai Autoever Corp.	3,065,015	140,313	(5,094)	135,219
Hyundai Motor Securities Co., Ltd. (*)	1,582,197	53,511	20,033	73,544
Eukor Car Carriers Inc.	3,090,801	731,559	45,811	777,370
Tiger Alternative Investment trust No.318	6,232	(13,047)	-	(13,047)
Haevichi Hotels & Resorts Co., Ltd.	162,921	(29,323)	(207)	(29,530)

(*) The companies operate financial business and their total assets (liabilities) are included in current assets (liabilities) as the companies do not distinguish current and non-current portion in their separate financial statements.

(4) Summarized additional financial information of the Group's major joint ventures as of and for the year ended December 31, 2024 is as follows.

Name of the company	Cash and cash equivalents	Current financial liabilities	Non-current financial liabilities	Depreciation and amortization	Interest income	Interest expenses	Income tax expense
(In millions of Korean Won)							
BHAF (*)	₩ 328,575	₩ 97,889	₩ -	₩ 8,063	₩ 159,684	₩ 27,031	₩ 13,751
BHMC	775,744	810,514	104,237	369,551	18,153	48,765	82,012
Motional AD LLC	45,817	17,185	42,454	91,972	12,721	1,994	1,847
HCF (*)	104,884	4,097,778	-	-	217,848	132,979	5,421
Tiger Alternative Investment trust No.318	4,838	289,163	29,255	2,921	71	15,482	-

(*) The total amount of assets (liabilities) is included in current financial liabilities as BHAF and HCF, as a financial service business, do not distinguish current and non-current portion in their separate financial statements.

Summarized additional financial information of the Group's major joint ventures as of and for the year ended December 31, 2023 is as follows.

Name of the company	Cash and cash equivalents	Current financial liabilities	Non-current financial liabilities	Depreciation and amortization	Interest income	Interest expenses	Income tax expense
(In millions of Korean Won)							
BHAF (*)	₩ 694,653	₩ 1,199,356	₩ -	₩ 8,884	₩ 234,323	₩ 60,215	₩ 22,627
BHMC	1,323,025	623,684	61,785	669,321	23,712	48,157	37,878
Motional AD LLC	77,819	30,839	19,743	132,772	4,161	2,721	7,830
supernal, LLC	182,290	-	-	18,882	800	2,997	-
HCF (*)	153,126	3,325,447	-	-	127,608	73,896	4,489
Tiger Alternative Investment trust No.318	8,253	288,304	29,100	2,189	288	1,108	-

(*) The total amount of assets (liabilities) is included in current financial liabilities as BHAF and HCF, as a financial service business, do not distinguish current and non-current portion in their separate financial statements.

(5) Reconciliation of the Group's share of net assets of the Group's major joint ventures and associates to their carrying amounts as of December 31, 2024 is as follows.

Name of the company	Group's share of net assets		Goodwill	Unrealized profit (loss) and others	Carrying amounts
			(In millions of Korean Won)		
BHAF	₩	718,182	₩ -	₩ -	₩ 718,182
WAE (*)		215,147	7,809	(105,246)	117,710
BHMC		(307,360)	-	307,360	-
HMG Global LLC		2,424,332	-	-	2,424,332
Motional AD LLC (*)		876,647	508,821	(8,003)	1,377,465
Boston Dynamics AI Institute, LLC		208,031	-	130	208,161
supernal, LLC		221,684	-	(7)	221,677
HCBE		928,648	9,041	2,502	940,191
HCF		145,584	585	-	146,169
HMGICS		143,559	-	2,854	146,413
Kia Corporation		19,222,547	197,089	(80,355)	19,339,281
Hyundai Engineering & Construction Co., Ltd. (*)		2,374,783	731,362	419	3,106,564
Hyundai Transys Inc.		1,204,824	-	13,323	1,218,147
Hyundai WIA Corporation		925,399	-	(93,694)	831,705
Hyundai Commercial Inc.		536,244	-	-	536,244
Hyundai Autoever Corp. (*)		471,416	58,822	100	530,338
Hyundai Motor Securities Co., Ltd.		311,522	40,052	-	351,574
Eukor Car Carriers Inc.		347,067	-	482	347,549
Tiger Alternative Investment trust No.318 (*)		190,430	56,049	-	246,479
Haevichi Hotels & Resorts Co., Ltd. (*)		70,954	3,576	-	74,530

(*) The difference between the carrying amount and the fair value of the investee's identifiable assets and liabilities as of the acquisition date is included in the amount of net assets.

Reconciliation of the Group's share of net assets of the Group's major joint ventures and associates to their carrying amounts as of December 31, 2023 is as follows.

Name of the company	Group's share of net assets		Goodwill	Unrealized profit (loss) and others	Carrying amounts
			(In millions of Korean Won)		
BHAF	₩	637,681	₩	-	₩ 637,681
WAE (*)		188,495		7,809	(105,246) 91,058
BHMC		34,671		-	(25,258) 9,413
HMG Global LLC		1,275,203		-	- 1,275,203
Motional AD LLC		709,112		-	(8,421) 700,691
Boston Dynamics AI Institute, LLC		246,405		-	130 246,535
supernal, LLC		163,949		-	(6) 163,943
HCBE		660,815		9,041	1,733 671,589
HCF		123,294		585	- 123,879
HMGICS		114,640		-	2,854 117,494
Kia Corporation		15,853,616		197,089	(74,556) 15,976,149
Hyundai Engineering & Construction Co., Ltd. (*)		2,393,998		731,362	275 3,125,635
Hyundai Transys Inc.		1,167,997		-	13,614 1,181,611
Hyundai WIA Corporation		878,333		-	(94,583) 783,750
Hyundai Commercial Inc.		492,127		-	- 492,127
Hyundai Autoever Corp. (*)		427,504		58,822	99 486,425
Hyundai Motor Securities Co., Ltd.		305,343		40,052	(749) 344,646
Eukor Car Carriers Inc.		321,049		-	(19) 321,030
Tiger Alternative Investment trust No.318 (*)		194,777		56,019	- 250,796
Haevichi Hotels & Resorts Co., Ltd. (*)		81,421		3,576	- 84,997

(*) The difference between the carrying amount and the fair value of the investee's identifiable assets and liabilities as of the acquisition date is included in the amount of net assets.

(6) The market price of major listed equity securities as of December 31, 2024 is as follows.

Name of the company	Price per share	Total number of shares	Market value
		(In millions of Korean Won, except price per share)	
Kia Corporation	₩ 100,700	137,318,251	₩ 13,827,948
Hyundai Autoever Corp.	126,100	8,664,334	1,092,573
Hyundai Engineering & Construction Co., Ltd.	25,400	23,327,400	592,516
Hyundai WIA Corporation	37,800	6,893,596	260,578
Hyundai Motor Securities Co., Ltd.	7,440	8,065,595	60,008

(7) Gain (loss) on investments in joint ventures and associates for the years ended December 31, 2024 and 2023 is as follows

Description	2024	2023
	(In millions of Korean Won)	
Gain on share of earnings of equity-accounted investees, net	₩ 3,112,865	₩ 2,489,940
Gain on disposals of investments in associates, net	1,319	90,664
Impairment loss on investments in associates	(152)	(109,671)
	₩ 3,114,032	₩ 2,470,933

14. FINANCIAL SERVICES RECEIVABLES:

(1) Financial services receivables as of December 31, 2024 and December 31, 2023 are as follows.

Description	December 31, 2024	December 31, 2023
	(In millions of Korean Won)	
Loans	₩ 105,135,853	₩ 86,800,272
Card receivables	23,258,659	21,196,283
Financial lease receivables	2,358,802	2,052,053
Others	8,187	7,043
	130,761,501	110,055,651
Loss allowance	(2,087,126)	(1,769,240)
Loan origination fee	(824,466)	(587,895)
Present value discount accounts	(9,465)	(10,855)
	₩ 127,840,444	₩ 107,687,661

(2) Transfer of financial services receivables

As of December 31, 2024 and 2023, the Group has issued asset-backed securities with loan receivables and credit card receivables as underlying assets and related asset-backed securities have the right of recourse. As of December 31, 2024 the carrying amount of financial assets that were transferred but not derecognized (including inter-company bonds) amounted to ₩38,868,712 million and its fair value is ₩37,621,386 million. The carrying amount of related liabilities is ₩28,036,027 million and its fair value is ₩27,374,611 million. As a result, the fair value of net position is ₩10,246,775 million. As of December 31, 2023, the carrying amount of financial assets that were transferred but not derecognized (including inter-company bonds) amounted to ₩33,972,924 million and its fair value is ₩33,011,898 million. The carrying amount of related liabilities is ₩23,178,071 million and its fair value is ₩23,116,550 million. As a result, the fair value of net position is ₩9,895,348 million.

(3) The changes in loss allowance of financial services receivables for the year ended December 31, 2024 are as follows.

Description	Loan Obligations					Total loan obligations		
	12-Month expected credit losses	Lifetime expected credit losses						
		Not Impaired	Impaired					
(In millions of Korean Won)								
Beginning of the year	₩	414,019	₩	471,088	₩	238,220	₩	1,123,327
Transfer to 12-Month expected credit losses		102,486		(98,735)		(3,751)		-
Transfer to lifetime expected credit losses		(56,454)		63,598		(7,144)		-
Transfer to credit-impaired financial assets		(2,988)		(8,761)		11,749		-
Impairment loss (reversal)		(44,265)		714,524		252,846		923,105
Collection (write-off)		(599)		(567,631)		(222,047)		(790,277)
Disposals and others		3		-		(37,958)		(37,955)
Effect of foreign exchange differences		35,931		43,594		370		79,895
End of the year	₩	448,133	₩	617,677	₩	232,285	₩	1,298,095

Description	Card receivables					Total card receivables		
	12-Month expected credit losses	Lifetime expected credit losses						
		Not Impaired	Impaired					
(In millions of Korean Won)								
Beginning of the year	₩	227,949	₩	172,731	₩	200,333	₩	601,013
Transfer to 12-Month expected credit losses		71,911		(71,534)		(377)		-
Transfer to lifetime expected credit losses		(23,588)		23,850		(262)		-
Transfer to credit-impaired financial assets		(150,715)		(82,509)		233,224		-
Impairment loss (reversal)		152,129		189,260		253,553		594,942
Collection (write-off)		-		-		(364,824)		(364,824)
Disposals and others		(3,651)		-		(95,442)		(99,093)
Effect of foreign exchange differences		-		-		-		-
End of the year	₩	274,035	₩	231,798	₩	226,205	₩	732,038

Description	Others					Total others	Total Allowances			
	12-Month expected credit losses	Lifetime expected credit losses								
		Not Impaired	Impaired							
(In millions of Korean Won)										
Beginning of the year	₩	13,769	₩	9,783	₩	21,348	₩	44,900	₩	1,769,240
Transfer to 12-Month expected credit losses		4,059		(1,851)		(2,208)		-		-
Transfer to lifetime expected credit losses		(1,744)		2,178		(433)		1		1
Transfer to credit-impaired financial assets		(311)		(533)		843		(1)		(1)
Impairment loss (reversal)		1,549		4,559		5,838		11,946		1,529,993
Collection (write-off)		-		-		56		56		(1,155,045)
Disposals and others		-		-		-		-		(137,048)
Effect of foreign exchange differences		40		42		9		91		79,986
End of the year	₩	17,362	₩	14,178	₩	25,453	₩	56,993	₩	2,087,126

The changes in allowance for doubtful accounts of financial services receivables for the year ended December 31, 2023 are as follows.

2023 are as follows.

Description	Loan Obligations							
	12-Month expected credit losses		Lifetime expected credit losses		Total loan obligations			
			Not Impaired	Impaired				
	(In millions of Korean Won)							
Beginning of the year	₩	345,035	₩	501,419	₩	234,157	₩	1,080,611
Transfer to 12-Month expected credit losses		136,477		(132,123)		(4,354)		-
Transfer to lifetime expected credit losses		(36,319)		40,241		(3,922)		-
Transfer to credit-impaired financial assets		(3,001)		(10,807)		13,808		-
Impairment loss (reversal)		(32,630)		434,664		271,319		673,353
Collection (write-off)		(253)		(366,271)		(218,366)		(584,890)
Disposals and others		-		-		(54,462)		(54,462)
Effect of foreign exchange differences		4,710		3,965		40		8,715
End of the year	₩	414,019	₩	471,088	₩	238,220	₩	1,123,327

Description	Card receivables							
	12-Month expected credit losses		Lifetime expected credit losses		Total card receivables			
			Not Impaired	Impaired				
	(In millions of Korean Won)							
Beginning of the year	₩	189,841	₩	219,571	₩	178,791	₩	588,203
Transfer to 12-Month expected credit losses		84,210		(84,058)		(152)		-
Transfer to lifetime expected credit losses		(14,774)		15,177		(403)		-
Transfer to credit-impaired financial assets		(122,103)		(103,344)		225,447		-
Impairment loss (reversal)		92,337		125,385		205,181		422,903
Collection (write-off)		-		-		(389,551)		(389,551)
Disposals and others		(1,562)		-		(18,980)		(20,542)
Effect of foreign exchange differences		-		-		-		-
End of the year	₩	227,949	₩	172,731	₩	200,333	₩	601,013

Description	Others						Total Allowances			
	12-Month expected credit losses	Lifetime expected credit losses		Total others						
		Not Impaired	Impaired							
(In millions of Korean Won)										
Beginning of the year	₩	13,336	₩	8,974	₩	35,792	₩	58,102	₩	1,726,916
Transfer to 12-Month expected credit losses		4,100		(2,689)		(1,411)		-		-
Transfer to lifetime expected credit losses		(1,550)		1,948		(398)		-		-
Transfer to credit-impaired financial assets		(195)		(442)		637		-		-
Impairment loss (reversal)		(1,920)		1,993		2,152		2,225		1,098,481
Collection (write-off)		-		-		(15,424)		(15,424)		(989,865)
Disposals and others		-		-		-		-		(75,004)
Effect of foreign exchange differences		(2)		(1)		-		(3)		8,712
End of the year	₩	13,769	₩	9,783	₩	21,348	₩	44,900	₩	1,769,240

(4) Gross investments in financial leases and their present value of minimum lease receipts as of December 31, 2024 and December 31, 2023 are as follows.

