GS Engineering & Construction Corporation and its subsidiaries

Consolidated financial statements
for each of the two years in the period ended December 31, 2025
with the independent auditor's report

GS Engineering & Construction Corp.

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Independent auditor's report

(English translation of a report originally issued in Korean)

GS Engineering & Construction Corporation
The Shareholders and Board of Directors

Opinion

We have audited the consolidated financial statements of GS Engineering & Construction Corporation and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the consolidated statements of profit or loss, 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, 2025, 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, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for each of the two years in the period ended December 31, 2025 in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS").

We also have audited the Group's internal control over financial reporting ("ICFR") as of December 31, 2025 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 16, 2026 expressed an unqualified opinion thereon.

Basis for opinion

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

Key audit matters

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

A. Uncertainty in the estimation of the total contract costs

The majority of the Group's construction contracts are executed over a long period of time, and the total contract costs are estimated based on projected future costs of the components. Therefore, there may be additional costs incurred that could not be expected prior to 2025 due to the following reasons: changes in macroeconomic and microeconomic variables that are the basis of the total contract cost estimation during the construction period; various changes in the domestic and overseas regions where constructions are being executed; and extension of construction period of some construction projects. For such reasons, there is significant uncertainty in estimating the total contract costs, and changes in estimation of the total contract costs affect profit or loss for the current and future periods. Accordingly, we identified the uncertainty in the estimation of the total contract costs as a key audit matter.

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

- Inquire about and corroborate related documents on the causes of differences between the total estimated costs and total input costs for the projects that have significant differences, out of the construction contracts that ended during the current period.
- Inquire about and corroborate related documents on the causes of significant fluctuations in the total contract costs with respect to major projects that have significant fluctuations in the total contract costs during the current period.
- Inquire about and corroborate related documents on whether the estimated total contract costs were appropriately reflected in the construction contracts which had significant changes in terms and conditions.
- Corroborate documents on whether the estimated total contract costs of the Group have been recorded through an appropriate approval process.
- Inquire about and corroborate related documents on whether there are major contracts with possible changes in the estimated total contract costs due to delays or extended construction periods.

B. Calculation of the percentage-of-completion

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

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

- Perform testing on details on approval history for contract costs aggregated by the major construction sites, considering the occurrence of the cost, amount of the cost and classification of the site.
- Inquire about and corroborate related documents on contracts with significant changes in percentage-of-completion during the current period and causes of such fluctuation.
- Perform an independent recalculation of percentage-of-completion of each contract to assess the appropriateness of the calculation performed by the Group.
- Compare the actual percentage-of-completion confirmed by other information available to use, including those information available at the major site visit, and the accounting percentage-of-completion of the contract, and assess the validity of reasons of any difference.

C. Recoverability of due from customers

As described in Note 7 (Construction contract) to the accompanying consolidated financial statements, the Group’s due from customers amounts to ₩959,574 million as of December 31, 2025, which accounts for 8% of the total sales. Dues from customers are claimed in accordance with the terms and conditions of the construction contracts, such as the completion of the applicable process of construction and results of inspection conducted by the customer. Depending on such contractual conditions including the results of inspection, it is probable that any unavoidable changes in payment terms will incur. Accordingly, recoverability of dues from customers was identified as a key audit matter.

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

- Corroborate if there are any construction sites with significantly unusual dues from customers based on the contractual terms of payment prescribed in the contract agreements.
- Identify construction sites with significant differences between the actual percentage-of-completion and the billing rate, and inquire about and corroborate related documents on the causes thereof.

- Identify construction contracts with significant amounts of dues from customers, inquire about the possibility of the customer's financial risks and assess the possibility by obtaining related information.
- If there is a significant construction site with dues from customers remaining unchanged for a long term, inquire about and corroborate related documents on whether there is any specific reason for that unusual cases, such as litigation therefor.

Emphasis of matter

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

As described in Note 3 to the consolidated financial statements, an accident occurred on April 29, 2023, where a portion of the underground parking lot collapsed at the construction site of Incheon Geomdan AA13-2 block public housing being constructed by the Group. In relation to this accident, the Group decided to reconstruct the entire public housing of Incheon Geomdan AA13-1 block and 13-2 block, as well as the underground parking lot. Consequently, the Group recognized the provision of ₩338,247 million in the consolidated financial statements as of December 31, 2025.

In connection with the above-mentioned accident, the Group received business suspension orders for civil engineering and construction works from the Seoul Metropolitan Government and the Ministry of Land, Infrastructure and Transport of Korea in 2024, and a restriction on its eligibility to participate in domestic public construction bids from the Korea Land and Housing Corporation. The Group filed requests for suspension of execution and administrative appeals seeking the cancellation of such sanctions, and the Seoul Administrative Court granted the Company's requests for suspension of execution. The outcome of the ongoing lawsuits seeking the cancellation of the administrative sanctions imposed by the Seoul Metropolitan Government, the Ministry of Land, Infrastructure and Transport, and the Korea Land and Housing Corporation may result in adjustments to material accounting estimates and assumptions used in the preparation of the consolidated financial statements. Accordingly, the potential impact thereof on the Group's business operations, financial position and financial performance cannot be reasonably estimated currently.

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

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

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

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

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

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

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

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

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

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

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

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

Ernst & Young Han Young 韓英會計法人代表理事之印

March 16, 2026

This audit report is effective as of March 16, 2026, the independent auditor's report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's report to the time this report is used. Such events and circumstances could significantly affect the accompanying consolidated financial statements and may result in modifications to this report.

GS Engineering & Construction Corporation
and its subsidiaries

Consolidated financial statements
for each of the two years in the period ended December 31, 2025

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

Yoon Hong Huh
Chief Executive Officer
GS Engineering & Construction Corporation

GS Engineering & Construction Corporation and its subsidiaries
Consolidated statements of financial position
as of December 31, 2025 and 2024

(in millions of Korean won)	**Notes**		**2025**		**2024**
Assets					
Current assets					
Cash and cash equivalents	5,9,32,33	₩	3,015,810	₩	2,083,025
Trade and other receivables, net	6,7,9,30,32,33		2,772,863		3,050,492
Contract assets	7,32		959,574		1,200,904
Inventories	8,27		1,163,292		1,280,006
Short-term financial assets	5,9,11,16,32,33		560,192		520,621
Other current assets	8		602,422		531,503
Total current assets			9,074,153		8,666,551
Non-current assets:					
Property, plant and equipment, net	13		1,625,949		2,638,612
Intangible assets, net	14		1,190,807		1,064,275
Investment properties, net	15		1,559,553		750,769
Right-of-use assets, net	16		239,522		288,614
Investments in associates	12		328,594		283,706
Long-term trade and other receivables, net	6,9,30,32,33		1,864,917		1,961,793
Long-term financial assets	5,9,11,16,32,33		908,382		717,438
Net defined benefit assets	19		65,659		43,902
Deferred income tax assets	28		1,171,738		1,061,752
Financial assets at fair value through profit or lo	9,10,33		301,590		239,766
Other non-current assets	8		128,978		86,116
Total non-current assets			9,385,689		9,136,743
Total assets		₩	**18,459,842**	₩	**17,803,294**
Liabilities					
Current liabilities					
Trade and other payables	9,17,30,32,33	₩	1,483,831	₩	1,838,233
Short-term financial liabilities	9,11,13,16,18,32,33		2,274,967		3,262,870
Contract liabilities	7		2,092,062		2,071,716
Income tax payable	28		64,159		20,174
Current provisions	7,20		684,788		830,941
Other current liabilities	7,9,17,30,33		1,232,332		1,007,971
Total current liabilities			7,832,139		9,031,905
Non-current liabilities:					
Long-term trade and other payables	9,17,30,32,33		79		-
Long-term financial liabilities	9,11,13,15,16,18,32,33		4,419,276		2,973,883
Net defined benefit liabilities	19		7,705		13,097
Non-current provisions	20,32		385,910		418,031
Deferred income tax liabilities	28		184,912		168,814
Other non-current liabilities	9,17,33		106,264		110,441
Total non-current liabilities			5,104,146		3,684,266
Total liabilities		₩	**12,936,285**	₩	**12,716,171**
Equity					
Issued capital	1,22	₩	427,907	₩	427,907
Capital surplus	22		922,803		923,980
Other components of equity	22		98,492		(98,313)
Accumulated other comprehensive income (loss	11,22		1,667		(105,981)
Retained earnings	23		3,342,093		3,266,496
			4,792,962		4,414,089
Non-controlling interests			730,595		673,034
Total equity			**5,523,557**		**5,087,123**
Total liabilities and equity		₩	**18,459,842**	₩	**17,803,294**

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

GS Engineering & Construction Corporation and its subsidiaries
Consolidated statements of profit or loss
for each of the two years in the period ended December 31, 2025

(in millions of Korean won except per share amounts)	Notes	2025	2024
Sales	4,7,30		
Sales from construction operations		₩ 10,535,959	₩ 10,782,875
Sales from real estates housing construction and sales operations		473,948	920,281
Others		1,440,440	1,160,655
		12,450,347	12,863,811
Cost of sales	7,29,30		
Cost of sales from construction operations		9,535,496	10,107,310
Cost of sales from real estates housing construction and sales operations		326,526	638,727
Others		1,243,261	1,003,594
		11,105,283	11,749,631
Gross profit		**1,345,064**	**1,114,180**
Selling and administrative expenses	25,29	907,255	828,226
Operating income	4	**437,809**	**285,954**
Other non-operating income	9,11,26	272,677	788,737
Other non-operating expenses	9,11,26	355,655	404,871
Share of profit (loss) of associates	12	9,804	(7,242)
Finance income	9,11,27,30	356,698	395,845
Finance costs	9,11,27,32	573,993	616,923
		1,568,827	2,199,134
Profit before income tax	4	**147,340**	**441,500**
Income tax expenses	28	53,917	177,576
Profit for the year		₩ **93,423**	₩ **263,924**
Profit (loss) attributable to			
Equity holders of the parent		93,518	245,568
Non-controlling interests		(95)	18,356
Earnings per share attributable to the equity holders of the parent (Korean Won)	24		
Basic earnings per share		₩ 1,073	₩ 2,893
Diluted earnings per share		1,073	2,893

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

GS Engineering & Construction Corporation and its subsidiaries
Consolidated statements of comprehensive income
for each of the two years in the period ended December 31, 2025

(in millions of Korean won)	Notes	2025	2024
Profit for the year		**₩ 93,423**	**₩ 263,924**
Other comprehensive income (loss)			
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods (net of tax):			
Gain (loss) on exchange differences on translations of foreign operations	22,28	110,872	(28,169)
Gain (loss) on valuation of derivative instruments	11,22,28	2,520	(7,210)
Share of other comprehensive income (loss) of associates and joint ventures	12,28	118	(240)
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods (net of tax):			
Remeasurements of net defined benefit liabilities	19,23,28	13,156	(28,404)
Other comprehensive income (loss) for the year		**126,666**	**(64,023)**
Total comprehensive income for the year		**₩ 220,089**	**₩ 199,901**
Total comprehensive income for the year atrributable to:			
Equity holders of the Parent Company		211,121	179,139
Non-controlling interests		8,968	20,762

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

GS Engineering & Construction Corporation and its subsidiaries
Consolidated statements of changes in equity
for each of the two years in the period ended December 31, 2025