Description	December 31, 2024		December 31, 2023	
	Gross investments in financial leases	Present value of minimum lease payment receivable	Gross investments in financial leases	Present value of minimum lease payment receivable
	(In millions of Korean Won)			
Not later than one year	₩ 822,450	₩ 674,930	₩ 809,793	₩ 676,940
Later than one year and not later than five years	1,850,015	1,636,485	1,535,881	1,354,786
Later than five years	46,795	41,623	22,215	19,309
	₩ 2,719,260	₩ 2,353,038	₩ 2,367,889	₩ 2,051,035

(5) Unearned interest income of financial leases as of December 31, 2024 and December 31, 2023 is as follows.

Description	December 31, 2024	December 31, 2023
	(In millions of Korean Won)	
Gross investments in financial lease	₩ 2,719,260	₩ 2,367,889
Net lease investments:		
Present value of minimum lease payment receivable	2,353,038	2,051,035
Present value of unguaranteed residual value	5,764	1,018
	2,358,802	2,052,053
Unearned interest income	₩ 360,458	₩ 315,836

15. BORROWINGS AND DEBENTURES:

(1) Short-term borrowings as of December 31, 2024 and December 31, 2023 are as follows.

Description	Lender	Annual interest rate	Amount	
		December 31, 2024	December 31, 2024	December 31, 2023
		(%)	(In millions of Korean Won)	
Overdrafts	Citi Bank and others	3M EURIBOR+0.45 ~5.73	₩ 322,899	₩ 177,130
General borrowings	Korea Development Bank and others	TIBOR+0.8~10.60	3,654,230	4,664,576
Borrowings collateralized by trade receivables	Shinhan Bank and others	2.91~4.86	501,960	-
Banker's Usance	KEB Hana Bank and others	0.72~5.44	380,575	308,187
Commercial paper	Shinhan Bank and others	3.42~4.72	4,467,475	3,785,655
Credit facilities	Korea Development Bank	-	-	100,000
			₩ 9,327,139	₩ 9,035,548

(2) Long-term debt as of December 31, 2024 and December 31, 2023 is as follows.

Description	Lender	Annual interest rate	Amount	
		December 31, 2024	December 31, 2024	December 31, 2023
		(%)	(In millions of Korean Won)	
General borrowings	Shinhan Bank and others	0.10~6.20	₩ 8,358,458	₩ 8,081,132
Credit facilities	KEB Hana Bank and others	4.21~9.13	27,600	40,200
Commercial paper	Kiwoom Securities and others	1.73~4.74	1,480,000	1,790,000
Asset-backed securities	HSBC and others	4.52~6.12	22,097,278	14,865,832
			31,963,336	24,777,164
Less: present value discounts			(108,403)	(164,297)
Less: current maturities			(7,569,388)	(7,043,107)
			₩ 24,285,545	₩ 17,569,760

(3) Debentures as of December 31, 2024 and December 31, 2023 are as follows.

Description	Latest maturity date	Annual interest rate	Amount	
		December 31, 2024	December 31, 2024	December 31, 2023
		(%)	(In millions of Korean Won)	
Non-guaranteed public debentures	March 29, 2032	1.00~6.63	₩ 37,437,533	₩ 33,702,908
Non-guaranteed private debentures	September 26, 2031	1.27~6.50	50,086,971	34,403,777
Asset-backed securities	February 17, 2032	0.60~6.01	28,053,433	23,189,001
			115,577,937	91,295,686
Less: discount on debentures			(270,649)	(196,142)
Less: current maturities			(19,172,825)	(18,066,051)
			₩ 96,134,463	₩ 73,033,493

16. PROVISIONS:

(1) Provisions as of December 31, 2024 and December 31, 2023 are as follows.

Description	December 31, 2024	December 31, 2023
	(In millions of Korean Won)	
Warranty	₩ 9,567,739	₩ 9,121,153
Other long-term employee benefits	675,435	637,190
Others	2,143,792	1,892,375
	₩ 12,386,966	₩ 11,650,718

(2) The changes in provisions for the year ended December 31, 2024 are as follows.

Description	Warranty (*)	Other long-term employee benefits	Others
	(In millions of Korean Won)		
Beginning of the year	₩ 9,121,153	₩ 637,190	₩ 1,892,375
Charged	3,356,793	125,489	1,360,773
Utilized	(3,229,923)	(87,478)	(1,272,875)
Effect of foreign exchange differences and others	319,716	234	163,519
End of the year	₩ 9,567,739	₩ 675,435	₩ 2,143,792

(*) During the year ended December 31, 2024, the Group updated the measurement of warranty provisions related to the recall of Theta 2 and other engines to reflect new information and a longer period of historical claim data.

The changes in provisions for the year ended December 31, 2023 are as follows.

Description	Warranty (*)	Other long-term employee benefits	Others
	(In millions of Korean Won)		
Beginning of the year	₩ 10,399,527	₩ 598,637	₩ 1,432,417
Charged	2,175,691	119,281	1,192,422
Utilized	(3,442,626)	(80,749)	(896,740)
Effect of foreign exchange differences and others	(11,439)	21	164,276
End of the year	₩ 9,121,153	₩ 637,190	₩ 1,892,375

(*) During the year ended December 31, 2023, the Group updated the measurement of warranty provisions related to the recall of Theta 2 and other engines to reflect new information and a longer period of historical claim data.

17. OTHER FINANCIAL LIABILITIES:

(1) Other financial liabilities as of December 31, 2024 are as follows.

Description	December 31, 2024	
	Current	Non-current
	(In millions of Korean Won)	
Financial liabilities measured at FVPL	₩ 35,213	₩ 133
Derivative liabilities that are effective hedging instruments	260,299	77,192
Financial Liabilities measured at amortized cost	626	3,551
	₩ 296,138	₩ 80,876

(2) Other financial liabilities as of December 31, 2023 are as follows.

Description	December 31, 2023			
	Current		Non-current	
	(In millions of Korean Won)			
Financial liabilities measured at FVPL	₩	35,241	₩	808
Derivative liabilities that are effective hedging instruments		20,909		172,047
Financial Liabilities measured at amortized cost		562		3,544
	₩	56,712	₩	176,399

18. OTHER LIABILITIES:

Other liabilities as of December 31, 2024 and December 31, 2023 are as follows.

Description	December 31, 2024		December 31, 2023	
	Current	Non-current	Current	Non-current
	(In millions of Korean Won)			
Advances received	₩ 1,158,693	₩ 128,898	₩ 1,154,776	₩ 105,755
Withholdings	1,365,211	299,506	1,232,665	271,117
Accrued expenses	4,812,810	-	4,481,203	-
Unearned income	1,441,984	5,681,562	1,248,837	4,026,192
Due to customers for contract work	1,796,804	-	1,636,127	-
Others	884,426	1,304,745	823,425	808,948
	₩ 11,459,928	₩ 7,414,711	₩ 10,577,033	₩ 5,212,012

19. FINANCIAL INSTRUMENTS:

(1) Financial assets by categories as of December 31, 2024 are as follows.

Description	Financial assets measured at FVPL	Financial assets measured at amortized cost	Financial assets measured at FVOCI	Derivative assets that are effective hedging instruments	Book value	Fair value
	(In millions of Korean Won)					
Cash and cash equivalents	₩ -	₩ 19,014,944	₩ -	₩ -	₩ 19,014,944	₩ 19,014,944
Short-term and long-term financial instruments	-	8,648,350	-	-	8,648,350	8,648,350
Trade notes and accounts receivable	-	6,180,290	-	-	6,180,290	6,180,290
Other receivables	-	2,912,999	-	-	2,912,999	2,912,999
Other financial assets	3,217,241	1,499,167	3,667,668	1,449,051	9,833,127	9,833,127
Other assets	935	692,109	-	-	693,044	693,044
Financial services receivables	-	127,840,444	-	-	127,840,444	125,672,620
	₩ 3,218,176	₩ 166,788,303	₩ 3,667,668	₩ 1,449,051	₩ 175,123,198	₩ 172,955,374

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Financial assets by categories as of December 31, 2023 are as follows

Description	Financial assets measured at FVPL	Financial assets measured at amortized cost	Financial assets measured at FVOCI	Derivative assets that are effective hedging instruments	Book value	Fair value
(In millions of Korean Won)						
Cash and cash equivalents	₩ -	₩ 19,166,619	₩ -	₩ -	₩ 19,166,619	₩ 19,166,619
Short-term and long-term financial instruments	-	7,494,934	-	-	7,494,934	7,494,934
Trade notes and accounts receivable	-	4,893,161	-	-	4,893,161	4,893,161
Other receivables	-	1,605,675	-	-	1,605,675	1,605,675
Other financial assets	2,867,455	609,106	2,989,422	760,016	7,225,999	7,225,999
Other assets	1,086	668,668	-	-	669,754	669,754
Financial services receivables	-	107,687,661	-	-	107,687,661	105,443,151
	<u>₩ 2,868,541</u>	<u>₩ 142,125,824</u>	<u>₩ 2,989,422</u>	<u>₩ 760,016</u>	<u>₩ 148,743,803</u>	<u>₩ 146,499,293</u>

(2) Financial liabilities by categories as of December 31, 2024 are as follows.

Description	Financial liabilities measured at FVPL	Financial liabilities measured at amortized cost	Derivative liabilities that are effective hedging instruments	Book value	Fair value
(In millions of Korean Won)					
Trade notes and accounts payable	₩ -	₩ 12,549,646	₩ -	₩ 12,549,646	₩ 12,549,646
Other payables	-	8,344,629	-	8,344,629	8,344,629
Borrowings and debentures	572,119	155,917,241	-	156,489,360	156,888,178
Other financial liabilities	35,346	4,177	337,491	377,014	377,014
Lease liabilities	-	1,262,105	-	1,262,105	1,262,105
Other liabilities	-	4,543,759	-	4,543,759	4,543,759
	<u>₩ 607,465</u>	<u>₩ 182,621,557</u>	<u>₩ 337,491</u>	<u>₩ 183,566,513</u>	<u>₩ 183,965,331</u>

Financial liabilities by categories as of December 31, 2023 are as follows.

Description	Financial liabilities measured at FVPL	Financial liabilities measured at amortized cost	Derivative liabilities that are effective hedging instruments	Book value	Fair value
(In millions of Korean Won)					
Trade notes and accounts payable	₩ -	₩ 10,952,046	₩ -	₩ 10,952,046	₩ 10,952,046
Other payables	-	7,560,541	-	7,560,541	7,560,541
Borrowings and debentures	29,705	124,718,254	-	124,747,959	124,403,404
Other financial liabilities	36,049	4,106	192,956	233,111	233,111
Lease liabilities	-	1,058,402	-	1,058,402	1,058,402
Other liabilities	-	4,267,077	-	4,267,077	4,267,077
	<u>₩ 65,754</u>	<u>₩ 148,560,426</u>	<u>₩ 192,956</u>	<u>₩ 148,819,136</u>	<u>₩ 148,474,581</u>

(3) Fair value estimation

The Group categorizes the assets and liabilities measured at fair value into the following three-level fair value hierarchy in accordance with the inputs used for fair value measurement.

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Fair value measurements of financial instruments by fair value hierarchy levels as of December 31, 2024 are as follows.

Description	December 31, 2024			
	Level 1	Level 2	Level 3	Total
	(In millions of Korean Won)			
Financial assets:				
Financial assets measured at FVPL	₩ 54,030	₩ 2,528,751	₩ 635,395	₩ 3,218,176
Derivative assets that are effective hedging instruments	-	1,449,051	-	1,449,051
Financial assets measured at FVOCI	1,982,040	813,656	871,972	3,667,668
	<u>₩ 2,036,070</u>	<u>₩ 4,791,458</u>	<u>₩ 1,507,367</u>	<u>₩ 8,334,895</u>
Financial liabilities:				
Financial liabilities measured at FVPL	₩ -	₩ 542,852	₩ 64,613	₩ 607,465
Derivative liabilities that are effective hedging instruments	-	337,333	158	337,491
	<u>₩ -</u>	<u>₩ 880,185</u>	<u>₩ 64,771</u>	<u>₩ 944,956</u>

Fair value measurements of financial instruments by fair value hierarchy levels as of December 31, 2023 are as follows.

Description	December 31, 2023			
	Level 1	Level 2	Level 3	Total
	(In millions of Korean Won)			
Financial assets:				
Financial assets measured at FVPL	₩ 54,853	₩ 2,401,437	₩ 412,251	₩ 2,868,541
Derivative assets that are effective hedging instruments	-	760,016	-	760,016
Financial assets measured at FVOCI	1,599,823	580,478	809,121	2,989,422
	<u>₩ 1,654,676</u>	<u>₩ 3,741,931</u>	<u>₩ 1,221,372</u>	<u>₩ 6,617,979</u>
Financial liabilities:				
Financial liabilities measured at FVPL	₩ -	₩ 5,318	₩ 60,436	₩ 65,754
Derivative liabilities that are effective hedging instruments	-	191,803	1,153	192,956
	<u>₩ -</u>	<u>₩ 197,121</u>	<u>₩ 61,589</u>	<u>₩ 258,710</u>

The changes in financial instruments classified as Level 3 for the year ended December 31, 2024 are as follows.

Description	Beginning of the period	Purchases	Disposals	Valuation	Others	End of the period
(In millions of Korean Won)						
Financial assets measured at FVPL	₩ 412,251	₩ 279,473	₩ (41,355)	₩ 23,053	₩ (38,027)	₩ 635,395
Financial assets measured at FVOCI	809,121	9,600	(8,571)	53,480	8,342	871,972
Financial liabilities measured at FVPL	60,436	-	-	4,422	(245)	64,613
Derivative liabilities that are effective hedging instruments	1,153	-	-	(995)	-	158

The changes in financial instruments classified as Level 3 for the year ended December 31, 2023 are as follows.

Description	Beginning of the period	Purchases	Disposals	Valuation	Others	End of the period
(In millions of Korean Won)						
Financial assets measured at FVPL	₩ 268,620	₩ 136,235	₩ (13,487)	₩ 14,398	₩ 6,485	₩ 412,251
Financial assets measured at FVOCI	893,964	725	(27,995)	(54,502)	(3,071)	809,121
Financial liabilities measured at FVPL	200,227	-	-	11,833	(151,624)	60,436
Derivative liabilities that are effective hedging instruments	1,935	-	-	(782)	-	1,153

(4) Financial assets and liabilities subject to offsetting, and financial instruments subject to an enforceable master netting arrangement or similar agreement as of December 31, 2024 are as follows.

Description	Gross amounts of recognized financial assets and liabilities set off in the consolidated statement of financial position	Gross amounts of recognized financial assets and liabilities	Net amounts of financial assets and liabilities presented in the consolidated statement of financial position	Related amounts not set off in the consolidated statement of financial position - financial instruments	Related amounts not set off in the statement of financial position - collateral received (pledged)	Net amounts
(In millions of Korean Won)						
Financial assets:						
Trade notes and accounts receivable	₩ 6,535,825	₩ 355,535	₩ 6,180,290	₩ -	₩ -	₩ 6,180,290
Other receivables	3,612,921	699,922	2,912,999	-	-	2,912,999
Financial assets measured at FVPL	21,504	-	21,504	-	-	21,504
Derivative assets that are effective hedging instruments (*)	1,449,051	-	1,449,051	19,108	-	1,429,943
	<u>₩ 11,619,301</u>	<u>₩ 1,055,457</u>	<u>₩ 10,563,844</u>	<u>₩ 19,108</u>	<u>₩ -</u>	<u>₩ 10,544,736</u>
Financial liabilities:						
Trade notes and accounts payable	₩ 13,237,698	₩ 688,052	₩ 12,549,646	₩ -	₩ -	₩ 12,549,646
Other payables	8,712,034	367,405	8,344,629	-	-	8,344,629
Financial liabilities measured at FVPL	607,465	-	607,465	-	-	607,465
Derivative liabilities that are effective hedging instruments (*)	337,491	-	337,491	19,108	-	318,383
	<u>₩ 22,894,688</u>	<u>₩ 1,055,457</u>	<u>₩ 21,839,231</u>	<u>₩ 19,108</u>	<u>₩ -</u>	<u>₩ 21,820,123</u>

(*) These are derivative assets and liabilities that the Group may have the right to offset in the event of default, insolvency or bankruptcy of the counterparty although these do not meet the criteria of offsetting under KIFRS 1032.

Financial assets and liabilities, subject to offsetting, and financial instruments subject to an enforceable master netting arrangement or similar agreement as of December 31, 2023 are as follows.

Description	Gross amounts of recognized financial assets and liabilities	Gross amounts of recognized financial assets and liabilities set off in the consolidated statement of financial position	Net amounts of financial assets and liabilities presented in the consolidated statement of financial position	Related amounts not set off in the consolidated statement of financial position - financial instruments	Related amounts not set off in the statement of financial position - collateral received (pledged)	Net amounts
(In millions of Korean Won)						
Financial assets:						
Trade notes and accounts receivable	₩ 5,192,922	₩ 299,761	₩ 4,893,161	₩ -	₩ -	₩ 4,893,161
Other receivables	2,786,530	1,180,855	1,605,675	-	-	1,605,675
Financial assets measured at FVPL	33,107	-	33,107	14	-	33,093
Derivative assets that are effective hedging instruments (*)	760,016	-	760,016	100,723	-	659,293
	<u>₩ 8,772,575</u>	<u>₩ 1,480,616</u>	<u>₩ 7,291,959</u>	<u>₩ 100,737</u>	<u>₩ -</u>	<u>₩ 7,191,222</u>
Financial liabilities:						
Trade notes and accounts payable	₩ 12,130,201	₩ 1,178,155	₩ 10,952,046	₩ -	₩ -	₩ 10,952,046
Other payables	7,863,002	302,461	7,560,541	-	-	7,560,541
Financial liabilities measured at FVPL	65,754	-	65,754	14	-	65,740
Derivative liabilities that are effective hedging instruments (*)	192,956	-	192,956	100,723	-	92,233
	<u>₩ 20,251,913</u>	<u>₩ 1,480,616</u>	<u>₩ 18,771,297</u>	<u>₩ 100,737</u>	<u>₩ -</u>	<u>₩ 18,670,560</u>

(*) These are derivative assets and liabilities that the Group may have the right to offset in the event of default, insolvency or bankruptcy of the counterparty although these do not meet the criteria of offsetting under KIFRS 1032.

(5) Interest income, dividend income and interest expenses by categories of financial instruments for the year ended December 31, 2024 are as follows.

Description	2024		
	Interest income	Dividend income	Interest expenses
(In millions of Korean Won)			
Non-financial services:			
Financial assets measured at amortized cost	₩ 959,961	₩ -	₩ -
Financial assets measured at FVPL	20,803	-	-
Financial assets measured at FVOCI	-	88,096	-
Financial liabilities measured at FVPL	-	-	6,657
Financial liabilities measured at amortized cost	-	-	313,279
	<u>₩ 980,764</u>	<u>₩ 88,096</u>	<u>₩ 319,936</u>
Financial services:			
Financial assets measured at amortized cost	₩ 6,211,894	₩ -	₩ -
Financial assets measured at FVPL	65,419	785	-
Financial assets measured at FVOCI	155	-	-
Financial liabilities measured at amortized cost	-	-	5,904,022
Financial liabilities measured at FVPL	-	-	11,823
	<u>₩ 6,277,468</u>	<u>₩ 785</u>	<u>₩ 5,915,845</u>

Interest income, dividend income and interest expenses by categories of financial instruments for the year ended December 31, 2023 are as follows.

Description	2023		
	Interest income	Dividend income	Interest expenses
(In millions of Korean Won)			
Non-financial services:			
Financial assets measured at amortized cost	₩ 937,276	₩ -	₩ -
Financial assets measured at FVPL	60,379	-	-
Financial assets measured at FVOCI	-	79,127	-
Financial liabilities measured at amortized cost	-	-	542,172
	<u>₩ 997,655</u>	<u>₩ 79,127</u>	<u>₩ 542,172</u>
Financial services:			
Financial assets measured at amortized cost	₩ 4,676,007	₩ -	₩ -
Financial assets measured at FVPL	100,025	707	-
Financial assets measured at FVOCI	557	-	-
Financial liabilities measured at amortized cost	-	-	3,971,993
	<u>₩ 4,776,589</u>	<u>₩ 707</u>	<u>₩ 3,971,993</u>

- (6) The commission income (financial services revenue) arising from financial assets or liabilities other than financial assets or liabilities measured at FVPL for the years ended December 31, 2024 and 2023 are ₩1,382,151 million and ₩1,263,422 million, respectively. In addition, the fee expenses (cost of sales from financial services) related to financial assets or liabilities other than financial assets or liabilities measured at FVPL for the years ended December 31, 2024 and 2023 are ₩546,417 million and ₩489,309 million, respectively.
- (7) The Group recognizes transfers between levels of the fair value hierarchy at the date of the event or change in circumstances that caused the transfer. There are no significant transfers between Level 1 and Level 2 for the year ended December 31, 2024.
- (8) Descriptions of the valuation techniques and the inputs used in the fair value measurements categorized within Level 2 and Level 3 of the fair value hierarchy are as follows.

- Currency forwards, options and swap

Fair value of currency forwards, options and swap is measured based on forward exchange rate quoted in the current market at the end of the reporting period, which has the same remaining period of derivatives to be measured. If the forward exchange rate, which has the same remaining period of currency forwards, options and swap, is not quoted in the current market, fair value is measured using estimates of similar period of forward exchange rate by applying interpolation method with quoted forward exchange rates.

As the inputs used to measure fair value of currency forwards, options and swap are supported by observable market data, such as forward exchange rates, the Group classifies the estimates of fair value measurements of the currency forwards, options and swap as Level 2 of the fair value hierarchy.

- Interest rate swap

The discount rate and forward interest rate used to measure the fair value of interest rate swap are determined based on an applicable yield curve derived from interest quoted in the current market at the end of the reporting period. The fair value of interest rate swap was measured as a discount on the estimated future cash flows of interest rate swap based on forward interest rates derived from the above method at an appropriate discount rate.

As the inputs used to measure fair value of interest rate swap are supported by observable market data, such as yield curves, the Group classifies the estimates of fair value measurements of the interest rate swap as Level 2 of the fair value hierarchy.

- Debt instruments including corporate bonds

Fair value of debt instruments including corporate bonds is measured applying discounted cash flow method. The rate used to discount cash flows is determined based on swap rate and credit spreads of debt instruments, which have the similar credit rating and period quoted in the current market with those of debt instruments including corporate bonds that should be measured. The Group classifies fair value measurements of debt instruments including corporate bonds as Level 2 of the fair-value hierarchy since the rate, which has significant effects on fair value of debt instruments including corporate bonds, is based on observable market data.

- Unlisted equity securities

Fair value of unlisted equity securities is measured using discounted cash flow projection and market approach, and as for discounted cash flow projections, certain assumptions not based on observable market prices or rate, such as sales growth rate, pre-tax operating income ratio and discount rate based on business plan and circumstance of industry, are used to estimate the future cash flow. The discount rate used to discount the future cash flows, is calculated by applying the Capital Asset Pricing Model, using the data of similar listed companies. The Group determines that the effect of estimation and assumptions referred above affecting fair value of unlisted equity securities is significant and classifies fair value measurements of unlisted securities as Level 3 of the fair value hierarchy.

- Redeemable convertible preference share

Fair value of redeemable convertible preference share is measured based on the fair value, exercise price, maturity, and the stock price volatility up to the maturity of the underlying asset, using the binomial option pricing model. The discount rate used in the binomial option pricing model is applied by converting the rate of return on corporate bonds with equivalent credit rating corresponding to the remaining maturity into a continuously compounding discount rate, and the stock price volatility up to maturity uses historical volatility of proxy companies in similar industries in response to the remaining maturity. The fair value of the underlying asset is assumed to be maintained until the end of the current period after estimating the underlying asset value on the contracted date by inverting the underlying asset value inherent in the terms of the transaction on the premise that the acquisition of related shares is an orderly transaction and traded at fair value. The Group classifies the fair value measurement of redeemable convertible preference share as Level 3 in the fair value hierarchy based on the conclusion that the effect of the above assumptions and estimates on the fair value of redeemable convertible preference share is significant.

- (9) The quantitative information about significant unobservable inputs used in the fair value measurements categorized within Level 3 of the fair value hierarchy and the description of relationships of significant unobservable inputs to the fair value are as follows:

Description	Fair value at December 31, 2024 (In millions of Korean Won)	Valuation techniques	Unobservable inputs	Range	Description of relationship
Unlisted equity securities and others	₩ 1,507,367	Discounted cash flow and others	Sales growth rate Pre-tax operating profit margin ratio Discount rate	-0.8% ~ 1.3% 0.4% ~ 3.4% 6.8%	If the sales growth rate and the pre-tax operating profit margin ratio increase, and the discount rate declines, the fair value increases

Description	Fair value at December 31, 2024 (In millions of Korean Won)	Valuation techniques	Unobservable inputs	Range	Description of relationship
Redeemable convertible preference share and others	₩ 64,771	Binomial option pricing model and others	Risk discount rate Risk free discount rate Stock price volatility	25.4% 2.8% 77.2%	If the discount rate declines and stock price volatility increases, the fair value increases

The Group does not expect changes in significant unobservable inputs would have a significant impact on the fair value, taking into account reasonable alternative assumptions.

(10) Supplier financing agreement

The Group uses supplier financing agreements to manage working capital efficiently in transactions with specific suppliers. Under these agreements, financial institutions prepay amounts to suppliers based on the Group's credit, and the Group repays the financial institutions after a certain period of time. The amounts directly paid by the financial institution to suppliers under the agreements are recognized as either the Group's borrowings or accounts payable.

Major financial institutions	Interest rate
Shinhan Bank, Industrial Bank of Korea and others	4.18% ~ 6.01%

- 1) Book values of financial liabilities and items presented in the consolidated statements of financial position as of December 31, 2024 are as follows.

Description	December 31, 2024 (In millions of Korean Won)
Trade notes and accounts payable and others	₩ 4,929,285
Amounts received by suppliers	587,300
Borrowings	₩ 16,282
Amounts received by suppliers	16,282

- 2) Ranges of payment due dates of financial liabilities subject to supplier financing agreements and those of comparable trade notes and accounts payable not subject to supplier financing agreements are as follows.

Items in consolidated statements of financial position	Range of payment due date
Financial liabilities subject to supplier financing agreements	30~182 days
Comparable trade notes and accounts payable not related to supplier financing agreements	30~90 days

- 3) Significant changes in non-cash transactions in trade notes, accounts and other payables that are part of supplier financing agreements for the year ended December 31, 2024 are ₩60,352 million.

20. CAPITAL STOCK AND CAPITAL SURPLUS:

The Company's number of shares authorized is 600,000,000 shares. Common stock and preferred stock as of December 31, 2024 and December 31, 2023 are as follows.

(1) Common stock

Description	December 31, 2024	December 31, 2023
	(In millions of Korean Won, except par value)	
Issued	209,416,191 shares	211,531,506 shares
Par value	₩ 5,000	₩ 5,000
Capital stock	1,157,982	1,157,982

The Company completed stock retirement of 10,000,000, 1,320,000, 6,608,292, 2,136,681 and 2,115,315 common shares as of March 5, 2001, May 4, 2004, July 27, 2018, February 3, 2023 and March 27, 2024, respectively. Due to these stock retirements, the total face value of outstanding stock differs from the capital stock amount as of December 31, 2024 and December 31, 2023.