(in millions of Korean won)	Notes	Issued capital	Capital surplus	Other components of equity	Accumulated other comprehensive income (loss)	Retained earnings	Total	Non-controllig interests	Total
As of January 1, 2024		**₩ 427,907**	**₩ 941,984**	**₩ (36,808)**	**₩ (64,979)**	**₩ 3,046,355**	**₩ 4,314,459**	**₩ 570,701**	**₩ 4,885,160**
Total comprehensive income (loss)									
Profit (Loss) for the year	23	-	-	-	-	245,568	245,568	18,356	263,924
Gain (Loss) on translation of foreign operations	22,28	-	-	-	(33,549)	-	(33,549)	5,380	(28,169)
Gain (Loss) on valuation of derivative instruments	11,22,28	-	-	-	(7,213)	-	(7,213)	3	(7,210)
Share of changes in other comprehensive income (loss) of associates and joint vent	12,22,28	-	-	-	(240)	-	(240)	-	(240)
Remeasurements of net defined benefit liabilities	19,23,28	-	-	-	-	(25,427)	(25,427)	(2,977)	(28,404)
Total comprehensive income for the year		-	-	-	(41,002)	220,141	179,139	20,762	199,901
Transactions with the equity holders of the Parent Company									
Dividends paid	23	-	-	-	-	-	-	(32,836)	(32,836)
Equity transactions within the consolidated entities		-	(18,004)	(61,505)	-	-	(79,509)	111,361	31,852
Changes in scope of consolidation		-	-	-	-	-	-	3,046	3,046
Total transactions with the equity holders of the Parent Company		-	(18,004)	(61,505)	-	-	(79,509)	81,571	2,062
As of December 31, 2024		**₩ 427,907**	**₩ 923,980**	**₩ (98,313)**	**₩ (105,981)**	**₩ 3,266,496**	**₩ 4,414,089**	**₩ 673,034**	**₩ 5,087,123**
							-		-
As of January 1, 2025		**₩ 427,907**	**₩ 923,980**	**₩ (98,313)**	**₩ (105,981)**	**₩ 3,266,496**	**₩ 4,414,089**	**₩ 673,034**	**₩ 5,087,123**
Total comprehensive income (loss)									
Profit (Loss) for the year	23	-	-	-	-	93,518	93,518	(95)	93,423
Gain (Loss) on translation of foreign operations	22,28	-	-	-	101,947	-	101,947	8,925	110,872
Gain (Loss) on valuation of derivative instruments	11,22,28	-	-	-	5,583	-	5,583	(3,063)	2,520
Share of changes in other comprehensive income (loss) of associates and joint vent	12,22,28	-			118	-	118	-	118
Remeasurements of net defined benefit liabilities	19,23,28	-	-	-	-	9,955	9,955	3,201	13,156
Total comprehensive income for the year		-	-	-	107,648	103,473	211,121	8,968	220,089
Transactions with the equity holders of the Parent Company									
Issuance of hybrid capital securities	22	-	-	196,805	-	-	196,805	-	196,805
Distributions on hybrid capital securities	23	-	-	-	-	(2,410)	(2,410)	-	(2,410)
Dividends paid	23	-	-	-	-	(25,466)	(25,466)	(16,814)	(42,280)
Equity transactions within the consolidated entities		-	(1,177)	-	-	-	(1,177)	4,303	3,126
Changes in scope of consolidation		-	-	-	-	-	-	61,104	61,104
Total transactions with the equity holders of the Parent Company		-	(1,177)	196,805	-	(27,876)	167,752	48,593	216,345
As of December 31, 2025		**₩ 427,907**	**₩ 922,803**	**₩ 98,492**	**₩ 1,667**	**₩ 3,342,093**	**₩ 4,792,962**	**₩ 730,595**	**₩ 5,523,557**

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

GS Engineering & Construction Corporation and its subsidiaries
Consolidated statements of cash flows
for each of the two years in the period ended December 31, 2025

(in millions of Korean won)	Notes	2025	2024
Cash flows from operating activities			
Cash generated from operations	31	₩ 861,129	₩ 505,054
Interest received		248,508	206,281
Interest paid		(412,955)	(378,973)
Dividends received		19,556	12,235
Income tax paid		(124,708)	(76,785)
Net cash flows provided by operating activities		**591,530**	**267,812**
Cash flows from investing activities			
Decrease in other receivables		264,355	284,959
Decrease in short-term financial assets		925,911	815,419
Decrease in long-term other receivables		453,535	229,235
Decrease in long-term financial assets		123,181	214,044
Disposal of financial assets at fair value through profit or loss		109	24,270
Disposal of investments in associates		9,989	129,027
Disposal of property, plant and equipment		7,054	47,758
Disposal of intangible assets		1,803	1,566
Disposal of investment properties		82,621	-
Increase due to changes in the scope of consolidation		19,100	4,738
Increase in other receivables		(122,534)	(64,419)
Increase in short-term financial assets		(946,831)	(753,794)
Increase in long-term other receivables		(383,514)	(662,185)
Increase in long-term financial assets		(295,235)	(180,151)
Acquisition of financial assets at fair value through profit or loss		(36,842)	(30,058)
Acquisition of investments in associates		(44,883)	(69,178)
Acquisition of property, plant and equipment		(225,985)	(416,205)
Acquisition of intangible assets		(69,029)	(110,803)
Acquisition of investment properties		(1,959)	(3,645)
Derease due to changes in scope of consolidation		(7,826)	(9,499)
Net cash flows used in investing activities		**(246,980)**	**(548,921)**
Cash flows from financing activities			
Increase in short-term financial liabilities		1,782,726	2,372,807
Increase in long-term financial liabilities		2,633,487	1,620,511
Increase in other non-current liabilities		3,184	4,803
Increase in non-controlling interests		12,089	97,667
Issuance of hybrid capital securities		196,805	-
Decrease in short-term financial liabilities		(3,379,707)	(3,421,072)
Decrease in other current liabilities		(1,105)	(4,459)
Decrease in long-term financial liabilities		(552,901)	(458,804)
Decrease in other non-current liabilities		(76)	(184)
Dividends paid		(41,850)	(32,398)
Payment of principal portion of lease liabilities		(74,156)	(98,828)
Distributions on hybrid capital securities		(2,410)	-
Decrease in non-controlling Interest		(2,378)	(3,475)
Net cash flows provided by financing activities		**573,708**	**76,568**
Effect of exchange rate changes on cash and cash equivalents		**14,527**	**42,641**
Net increase (decrease) in cash and cash equivalents		**932,785**	**(161,900)**
Cash and cash equivalents at the beginning of the year		**2,083,025**	**2,244,925**
Cash and cash equivalents at the end of the year		**₩ 3,015,810**	**₩ 2,083,025**

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

1. General Information

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

1.1 Overview of the Company

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

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

As of December 31, 2025, the Company maintains overseas branches and construction sites in several foreign countries, including the United Arab Emirates, Saudi Arabia, Vietnam, China and Singapore.

The Company's issued capital as of December 31, 2025 amounts to ₩ 427,907 million.

1.2 Summary of the Consolidated Subsidiaries

Name of subsidiary	Percentage of ownership (%)[1] 2025	Percentage of ownership (%)[1] 2024	Location	Year end	Principal operation
Xi S&D Inc.[2]	39.98	39.95	Korea	Dec. 31	Real estate
Xi - Estec Co., Ltd.	100.00	100.00	Korea	Dec. 31	Construction
GCS	100.00	100.00	Korea	Dec. 31	Service
BSM Co., Ltd.	100.00	100.00	Korea	Dec. 31	Processing
GVESCO Corporation	100.00	100.00	Korea	Dec. 31	Service
GVESCO Investment Management Corp.	100.00	100.00	Korea	Dec. 31	Service
GVESCO Private Real Estate Fund No.1	99.80	99.80	Korea	Dec. 31	Collective investment
GPC Corp.	100.00	100.00	Korea	Dec. 31	Manufacturing
ECO AQUAFARM	90.48	88.24	Korea	Dec. 31	Fishery
XiGEIST	100.00	100.00	Korea	Dec. 31	Manufacturing
XiGEIST Architects	100.00	100.00	Korea	Dec. 31	Service
Energy Materials Corp.	77.65	77.65	Korea	Dec. 31	Manufacturing
GLOBAL WATER SOLUTION CO., LTD.[11]	100.00	100.00	Korea	Dec. 31	Holding Business
DC Bridge Corp.	100.00	100.00	Korea	Dec. 31	Information and communication
Bucheon Media Complex Management Inc.	100.00	100.00	Korea	Dec. 31	Real estate
Sun-field Solar Power Co., Ltd.[3]	-	90.91	Korea	Dec. 31	Service
XI C&A CO., LTD.[4]	23.99	23.97	Korea	Dec. 31	Construction
ZEIT C&A NANJING Co., Ltd.[5]	23.99	23.97	China	Dec. 31	Construction management
ZEIT C&A POLAND SP. Z O. O.[5]	23.99	23.97	Poland	Dec. 31	Construction management
ZEIT C&A VIETNAM COMPANY LIMITED.[5]	23.99	23.97	Vietnam	Dec. 31	Construction management
ZEIT C&A AMERICA, INC.[5]	23.99	23.97	USA	Dec. 31	Construction management
ZEIT C&A INDIA PRIVATE LIMITED [5, 6]	23.99	-	India	Dec. 31	Construction management
HEIMLAB Corp.	100.00	100.00	Korea	Dec. 31	Construction
HAETDEULWON Rooftop PV 01	100.00	100.00	Korea	Dec. 31	Service
XPLOR INVESTMENT Co., Ltd	100.00	100.00	Korea	Dec. 31	Finance
XPLOR-Smart City Investment Association	100.00	100.00	Korea	Dec. 31	Collective investment
XPLOR-Open Innovation Investment Association	100.00	100.00	Korea	Dec. 31	Collective investment
HAETDEULWON Rooftop PV 02	100.00	100.00	Korea	Dec. 31	Service
Edge point Gasan PFV co., Ltd[6]	58.28	-	Korea	Dec. 31	Information and communication
GS E&C Nanjing Co., Ltd.	100.00	100.00	China	Dec. 31	Construction
Vietnam GS Industry One-Member LLC[7]	100.00	100.00	Vietnam	Dec. 31	Real estate

Name of subsidiary	Percentage of ownership (%)[1] 2025	2024	Location	Year end	Principal operation
Vietnam GS Enterprise One Member LLC[7]	100.00	100.00	Vietnam	Dec. 31	Real estate
ZEITGEIST EDUCATION CO., LTD.	100.00	100.00	Vietnam	Dec. 31	Service
GS Engineering & Construction Mumbai Pvt. Ltd.	100.00	100.00	India	Mar. 31	Construction
PT. GSENC Development Indonesia	100.00	100.00	Indonesia	Dec. 31	Construction
GS E&C Development (Thailand) Co., Ltd.	100.00	100.00	Thailand	Dec. 31	Real estate
ZEIT GREEN DEVELOPMENT INDIA Pvt. Ltd.	100.00	100.00	India	Mar. 31	Service
GSENC SOLAR 1 PRIVATE LIMITED.	100.00	100.00	India	Mar. 31	Service
GSENC SOLAR 2 PRIVATE LIMITED.[6]	100.00	-	India	Mar. 31	Service
GSENC SOLAR 3 PRIVATE LIMITED.[6]	100.00	-	India	Mar. 31	Service
GSENC SOLAR 4 PRIVATE LIMITED.[6]	100.00	-	India	Mar. 31	Service
GSENC SOLAR 5 PRIVATE LIMITED.[6]	100.00	-	India	Mar. 31	Service
GSENC RENEWABLE 1 PRIVATE LIMITED[6]	100.00	-	India	Mar. 31	Service
GAYA STRATEGIC ENTERPRISE CORPORATION PTE. LTD.	100.00	100.00	Singapore	Dec. 31	Service
GSEC (THA) PTE. LTD.	100.00	100.00	Singapore	Dec. 31	Service
GSEC (THA2) PTE. LTD.	100.00	100.00	Singapore	Dec. 31	Service
GS E&C INDIA PRIVATE LIMITED[6]	100.00	-	India	Mar. 31	Construction
VGSI Elevator Limited Liability Company[6,8]	100.00	-	Vietnam	Dec. 31	Manufacturing
VGSI Aluminium Form Limited Liability Company[6,8]	100.00	-	Vietnam	Dec. 31	Manufacturing
VGSI Pile Limited Liability Company[6,8]	100.00	-	Vietnam	Dec. 31	Manufacturing
Phu My Innovative Materials Limited Liability Company[6,8]	100.00	-	Vietnam	Dec. 31	Manufacturing
GS Construction Arabia Sole Proprietorship Ltd. (formerly, GS Construction Arabia Co.,Ltd.)[9]	100.00	100.00	Saudi Arabia	Dec. 31	Construction
GS Real Estate Development Company	100.00	100.00	Saudi Arabia	Dec. 31	Real estate
GS CONSTRUCTION MIDDLE EAST - SOLE PROPRIETORSHIP L.L.C.	100.00	100.00	UAE	Dec. 31	Construction
GS E&C Poland SP.ZO.O	100.00	100.00	Poland	Dec. 31	Construction
Danwood S.A.	100.00	100.00	Poland	Dec. 31	Construction
Danwood GmbH	100.00	100.00	Switzerland	Dec. 31	Construction

Name of subsidiary	Percentage of ownership (%)[1] 2025	2024	Location	Year end	Principal operation
GS Engineering & Construction Spain, S.L.	100.00	100.00	Spain	Dec. 31	Construction
Chervona Gora EKO	100.00	100.00	Ukraine	Dec. 31	Construction
Elements (Europe) Limited[10]	-	75.00	UK	Dec. 31	Construction
GS Real Estate Development Company London LTD.	100.00	100.00	UK	Dec. 31	Real estate
GS Village Lake LLC	100.00	100.00	USA	Dec. 31	Real estate
GS Property Mountain View LLC	100.00	100.00	USA	Dec. 31	Real estate
777 WMF, LLC	100.00	100.00	USA	Dec. 31	Real estate
GS MIRAMAR VILLAGE LAKES MANAGER, LLC	80.00	80.00	USA	Dec. 31	Real estate
CDCF III FORTBAY MV, LLC	94.19	94.19	USA	Dec. 31	Real estate
GS Redlands, LLC	100.00	100.00	USA	Dec. 31	Real estate
MOUNTAIN VIEW MEZZ, LLC	94.19	94.19	USA	Dec. 31	Real estate
MOUNTAIN VIEW OWNER, LLC	94.19	94.19	USA	Dec. 31	Real estate
GSFC FUND 1 LLC	100.00	100.00	USA	Dec. 31	Collective investment
400 LOGUE OWNER, LLC	100.00	100.00	USA	Dec. 31	Real estate
PALA-POWER GENERAL CONSTRUCTION SERVICE (PROPRIETARY) LIMITED	100.00	100.00	Botswana	Dec. 31	Construction
GS Engineering & Construction Australia Pty Ltd.	100.00	100.00	Australia	Dec. 31	Construction
The Trustee for GS NEL Trust	100.00	100.00	Australia	Dec. 31	Construction
GS SPV PTY LTD.	100.00	100.00	Australia	Dec. 31	Construction
ZEIT DEVELOPMENT POLAND LLC	100.00	100.00	Poland	Dec. 31	Real estate
400 Logue Master GP, LLC	100.00	100.00	USA	Dec. 31	Real estate
400 Logue LP, LLC	100.00	100.00	USA	Dec. 31	Real estate
400 Logue GP, LLC	100.00	100.00	USA	Dec. 31	Real estate
400 Logue JVC, LLC	100.00	100.00	USA	Dec. 31	Real estate
400 Logue Master LP, LLC[6]	100.00	-	USA	Dec. 31	Real estate
Zeit Homes, Inc.	100.00	100.00	USA	Dec. 31	Real estate
GS E&C Brazil Ltda.	100.00	100.00	Brazil	Dec. 31	Construction
GS E&C USA Inc[6]	100.00	-	USA	Dec. 31	Construction

[1] Including securities held by subsidiaries of the Group.

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

[3] As a result of the partial disposal of equity interest for the year ended December 31, 2025, the Company lost control over the entity, which was subsequently reclassified as a joint venture.

[4] The Group is considered to have control over the entity because its subsidiary XI S&D Co., Ltd. holds a majority ownership interest more than 50% of the shares.

[5] Subsidiaries of XI C&A CO., LTD.

[6] Newly included in the scope of consolidation for the year ended December 31, 2025.

[7] The entity underwent a spin-off for the year ended December 31, 2025.

[8] The entities were newly established for the year ended December 31, 2025 as a result of the spin-off of Vietnam GS Industry One-Member LLC.

[9] For the year ended December 31, 2025, the entity name changed from GS Construction Arabia Co., Ltd. to GS Construction Arabia Sole Proprietorship Ltd.

[10] For the year ended December 31, 2025, the entity was excluded from the scope of consolidation as it was determined that the Group's control over the entity was limited due to liquidation proceedings.

[11] Summarized information of the Group's subsidiaries is as follows:

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

Name of subsidiary	Location	Principal business activity	Year end	Percentage of ownership (%)
Capital Desalination Company, S.A.O.C.	Oman	Construction	Dec. 31	52.00
GS Inima (Barka), LLC	Oman	Construction	Dec. 31	100.00
GS Inima Investment - Sole Propietorship LLC	UAE	Construction	Dec. 31	100.00
GS INIMA DESALINATION AND GENERAL CONTRACTING - L.L.C - S.P.C[2]	UAE	Construction	Dec. 31	100.00
GS Inima (Al Ghubra), LLC	Oman	Construction	Dec. 31	100.00
Barka Operations and Maintenance Company S.P.C.	Oman	Construction	Dec. 31	100.00
Concordia Saneamento, S.A.	Brazil	Construction	Dec. 31	70.00
GS Inima View, S.L.	Spain	Construction	Dec. 31	100.00
AGUA PARA O ALGARVE - INIMA, AQUAPOR E LUSAGUA, A.C.E.	Portugal	Construction	Dec. 31	60.00
El Fenazar Solar S.L.U	Spain	Construction	Dec. 31	100.00
COLMENAR INIMA SOLAR, S.L.	Spain	Construction	Dec. 31	100.00
BRODOWSKI SANEAMENTO, S.A	Brazil	Construction	Dec. 31	80.00
Espirito Santo Saneamento S.A.	Brazil	Construction	Dec. 31	90.00
GS Inima Regional Headquarter, S.L.	Saudi Arabia	Construction	Dec. 31	100.00
Barrinha Saneamento S.A.	Brazil	Construction	Dec. 31	60.00

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

[2] For the year ended December 31, 2025, the entity name changed from GS Inima Desalination Sole Proprietorship LLC. to GS INIMA DESALINATION AND GENERAL CONTRACTING - L.L.C - S.P.C

1.3 Summarized Financial Information

(in millions of Korean won)	As of and for the year ended December 31, 2025				
	Assets	Liabilities	Equity	Sales	Profit (loss) for the year
Xi S&D Inc. [1]	₩ 1,189,917	₩ 493,913	₩ 696,004	₩ 1,387,596	₩ 37,119
Xi - Estec Co., Ltd.	2,883	495	2,388	5,447	328
GCS	22,887	8,331	14,556	76,672	2,749
BSM Co., Ltd.	3,342	2,261	1,081	16,425	(324)
GVESCO Corporation	4,495	8	4,487	-	(5)
GVESCO Investment Management Corp.	13,904	2,654	11,250	6,603	2,016
GVESCO Private Real Estate Fund No.1	30,823	14	30,809	20	(137)
GPC Corp.	142,274	35,380	106,894	172,664	10,621
ECO AQUAFARM	15,813	134	15,679	-	(2,032)
XiGEIST	24,945	13,863	11,082	27,234	(3,389)
XiGEIST Architects	286	294	(8)	254	4
Energy Materials Corp.	246,392	145,089	101,303	6,723	(90,856)
GLOBAL WATER SOLUTION CO., LTD.	414,192	20	414,172	-	(93)
DC Bridge Corp.	7,071	1,538	5,533	3,357	1,359
Bucheon Media Complex Management Inc.	827	882	(55)	-	(866)
Sun-field Solar Power Co., Ltd.	-	-	-	-	(487)
HEIMLAB Corp.	2,455	738	1,717	4,405	(2,853)
HAETDEULWON Rooftop PV 01	18,380	13,827	4,553	2,010	486
XPLOR INVESTMENT Co., Ltd	9,451	258	9,193	963	(980)
XPLOR-Smart City Investment Association	5,687	5	5,682	187	48
XPLOR-Open Innovation Investment Association	2,776	6	2,770	8	(130)
HAETDEULWON Rooftop PV 02	8,976	6,720	2,256	30	(124)
Edge point Gasan PFV co., Ltd	46,205	30,097	16,108	-	(192)
GS E&C Nanjing Co., Ltd.	34,722	376	34,346	-	4
Vietnam GS Industry One-Member LLC	368,495	295,249	73,246	75,885	11,057
Vietnam GS Enterprise One Member LLC	638,069	698,461	(60,392)	213,722	62,524
GS Engineering & Construction Mumbai Pvt. Ltd.	16,086	24,624	(8,538)	16,264	(2,348)
PT. GSENC Development Indonesia	4,307	1,917	2,390	-	(478)
ZEITGEIST EDUCATION CO., LTD.	380	1	379	-	12
GS E&C Development (Thailand) Co., Ltd.	35,675	280	35,395	-	1,650
ZEIT GREEN DEVELOPMENT INDIA Pvt. Ltd.	10,698	7,896	2,802	-	(1,563)

(in millions of Korean won)	As of and for the year ended December 31, 2025				
	Assets	**Liabilities**	**Equity**	**Sales**	**Profit (loss) for the year**
GAYA STRATEGIC ENTERPRISE CORPORATION PTE. LTD.	23,837	1,537	22,300	-	(3,555)
GS E&C INDIA PRIVATE LIMITED	31,652	31,304	348	24,236	307
VGSI Elevator Limited Liability Company	12,511	2,931	9,580	6,132	(15,831)
VGSI Aluminium Form Limited Liability Company	46,649	4,806	41,843	11,213	39
VGSI Pile Limited Liability Company	31,494	2,429	29,065	6,633	(4,006)
Phu My Innovative Materials Limited Liability Company	54,432	4,598	49,834	21,577	(246)
GS Construction Arabia Sole Proprietorship Ltd	167,299	1,331,967	(1,164,668)	416,785	(77,894)
GS CONSTRUCTION MIDDLE EAST - SOLE PROPRIETORSHIP L.L.C.	2,442	61,895	(59,453)	16,194	2,182
GS Real Estate Development Company	30,012	909	29,103	-	(867)
GS E&C Poland SP.ZO.O[1]	716,362	330,529	385,833	373,900	10,507
GS Inima Environment S.A.U. [1]	2,451,574	1,651,639	799,935	879,199	(37,905)
GS Engineering & Construction Spain, S.L.	150,571	23	150,548	-	(75)
Chervona Gora EKO	16,191	4,255	11,936	5,546	2,027
Elements (Europe) Limited	-	-	-	(72,548)	(167,894)
GS Real Estate Development Company London LTD.	18,230	75,711	(57,481)	(3,076)	(85,203)
GS Village Lake LLC	87,862	1,970	85,892	-	(271)
GS Property Mountain View LLC	3,980	980	3,000	1,456	(1,213)
777 WMF, LLC	28,801	6	28,795	-	(41)
GS MIRAMAR VILLAGE LAKES MANAGER, LLC	35,893	-	35,893	-	(7)
CDCF III FORTBAY MV, LLC[1]	696,441	712,320	(15,879)	84,266	(35,233)
GS Redlands, LLC	17,742	12	17,730	-	760
GSFC FUND 1 LLC	50,368	30	50,338	-	(2,825)
PALA-POWER GENERAL CONSTRUCTION SERVICE (PROPRIETARY) LIMITED	25	95	(70)	-	1
GS Engineering & Construction Australia Pty Ltd.	580,567	445,234	135,333	741,190	19,664
The Trustee for GS NEL Trust	3,489	2,418	1,071	1,703	1,974
GS SPV PTY LTD	54	74	(20)	407	(19)
ZEIT DEVELOPMENT POLAND LLC	129,862	18,180	111,682	171	856
400 Logue Master GP, LLC	15,250	7	15,243	-	(7)
400 Logue LP, LLC	50,096	17,152	32,944	-	(510)
400 Logue GP, LLC	13,962	3	13,959	-	(24)
400 Logue JVC, LLC [1]	112,219	144	112,075	-	(27)