(2) Preferred stock

Description	Par value	Issued	Korean Won	Dividend rate
			(In millions of Korean Won)	
1 st preferred stock	₩ 5,000	23,871,988 shares	₩ 125,550	Dividend rate of common stock + 1%
2 nd preferred stock	"	35,759,391 shares	193,069	The lowest stimulated dividend rate: 2%
3 rd preferred stock	"	2,380,404 shares	12,392	The lowest stimulated dividend rate: 1%
		62,011,783 shares	₩ 331,011	

As of March 5, 2001, the Company retired 1,000,000 second preferred shares and as of July 27, 2018, the Company retired 753,297 first preferred shares, 1,128,414 second preferred shares and 49,564 third preferred shares and as of February 3, 2023, the Company retired 243,566 first preferred shares, 364,854 second preferred shares and 24,287 third preferred shares. As of March 27, 2024, the Company retired 241,131 first preferred shares, 361,206 second preferred shares and 24,044 third preferred shares. Due to the stock retirement, the total face value of outstanding stock differs from the capital stock amount.

(3) Capital surplus as of December 31, 2024 and December 31, 2023 is as follows.

Description	December 31, 2024	December 31, 2023
	(In millions of Korean Won)	
Paid-in capital in excess of par value	₩ 3,321,334	₩ 3,321,334
Others (*)	4,334,956	1,057,155
	₩ 7,656,290	₩ 4,378,489

(*) As the Company sold 17.5% of its shares in HYUNDAI MOTOR INDIA LIMIED, other capital surplus increased by ₩3,069,080 million and non-controlling interests increased by ₩ 359,581 million.

21. OTHER CAPITAL ITEMS:

Other capital items consist of treasury stocks purchased for the stabilization of stock price. The number of treasury stocks as of December 31, 2024 and December 31, 2023 is as follows.

Description	December 31, 2024	December 31, 2023
	(Number of shares)	
Common stock	4,468,561	7,700,625
1 st preferred stock	2,017,779	2,186,993
2 nd preferred stock	1,099,885	1,353,570
3 rd preferred stock	31,689	48,574

(*) As part of share-based compensation plans, the Company may pay its executives and employees with treasury stocks that are immediately vested upon grant as their bonus, depending on its business performance. The Company paid 2,079,245 shares of common treasury stocks during the year ended December 31, 2024.

22. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS):

(1) Accumulated other comprehensive loss as of December 31, 2024 is as follows.

Description	December 31, 2024
	(In millions of Korean Won)
Gain on valuation of financial assets measured at FVOCI	₩ 697,498
Loss on valuation of financial assets measured at FVOCI	(583,261)
Gain on valuation of cash flow hedge derivatives	5,154
Loss on valuation of cash flow hedge derivatives	(250,217)
Gain on share of the other comprehensive income of equity-accounted investees	1,613,433
Loss on share of the other comprehensive income of equity-accounted investees	(63,346)
Gain on foreign operations translation, net	2,793,633
	₩ 4,212,894

Accumulated other comprehensive income as of December 31, 2023 is as follows.

Description	December 31, 2023
	(In millions of Korean Won)
Gain on valuation of financial assets measured at FVOCI	₩ 366,933
Loss on valuation of financial assets measured at FVOCI	(596,940)
Gain on valuation of cash flow hedge derivatives	96,683
Loss on valuation of cash flow hedge derivatives	(62,194)
Gain on share of the other comprehensive income of equity-accounted investees	239,708
Loss on share of the other comprehensive income of equity-accounted investees	(411,142)
Loss on foreign operations translation, net	(471,940)
	₩ (838,892)

23. RETAINED EARNINGS:

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

Description	December 31, 2024		December 31, 2023	
	(In millions of Korean Won)			
Legal reserve (*)	₩	744,836	₩	744,836
Discretionary reserve		53,466,696		49,710,496
Unappropriated		42,384,136		38,210,473
	₩	96,595,668	₩	88,665,805

(*) The Commercial Code of the Republic of Korea requires the Company to appropriate as a legal reserve, a minimum of 10% of annual cash dividends declared, until such reserve equals 50% of its capital stock issued. The reserve is not available for the payment of cash dividends, but may be transferred to capital stock or used to reduce accumulated deficit, if any.

Appraisal gains, amounting to ₩1,852,871 million, derived from asset revaluation pursuant to the Asset Revaluation Law of Korea are included in retained earnings. It may be only transferred to capital stock or used to reduce accumulated deficit, if any.

(2) The computation of the interim dividends of the controlling company for the year ended December 31, 2024 is as follows.

Description	Common stock	1 st Preferred stock	2 nd Preferred stock	3 rd Preferred stock
	(In millions of Korean Won, except per share amounts)			
Par value per share	₩ 5,000	₩ 5,000	₩ 5,000	₩ 5,000
Shares, net of treasury stocks	204,525,667	21,926,000	34,767,000	2,356,000
Dividends per share	₩ 6,000	₩ 6,000	₩ 6,000	₩ 6,000
Dividend rate	120%	120%	120%	120%
Dividends declared	1,227,153	131,556	208,602	14,136

The computation of the interim dividends of the controlling company for the year ended December 31, 2023 is as follows.

Description	Common stock	1 st Preferred stock	2 nd Preferred stock	3 rd Preferred stock
	(In millions of Korean Won, except per share amounts)			
Par value per share	₩ 5,000	₩ 5,000	₩ 5,000	₩ 5,000
Shares, net of treasury stocks	202,875,846	21,926,126	34,767,027	2,355,874
Dividends per share	₩ 3,000	₩ 3,000	₩ 3,000	₩ 3,000
Dividend rate	60%	60%	60%	60%
Dividends declared	608,628	65,778	104,301	7,068

- (3) The computation of the proposed dividends of the controlling company for the year ended December 31, 2024 is as follows.

Description	Common stock	1 st Preferred stock	2 nd Preferred stock	3 rd Preferred stock
(In millions of Korean Won, except per share amounts)				
Par value per share	₩ 5,000	₩ 5,000	₩ 5,000	₩ 5,000
Shares, net of treasury stocks	202,003,581	21,633,818	34,329,160	2,326,726
Dividends per share	₩ 6,000	₩ 6,050	₩ 6,100	₩ 6,050
Dividend rate	120%	121%	122%	121%
Dividends declared	1,212,021	130,885	209,408	14,077

The computation of the proposed dividends of the controlling company for the year ended December 31, 2023 is as follows.

Description	Common stock	1 st Preferred stock	2 nd Preferred stock	3 rd Preferred stock
(In millions of Korean Won, except per share amounts)				
Par value per share	₩ 5,000	₩ 5,000	₩ 5,000	₩ 5,000
Shares, net of treasury stocks	203,830,881	21,926,126	34,767,027	2,355,874
Dividends per share	₩ 8,400	₩ 8,450	₩ 8,500	₩ 8,450
Dividend rate	168%	169%	170%	169%
Dividends declared	1,712,179	185,276	295,520	19,907

24. **HYBRID BOND:**

- (1) HYUNDAI CARD CO., LTD., a subsidiary of the Company, issued hybrid bond and the Group classified it as equity (non-controlling interests). As of December 31, 2024, hybrid bond is as follows.

Description	Issue date	Maturity date	Annual interest rate (%)	December 31, 2024 (In millions of Korean Won)
The 876th Hybrid Tier 1 (Private)	July 12, 2023	July 12, 2053	6.00	₩ 160,000
The 898th Hybrid Tier 1 (Private)	January 31, 2024	January 31, 2054	5.56	120,000
The 899th Hybrid Tier 1 (Private)	February 1, 2024	February 1, 2054	5.56	20,000
Issue cost				(770)
				₩ 299,230

- (2) As of December 31, 2024, the conditions of hybrid bond that HYUNDAI CARD CO., LTD., a subsidiary of the Company issued are as follows.

	Description
Maturity	Thirty years (Maturity extension is possible according to the issuer's decision upon maturity)
Interest rate	For five years from issue date : An annual fixed interest rate 6% and 5.56% Increase of 2% after five years which is limited to one time only in accordance with Step-up clause
Interest payment condition	Three months, optional postponement of payment
Others	Repayment before maturity by issuer is available after five years from issue date

25. SALES:

(1) Sales for the years ended December 31, 2024 and 2023 are as follows.

Description	2024	2023
	(In millions of Korean Won)	
Sales of goods	₩ 144,858,593	₩ 138,208,356
Rendering of services	5,056,538	4,389,945
Royalties	235,048	226,785
Financial services revenue	19,936,264	15,610,287
Revenue related to construction contracts	4,201,222	3,455,105
Others	943,488	773,101
	₩ 175,231,153	₩ 162,663,579

(2) As of December 31, 2024, the aggregate transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligation that is expected to be recognized as revenue in future periods is as follows.

Description	Within a year	After a year
	(In millions of Korean Won)	
Deferred revenue and others	₩ 2,663,184	₩ 5,612,912

26. SELLING AND ADMINISTRATIVE EXPENSES:

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

Description	2024	2023
	(In millions of Korean Won)	
Selling expenses:		
Export expenses	₩ 91,779	₩ 89,186
Overseas market expenses	432,848	415,139
Advertisements and sales promotion	3,526,843	3,419,523
Sales commissions	1,080,661	1,047,374
Expenses for warranties	3,953,667	2,303,658
Transportation expenses	111,861	110,129
	9,197,659	7,385,009
Administrative expenses:		
Payroll	4,255,974	3,770,106
Post-employment benefits	193,553	144,828
Welfare expenses	744,540	622,375
Service charges	2,437,464	2,014,392
Research	2,373,481	2,163,445
Others	2,306,944	2,257,340
	12,311,956	10,972,486
	₩ 21,509,615	₩ 18,357,495

27. FINANCE INCOME AND EXPENSES:

(1) Finance income for the years ended December 31, 2024 and 2023 is as follows.

Description	2024	2023
	(In millions of Korean Won)	
Interest income	₩ 980,764	₩ 997,655
Gain on foreign exchange transactions	170,587	166,513
Gain on foreign currency translation	249,384	275,411
Dividend income	88,096	79,127
Gain on derivatives	32,078	33,769
Others	10,339	7,063
	₩ 1,531,248	₩ 1,559,538

(2) Finance expenses for the years ended December 31, 2024 and 2023 are as follows.

Description	2024	2023
	(In millions of Korean Won)	
Interest expenses	₩ 451,498	₩ 557,532
Loss on foreign exchange transactions	61,555	152,264
Loss on foreign currency translation	304,979	204,700
Loss on derivatives and others	80,519	56,204
	₩ 898,551	₩ 970,700

28. OTHER INCOME AND EXPENSES:

(1) Other income for the years ended December 31, 2024 and 2023 is as follows.

Description	2024	2023
	(In millions of Korean Won)	
Gain on foreign exchange transactions	₩ 607,327	₩ 686,182
Gain on foreign currency translation	971,622	476,230
Gain on disposals of PP&E	31,464	42,185
Commission income	17,982	15,957
Rental income	50,914	104,676
Others	388,221	457,103
	₩ 2,067,530	₩ 1,782,333

(2) Other expenses for the years ended December 31, 2024 and 2023 are as follows.

Description	2024	2023
	(In millions of Korean Won)	
Loss on foreign exchange transactions	₩ 434,669	₩ 614,114
Loss on foreign currency translation	902,735	483,390
Loss on disposals of PP&E	151,702	262,940
Donations	155,152	178,367
Others	628,157	811,532
	₩ 2,272,415	₩ 2,350,343

29. EXPENSES BY NATURE:

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

Description	2024	2023
	(In millions of Korean Won)	
Changes in inventories	₩ (1,075,920)	₩ (2,569,963)
Raw materials and merchandise used	94,515,771	93,205,106
Employee benefits	13,479,639	12,078,050
Depreciation	3,397,606	3,283,730
Amortization	889,400	1,662,765
Others	52,057,480	42,227,333
Total (*)	₩ 163,263,976	₩ 149,887,021

(*) Sum of cost of sales, selling and administrative expenses and other expenses in the consolidated statements of income.

30. EARNINGS PER COMMON STOCK AND PREFERRED STOCK:

Basic earnings per common stock and preferred stock are computed by dividing profit available to common stock and preferred stock by the weighted-average number of common stock and preferred stock outstanding during the year. The Group does not compute diluted earnings per common stock for the years ended December 31, 2024 and 2023, since there are no dilutive items during the years.

Basic earnings per common stock and preferred stock for the years ended December 31, 2024 and 2023 are computed as follows.

(1) Basic earnings per common stock and preferred stock attributable to the owners of the Company.

Description	For the year ended December 31, 2024			For the year ended December 31, 2023		
	Profit attributable to share	Weighted-average number of shares outstanding (*1)	Basic earnings per share	Profit attributable to share	Weighted-average number of shares outstanding (*1)	Basic earnings per share
	(In millions of Korean Won, except per share amounts)					
Common stock	₩ 9,728,049	204,307,968	₩ 47,615	₩ 9,271,196	202,857,418	₩ 45,703
1 st Preferred stock (*2)	1,038,425	21,922,119	47,369	998,401	21,926,126	45,535
2 nd Preferred stock	1,648,615	34,761,048	47,427	1,584,846	34,767,027	45,585
3 rd Preferred stock	111,602	2,355,476	47,379	107,274	2,355,874	45,535

(*1) Weighted-average number of shares outstanding includes the effects of treasury stock transactions.

(*2) 1st preferred stock meets the definition of 'ordinary shares' as defined in KIFRS 1033 'Earnings per Share'.

(2) Basic earnings per common stock and preferred stock from continuing operations attributable to the owners of the Company.

Description	For the year ended December 31, 2024			For the year ended December 31, 2023		
	Profit attributable to share	Weighted-average number of shares outstanding (*1)	Basic earnings per share	Profit attributable to share	Weighted-average number of shares outstanding (*1)	Basic earnings per share
	(In millions of Korean Won, except per share amounts)					
Common stock	₩ 9,976,076	204,307,968	₩ 48,829	₩ 9,660,450	202,857,418	₩ 47,622
1 st Preferred stock (*2)	1,064,873	21,922,119	48,575	1,040,273	21,926,126	47,445
2 nd Preferred stock	1,690,560	34,761,048	48,634	1,651,240	34,767,027	47,495
3 rd Preferred stock	114,444	2,355,476	48,586	111,773	2,355,874	47,445

(*1) Weighted-average number of shares outstanding includes the effects of treasury stock transactions.

(*2) 1st preferred stock meets the definition of 'ordinary shares' as defined in KIFRS 1033 'Earnings per Share'.