(in millions of Korean won)	As of and for the year ended December 31, 2025				
	Assets	**Liabilities**	**Equity**	**Sales**	**Profit (loss) for the year**
Zeit Homes, Inc.	6	-	6	-	(7)
GS E&C Brazil Ltda.	28,031	19,709	8,322	98,316	6,989
400 Logue Master LP, LLC	99,313	49,732	49,581	-	(465)
GS E&C USA Inc	628	16	612	-	(103)

[1] Including financial information of subsidiaries.

(in millions of Korean won)	As of and for the year ended December 31, 2024				
	Assets	**Liabilities**	**Equity**	**Sales**	**Profit (loss) for the year**
Xi S&D Inc. [1]	₩ 1,305,236	₩ 639,120	₩ 666,116	₩ 1,578,173	₩ 6,644
Xi - Estec Co., Ltd.	2,771	710	2,061	7,524	966
GCS	23,705	7,896	15,809	74,673	2,791
BSM Co., Ltd.	3,099	1,693	1,406	18,848	263
Zeit O&M Co., Ltd.	-	-	-	51,011	4,096
GVESCO Corporation	4,502	9	4,493	-	(11)
GVESCO Investment Management Corp.	13,607	4,343	9,264	8,615	3,210
GVESCO Private Real Estate Fund No.1	30,960	14	30,946	29	(95)
GPC Corp.	144,464	48,177	96,287	86,995	5,494
GS ELEVATOR Co., Ltd.	-	-	-	40,197	(8,571)
ECO AQUAFARM	14,901	1,134	13,767	-	(1,850)
XiGEIST	14,776	4,637	10,139	14,867	(5,453)
XiGEIST Architects	127	144	(17)	325	(21)
Energy Materials Corp.	328,720	136,439	192,281	561	(32,703)
GLOBAL WATER SOLUTION CO., LTD.	414,361	96	414,265	-	(162)
DC Bridge Corp.	7,914	3,740	4,174	695	143
Bucheon Media Complex Management Inc.	1,095	285	810	-	(1,578)
Sun-field Solar Power Co., Ltd.	79,859	71,186	8,673	-	(1,040)
HEIMLAB Corp.	4,386	1,491	2,895	1,605	(3,361)
HAETDEULWON Rooftop PV 01	13,033	8,966	4,067	339	(316)
XPLOR INVESTMENT Co., Ltd	10,679	526	10,153	972	(1,339)
XPLOR-Smart City Investment Association	5,552	6	5,546	666	526
XPLOR-Open Innovation Investment Association	2,906	6	2,900	40	(95)
HAETDEULWON Rooftop PV 02	897	336	561	-	(5)
GS E&C Nanjing Co., Ltd.	37,247	3,490	33,757	24,093	12,978
Vietnam GS Industry One-Member LLC	541,021	589,202	(48,181)	77,684	(35,457)
Vietnam GS Enterprise One	718,650	845,811	(127,161)	57,510	(9,531)

(in millions of Korean won)	As of and for the year ended December 31, 2024				
	Assets	**Liabilities**	**Equity**	**Sales**	**Profit (loss) for the year**
Member LLC					
GS Engineering & Construction Mumbai Pvt. Ltd.	16,505	23,217	(6,712)	21,134	2,419
PT. GSENC Development Indonesia	3,277	114	3,163	-	(46)
ZEITGEIST EDUCATION CO., LTD.	392	2	390	-	1
GS E&C Development (Thailand) Co., Ltd.	33,743	833	32,910	-	(156)
ZEIT GREEN DEVELOPMENT INDIA Pvt. Ltd.	3,466	455	3,011	-	(961)
GAYA STRATEGIC ENTERPRISE CORPORATION PTE. LTD.	21,831	1,575	20,256	-	(2,086)
ZEIT O&M SDN. BHD.	-	-	-	-	(5)
GS Construction Arabia Co., Ltd.	161,480	1,283,380	(1,121,900)	113,040	(37,674)
GS CONSTRUCTION MIDDLE EAST - SOLE PROPRIETORSHIP L.L.C.	7,177	70,339	(63,162)	14,376	(6,869)
GS Real Estate Development Company	30,366	804	29,562	-	(746)
GS E&C Poland SP.ZO.O[1]	608,702	217,259	391,443	398,875	20,702
GS Inima Environment S.A.U. [1]	1,847,115	1,058,664	788,451	573,643	55,787
GS Engineering & Construction Spain, S.L.	136,619	21	136,598	-	(77)
Chervona Gora EKO	20,124	9,930	10,194	5,374	1,556
Elements (Europe) Limited	71,943	126,529	(54,586)	94,160	(44,622)
GS Real Estate Development Company London LTD.	258	825	(567)	-	(13)
GS E&C Panama S.A.	-	-	-	-	(8)
GS Village Lake LLC	90,221	1,947	88,274	-	(82)
GS Property Mountain View LLC	5,303	976	4,327	2,898	(17,128)
GS MIRAMAR 700 EC, LLC[1]	-	-	-	2,056	2,606
777 WMF, LLC	29,547	6	29,541	-	(113)
GS MIRAMAR VILLAGE LAKES MANAGER, LLC	36,778	-	36,778	-	(7)
CDCF III FORTBAY MV, LLC[1]	730,402	710,252	20,150	2,893	4,490
GS Redlands, LLC	17,388	11	17,377	19,371	3,691
GSFC FUND 1 LLC	33,941	31	33,910	-	(2,048)
PALA-POWER GENERAL CONSTRUCTION SERVICE (PROPRIETARY) LIMITED	26	99	(73)	-	(6)
GS Engineering & Construction Australia Pty Ltd.	505,770	396,697	109,073	553,211	43,023
The Trustee for GS NEL Trust	2,627	393	2,234	1,654	673
GS SPV PTY LTD	165	165	-	419	-
ZEIT DEVELOPMENT POLAND LLC	90,415	1,339	89,076	176	1,032
400 Logue Master GP, LLC	15,616	7	15,609	-	(7)

(in millions of Korean won)	As of and for the year ended December 31, 2024				
	Assets	**Liabilities**	**Equity**	**Sales**	**Profit (loss) for the year**
400 Logue LP, LLC	23,989	2	23,987	-	(6)
400 Logue GP, LLC	14,327	2	14,325	-	(50)
400 Logue JVC, LLC [1]	110,849	73,633	37,216	-	(444)
Zeit Homes, Inc.	5	2	3	-	(9)
GS E&C Brazil Ltda.	25,778	24,744	1,034	7,217	(420)

[1] Including financial information of subsidiaries.

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

2. Basis of Preparation and Material Accounting Policy Information

2.1 Basis of Preparation

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

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

2.2 Basis of Consolidation

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

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

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

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

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

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

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

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

2.3 Material Accounting Policy Information

2.3.1 Segment Reporting

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

2.3.2 Current versus Non-current Classification

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current. However, deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.3.3 Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

2.3.4 Foreign Currencies

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

(1) Transactions and balances

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

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

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

(2) Translation in foreign operations

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

2.3.5 Financial Instruments - Initial Recognition and Subsequent Measurement

(1) Financial assets

1) Initial recognition and measurement

The Group classifies financial assets, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

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

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

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

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

2) Subsequent measurement

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

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

① Financial assets at amortized cost (debt instruments)

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

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

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

② Financial assets at fair value through OCI (debt instruments)

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

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

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

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

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

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

④ Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

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

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

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

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

3) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

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

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

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

4) Impairment of financial assets

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

① Trade receivables

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

② Debt instruments other than trade receivables

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

(2) Financial liabilities

1) Initial recognition and measurement

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

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

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

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

2) Subsequent measurement

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

- Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. This category generally applies to interest-bearing loans and borrowings.

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

- Financial liabilities at fair value through profit or loss

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

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

Gains and losses arising from financial liabilities held for trading are recognized in profit or loss.

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

3) Derecognition

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

4) Offsetting of financial instruments

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

2.3.6 Derivative Financial Instruments and Hedge Accounting

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

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

The Group designates certain derivatives as:

- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction.

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

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

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

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

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

2.3.7 Inventories

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

2.3.8 Property, Plant and Equipment

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

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

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

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

2.3.9 Leases

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

(1) Group as a lessee

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

1) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost and subsequently measured using the cost model. In order to apply the cost model, accumulated depreciation and impairment losses are deducted from the cost of right-of-use assets and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

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

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

2) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

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

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

(2) Group as a lessor

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

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

2.3.10 Borrowing Costs

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

2.3.11 Intangible Assets

Amortization of intangible assets is calculated using the straight-line method over their estimated useful lives. Membership rights are regarded as intangible assets with indefinite useful life and not amortized because there is no foreseeable limit to the period over which the asset is expected to be utilized.

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

2.3.12 Investment Properties

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

2.3.13 Impairment of Non-financial Assets

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

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. Impairment losses of continuing operations are recognized in the statement of income in expense categories consistent with the function of the impaired asset.

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

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

2.3.14 Employee Benefits

(1) Post-employment benefits

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

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

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

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs.

(2) Other long-term employee benefits

The Group provides long-term employee benefits that are entitled to employees with service period for ten years and above. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. The Group recognizes service cost, net interest on other long-term employee benefits and remeasurements as profit or loss for the year. These liabilities are valued annually by a qualified independent actuary.

2.3.15 Provisions

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

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

(1) Warranty provision

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

(2) Onerous contracts

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

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

2.3.16 Current and Deferred Income Tax

(1) Current income tax

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

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

(2) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

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

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

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

associates and interests in joint arrangement, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

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

2.3.17 Revenue Recognition

(1) Identifying performance obligations

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

(2) Performance obligation satisfied over time

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

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

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

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

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

Meanwhile, for contracts related to its own housing development projects that do not meet the criteria for recognizing revenue over time, the Group recognized revenue at a point in time, upon delivery.

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

In accordance with KIFRS 1115, revenue is recognized when the goods or services committed to be provided to the customer are transferred and the performance obligation is fulfilled or when the performance obligation is fulfilled over a period of time. The obligation to perform during the period is to measure the percentage-of-completion until the obligation is fulfilled and the revenue is recognized over the period. The method of measuring the percentage-of-completion includes the output method and the input method, and they are applied if the percentage-of-completion of the performance obligation can be reasonably measured. In most construction contracts, the Group applies percentage-of-completion measurement.

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

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

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

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

2.3.18 Business Combinations and Goodwill

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

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

The consideration the acquirer transfers in exchange for the acquiree includes any asset or liability resulting from a contingent consideration arrangement. The acquirer shall recognize the acquisition-date fair value of contingent consideration as part of the consideration transferred in exchange for the acquiree. Contingent consideration classified as assets or liabilities within the scope of KIFRS 1109 shall be measured at fair value at each reporting date and changes in fair value shall be recognized in profit or loss, or other comprehensive income, in accordance with KIFRS 1109. Contingent consideration classified as equity shall not be remeasured and its subsequent settlement shall be accounted for within equity. Other contingent consideration that is not within the scope of KIFRS 1109 shall be measured in accordance with other appropriate standards.

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

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

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

2.3.19 Investment in Associates and Joint Ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

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

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

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

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

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. The Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired.

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

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

2.3.20 Approval of Issuance of the Financial Statements

The consolidated financial statements as of and for the year ended December 31, 2025 were approved for issue by the Board of Directors on February 6, 2026 and are subject to change with the approval of shareholders at their Annual General Meeting.

2.4 New and Amended Standards Adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting periods commencing on or after January 1, 2025.

*2.*4.1 KIFRS 1021 *The Effects of Changes in Foreign Exchange Rates* and *KIFRS 1101 First-time adoption of KIFRS - Lack of exchangeability*

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments have no material impact on the Group's consolidated financial statements.

2.5 New Standards and Interpretations Not Yet Adopted by the Group

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

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

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

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

The amendments will be effective for annual periods beginning on or after January 1, 2026. Earlier adoption is permitted. The Group is currently assessing the impact of these amendments on its consolidated financial statements.

2.5.2 Amendments to KIFRS 1109 and KIFRS 1107 ***- Contracts Referencing Nature-dependent Electricity***

The amendments to KIFRS 1109 and KIFRS 1107 - *Contracts Referencing Nature-dependent Electricity* have been issued and include the followings:

- clarification of the application of the "own-use" requirements for in-scope contracts;
- amendments to the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts; and
- addition of new disclosure requirements to enable investors to understand the effect of these contracts on an entity's financial performance and cash flows.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted and must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the disclosure amendments to KIFRS 1107 must be implemented alongside the amendments to KIFRS 1109. If an entity does not restate comparative information, it cannot present comparative disclosures. The amendments are not expected to have a material impact on the Group's consolidated financial statements.

2.5.3 ***Annual Improvements to KIFRS - Volume 11***

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

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

2.5.4 KIFRS 1118 *Presentation and Disclosure in Financial Statements*

KIFRS 1118 has been issued, which replaces KIFRS 1001 *Presentation of Financial Statements*. KIFRS 1118 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified “roles” of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to KIFRS 1007 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from “profit or loss” to “operating profit or loss” and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

KIFRS 1118, and the amendments to the other standards, are effective for annual reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed. KIFRS 1118 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements

3. Material Accounting Estimates and Assumptions

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

3.1 Impairment of Non-financial Assets

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

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

3.2 Income Tax

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

3.3 Defined Benefit Plans

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

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

Further details about pension obligations are disclosed in Note 19.

3.4 Revenue Recognition

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

Uncertainty of estimated total contract income

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

Uncertainty of estimated total contract costs

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

3.5 Fair Value of Financial Instruments

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

3.6 Impairment of Financial Assets and Contract Assets

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

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

3.7 Provisions

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

3.8 Lease

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

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

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

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

On April 29, 2023, an accident occurred with the collapse of some parts of the underground parking lots under construction at the public housing construction site in block AA13-2, Geomdan, Incheon, where the Group was providing construction services as the main contractor. Following the accident investigation results from the Ministry of Land, Infrastructure, and Transport on July 5, 2023, the Group decided to reconstruct the entire public housing apartment complex and underground parking lots in Blocks AA13-1 and AA13-2 in Incheon, as part of the remedial measures. Consequently, an estimated loss of ₩338,247 million, including the reconstruction costs, was recognized as provision.

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

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

4. Segment Information and Revenue from Contracts with Customers

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

Operating segments	Principal business activity
Architectural & housing construction	Office building, factory, apartment and others
Plant construction[1]	Petroleum refining facility, power plant and others
Infra works[1,2]	Road, railroad, power control facility and others
Development & New Business[1]	Overseas development and others
Prefab[1]	Modular housing and others
Inima[1]	Waste water treatment plant
Others	Resort and others

[1] From the year ended December 31, 2025, the Green Business Division has been integrated into the Plant and Infrastructure Business Division, and the New Business Division has been separated into Development & New Business, Prefab, and Inima. The information for the prior period for comparative purposes has been restated to reflect these changes.

[2] From the year ended December 31, 2025, the Australia Business Division has been integrated into the Infrastructure Business Division.

(2) Sales and operating profit (loss) by each operating segment for each of the two years in the period ended December 31, 2025 are as follows

(in millions of Korean won)	2025									
	Architectural & housing construction	**Plant construction**	**Infra works**	**Development& New Business**	**Prefab**	**Inima**	**Others**	**Total**	**Consolidation adjustments**	**Consolidated total**
Sales	₩ 7,909,353	₩ 1,351,354	₩ 1,468,778	₩ 456,964	₩ 501,857	₩ 879,199	₩ 162,471	₩ 12,729,976	₩ (279,629)	₩ 12,450,347
Inter-company sales	(122,420)	(31,212)	(7,366)	(22,875)	(24,414)	(12,045)	(59,297)	(279,629)	279,629	-
Net sales	7,786,933	1,320,142	1,461,412	434,089	477,443	867,154	103,174	12,450,347	-	12,450,347
Operating profit (loss)[1]	463,672	(20,552)	76,851	35,859	(139,570)	26,524	(4,975)	437,809	-	437,809
Profit (loss) before income tax[1]	778,844	(288,176)	71,086	(174,656)	(229,885)	(2,977)	(6,896)	147,340	-	147,340

(in millions of Korean won)	2024									
	Architectural & housing construction	**Plant construction**	**Infra works**	**Development& New Business**	**Prefab**	**Inima**	**Others**	**Total**	**Consolidation adjustments**	**Consolidated total**
Sales	₩ 9,625,078	₩ 760,055	₩ 1,188,345	₩ 258,189	₩ 595,459	₩ 573,643	₩ 166,243	₩ 13,167,012	₩ (303,201)	₩ 12,863,811
Inter-company sales	(114,210)	(84,270)	(8,895)	(30,701)	(1,080)	(3,454)	(60,591)	(303,201)	303,201	-
Net sales	9,510,868	675,785	1,179,450	227,488	594,379	570,189	105,652	12,863,811	-	12,863,811
Operating profit (loss)[1]	395,634	(93,750)	(109,182)	(29,478)	(7,255)	126,262	3,723	285,954	-	285,954
Profit (loss) before income tax[1]	906,706	(202,121)	(262,782)	(52,279)	(38,577)	89,172	1,381	441,500	-	441,500

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

(3) Revenues by segments for each of the two years in the period ended December 31, 2025 are as follows:

(in millions of Korean won)	2025							
	Architectural & housing construction	**Plant construction**	**Infra works**	**Development& New Business**	**Prefab**	**Inima**	**Others**	**Total**
Major product & service								
Construction contract as a constructor	₩ 7,541,571	₩ 1,225,011	₩ 1,385,110	₩ 17,812	₩ (59,366)	₩ 156,595	₩ -	₩ 10,266,733
Construction contract as a developer & constructor	157,830	-	-	316,118	-	-	-	473,948
Engineering service and others	56,756	85,478	75,602	5,821	-	710,559	-	934,216
Lease and others	30,776	9,653	700	94,338	536,809	-	39,572	711,848
Resort	-	-	-	-	-	-	63,602	63,602
	₩ 7,786,933	₩ 1,320,142	₩ 1,461,412	₩ 434,089	₩ 477,443	₩ 867,154	₩ 103,174	₩ 12,450,347
Timing of revenue recognition								
Recognition over time	₩ 7,427,563	₩ 1,320,142	₩ 1,461,412	₩ 24,489	₩ (59,321)	₩ 867,154	₩ 39,572	₩ 11,081,011
Recognition at a point in time	359,370	-	-	409,600	536,764	-	63,602	1,369,336
	₩ 7,786,933	₩ 1,320,142	₩ 1,461,412	₩ 434,089	₩ 477,443	₩ 867,154	₩ 103,174	₩ 12,450,347

(in millions of Korean won)	2024															
	Architectural & housing construction		Plant construction		Infra works		Development& New Business		Prefab		Inima		Others		Total	
Major product & service																
Construction contract as a constructor	₩	8,601,103	₩	530,436	₩	1,117,053	₩	14,735	₩	95,901	₩	121,789	₩	-	₩	10,481,017
Construction contract as a developer & constructor		827,878		-		-		92,403		-		-		-		920,281
Engineering service and others		50,974		137,419		61,759		8,644		77		448,400		-		707,273
Lease and others		30,913		7,930		638		111,706		498,401		-		40,779		690,367
Resort		-		-		-		-		-		-		64,873		64,873
	₩	9,510,868	₩	675,785	₩	1,179,450	₩	227,488	₩	594,379	₩	570,189	₩	105,652	₩	12,863,811
Timing of revenue recognition																
Recognition over time	₩	9,271,780	₩	675,785	₩	1,179,450	₩	58,618	₩	95,905	₩	570,189	₩	40,779	₩	11,892,506
Recognition at a point in time		239,088		-		-		168,870		498,474		-		64,873		971,305
	₩	9,510,868	₩	675,785	₩	1,179,450	₩	227,488	₩	594,379	₩	570,189	₩	105,652	₩	12,863,811

(4) There are no major customers from whom revenues contribute more than 10% of total sales of the Group for each of the two years in the period ended December 31, 2025.

(5) Sales information by regional segment for each of the two years in the period ended December 31, 2025 is as follows:

(in millions of Korean won)	2025									
	Korea		Middle East		China and South-East Asia		Others		Total	
Sales	₩	8,809,550	₩	1,001,104	₩	906,160	₩	2,013,162	₩	12,729,976
Inter-company sales		(238,815)		(21,424)		(5,536)		(13,854)		(279,629)
Net sales	₩	8,570,735	₩	979,680	₩	900,624	₩	1,999,308	₩	12,450,347

(in millions of Korean won)	2024									
	Korea		Middle East		China and South-East Asia		Others		Total	
Sales	₩	10,354,380	₩	391,287	₩	765,098	₩	1,656,247	₩	13,167,012
Inter-company sales		(261,379)		(3,088)		(22,110)		(16,624)		(303,201)
Net sales	₩	10,093,001	₩	388,199	₩	742,988	₩	1,639,623	₩	12,863,811

5. Cash and Cash Equivalents and Others

(1) Cash and cash equivalents and others as of December 31, 2025 and 2024 consist of:

(in millions of Korean won)		2025	2024
Cash and cash equivalents	Cash	₩ 1,129	₩ 1,053
	Deposits	3,014,681	2,081,972
		3,015,810	2,083,025
Short-term financial assets	Short-term financial instruments	503,077	477,130
	Current financial lease receivables and others	57,115	43,491
		560,192	520,621
Long-term financial assets	Long-term financial instruments	1,623	2,974
	Leasehold deposits provided and others	906,759	714,464
		908,382	717,438
		₩ 4,484,384	₩ 3,321,084