- (3) Basic earnings per common stock and preferred stock from discontinued operations attributable to the owners of the Company.

Description	For the year ended December 31, 2024			For the year ended December 31, 2023		
	Profit attributable to share	Weighted-average number of shares outstanding (*1)	Basic earnings per share	Profit attributable to share	Weighted-average number of shares outstanding (*1)	Basic earnings per share
(In millions of Korean Won, except per share amounts)						
Common stock	₩ (248,027)	204,307,968	₩ (1,214)	₩ (389,254)	202,857,418	₩ (1,919)
1 st Preferred stock (*2)	(26,448)	21,922,119	(1,206)	(41,872)	21,926,126	(1,910)
2 nd Preferred stock	(41,945)	34,761,048	(1,207)	(66,394)	34,767,027	(1,910)
3 rd Preferred stock	(2,842)	2,355,476	(1,207)	(4,499)	2,355,874	(1,910)

(*1) Weighted-average number of shares outstanding includes the effects of treasury stock transactions.

(*2) 1st preferred stock meets the definition of 'ordinary shares' as defined in KIFRS 1033 *Earnings per Share*.

31. INCOME TAX EXPENSE:

- (1) The components of income tax expense for the years ended December 31, 2024 and 2023 are as follows.

Description	2024	2023
(In millions of Korean Won)		
Current tax expense	₩ 3,914,549	₩ 3,696,557
Adjustments recognized in the current year in relation to the prior years	(136,683)	326,989
Changes in deferred taxes relating to		
Temporary differences	909,479	(541,666)
Tax losses and tax credits	(1,382,606)	585,233
Items that are charged or credited directly to equity	1,019,790	95,778
Effect of foreign exchange differences and others	(64,088)	442,093
Income tax expense	₩ 4,260,441	₩ 4,604,984
Income tax expense on continuing operations	4,232,418	4,626,640
Income tax expense (benefit) on discontinued operations	28,023	(21,656)

(*) The Group applies KIFRS 1012 for the temporary exception to deferred income tax, so does not recognize deferred tax assets and liabilities related to Pillar Two Model Rules and does not disclose the related information. Since the Group has been subject to the safe harbor relief in jurisdictions where the Group operates or the Pillar Two effective tax rate is 15% or higher, the Group expects that Pillar Two Model Rules would not affect its income tax for the year ended December 31, 2024.

- (2) The reconciliation from profit before income tax to income tax expense for the years ended December 31, 2024 and 2023 are as follows.

Description	2024	2023
	(In millions of Korean Won)	
Profit before income tax from continuing operations	₩ 17,781,436	₩ 17,618,662
Profit before income tax from discontinued operations	(291,087)	(741,376)
Profit before income tax	17,490,349	16,877,286
Income tax expense calculated at the applicable tax rates of 34.2% in 2024 and 28.1% in 2023	5,986,200	4,739,431
Adjustments:		
Non-taxable income	(1,301,954)	(1,026,127)
Non-deductible expenses	124,437	127,372
Tax credits	(1,133,356)	(366,809)
Others	585,114	1,131,117
	(1,725,759)	(134,447)
Income tax expense	₩ 4,260,441	₩ 4,604,984
Income tax expense on continuing operation	4,232,418	4,626,640
Income tax expense (benefit) on discontinued operation	28,023	(21,656)
Effective tax rate	24.4%	27.3%

(3) The changes in deferred tax assets (liabilities) for the year ended December 31, 2024 are as follows.

Description	Beginning of the year	Changes	End of the year
	(In millions of Korean Won)		
Provisions	₩ 2,918,278	₩ 519,057	₩ 3,437,335
Financial assets measured at FVPL	(9,822)	593	(9,229)
Financial assets measured at FVOCI	(33,319)	(74,930)	(108,249)
Investment of subsidiaries, associates and joint ventures	(1,898,652)	(191,490)	(2,090,142)
Derivatives	(41,866)	123,493	81,627
PP&E	(5,311,553)	(1,535,577)	(6,847,130)
Accrued income	(17,039)	(13,675)	(30,714)
Gain (loss) on foreign currency translation, net	(7,460)	548	(6,912)
Others	770,390	262,502	1,032,892
	(3,631,043)	(909,479)	(4,540,522)
Carryforward of tax losses and tax credits	1,797,044	1,382,606	3,179,650
	₩ (1,833,999)	₩ 473,127	₩ (1,360,872)

The changes in deferred tax assets (liabilities) for the year ended December 31, 2023 are as follows.

Description	Beginning of the year	Changes	End of the year
	(In millions of Korean Won)		
Provisions	₩ 3,275,658	₩ (357,380)	₩ 2,918,278
Financial assets measured at FVPL	1,539	(11,361)	(9,822)
Financial assets measured at FVOCI	(7,990)	(25,329)	(33,319)
Investment of subsidiaries, associates and joint ventures	(1,996,502)	97,850	(1,898,652)
Derivatives	(95,052)	53,186	(41,866)
PP&E	(5,801,434)	489,881	(5,311,553)
Accrued income	(18,767)	1,728	(17,039)
Gain (loss) on foreign currency translation, net	(333)	(7,127)	(7,460)
Others	470,172	300,218	770,390
	(4,172,709)	541,666	(3,631,043)
Carryforward of tax losses and tax credits	2,382,277	(585,233)	1,797,044
	₩ (1,790,432)	₩ (43,567)	₩ (1,833,999)

(4) Income taxes relating to items that are charged or credited directly to equity for the years ended December 31, 2024 and 2023 are as follows.

Description	2024	2023
	(In millions of Korean Won)	
Gain on disposal of treasury stocks	₩ (78,151)	₩ (26,580)
Loss (gain) on financial assets measured at FVOCI, net	(118,429)	(28,371)
Loss (gain) on valuation of cash flow hedge derivatives, net	111,522	76,307
Remeasurements of defined benefit plans	130,963	98,464
Changes in retained earnings of equity-accounted investees, net	(38,053)	(24,042)
Changes in ownership interests in subsidiaries	1,011,938	-
	₩ 1,019,790	₩ 95,778

(5) The amount of temporary differences associated with investments in subsidiaries, joint ventures and associates, for which deferred tax liabilities are not recognized, are ₩ 11,875,899 million and ₩ 8,439,636 million as of December 31, 2024 and 2023, respectively.

32. RETIREMENT BENEFIT PLAN:

- (1) Expenses recognized in relation to defined contribution plans for the years ended December 31, 2024 and 2023 are as follows.

Description	2024	2023
	(In millions of Korean Won)	
Paid-in cash	₩ 22,232	₩ 16,783
Recognized liability	4,219	4,215
	₩ 26,451	₩ 20,998

- (2) The significant actuarial assumptions used by the Group as of December 31, 2024 and December 31, 2023 are as follows.

Description	December 31, 2024	December 31, 2023
Discount rate (*)	7.16%	5.77%
Rate of expected future salary increase	6.46%	4.88%

- (*) The Group applied the market yields of high-quality corporate bonds (AA+) and others as of December 31, 2024 as the discount rate to discount the defined benefit obligation to the present value, and the same discount rate was applied as the expected return rate when calculating interest income on plan assets.

Employee turnover and mortality assumptions used for actuarial valuation are based on the economic conditions and statistical data of each country where entities within the Group are located.

- (3) The amounts recognized in the consolidated statements of financial position related to defined benefit plans as of December 31, 2024 and December 31, 2023 are as follows.

Description	December 31, 2024	December 31, 2023
	(In millions of Korean Won)	
Present value of defined benefit obligations	₩ 7,256,320	₩ 6,538,236
Fair value of plan assets	(7,147,638)	(6,949,149)
	₩ 108,682	₩ (410,913)
Net defined benefit liabilities	164,076	77,268
Net defined benefit assets	(55,394)	(488,181)

(4) Changes in net defined benefit assets and liabilities for the year ended December 31, 2024 are as follows.

Description	Present value of defined benefit obligations		Fair value of plan assets		Net defined benefit liabilities (assets)	
	(In millions of Korean Won)					
Beginning of the year	₩	6,538,236	₩	(6,949,149)	₩	(410,913)
Current service cost		561,974		-		561,974
Interest expenses (income)		275,938		(308,758)		(32,820)
Past service cost		46,841		-		46,841
		7,422,989		(7,257,907)		165,082
Remeasurements:						
Return on plan assets		-		22,797		22,797
Actuarial gains and losses arising from changes in demographic assumptions		(2,148)		-		(2,148)
Actuarial gains and losses arising from changes in financial assumptions		282,411		-		282,411
Actuarial gains and losses arising from experience adjustments and others		237,294		-		237,294
		517,557		22,797		540,354
Contributions		-		(472,200)		(472,200)
Benefits paid		(814,362)		606,305		(208,057)
Transfers in (out)		5,605		(5,189)		416
Effect of foreign exchange differences and others		124,531		(41,444)		83,087
End of the year	₩	7,256,320	₩	(7,147,638)	₩	108,682

Changes in net defined benefit assets and liabilities for the year ended December 31, 2023 are as follows.

Description	Present value of defined benefit obligations		Fair value of plan assets		Net defined benefit liabilities (assets)	
	(In millions of Korean Won)					
Beginning of the year	₩	6,033,698	₩	(6,809,339)	₩	(775,641)
Current service cost		510,688		-		510,688
Interest expenses (income)		275,326		(332,475)		(57,149)
Past service cost		(223)		-		(223)
		6,819,489		(7,141,814)		(322,325)
Remeasurements:						
Return on plan assets		-		41,324		41,324
Actuarial gains and losses arising from changes in demographic assumptions		2,855		-		2,855
Actuarial gains and losses arising from changes in financial assumptions		220,043		-		220,043
Actuarial gains and losses arising from experience adjustments and others		146,370		-		146,370
		369,268		41,324		410,592
Contributions		-		(351,255)		(351,255)
Benefits paid		(694,707)		586,934		(107,773)
Transfers in (out)		2,852		(2,686)		166
Effect of foreign exchange differences and others		41,334		(81,652)		(40,318)
End of the year	₩	6,538,236	₩	(6,949,149)	₩	(410,913)

- (5) The sensitivity analysis based on reasonably possible changes of the significant assumptions as of December 31, 2024 and December 31, 2023, while all the other assumptions are retained, is as follows.

Description	Effect on the net defined benefit liabilities			
	December 31, 2024		December 31, 2023	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
	(In millions of Korean Won)		(In millions of Korean Won)	
Discount rate	₩ (459,864)	₩ 560,800	₩ (566,791)	₩ 291,717
Rate of expected future salary increase	535,420	(448,249)	265,995	(554,161)

- (6) The fair value of the plan assets as of December 31, 2024 and December 31, 2023 is as follows.

Description	December 31, 2024		December 31, 2023	
	(In millions of Korean Won)		(In millions of Korean Won)	
Insurance instruments	₩	7,146,213	₩	6,946,600
Others		1,425		2,549
	₩	7,147,638	₩	6,949,149

- (7) The Group expects to pay contribution of approximately ₩ 703,867 million to the plan in 2025 and the weighted average duration of the defined benefit obligation as of December 31, 2024 is 7.8 years.

33. CASH GENERATED FROM OPERATIONS:

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

Description	2024	2023
	(In millions of Korean Won)	
Profit for the year	₩ 13,229,908	₩ 12,272,301
Adjustments:		
Retirement benefit costs	580,214	457,531
Depreciation	3,397,606	3,283,730
Amortization of intangible assets	889,400	1,662,765
Provision for warranties	3,555,262	1,926,790
Income tax expense	4,232,418	4,626,640
Gain(loss) on foreign currency translation, net	(13,292)	(63,551)
Loss on disposals of PP&E, net	120,238	220,755
Interest income, net	(529,266)	(440,123)
Gain on share of earnings of equity-accounted investees, net	(3,112,865)	(2,489,940)
Cost of sales from financial services, net	12,305,333	9,399,599
Others	2,524,823	2,608,162
	<u>23,949,871</u>	<u>21,192,358</u>
Changes in operating assets and liabilities:		
Increase in trade notes and accounts receivable	(590,045)	(99,422)
Decrease(increase) in other receivables	(119,354)	488,118
Increase in other financial assets	(106,278)	(546,587)
Increase in inventories	(1,159,441)	(3,249,884)
Increase in other assets	(1,574,632)	(1,152,521)
Increase(decrease) in trade notes and accounts payable	476,341	(8,816)
Increase in other payables	357,162	992,329
Increase in other liabilities	1,856,890	2,577,771
Increase(decrease) in other financial liabilities	40,864	(12,623)
Decrease in net defined benefit assets(liabilities)	(458,447)	(340,839)
Payment of severance benefits	(208,057)	(107,773)
Decrease in provisions	(4,534,743)	(4,388,292)
Changes in financial services receivables	(13,117,594)	(17,743,124)
Investment in operating leases	(16,079,735)	(6,571,935)
Others	57,444	(201,466)
	<u>(35,159,625)</u>	<u>(30,365,064)</u>
Cash generated from operations	<u>₩ 2,020,154</u>	<u>₩ 3,099,595</u>

(2) Major non-cash transactions not stated on the consolidated statements of cash flows from investing and financing activities for the years ended December 31, 2024 and 2023 are as follows.

Description	2024	2023
	(In millions of Korean Won)	
Reclassification of the current portion of long-term debt and debentures	₩ 28,549,990	₩ 27,152,167
Reclassification of construction-in-progress to PP&E	5,345,413	3,980,857
Reclassification of construction-in-progress to intangible assets	440,739	367,785

(3) Changes in liabilities arising from financial activities for the year ended December 31, 2024 are as follows.

			Changes from non-cash transactions				
Description	Beginning of the year	Cash flows from financing activities	Reclassified to current portion	Effect of exchange rate changes	Present value discounts	Others(*)	End of the year
(In millions of Korean Won)							
Short-term borrowings (including current portion)	₩ 34,144,706	₩ (29,208,000)	₩ 28,549,990	₩ 3,724,464	₩ 183,988	₩(1,325,796)	₩ 36,069,352
Long-term debts	17,569,760	13,490,352	(8,957,780)	2,060,468	98,386	24,359	24,285,545
Debentures	73,033,493	35,014,234	(19,592,210)	7,570,064	52,932	55,950	96,134,463

(*) Others include transfers from or to other accounts and others.

Changes in liabilities arising from financial activities for the year ended December 31, 2023 are as follows.

Description	Beginning of the year	Cash flows from financing activities	Changes from non-cash transactions				End of the year
			Reclassified to current portion	Effect of exchange rate changes	Present value discounts	Others(*)	
			(In millions of Korean Won)				
Short-term borrowings (including current portion)	₩ 36,940,611	₩ (29,949,836)	₩ 27,152,167	₩ 473,380	₩ (24,521)	₩ (447,095)	₩ 34,144,706
Long-term debts	12,285,149	12,901,677	(7,954,787)	202,221	118,791	16,709	17,569,760
Debentures	62,960,060	28,578,150	(19,197,380)	613,213	44,328	35,122	73,033,493

(*) Others include transfers from or to other accounts and others.

34. RISK MANAGEMENT:

(1) Capital risk management

The Group manages its capital to maintain an optimal capital structure for maximizing profit of its shareholder and reducing the cost of capital. Debt to equity ratio calculated as total liabilities divided by total equity is used as an index to manage the Group's capital. The overall capital risk management policy is consistent with that of the prior period.

Debt to equity ratios as of December 31, 2024 and December 31, 2023 are as follows.

Description	December 31, 2024		December 31, 2023	
	(In millions of Korean Won)			
Total liabilities	₩	219,522,496	₩	180,653,915
Total equity		120,275,933		101,809,440
Debt-to-equity ratio		182.5%		177.4%

(2) Financial risk management

The Group is exposed to various financial risks such as market risk (foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk related to its financial instruments. The purpose of risk management of the Group is to identify potential risks related to financial performance and reduce, eliminate and avoid those risks to an acceptable level of risks to the Group. Overall, the Group's financial risk management policy is consistent with the prior period policy.

1) Market risk

The Group is mainly exposed to financial risks arising from changes in foreign exchange rates and interest rates. Accordingly, the Group uses financial derivative contracts to hedge and manage its interest rate risk and foreign currency risk.

a) Foreign exchange risk management

The Group is exposed to various foreign exchange risks by making transactions in foreign currencies. The Group is mainly exposed to foreign exchange risk in USD, EUR, JPY and others.

The Group manages foreign exchange risk by matching the inflow and the outflow of foreign currencies according to each currency and maturity, and by adjusting the foreign currency settlement date based on its exchange rate forecast. The Group uses foreign exchange derivatives, such as currency forward, currency swap, and currency option, as hedging instruments. However, speculative foreign exchange trade on derivative financial instruments is prohibited.

Sensitivity analysis for a 5% change in exchange rate of the functional currency against each foreign currency on profit before income tax as of December 31, 2024 is as follows.

Foreign Currency	Foreign Exchange Rate Sensitivity	
	Increase by 5%	Decrease by 5%
	(In millions of Korean Won)	
USD	₩ 137,061	₩ (137,061)
EUR	41,147	(41,147)
JPY	(1,905)	1,905

b) Interest rate risk management

The Group has borrowings with fixed or variable interest rates. Also, the Group is exposed to interest rate risk arising from financial instruments with variable interest rates. To manage the interest rate risk, the Group maintains an appropriate balance between borrowings with fixed and variable interest rates for short-term borrowings and has a policy to borrow funds with fixed interest rates to avoid the future cash flow fluctuation risk for long-term debt if possible. The Group manages its interest rate risk through regular assessments of the change in market conditions and the adjustments in nature of its interest rates.

Sensitivity analysis for a 1% change in interest rates on profit before income tax as of December 31, 2024 is as follows.

Accounts	Interest Rate Sensitivity	
	Increase by 1%	Decrease by 1%
	(In millions of Korean Won)	
Cash and cash equivalents	₩ 25,236	₩ (25,236)
Short-term and long-term financial instruments	21,857	(21,857)
Borrowings and debentures	(166,588)	166,588

The Company's subsidiaries, HYUNDAI CARD CO., LTD. and HYUNDAI CAPITAL SERVICES, INC. that are operating financial business, are managing interest rate risk by utilizing value at risk (VaR). VaR is defined as a threshold value which is a statistical estimate of the maximum potential loss based on normal distribution. As of December 31, 2024 and December 31, 2023, the amounts of interest rate risk measured at VaR are ₩339,281 million and ₩146,303 million, respectively.

c) Price risk

The Group is exposed to market price fluctuation risk arising from equity instruments. As of December 31, 2024, the amounts of financial assets measured at FVPL and financial assets measured at FVOCI are ₩54,030 million and ₩2,818,381 million, respectively.

2) Credit risk

The Group is exposed to credit risk when a counterparty defaults on its contractual obligation resulting in a financial loss for the Group. The Group operates a policy to transact with counterparties who only meet a certain level of credit rating which was evaluated based on the counterparty's financial conditions, default history, and other factors. The credit risk in the liquid funds and derivative financial instruments is limited as the Group transacts only with financial institutions with high credit-ratings assigned by international credit-rating agencies. Except for the guarantee of indebtedness discussed in Note 36, the book value of financial assets in the consolidated financial statements represents the maximum amounts of exposure to credit risk.

In addition, the Company's subsidiaries, HYUNDAI CARD CO., LTD. and HYUNDAI CAPITAL SERVICES, INC., that operate financial business, assess their credit stability according to their internal credit ratings and manage credit risk concentrations by debtor. These subsidiaries provide loan agreements with a limit to a large number of customers, and as of December 31, 2024, the unused limit is ₩555,089 million for HYUNDAI CAPITAL SERVICES, INC. and ₩82,595,282 million for HYUNDAI CARD CO., LTD. and as of December 31, 2024, credit risk concentration relates to 86% for households and 14% for companies.

3) Liquidity risk

The Group manages liquidity risk based on maturity profile of its funding. The Group analyses and reviews actual cash outflow and its budget to match the maturity of its financial liabilities to that of its financial assets.

The Group retains an appropriate level of deposit to cope with uncertainty caused by the inherent nature of the industry which is sensitive to economic fluctuation and to invest in R&D constantly. In addition, the Group has agreements with financial institutions related to trade financing and overdraft to mitigate any significant unexpected market deterioration. Also, the Group continues to strengthen its credit rates to secure a stable financing capability.

The Group's maturity analysis of its non-derivative liabilities according to their remaining contract period before maturity as of December 31, 2024 is as follows.

Description	Remaining contract period				
	Not later than one year	Later than one year and not later than five years	Later than five years	Total	
	(In millions of Korean Won)				
Non-interest- bearing liabilities	₩ 25,167,860	₩ 46,709	₩ -	₩	25,214,569
Interest-bearing liabilities	41,920,700	120,236,582	9,682,633		171,839,915
Lease liabilities	315,044	782,493	372,566		1,470,103
Financial guarantee	183,154	188,991	146,628		518,773

The maturity analysis is based on the non-discounted cash flows and the earliest maturity date at which payments, i.e. both principal and interest, should be made.

(3) Derivative instruments

The Group enters into derivative instrument contracts such as currency forwards, currency options, currency swaps and interest swaps to hedge its exposure to changes in foreign exchange rate or interest rate.

As of December 31, 2024 and December 31, 2023, the Group recognized an accumulative net loss of ₩245,063 million and net profit of ₩34,489 million, respectively, in accumulated other comprehensive income or loss, for effective cash flow hedging instruments.

The longest period in which the forecasted transactions are expected to occur is within 87 months as of December 31, 2024.

For the years ended December 31, 2024 and 2023, the Group recognized a net profit of ₩1,176,802 million and ₩133,719 million in profit or loss (before tax), respectively, which resulted from the ineffective portion of its cash flow hedging instruments and changes in the valuation of its other non-hedging derivative instruments and others.

In addition, the Company's subsidiaries, HYUNDAI CARD CO., LTD. and HYUNDAI CAPITAL SERVICES, INC., that are engaged in financial services business, use interest rate swaps and currency swaps to hedge the risks of future cash flows, which related to borrowings, debentures and others, due to market interest rate fluctuations and exchange rate fluctuations. As of December 31, 2024, the average hedge ratio is 100%.

35. RELATED-PARTY AND OTHER TRANSACTIONS:

The transactions and balances of receivables and payables within the Group are wholly eliminated in the preparation of consolidated financial statements of the Group.

- (1) For the year ended December 31, 2024, significant transactions arising from operations between the Group and related parties or affiliates as designated by the Monopoly Regulation and Fair Trade Act of the Republic of Korea ("the Act") are as follows.

Description		Sales/proceeds		Purchases/expenses	
		Sales	Others	Purchases	Others
(In millions of Korean Won)					
Entity with significant influence over the Company and its subsidiaries	Hyundai MOBIS Co., Ltd.	₩ 591,367	₩ 15,418	₩ 12,506,601	₩ 154,679
	Mobis Alabama, LLC	180,543	8,457	2,760,753	63,888
	Mobis Automotive Czech s.r.o.	1,101	2,033	2,766,015	22,812
	Mobis India, Ltd.	21,876	4,987	1,528,499	20,936
	Mobis Parts America, LLC	195,213	4,417	1,784,344	710
	Mobis Module CIS, LLC.	54	22	703	31
	Mobis Parts Europe N.V.	28,146	3,589	733,283	2,117
	Others	75,196	2,214	1,735,982	23,785
Joint ventures and associates	Kia Corporation	1,518,922	1,369,079	664,002	665,525
	Kia Russia & CIS, LLC	105	-	-	26
	Kia Slovakia s.r.o.	33,238	21	833,388	33
	Kia Georgia, Inc.	746,292	16,894	53	-
	BHMC	179,118	1	427,534	30
	HMGC	19,569	773	59,168	84,231
	Hyundai WIA Corporation	144,252	2,723	1,006,504	59,546
	Others	1,314,384	83,095	7,510,924	4,757,225
Other related parties		51,696	9,199	2,032	8,317
Affiliates by the Act		1,114,001	98,935	12,950,819	1,516,740

For the year ended December 31, 2023, significant transactions arising from operations between the Group and related parties or affiliates by the Act are as follows.

Description		Sales/proceeds		Purchases/expenses	
		Sales	Others	Purchases	Others
(In millions of Korean Won)					
Entity with significant influence over the Company and its subsidiaries	Hyundai MOBIS Co., Ltd.	₩ 590,173	₩ 16,134	₩ 14,813,812	₩ 118,239
	Mobis Alabama, LLC	253,907	-	2,387,097	30,426
	Mobis Automotive Czech s.r.o.	12	2,008	2,962,398	18,684
	Mobis India, Ltd.	18,278	2,854	1,433,394	27,999
	Mobis Parts America, LLC	191,160	4,299	1,604,058	1,278
	Mobis Module CIS, LLC.	67	273	2,015	-
	Mobis Parts Europe N.V.	19,131	2,426	646,881	2,420
Joint ventures and associates	Others	85,447	1,784	1,548,323	12,200
	Kia Corporation	1,685,353	968,903	648,536	719,547
	Kia Russia & CIS, LLC	220	32	-	-
	Kia Slovakia s.r.o.	92,908	16	759,649	-
	Kia Georgia, Inc.	842,050	3,550	154	-
	BHMC	193,257	-	33,075	-
	HMGC	33,571	818	93,268	63,293
	Hyundai WIA Corporation	286,611	1,349	919,024	9,264
	Others	958,681	77,363	5,892,019	3,541,756
	Other related parties	56,893	4,028	1,976	9
Affiliates by the Act		981,812	104,267	11,608,499	1,460,116

(2) As of December 31, 2024, significant balances related to the transactions between the Group and related parties or affiliates by the Act are as follows.

Description		Receivables (*1,2)		Payables	
		Trade notes and accounts receivable	Other receivables and others	Trade notes and accounts payable	Other payables and others
(In millions of Korean Won)					
Entity with significant influence over the Company and its subsidiaries	Hyundai MOBIS Co., Ltd.	₩ 95,875	₩ 167,344	₩ 2,162,722	₩ 518,138
	Mobis Alabama, LLC	16,085	12	201,421	99
	Mobis Automotive Czech s.r.o.	1,012	1,188	217,845	177
	Mobis India, Ltd.	110	16	176,222	9,915
	Mobis Parts America, LLC	20,536	5,357	168,939	-
	Mobis Module CIS, LLC	4	-	-	-
	Mobis Parts Europe N.V.	4,371	1,211	69,666	270
Joint ventures and associates	Others	24,326	534	118,148	83,380
	Kia Corporation	525,629	577,043	101,613	160,657
	Kia Russia & CIS, LLC	-	19	-	-
	Kia Slovakia s.r.o.	1,023	1,596	61,990	582
	Kia Georgia, Inc.	44,319	53,519	-	35,789
	Kia America, Inc.	2	469,476	144	16,061
	BHMC	371,935	57,391	150,232	31
	HMGC	6,595	26,844	3,469	22,758
	Hyundai WIA Corporation	119,867	14,543	148,572	77,404
	Others	345,856	186,725	887,602	1,245,207
Other related parties		132	1	2	217
Affiliates by the Act		258,198	61,552	1,393,491	545,394

(*1) The Group has recognized the loss allowance for the related parties' receivables in the amount of ₩950 million as of December 31, 2024 and the impairment loss is recognized in the amount of ₩530 million for the year ended December 31, 2024.

(*2) As of December 31, 2024, outstanding payment of ₩17,461 million pursuant to corporate purchase card agreement provided by HYUNDAI CARD CO., LTD. is included. For the year ended December 31, 2024, the amounts spent and repaid are ₩835,286 million and ₩835,905 million, respectively.

As of December 31, 2023, significant balances related to the transactions between the Group and related parties or affiliates by the Act are as follows.