(2) Details of financial instruments restricted in use as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)	Bank	2025	2024	Remarks
Cash and cash equivalents	Woori	₩ 9,643	₩ -	Restricted cash and others
	Subtotal	9,643	-	
Short-term financial assets	Shinhan	4,573	4,889	Leasehold deposits
	Shinhan	6,500	6,850	Loans for employees' housing
	Korea Securities Finance Corp.	5,000	5,000	Collateral for employee stock ownership loan l
	Shinhan and others	30,000	30,000	Deposits in support of mutual property
	NH and others	-	1,400	Special provisions for construction warranty
	SC	44,482	45,570	Deposits in L/C issued for overseas sites
	INDUSTRIAL BANK OF KOREA	6,200	6,200	Win-win growth cooperative fund
	INDUSTRIAL BANK OF KOREA	5,119	5,032	Bank draft issuance limit
	Shinhan	393	-	Collateral deposit related to AP bond recovery
	Hana	28	-	Leasehold deposits
	Banobras and others	244	259	Restricted cash
	Subtotal	102,539	105,200	
Long-term financial assets	Shinhan	-	138	Leasehold deposits
	Shinhan and others	20	22	Deposit for overdraft
	Industrial and Commercial Bank of China	-	81	Deposit for establishment of a branch
	Subtotal	20	241	
		₩ 112,202	₩ 105,441	

6. Trade and Other Receivables

(1) Trade and other receivables as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)		2025		
		Receivables	**Allowance for bad debts**	**Receivables, net**
Current assets				
Trade and other receivables	Receivables from construction contracts	₩ 2,148,390	₩ (362,666)	₩ 1,785,724
	Receivables from real estate housing construction and sales operations	34,031	(3,704)	30,327
	Notes receivable	64,359	(1,946)	62,413
	Other trade receivables	55,468	(799)	54,669
	Other receivables	958,915	(277,045)	681,870
	Accrued revenue	71,873	(22,417)	49,456
	Short-term loans	258,711	(150,347)	108,364
	Deposits provided for operation	40	-	40
		₩ 3,591,787	₩ (818,924)	₩ 2,772,863
Non-current assets				
Long-term trade and other receivables	Long-term other receivables	₩ 93	₩ -	₩ 93
	Long-term loans	1,810,171	(89,078)	1,721,093
	Deposits provided for operation	143,746	(15)	143,731
		₩ 1,954,010	₩ (89,093)	₩ 1,864,917

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

(2) Aging schedule of trade and other receivables as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)	2025		2024	
	Trade receivables[1]	Other receivables	Trade receivables[1]	Other receivables
Receivables not impaired				
Up to 1 year	₩ 1,272,988	₩ 639,789	₩ 1,964,742	₩ 171,862
1 to 2 years	107,758	62,489	94,473	28,509
Over 2 years	42,205	83,129	204,144	61,101
	1,422,951	785,407	2,263,359	261,472
Individually impaired	879,390	504,132	296,932	748,555
	₩ 2,302,341	₩ 1,289,539	₩ 2,560,291	₩ 1,010,027
Allowance for bad debts	₩ (369,115)	₩ (449,809)	₩ (253,694)	₩ (227,439)

[1] Including receivables with deferred collection due to contractual conditions (₩ 178,406 million in 2025, ₩ 139,381 million in 2024) and long-term other receivables.

(3) Changes in allowance for bad debts for each of the two years in the period ended December 31, 2025 are as follows:

(in millions of Korean won)		2025			
		Beginning	**Bad debt expenses**	**Reversal / write-off and others**	**Ending**
Trade and other receivables	Receivables from construction contracts	₩ 249,369	₩ 183,944	₩ (70,647)	₩ 362,666
	Receivables from real estate housing construction and sales operations	2,882	889	(67)	3,704
	Notes receivable	71	1,916	(41)	1,946
	Other receivables	145,338	33,153	98,554	277,045
	Accrued revenue	19,621	201	2,595	22,417
	Short-term loans	62,480	1,529	86,338	150,347
	Other trade receivables	564	482	(247)	799
		₩ 480,325	₩ 222,114	₩ 116,485	₩ 818,924
Long-term trade and other receivables	Long-term other Receivables	₩ 808	₩ -	₩ (808)	₩ -
	Long-term loans	88,014	7,088	(6,024)	89,078
	Deposits provided for operation	2,105	2	(2,092)	15
		₩ 90,927	₩ 7,090	₩ (8,924)	₩ 89,093

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

7. Construction Contracts

(1) Changes in the outstanding balances of construction contracts for each of the two years in the period ended December 31, 2025 are as follows:

(in millions of Korean won)	2025			
	Beginning	Increase	Sales recognized	Ending
Architectural & housing construction	₩ 12,595,053	₩ 5,842,015	₩ 7,140,483	₩ 11,296,585
Plant construction	1,876,051	2,271,027	1,227,218	2,919,860
Infra works	3,381,595	1,392,303	1,385,237	3,388,661
Development & New business	1,536	4,387	3,842	2,081
Prefab	191,823	(246,701)	(59,367)	4,489
Inima	562,894	65,383	202,165	426,112
	18,608,952	9,328,414	9,899,578	18,037,788
Housing construction and sales operations[1]	165,910	992	114,744	52,158
	₩ 18,774,862	₩ 9,329,406	₩ 10,014,322	₩ 18,089,946

(in millions of Korean won)	2024			
	Beginning	Increase	Sales recognized	Ending
Architectural & housing construction	₩ 13,455,226	₩ 7,485,417	₩ 8,345,590	₩ 12,595,053
Plant construction	698,926	1,709,569	532,444	1,876,051
Infra works	4,001,944	486,421	1,106,770	3,381,595
Development & New business	1,536	2,595	2,595	1,536
Prefab	246,006	41,718	95,901	191,823
Inima	460,759	266,909	164,774	562,894
	18,864,397	9,992,629	10,248,074	18,608,952
Housing construction and sales operations[1]	846,469	71,970	752,529	165,910
	₩ 19,710,866	₩ 10,064,599	₩ 11,000,603	₩ 18,774,862

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

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

(2) Details of construction contracts in progress as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)	2025			
	Accumulated sales	Accumulated cost	Accumulated profit (loss)	Retention for receivables[1]
Architectural & housing construction	₩ 45,220,883	₩ 40,652,381	₩ 4,568,502	₩ -
Plant construction	23,070,680	23,957,125	(886,445)	159,710
Infra works	13,197,443	12,737,043	460,400	18,696
Development & New business	3,298	1,889	1,409	-
Prefab	21,742	20,506	1,236	-
Inima	1,242,016	1,307,106	(65,090)	-
	82,756,062	78,676,050	4,080,012	178,406
Housing construction and sales operations	4,292,952	3,404,177	888,775	-
	₩ 87,049,014	₩ 82,080,227	₩ 4,968,787	₩ 178,406

(in millions of Korean won)	2024			
	Accumulated sales	Accumulated cost	Accumulated profit (loss)	Retention for receivables[1]
Architectural & housing construction	₩ 43,564,377	₩ 39,289,485	₩ 4,274,892	₩ -
Plant construction	31,805,532	32,251,350	(445,818)	110,730
Infra works	12,758,094	12,400,329	357,765	28,651
Development & New business	1,194	724	470	-
Prefab	212,397	243,213	(30,816)	7,862
Inima	1,086,014	1,018,432	67,582	-
	89,427,608	85,203,533	4,224,075	147,243
Housing construction and sales operations	4,304,469	3,373,446	931,023	-
	₩ 93,732,077	₩ 88,576,979	₩ 5,155,098	₩ 147,243

[1] Included in trade receivables.

(3) Details of contract assets and liabilities (due from customers and due to customers amount) related to construction as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)	2025		2024	
	Contract assets[1]	**Contract liabilities**	**Contract assets[1]**	**Contract liabilities**
Architectural & housing construction	₩ 724,886	₩ 1,302,392	₩ 829,070	₩ 970,140
Plant construction	55,367	223,550	50,381	274,875
Infra works	115,736	269,935	268,713	307,462
Development & New business	1,942	758	388	142
Prefab	1,025	191	19,620	8,626
Inima	22,358	5,673	20,999	5,976
	₩ 921,314	₩ 1,802,499	₩ 1,189,171	₩ 1,567,221

[1] As of December 31, 2025, the allowance for bad debts which the Group recognized for contract assets in accordance with KIFRS 1109 amounts to ₩ 141,799 million (₩ 213,524 million in 2024).

As of December 31, 2025, the due from customers amount from housing construction and sales operations is ₩ 26,654 million (₩ 2,797 million in 2024) and due to customers amount from housing construction and sales operations is ₩ 3,998 million (₩ 9,104 million in 2024).

Sales recognized for the year ended December 31, 2025, from the balance of contract liabilities as of December 31, 2024, amount to ₩ 1,201,230 million (₩ 1,595,111 million in 2024)

(4) As of December 31, 2025, the cost of fulfilling a contract which the Group has recognized as an asset is ₩ 166,824 million (₩ 157,514 million in 2024). In connection with construction contracts, the Group recognized cost directly related to the contract (or expected contract) and that creates or increases the value of the entity's resources to be used in fulfilling its future performance obligations and recoverable, as cost to fulfill a contract.

(5) Details of major joint construction contracts as of December 31, 2025 are as follows:

(in millions of Korean won)	**Total contract amount**	**Amounts attributable to the Group**	**Equity interest attributable to the Group**	**Principal counterparty**
North East Link Project	₩ 10,629,339	₩ 2,976,215	28.0%	Webuild S.p.A
Karbala Refinery Project	7,728,533	2,898,200	37.5%	Hyundai E&C
Suburban Rail Loop East – Work Package D	1,637,227	548,471	33.5%	Webuild S.p.A
Imun I-Park Xi	1,233,464	542,724	44.0%	HDC
Unam Xi Forena Firstichae	972,000	462,845	47.5%	GS E&C
Indeogwon Xi SK VIEW	714,475	428,685	60.0%	GS E&C
Cheongju Centum Prugio Xi	690,780	345,390	50.0%	Daewoo E&C
Kais CCPP Project	652,850	326,425	50.0%	GS E&C
Gwangmyeong Xi The Sharp Forena	815,741	318,139	39.0%	GS E&C
Munhwa Xi SK VIEW	546,665	300,666	55.0%	GS E&C

(6) Provisions for construction losses under the stage-of-completion method, changes in contract revenues and costs arising from accounting estimates changes and due from customers amount related to construction for each of the two years in the period ended December 31, 2025 are as follows:

(in millions of Korean won)	2025						
	Provision for construction losses	Changes in total contract revenues	Changes in total contract costs	Profit (loss) changes for the current period	Profit (loss) changes for the future periods	Total	Changes in due from customers
Architectural & housing construction	₩ 264,467	₩ 862,351	₩ (126,950)	₩ 655,805	₩ 333,496	₩ 989,301	₩ 655,805
Plant construction	39,474	197,428	(78,850)	87,896	188,382	276,278	87,896
Infra works	3,856	245,281	269,779	(17,692)	(6,806)	(24,498)	(17,692)
Development & New business	-	(2)	(66)	64	-	64	64
Prefab	-	(242,620)	(133,445)	(109,175)	-	(109,175)	(109,175)
Inima	26,855	(63,081)	95,304	(158,385)	-	(158,385)	(158,385)
	₩ 334,652	₩ 999,357	₩ 25,772	₩ 458,513	₩ 515,072	₩ 973,585	₩ 458,513

(in millions of Korean won)	2024						
	Provision for construction losses	Changes in total contract revenues	Changes in total contract costs	Profit (loss) changes for the current period	Profit (loss) changes for the future periods	Total	Changes in due from customers
Architectural & housing construction	₩ 356,470	₩ 1,062,269	₩ 334,290	₩ 406,543	₩ 321,436	₩ 727,979	₩ 406,543
Plant construction	27,561	121,801	168,402	(57,487)	10,886	(46,601)	(57,487)
Infra works	7,864	269,210	318,853	(92,370)	42,727	(49,643)	(92,370)
Development & New business	-	(2)	(20)	18	-	18	18
Prefab	10,618	33,912	57,052	(23,140)	-	(23,140)	(23,140)
Inima	1,553	-	-	-	-	-	-
	₩ 404,066	₩ 1,487,190	₩ 878,577	₩ 233,564	₩ 375,049	₩ 608,613	₩ 233,564

(7) Under the stage-of-completion method, the construction contracts from which the contract revenue exceeds 5% of the preceding year's total revenue for each of the two years in the period ended December 31, 2025 are as follows:

(in millions of Korean won)		2025						
					Due from customers amount related to construction		Receivables from construction contracts	
		Contract date	Contract due[1]	Progress rate	Amount	Accumulated impairment	Amount	Allowance for bad debts
Architectural & housing construction	Maple Xi	Oct. 28, 2021	Jul. 31, 2026	100.00	₩ 28,462	₩ -	₩ -	₩ -
	Cheolsan Xi The Heritage	Dec. 31, 2021	May. 30, 2025	100.00	-	-	-	-
	Pyeongchon Xi Firsnity	Aug. 29, 2024	Dec. 31, 2027	19.80	-	-	-	-
	Jangwi Xi Radiant	Apr. 01, 2022	Mar. 31, 2025	100.00	-	-	-	-
	Cheolsan Station Xi	Sep. 19, 2025	May. 31, 2029	5.44	-	-	-	-
	Daemyeong Xi Grand City	Jan. 10, 2023	Apr. 30, 2026	87.77	111,489	-	-	-
Plant construction	Karbala Refinery Project	Apr. 22, 2014	Dec. 14, 2024	100.00	1,826	-	181,031	-
	Fadhili Gas Increment Program PKG2	Apr. 15, 2024	Sep. 16, 2027	25.94	-	-	12,770	-
	Aurora Project	Nov. 12, 2024	Jul. 12, 2027	33.79	-	-	21,509	590
	Northeast Asia LNG Hub Terminal Phase 1-1 EPCC	Apr. 24, 2024	Feb. 28, 2029	21.94	19,120	-	-	-
Infra works	Thomson-East Coast line Contract T301	Mar. 18, 2016	Aug. 30, 2025	100.00	22,365	-	2,457	-
	NSC N101	Dec. 26, 2018	Nov. 30, 2029	70.52	10,287	-	11,441	-
	ITTC Project	May. 11, 2020	Apr. 25, 2025	100.00	6,233	-	-	-
	North East Link Project	Oct. 28, 2021	Dec. 29, 2028	57.90	-	-	67,218	-

[1] The project's contractual or expected construction period.

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

[1] The project's contractual or expected construction period.

Of the construction contracts whose total contract revenue amounts to 5% or more of the previous fiscal year's sales, construction contracts before commencement which did not generate profits are excluded. Contracts of which revenue is still recognized under the percentage of completion method due to construction warranty after delivery are included.

There are no construction contracts that are excluded from the disclosure due to related laws or contracts with the client.

8. Inventories and Other Assets

(1) Inventories as of December 31, 2025 and 2024, are as follows:

(in millions of Korean won)	2025			2024		
	Acquisition cost	Allowance	Book value	Acquisition cost	Allowance	Book value
Land for construction[1]	₩ 552,918	₩ -	₩ 552,918	₩ 402,991	₩ -	₩ 402,991
Goods and products	26,142	(512)	25,630	25,099	(1,153)	23,946
Raw materials	50,175	(115)	50,060	66,445	(127)	66,318
Finished commercial building	5,087	-	5,087	19,108	-	19,108
Finished housing	57,906	(822)	57,084	177,135	(812)	176,323
Unfinished housing construction[2]	375,443	(4,823)	370,620	514,426	(16,245)	498,181
Supplies	2,281	-	2,281	1,087	-	1,087
Incompletion construction	353	-	353	336	-	336
Semi-finished goods	787	-	787	902	-	902
Work-in- process	97,330	-	97,330	89,192	-	89,192
Goods in transit	222	-	222	698	-	698
Others	920	-	920	924	-	924
	₩ 1,169,564	₩ (6,272)	₩ 1,163,292	₩ 1,298,343	₩ (18,337)	₩ 1,280,006

[1] Land for construction amounting to ₩ 177,388 million (₩ 255,245 million in 2024) has been pledged as collateral for borrowings.

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

Meanwhile, for the year ended December 31, 2025, the loss on inventory valuation recognized as an expense amounts to ₩ 4,833 million (₩ 10,945 million in 2024), while the reversal of loss on inventory valuation amounts to ₩ 16,898 million (₩ 11,114 million in 2024).

(2) Other current assets as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)		**2025**		**2024**
Prepaid construction costs	₩	166,824	₩	157,514
Advance payments		253,043		195,156
Prepaid expenses		100,374		78,604
Purchase value added tax		45,080		58,700
Prepaid income taxes		37,101		41,529
	₩	602,422	₩	531,503

(3) Other non-current assets as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)		**2025**		**2024**
Long-term advance payments	₩	20,036	₩	12,204
Long-term prepaid expenses		108,942		73,912
	₩	128,978	₩	86,116

9. Categories of Financial Assets and Liabilities

(1) Details of financial assets by categories as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)	2025			
	Financial assets at fair value through profit or loss	**Derivative financial instruments**	**Financial assets at amortized cost**	**Total**
Cash and cash equivalents	₩ -	₩ -	₩ 3,015,810	₩ 3,015,810
Trade and other receivables	-	-	2,772,863	2,772,863
Short-term financial assets	49,737	5,059	500,257	555,053
Long-term trade and other receivables	-	-	1,864,917	1,864,917
Long-term financial assets	5,563	3,517	889,012	898,092
Financial assets at fair value through profit or loss	301,590	-	-	301,590
	₩ 356,890	₩ 8,576	₩ 9,042,859	₩ 9,408,325

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

(2) Details of financial liabilities by categories as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)	2025			
	Financial liabilities at fair value through profit or loss	**Derivative financial instruments**	**Financial liabilities at amortized cost**	**Total**
Trade and other payables	₩ -	₩ -	₩ 1,483,831	₩ 1,483,831
Short-term financial liabilities	2,118	10,709	2,189,216	2,202,043
Other current liabilities[1]	-	-	297,534	297,534
Long-term trade and other payables			79	79
Long-term financial liabilities	74,445	7,730	4,055,194	4,137,369
Other non-current liabilities	-	-	106,264	106,264
	₩ 76,563	₩ 18,439	₩ 8,132,118	₩ 8,227,120

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

(in millions of Korean won)	2024			
	Financial liabilities at fair value through profit or loss	**Derivative financial instruments**	**Financial liabilities at amortized cost**	**Total**
Trade and other payables	₩ -	₩ -	₩ 1,838,233	₩ 1,838,233
Short-term financial liabilities	24,164	11,393	3,152,278	3,187,835
Other current liabilities[1]	-	-	598,135	598,135
Long-term financial liabilities	71,808	1,986	2,559,897	2,633,691
Other non-current liabilities	-	₩ -	₩ 110,441	₩ 110,441
	₩ 95,972	₩ 13,379	₩ 8,258,984	₩ 8,368,335

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

(3) Net gains and losses on financial instruments by category for each of the two years in the period ended December 31, 2025 are as follows:

(in millions of Korean won)	2025			
	Financial instruments at fair value through profit or loss	**Derivative financial instruments**	**Financial instruments at amortized cost**	**Total**
Interest income[1]	₩ 854	₩ -	₩ 193,560	₩ 194,414
Interest expense[1]	-	-	(313,682)	(313,682)
Loss on foreign currency translation	-	-	(83,926)	(83,926)
Loss on foreign currency transaction	-	-	(25,372)	(25,372)
Gain on derivatives valuation	7,945	(3,043)	-	4,902
Loss on derivatives transaction	(4,039)	(2,529)	-	(6,568)
Dividend income	10,715	-	-	10,715
Other finance cost	20,553	-	(162,164)	(141,611)
	₩ 36,028	₩ (5,572)	₩ (391,584)	₩ (361,128)

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

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

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

10. Financial Assets at Fair Value through Profit or Loss

(1) Details of financial assets at fair value through profit or loss as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)		2025		2024
Marketable equity securities	₩	496	₩	358
Non-marketable equity securities		301,094		239,408
	₩	301,590	₩	239,766

(2) Changes in financial assets at fair value through profit of loss for each of the two years in the period ended December 31, 2025 are as follows:

(in millions of Korean won)		2025		2024
Beginning	₩	239,766	₩	263,978
Acquisition		37,037		30,058
Disposal		(265)		(53,866)
Valuation		20,678		(6,017)
Changes in exchange rate		4,374		6,123
Changes in the scope of consolidation		-		(510)
Ending	₩	301,590	₩	239,766

(3) Details of marketable equity securities as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)	Number of shares	Equity interest (%)	Acquisition cost				Book value[1]			
				2025		2024		2025		2024
DONGBU Corporation	88,130	0.38	₩	1,244	₩	1,243	₩	496	₩	336
Sambu Engineering&Construction Co., Ltd.[2]	23,444	0.01		-		20		-		22
			₩	1,244	₩	1,263	₩	496	₩	358

[1] The book value presents the amount after fair value valuation.

[2] The equity securities were reclassified from marketable to non-marketable as their trading in an active market was suspended for the year ended December 31, 2025.

(4) Details of non-marketable equity securities as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)	Number of shares	Equity interest (%)	Acquisition cost		Book value[1]	
			2025	2024	2025	2024
Uijeongbu LRT Inc.	8,663,394	47.54	₩ 45,226	₩ 45,226	₩ -	₩ -
Seoul-Munsan Highway Co., Ltd.	4,833,920	18.20	24,169	24,169	16,851	16,851
Oksan Ochang Highway Corporation	5,988,000	60.00	29,940	29,940	-	-
Daegu Green Energy Center Co., Ltd.	474,400	10.20	2,372	2,372	-	-
Eun Pyung New Road Corp.	435,200	55.06	2,176	2,176	2,176	2,176
Jeonju Sewage Pipe Co., Ltd.	207,060	7.90	1,035	1,035	-	-
Nonsan Drain Co., Ltd.	91,868	11.90	459	459	459	459
Masan Drain Co., Ltd.	220,890	8.14	1,104	1,104	405	352
Youngduk & Bio Co., Ltd.	34,870	4.22	174	174	174	174
The 2nd YoungDong Highway Co., Ltd.	1,437,483	2.69	7,187	7,187	-	-
Gaya Railway Co., Ltd.	305,490	2.30	1,527	1,527	169	161
S-Y highway Co., Ltd.	4,737,712	7.00	23,689	23,689	-	-
Kangreung Sewage Pipe Co., Ltd.	50,682	3.30	253	253	253	253
Eumseong Sewage Pipe Co., Ltd.	67,210	6.30	336	336	336	336
Mileseum Co., Ltd.	86,645	1.63	433	433	433	433
Seoul Northern Highway Co., Ltd.	2,730,560	5.60	13,653	13,653	2,676	2,154
Daejeon Sewage Pipe Co., Ltd.	108,456	4.00	830	830	830	830
Gyeonggi Railroad Cd., Ltd.	495,000	2.45	2,475	2,475	-	-
Green Energy Development Co., Ltd.	81,000	27.00	405	405	405	405
Dangyul Co., Ltd.	128,228	11.29	641	641	641	641
Wonju Green Co., Ltd.	805,425	24.46	4,027	4,027	1,641	1,151
Gumi Green Water Co., Ltd.	335,412	18.90	1,677	1,677	1,296	1,413
Ulsan Green Co., Ltd.	701,368	19.74	3,507	3,507	3,736	3,368
Seoul Tunnel Co., Ltd.	1,147,200	6.00	5,736	5,736	10,700	8,410
Paju-Yangju Powerful Army Co., Ltd.	89,289	8.00	447	447	-	-
Evergreen Goyang Co., Ltd.	24,267	1.76	121	121	121	121
Hwaseong Gwangju Highway.	2,894,436	13.32	14,472	14,472	18,527	15,668
Midan City Development Co., Ltd.	2,391,480	13.40	13,240	13,240	-	-
Dream Hub Project Financial Investment	4,000,000	2.00	20,000	20,000	-	-
Alpha Dome City Co., Ltd. (deferred shares)	13,175	0.48	66	66	-	-
Tropical Bintan Pte., Ltd.	625,000	12.50	2,444	2,444	-	-
The Korea Economic Daily	646	0.00	14	14	14	14
Asiad Country Club Co., Ltd.	80,000	2.67	400	400	-	-
International Convention Center Jeju	100,000	0.21	500	500	500	500