Description		Receivables (*1,2)		Payables	
		Trade notes and accounts receivable	Other receivables and others	Trade notes and accounts payable	Other payables and others
(In millions of Korean Won)					
Entity with significant influence over the Company and its subsidiaries	Hyundai MOBIS Co., Ltd.	₩ 142,677	₩ 150,906	₩ 2,248,687	₩ 459,196
	Mobis Alabama, LLC	31,106	-	157,597	-
	Mobis Automotive Czech s.r.o.	1,253	830	210,894	511
	Mobis India, Ltd.	-	-	160,011	-
	Mobis Parts America, LLC	29,790	26,986	123,415	-
	Mobis Module CIS, LLC	5	85	7	-
	Mobis Parts Europe N.V.	819	149	52,525	44
	Others	90,363	2,250	72,019	18,361
Joint ventures and associates	Kia Corporation	541,374	422,304	78,946	145,081
	Kia Russia & CIS, LLC	-	50	-	141
	Kia Slovakia s.r.o.	7,481	138	55,158	246
	Kia Georgia, Inc.	65,196	51,650	-	34,214
	Kia America, Inc.	-	240,582	-	16,877
	BHMC	302,632	14,681	24	27
	HMGC	16,089	23,602	373	27,900
	Hyundai WIA Corporation	118,669	13,229	144,310	25,746
	Others	259,635	181,298	718,951	994,901
Other related parties		137	-	20	326
Affiliates by the Act		201,220	65,233	1,173,602	484,603

(*1) The Group has recognized the loss allowance for the related parties' receivables in the amount of ₩608 million as of December 31, 2023 and the reversal of impairment loss is recognized in the amount of ₩349 million for the year ended December 31, 2023.

(*2) As of December 31, 2023, outstanding payment of ₩18,080 million pursuant to corporate purchase card agreement provided by HYUNDAI CARD CO., LTD. is included. For the year ended December 31, 2023, the amounts spent and repaid are ₩420,695 million and ₩426,207 million, respectively.

(3) Significant fund transactions and equity contribution transactions for the year ended December 31, 2024 between the Group and related parties are as follows.

Description	Loans		Borrowings		Equity contribution
	Lending	Collection	Borrowing	Repayment	
	(In thousands of Euro and Chinese Yuan, In millions of Korean won)				
Joint ventures and associates	€	-	22,000	₩	- ₩ 1,307 ₩ 2,285,847
	CNY	285,000	110,000		

Significant fund transactions and equity contribution transactions for the year ended December 31, 2023 between the Group and related parties are as follows.

Description	Loans		Borrowings		Equity contribution
	Lending	Collection	Borrowing	Repayment	
	(In thousands of US Dollar and Euro, In millions of Korean won)				
Joint ventures and associates	€	68,600	-	\$ 562,000	\$ 565,000 ₩ 1,490,366
			₩ -	₩ 3,425	

For the years ended December 31, 2024 and 2023, the Group received dividends of ₩932,956 million and ₩796,678 million from related parties and affiliates by the Act, respectively and paid dividends of ₩961,830 million and ₩590,131 million to related parties, respectively. During 2024, the Group traded in other financial assets and others of ₩1,540,000 million with HYUNDAI MOTOR SECURITIES Co., Ltd., an associate of the Group. The Group has other financial assets of ₩275,000 million in the consolidated statement of financial position as of December 31, 2024.

For the year ended December 31, 2024, HYUNDAI MOTOR SECURITIES CO., Ltd., an associate of the Group, acquired bonds issued by the consolidated entity, HYUNDAI KEFICO CORPORATION in amount of ₩20,000 million, and HYUNDAI MOTOR SECURITIES CO., Ltd. acquired bonds issued by the consolidated entities, HYUNDAI KEFICO CORPORATION and HYUNDAI ROTEM COMPANY in amount of ₩15,000 million and ₩5,000 million, respectively for the year ended December 31, 2023.

- (4) Compensation of registered and unregistered directors, who are considered to be the key management personnel for the years ended December 31, 2024 and 2023 is as follows.

Description	2024		2023	
	(In millions of Korean Won)			
Short-term employee salaries	₩	379,418	₩	374,972
Retirement benefit costs		48,618		50,004
Other long-term benefits		1,837		1,518
Share-based payment		900		155
	₩	430,773	₩	426,649

- (5) For the year ended December 31, 2024, the Group offers payment guarantee to related parties and affiliates by the Act.

36. COMMITMENTS AND CONTINGENCIES:

- (1) As of December 31, 2024, the payment guarantees provided to related parties by the Group, excluding the ones provided to the Company's subsidiaries, are as follows.

Description	Domestic		Overseas (*)	
	(In millions of Korean Won)			
To associates	₩	28,910	₩	246,236
To others		280		239,477
	₩	29,190	₩	485,713

- (*) The guarantee amounts in foreign currencies are translated into Korean Won using the Base Rate announced by Seoul Money Brokerage Services, Ltd. as of December 31, 2024.

- (2) As of December 31, 2024, the Group is involved in domestic and foreign lawsuits as a defendant. In addition, the Group is involved in lawsuits for product liabilities and others. The Group obtains insurance for potential losses which may result from product liabilities and other lawsuits. In addition, as of December 31, 2024, the Group is under investigation by related authorities in relation to the Theta 2 engine recall, and its results and impacts are unpredictable. The Group is unable to estimate the outcome of the lawsuits and the amount and timing of outflows of resources are uncertain. The Group expects that the impact on the consolidated financial statements will not be material.
- (3) As of December 31, 2024, a substantial portion of the Group's PP&E is pledged as collateral for various loans and leasehold deposits up to ₩800,210 million. In addition, the Group pledged certain bank deposits, checks and promissory notes, including 213,466 shares of Kia Corporation, as collateral to financial institutions and others. Certain receivables held by the Company's foreign subsidiaries, such as financial services receivables, are pledged as collateral for their borrowings.
- (4) As of December 31, 2024, the Group has overdrafts, general loans, and trade-financing agreements with numerous financial institutions including Kookmin Bank, with a combined limit of up to USD 36,600 million, and ₩5,567,000 million.
- (5) As of December 31, 2024, HYUNDAI CAPITAL SERVICES, INC. and HYUNDAI CARD CO., LTD., subsidiaries of the Company, have entered into agreements for certain borrowings including trigger clauses for the purpose of credit enhancement. If the credit rating of HYUNDAI CAPITAL SERVICES, INC. and HYUNDAI CARD CO.,

LTD. falls below a certain level, this may result in early repayment of the borrowings or termination of the agreements.

- (6) As of December 31, 2024, the Company has a shareholder agreement with the third party investors regarding shares of Hyundai Card Co., Ltd. and Hyundai Commercial Inc. This includes the call options that allow the Company to buy shares from the investors and the put options that allow the investors to dispose of the shares to the Company.
- (7) As of December 31, 2023, the Company has an agreement to dispose of its shares of Hyundai Motor Manufacturing Rus LLC, which includes the call options clause that allow the Company to repurchase its shares. The call option can be terminated under an uncontrollable situation, but can be maintained through efforts by both parties to address such situation.
- (8) In December 2019, the Company entered into an agreement to invest ₩1,408,220 million in the construction of new Global Business Centre (GBC). As of December 31, 2024, the Company has recognized relevant liability in the amount of ₩757,221 million in accordance with the agreement with the Seoul government to implement public contributions relating to the new construction project.
- (9) Financial instruments with restricted use for the years ended December 31, 2024 and 2023 are as follows.

Description	December 31, 2024		December 31, 2023	
	(In millions of Korean Won)			
Short-term and long-term financial instruments	₩	1,930,927	₩	1,674,550
Cash and cash equivalents		332,751		537,734
Other financial assets		2		2
	₩	2,263,680	₩	2,212,286

37. SEGMENT INFORMATION:

- (1) The Group's operating segments include vehicle segment, finance segment and others segment. The vehicle segment is engaged in the manufacturing and sale of motor vehicles. The finance segment operates vehicle financing, credit card processing and other financing activities. Others segment includes the R&D, train manufacturing and other activities.
- (2) Sales and operating profit by operating segment for the year ended December 31, 2024 are as follows

Description	For the year ended December 31, 2024				
	Vehicle	Finance	Others	Consolidation adjustments	Total
	(In millions of Korean Won)				
Net sales (*1)	₩ 136,725,011	₩ 28,446,650	₩ 10,059,492	₩ -	₩ 175,231,153
Total sales (*2)	221,891,250	28,831,480	11,816,341	(87,307,918)	175,231,153
Operating profit	11,074,739	1,795,249	1,032,844	336,760	14,239,592

(*1) Net sales represent sales from external customers.

(*2) Total sales include inter-company sales within the Group.

Assets and liabilities by operating segment as of December 31, 2024 are as follows.

Description	December 31, 2024				
	Vehicle	Finance	Others	Consolidation adjustments	Total
(In millions of Korean Won)					
Total assets	₩ 155,795,545	₩ 192,501,699	₩ 11,791,338	₩ (20,290,153)	₩ 339,798,429
Total liabilities	60,018,044	171,166,813	5,291,197	(16,953,558)	219,522,496

Sales and operating profit by operating segment for the year ended December 31, 2023 are as follows.

Description	For the year ended December 31, 2023				
	Vehicle	Finance	Others	Consolidation adjustments	Total
(In millions of Korean Won)					
Net sales (*1)	₩ 130,149,921	₩ 22,401,156	₩ 10,112,502	₩ -	₩ 162,663,579
Total sales (*2)	212,367,654	22,688,779	11,985,990	(84,378,844)	162,663,579
Operating profit	12,969,227	1,385,538	1,064,063	(291,927)	15,126,901

(*1) Net sales represent sales from external customers.

(*2) Total sales include inter-company sales within the Group.

Assets and liabilities by operating segment as of December 31, 2023 are as follows.

Description	December 31, 2023				
	Vehicle	Finance	Others	Consolidation adjustments	Total
(In millions of Korean Won)					
Total assets	₩ 136,896,274	₩ 154,437,674	₩ 11,166,625	₩ (20,037,218)	₩ 282,463,355
Total liabilities	52,192,746	135,929,495	5,797,213	(13,265,539)	180,653,915

(3) Sales and operating profit by operating segment for the years ended December 31, 2024 and 2023 are as follows.

Description	For the year ended December 31,	
	2024	2023
(In millions of Korean Won)		
Vehicle (*)		
Sales	₩ 221,891,250	₩ 212,367,654
Cost of sales	192,196,515	183,498,370
Gross profit	29,694,735	28,869,284
Selling and administrative expenses	18,619,996	15,900,057
Operating profit	11,074,739	12,969,227
Gain (loss) on investments in joint ventures and associates, net	3,411,431	(155,986)
Finance income and expenses	5,884,752	4,649,392
Other income and expenses	17,153	(694,538)
Profit before income tax	20,388,075	16,768,095
Income tax expense	4,431,337	4,112,864
Profit for the period	15,956,738	12,655,231
Finance (*)		
Sales	28,831,480	22,688,779
Cost of sales	24,541,846	18,936,621
Gross profit	4,289,634	3,752,158
Selling and administrative expenses	2,494,385	2,366,620
Operating profit	1,795,249	1,385,538
Gain on investments in joint ventures and associates, net	53,525	49,618

Finance income and expenses	862	1,474
Other income and expenses	(61,280)	11,907
Profit before income tax	1,788,356	1,448,537
Income tax expense	402,758	215,121
Profit for the period	1,385,598	1,233,416
Others (*)		
Sales	11,816,341	11,985,990
Cost of sales	9,855,153	10,248,626
Gross profit	1,961,188	1,737,364
Selling and administrative expenses	928,344	673,301
Operating profit	1,032,844	1,064,063
Gain (loss) on investments in joint ventures and associates, net	(107)	601
Finance income and expenses	62,176	(3,418)
Other income and expenses	(10,319)	(57,041)
Profit before income tax	1,084,594	1,004,205
Income tax expense	272,970	252,008
Profit for the period	811,624	752,197
Consolidation adjustments	(4,604,942)	(1,648,822)
Profit for the period from continuing operations	13,549,018	12,992,022
Profit attributable to:		
Owners of the Company	12,845,953	12,463,736
Non-controlling interests	703,065	528,286
Loss for the period from discontinued operations	₩ (319,110)	₩ (719,721)
Gain (loss) attributable to:		
Owners of the Company	(319,262)	(502,020)
Non-controlling interests	152	(217,701)

(*) The amounts are aggregates of entities belonging to each segment, unadjusted for elimination of intercompany transactions.

(4) Assets by operating segment as of December 31, 2024 and December 31, 2023 are as follows.

Description	December 31, 2024		December 31, 2023	
	(In millions of Korean Won)			
Vehicle (*)				
Current assets:				
Cash and cash equivalents	₩	14,654,353	₩	15,633,984
Financial instruments		12,450,614		10,016,084
Inventories		20,093,138		18,149,965
Trade notes and accounts receivable		11,462,655		9,568,659
Other assets		5,179,324		3,876,820
Total current assets		63,840,084		57,245,512
Non-current assets:				
Financial assets		5,492,319		3,496,251
Property, plant and equipment		40,816,274		35,662,209
Intangible assets		6,047,962		4,717,443
Investments in joint ventures and associates		32,221,264		29,724,875
Other assets		7,377,642		6,049,984
Total non-current assets		91,955,461		79,650,762
Total assets		155,795,545		136,896,274
Finance (*)				
Current assets:				
Cash and cash equivalents		3,232,320		2,632,288
Financial instruments		4,651,716		3,874,879
Inventories		499,608		316,540
Financial services receivables		51,735,209		43,425,548
Other assets		3,151,606		2,907,748
Total current assets		63,270,459		53,157,003
Non-current assets:				
Financial assets		2,429,909		1,382,273
Property, plant and equipment		756,110		850,165
Intangible assets		337,849		336,904
Investments in joint ventures and associates		2,140,744		1,677,486
Financial services receivables		76,591,342		64,809,911
Investments in operating leases		43,792,327		30,266,083
Other assets		3,182,959		1,957,849
Total non-current assets		129,231,240		101,280,671
Total assets		192,501,699		154,437,674
Others (*)				
Current assets:				
Cash and cash equivalents		1,022,577		1,040,150
Financial instruments		1,842,811		1,467,699
Inventories		1,355,330		1,607,765
Trade notes and accounts receivable		1,901,223		1,428,134
Other assets		1,923,535		2,272,612
Total current assets		8,045,476		7,816,360
Non-current assets:				
Financial assets		63,291		61,200
Property, plant and equipment		2,815,968		2,528,297
Intangible assets		303,278		237,022
Investments in joint ventures and associates		1,243		469
Other assets		562,082		523,277
Total non-current assets		3,745,862		3,350,265
Total assets		11,791,338		11,166,625
Consolidation adjustments		(20,290,153)		(20,037,218)
Total assets	₩	339,798,429	₩	282,463,355

Liabilities by operating segment as of December 31, 2024 and December 31, 2023 are as follows.

Description	December 31, 2024		December 31, 2023	
	(In millions of Korean Won)			
Vehicle (*)				
Current liabilities:				
Trade notes and accounts payable	₩	18,583,620	₩	15,991,327
Other payables		7,458,774		6,613,077
Borrowings and debentures		2,577,988		3,225,872
Provisions		7,303,432		7,306,099
Other liabilities		10,111,352		8,418,082
Total current liabilities		46,035,166		41,554,457
Non-current liabilities:				
Borrowings and debentures		3,227,380		2,057,140
Net defined benefit liabilities		123,560		44,953
Provisions		5,475,491		4,605,057
Other liabilities		5,156,447		3,931,139
Total non-current liabilities		13,982,878		10,638,289
Total liabilities		60,018,044		52,192,746
Finance (*)				
Current liabilities:				
Other payables		3,164,323		3,310,026
Borrowings and debentures		39,784,317		35,489,760
Provisions		293,170		271,574
Other liabilities		2,401,736		1,998,487
Total current liabilities		45,643,546		41,069,847
Non-current liabilities:				
Borrowings and debentures		118,162,848		88,296,175
Provisions		32,882		28,309
Other liabilities		7,327,537		6,535,164
Total non-current liabilities		125,523,267		94,859,648
Total liabilities		171,166,813		135,929,495
Others (*)				
Current liabilities:				
Trade notes and accounts payable		885,739		1,065,212
Other payables		327,355		222,056
Borrowings and debentures		916,921		805,496
Provisions		162,152		147,511
Other liabilities		2,363,902		2,605,152
Total current liabilities		4,656,069		4,845,427
Non-current liabilities:				
Borrowings and debentures		187,151		610,861
Net defined benefit liabilities		40,516		32,315
Provisions		199,943		158,811
Other liabilities		207,518		149,799
Total non-current liabilities		635,128		951,786
Total liabilities		5,291,197		5,797,213
Consolidation adjustments		(16,953,558)		(13,265,539)
Total liabilities	₩	219,522,496	₩	180,653,915

Equity by operating segment as of December 31, 2024 and December 31, 2023 is as follows.

Description	December 31, 2024		December 31, 2023	
	(In millions of Korean Won)			
Vehicle (*)				
Capital stock	₩	14,076,928	₩	13,814,222
Capital surplus		4,747,970		4,457,140
Other capital items		(850,524)		(1,197,161)
Accumulated other comprehensive income (loss)		1,489,955		(1,351,352)
Retained earnings		76,313,166		68,980,668
Equity attributable to the owners of the Company		95,777,495		84,703,517
Non-controlling interests		6		11
Total equity		95,777,501		84,703,528
Finance (*)				
Capital stock		3,676,315		3,483,947
Capital surplus		446,317		446,317
Other capital items		299,230		158,830
Accumulated other comprehensive income (loss)		2,248,711		979,767
Retained earnings		14,655,859		13,439,318
Equity attributable to the owners of the Company		21,326,432		18,508,179
Non-controlling interests		8,454		-
Total equity		21,334,886		18,508,179
Others (*)				
Capital stock		1,023,627		1,021,187
Capital surplus		1,596,899		1,411,438
Other capital items		(5,713)		(5,713)
Accumulated other comprehensive income (loss)		683,968		253,353
Retained earnings		3,236,512		2,720,065
Equity attributable to the owners of the Company		6,535,293		5,400,330
Non-controlling interests		(35,152)		(30,918)
Total equity		6,500,141		5,369,412
Consolidation adjustments		(3,336,595)		(6,771,679)
Total equity	₩	120,275,933	₩	101,809,440

(*) The amounts are aggregates of entities belonging to each segment, unadjusted for elimination of intercompany transactions.

(5) Cash flows by operating segment for the years ended December 31, 2024 and 2023 are as follows.

Description	For the year ended December 31,	
	2024	2023
	(In millions of Korean Won)	
Vehicle (*)		
Cash flows from operating activities:		
Profit for the period	₩ 15,934,263	₩ 12,413,564
Adjustments	5,597,619	9,281,038
Changes in operating assets and liabilities	(6,581,325)	(7,571,558)
Interest received (paid)	911,998	1,002,974
Dividend received	5,010,589	3,652,323
Income tax paid	(3,888,552)	(3,408,455)
Net cash provided by operating activities	16,984,592	15,369,886
Cash flows from investing activities:		
Changes in financial instruments	(1,171,519)	(989,805)
Changes in investment in joint ventures and associates	2,430,197	(1,322,033)
Changes in property, plant and equipment intangible assets	(9,227,917)	(7,991,770)
Others	(3,747,292)	3,154,743
Net cash used in investing activities	(11,716,531)	(7,148,865)
Cash flows from financing activities:		
Changes in short-term borrowings	272,529	(2,347,941)
Changes in long-term debt and debentures	109,148	(2,478,999)
Proceeds from capital contribution from non-controlling interest	818,864	2,321,964
Purchases of treasury stocks	(232,152)	-
Dividends paid	(7,501,860)	(5,241,389)
Others	(186,023)	(143,711)
Net cash used in financing activities	(6,719,494)	(7,890,076)
Effect of exchange rate changes on cash and cash equivalents	530,475	180,399
Net increase in cash and cash equivalents	(920,958)	511,344
Finance (*)		
Cash flows from operating activities:		
Profit for the period	1,385,598	1,233,415
Adjustments	13,210,904	7,342,101
Changes in operating assets and liabilities	(28,926,781)	(21,288,494)
Interest received (paid)	(5,347,803)	(3,567,110)
Dividend received	995	175,598
Income tax paid	(165,460)	(196,822)
Net cash used in operating activities	(19,842,547)	(16,301,312)
Cash flows from investing activities:		
Changes in investment in joint ventures and associates	(277,200)	(179,571)
Changes in property, plant and equipment intangible assets	(138,503)	(399,324)
Others	(499,412)	(157,850)
Net cash used in investing activities	(915,115)	(736,745)
Cash flows from financing activities:		
Changes in short-term borrowings	615,907	(1,752,921)
Changes in long-term debt and debentures	20,795,848	16,965,023
Proceeds from capital contribution from non-controlling interest	199,098	4,626
Purchases of treasury stocks	-	(3,685)
Dividends paid	(132,544)	(60,977)
Others	(217,839)	(152,612)
Net cash provided by financing activities	21,260,470	14,999,454

Description	For the year ended December 31,	
	2024	2023
Effect of exchange rate changes on cash and cash equivalents	97,224	11,069
Net increase (decrease) in cash and cash equivalents	600,032	(2,027,534)
Others (*)		
Cash flows from operating activities:		
Profit for the period	811,624	752,197
Adjustments	837,763	757,274
Changes in operating assets and liabilities	(283,191)	294,593
Interest received (paid)	48,054	2,381
Dividend received	179	484
Income tax paid	(205,928)	(288,565)
Net cash provided by operating activities	1,208,501	1,518,364
Cash flows from investing activities:		
Changes in financial instruments	366,871	(346,989)
Changes in investment in joint ventures and associates	(880)	(440)
Changes in property, plant and equipment intangible assets	(663,942)	(429,153)
Others	(599,099)	(240,543)
Net cash used in investing activities	(897,050)	(1,017,125)
Cash flows from financing activities:		
Changes in short-term borrowings	250,023	(136,018)
Changes in long-term debt and debentures	(494,240)	(571,389)
Proceeds from capital contribution from non-controlling interest	298,276	466,535
Dividends paid	(332,050)	(130,644)
Others	(63,411)	(52,331)
Net cash used in financing activities	(341,402)	(423,847)
Effect of exchange rate changes on cash and cash equivalents	25,415	7,887
Net increase in cash and cash equivalents	(4,536)	85,279
Consolidation adjustments	173,787	(267,349)
Net increase (decrease) in cash and cash equivalents	(151,675)	(1,698,260)
Cash and cash equivalents, beginning of the period	19,166,619	20,864,879
Cash and cash equivalents, end of the period	₩ 19,014,944	₩ 19,166,619

(*) The amounts are aggregates of entities belonging to each segment, unadjusted for elimination of intercompany transactions.

- (6) Sales by region based on where the Group's entities are located for the years ended December 31, 2024 and 2023 are as follows.

For the year ended December 31, 2024						
Description	Korea	North America	Asia	Europe	Others	Total
(In millions of Korean Won)						
Net sales	₩ 52,207,552	₩ 77,030,822	₩ 17,953,549	₩ 22,733,672	₩ 5,305,558	₩ 175,231,153

For the year ended December 31, 2023						
Description	Korea	North America	Asia	Europe	Others	Total
(In millions of Korean Won)						
Net sales	₩ 50,145,518	₩ 66,423,274	₩ 17,498,807	₩ 23,809,444	₩ 4,786,536	₩ 162,663,579

- (7) Non-current assets by region where the Group's entities are located as of December 31, 2024 and 2023 are as follows.

Description	December 31, 2024	December 31 2023
(In millions of Korean Won)		
Korea	₩ 38,642,288	₩ 35,311,711
North America	7,746,590	4,751,419
Asia	3,661,170	3,021,481
Europe	1,932,267	1,806,587
Others	587,333	656,502
	52,569,648	45,547,700
Consolidation adjustments	(210,789)	(262,067)
Total (*)	₩ 52,358,859	₩ 45,285,633

(*) Total amount is the same as summation of PP&E, intangible assets and investment properties.

- (8) There is no single external customer who represents 10% or more of the Group's sales for years ended December 31, 2024 and 2023.

38. CONSTRUCTION CONTRACTS:

- (1) Cost, income and loss and claimed construction from construction in progress as of December 31, 2024 and December 31, 2023 are as follows.

Description	December 31, 2024	December 31, 2023
(In millions of Korean Won)		
Accumulated cost	₩ 15,272,204	₩ 14,689,631
Accumulated income	1,047,031	937,245
Accumulated construction in process	16,319,235	15,626,876
Progress billing	17,307,005	16,071,925
Due from customers	809,034	1,191,078
Due to customers	1,796,804	1,636,127
Reserve (*)	59,228	62,197

(*) Reserve is recognized as long-term trade notes and accounts receivable in the consolidated financial statements.

- (2) Effects on profit or loss of current and future periods, due from customers related to changes in accounting estimates of total contract revenue and total contract costs of ongoing contracts of Hyundai Rotem, a subsidiary of the Company, as of December 31, 2024 are as follows.

Description	December 31, 2024
	(In millions of Korean Won)
Changes in accounting estimates of total contract revenue	₩ 1,228,983
Changes in accounting estimates of total contract costs	932,016
Effects on profit or loss of current period	194,372
Effects on profit or loss of future periods	102,595
Changes in due from customers	(21,657)
Provision for construction loss	54,487

Effects on profit or loss of current and future periods were calculated with estimated total contract costs and estimated total contract revenue based on factors that are considered to be relevant from commencement of the contract to December 31, 2024. Total contract revenue and costs may change in future periods.

- (3) There is no contract as of December 31, 2024, in which contract revenue is recognized using the percentage of completion method based on the input method, that accounted for more than 5% of the Group's revenue in the prior period.

39. BUSINESS COMBINATIONS:

- (1) The Group acquired hydrogen fuel cell segment from Hyundai MOBIS Co., Ltd. to enhance the Group's competitiveness in the hydrogen business. The total consideration for the combination is ₩216,200 million, and the amounts of assets acquired and liabilities assumed the combination are ₩246,400 million and ₩30,200 million, respectively.
- (2) The Group acquired 75.06% of shares in PT. Hyundai Capital Finance Indonesia for the year ended December 31, 2024.

The accounting for the business combination at the acquisition date is as follows.

Description	Amounts
	(In millions of Korean Won)
Total considerations transferred	₩ 26,550
Non-controlling interests	8,360
Assets acquired and liabilities assumed	
Current assets	33,551
Non-current assets	-
Current liabilities	37
Non-current liabilities	-
Fair value of identifiable net assets	33,514
Goodwill	1,396

The amounts of sales and net loss of the acquiree since the acquisition date included in the consolidated statement of income for the year ended December 31, 2024 are ₩1,011 million and ₩1,067 million, respectively.

40. SUBSEQUENT EVENTS:

The Group made a capital increase of ₩398,394 million to Beijing-Hyundai Motor Company (BHMC), a joint venture, on January 17, 2025, and there have been no resulting changes in the ownership percentage.

Audit opinion on internal control over financial reporting for consolidation purposes

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

Attachments:

1. Independent auditor's report on internal control over financial reporting for consolidation purposes
2. ICFR Operating Status Report for Consolidation Purposes by CEO

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

**Hyundai Motor Company
The Shareholders and Board of Directors**

Opinion on internal control over financial reporting for consolidation purposes

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

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

We also have audited, in accordance with Korean Standards on Auditing ("KSA"), the consolidated statement of financial position as of December 31, 2024, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including material accounting policy information, and our report dated March 5, 2025 expressed an unqualified opinion thereon.

Basis for opinion on ICFR for consolidation purposes

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

Responsibility of management and those charged with governance for ICFR for consolidation purposes

Management is responsible for designing, implementing and maintaining an effective CFR for consolidation purposes, and for assessing the effectiveness of the ICFR for consolidation purposes included in the accompanying ICFR for Consolidation Purposes Operating Status Report by CEO.

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

Auditor's responsibilities for the audit of ICFR for consolidation purposes

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

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

ICFR for consolidation purposes definition and inherent limitations

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

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

The engagement partner on the audit resulting in this independent auditors' report is Do Hun, Han.



Seoul, Korea
March 5, 2025

This audit report is effective as of March 5, 2025, the independent auditor's report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's report to the time this report is used. Such events and circumstances could significantly affect the Group's ICFR for consolidation purposes and may result in modifications to this report.