(in millions of Korean won)	Number of shares	Equity interest (%)	Acquisition cost		Book value[1]	
			2025	2024	2025	2024
Public Development Co., Ltd.	276,259	17.09	2,669	2,669	4,316	4,380
Construction Guarantee Cooperative[2]	19,593	0.45	22,095	17,095	30,769	25,328
Engineering Construction Financial Cooperative[2]	13,700	0.98	6,612	6,612	12,279	11,660
Electric Construction Financial Cooperative	600	0.01	98	98	98	98
Information & Communication Financial Cooperative	440	0.03	61	61	61	61
Fire Guarantee Cooperative	40	0.01	20	20	20	20
Siheung Ecopia Co., Ltd.	30,530	3.51	153	153	153	153
Daejeongreen.	1,058,077	27.20	5,290	5,290	-	-
Dong Yang Engineering and Construction Corp.	545	0.02	3	3	3	3
Jinsung Construction Co., Ltd.	10,095	1.39	101	101	-	-
Gyeonggnam Enterprise Ltd.	292	0.00	1	1	1	1
Pyeongtaek EOS	328,200	6.00	1,641	1,641	2,179	2,394
Busan East-West highway Corp.	2,201,310	13.50	11,007	11,007	11,007	11,007
KIAMCO Gyeonggi Railway Investment Private Investment Trust	8,104,011,384	10.31	8,107	8,107	-	-
Gyongbuk Green Energy	286,552	8.40	1,433	1,433	1,475	1,532
North Han-River Barraks	13,308	0.48	67	67	67	67
Ssangyong E&C Co., Ltd.	1,864	0.00	9	9	9	9
Pureun seobu environment	13,488	1.30	68	68	67	67
Hwaseong Ecotec Co,.Ltd.	8,689	0.90	43	43	43	43
Blue Core PFV Co., Ltd.	1,000,000	10.00	5,000	5,000	5,000	5,000
Gunsan Green Energy Center Co., Ltd.	246,962	10.05	1,235	1,235	732	595
GUMIMAKEUNMUL Co., Ltd.	116,721	12.15	584	584	584	584
Angelswing Co,. Ltd.	5,291	3.71	1,500	1,500	1,946	1,731
Chemico Advanced Materials Co., Ltd.	2,428,417	16.52	2,800	2,800	1,630	3,383
Gangnam Metro Co., Ltd.	3,900	39.00	20	20	-	20
Urban Gateway Fund I Limited	2,800,000	41.03	3,582	3,163	3,276	3,078
INDIDLAB CO.,LTD.	2,223	9.09	350	350	350	350
GS Assemble Fund	12,000,000,000	15.23	12,000	10,000	10,417	8,878
Seongnam Green Energy Co., Ltd	246,471	14.40	1,232	1,232	1,232	1,232
Sasang Haeundae Expressway Co., Ltd	6,500	65.00	33	33	33	33
Korea Electric Engineers Association	34	0.00	8	8	8	8
Isu-Gwacheon Complex Tunnel Co., Ltd.	512,036	20.01	2,560	2,560	2,560	2,560
KORAMCO No.159 General Type Private Real Estate Investment Limit	10,000,000	3.68	10,000	10,000	10,000	10,000

(in millions of Korean won)	Number of shares	Equity interest (%)	Acquisition cost		Book value[1]	
			2025	2024	2025	2024
Korea Finance for Construction[2]	679	0.01	645	-	645	-
K-Square Busan Jangnim Data Center PFV Co., Ltd.	180,000	1.96	900	-	900	-
AMOGY INC.	305,927	1.19	11,489	-	11,489	-
Dongkwang Construction Co., Ltd.	25	0.00	-	-	-	-
Shindongah Engineering&Construction Co.,Ltd.	3,640	0.07	19	-	19	-
Sambu Engineering&Construction Co., Ltd.[3]	23,444	0.01	20	-	-	-
Others[4]	-	-	105,380	89,699	125,383	89,263
			₩ 443,570	₩ 407,397	₩ 301,094	₩ 239,408

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

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

[3] The equity securities were reclassified from marketable to non-marketable as their trading in an active market was suspended for the year ended December 31, 2025.

[4] Others present non-marketable equity securities held by a subsidiary and include ₩ 11,509 million as of December 31, 2025 (₩ 10,455 million as of December 31, 2024) of the amount pledged as collateral in connection with the construction payment guarantee.

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

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

11. Derivative Instruments

Details of derivative instruments as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)	2025							
	Valuation amount		Gain or loss on valuation			Accumulated other comprehensive income (loss)[1]		
	Assets	Liabilities	Gain	Loss	Net	Gain	Loss	Net
Derivatives held for:								
Trading	₩ 18,993	₩ 4,740	₩ 12,699	₩ 4,740	₩ 7,959	₩ -	₩ -	₩ -
Hedging	8,576	18,439	7,794	10,836	(3,042)	38,772	24,121	14,651
Others[2]	-	71,822	2,645	2,660	(15)	-	-	-
	₩ 27,569	₩ 95,001	₩ 23,138	₩ 18,236	₩ 4,902	₩ 38,772	₩ 24,121	₩ 14,651

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

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

(in millions of Korean won)	2024							
	Valuation amount		Gain or loss on valuation			Accumulated other comprehensive income (loss)[1]		
	Assets	Liabilities	Gain	Loss	Net	Gain	Loss	Net
Derivatives held for:								
Trading	₩ 19,868	₩ 24,164	₩ 30,256	₩ 24,164	₩ 6,092	₩ -	₩ -	₩ -
Hedging	10,702	13,379	119	2,782	(2,663)	38,366	24,228	14,138
Others[2]	-	71,808	-	7,473	(7,473)	-	-	-
	₩ 30,570	₩ 109,351	₩ 30,375	₩ 34,419	₩ (4,044)	₩ 38,366	₩ 24,228	₩ 14,138

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

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

12. Investments in Associates and Joint Ventures

(1) Changes in investments in associates for each of the two years in the period ended December 31, 2025 are as follows:

(in millions of Korean won)	2025						
	Equity ownership (%)	**Beginning**	**Increase (decrease)**	**Share of profit or loss**	**Share of changes in other comprehensive income**	**Others**	**Ending**
GS KOCREF New Stay REIT Co., Ltd.[1]	16.77	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -
Beopwon Industry Urban Development Corp.	20.00	-	-	-	-	-	-
Park City Co., Ltd.	29.99	-	-	-	-	-	-
Gwacheon Sangsang PFV. Inc.[2]	19.00	2,432	-	(246)	-	-	2,186
Cadiz San Fernando, A.I.E.	21.95	2,024	-	500	208	(485)	2,247
Participes de Biorreciclaje S.A.	33.33	12,745	-	220	1,985	-	14,950
Gestion de Participes de Biorreciclaje	33.33	-	-	-	-	-	-
Cheongju Hi Tech Valley	20.00	-	-	5,116	-	-	5,116
BKT Co., Ltd.	28.10	10,783	-	1,826	91	-	12,700
Cheonan Techno Park Inc.	20.00	-	-	3,069	-	-	3,069
Camp Stanton Co., Ltd. [2]	0.58	2	-	-	-	-	2
ORIGIN LATPHRAO CO., LTD. [4]	49.00	13,283	(3,047)	869	716	(828)	10,993
RENEW SOLAR ENERGY (JHARKHAND THREE) PRIVATE LIMITED	49.00	39,314	-	2,432	(849)	(10,497)	30,400
PARK PILLAR R4 CO., LTD.	49.00	12,817	-	4,450	1,447	-	18,714
GYEONGGIPYEONGTAEK GLOBAL CO., LTD.[5]	25.00	6,986	3,733	1,312	-	-	12,031
GS Collective Fund I LLC[2, 5]	6.45	8,514	720	991	(227)	-	9,998
CHEMICO ADVANCED MATERIALS CO., LTD. [6]	16.52	-	-	-	-	-	-
EPOCH PFV Co., LTD.	24.59	24,320	-	(5,429)	-	-	18,891
Zero Tech Muan Co., LTD.	30.00	-	-	-	-	-	-
Bucheon Visual Culture Industrial Complex Development Co., Ltd.	41.38	-	-	-	-	-	-

(in millions of Korean won)	2025						
	Equity ownership (%)	**Beginning**	**Increase (decrease)**	**Share of profit or loss**	**Share of changes in other comprehensive income**	**Others**	**Ending**
PHU MY VINH CONSTRUCTION & INVESTMENT CORPORATION	30.00	21,488	-	568	(396)	(359)	21,301
Gvesco Opportunity-seeking general private real estate investment trust No.1[4, 7]	66.67	15,047	(7,020)	1,722	(686)	(1,193)	7,870
Incheon New Port Smart Complex Co., Ltd[7]	100	4	-	(4)	-	-	-
PavilionMC ClimateTech No.1 Private Equity Fund [8]	39.20	4,437	5,109	(827)	-	59	8,778
Daejeon High-End Development Co., Ltd [2]	18.27	210	-	(210)	-	-	-
Shuweihat R O Desalination Company LLC	40.00	-	-	90	(90)	-	-
Gvesco General Private Real Estate Investment No. 1 [8]	46.30	5,000	25,000	(1,120)	-	-	28,880
Sewoon District5 PFV Co., Ltd. [2]	18.00	3,270	-	(853)	-	-	2,417
IGIS General Investment Type Private Real Estate Investment Trust No. 462	30.80	2,051	-	(26)	-	-	2,025
Utilitas Pecem	30.00	5,585	-	365	734	(376)	6,308
Zeit O&M Co., Ltd [2]	17.51	3,267	-	125	-	-	3,392
Zeit Elevator Co., Ltd.(formerly, GS Elevator Co., Ltd.)[2 8 9]	14.14	-	-	(1,636)	-	3,233	1,597
The plan H-Xplor green smart city venture investment association[5]	31.17	3,000	3,000	(194)	-	-	5,806
K-Square Busan Jangnim Data Center PFV Co., Ltd.[10,11]	1.96	-	-	-	-	-	-
Arlink Co., Ltd. [6]	13.20	-	-	-	-	-	-
IB Investment Euljiro Co., Ltd.[2 11]	0.01	-	1	-	-	-	1
Ino D&C Co., Ltd. [2 11]	0.01	-	1	-	-	-	1
Korea Real Gamsam-dong Apartment PFV Co., Ltd [11]	19.00	-	6,000	-	-	-	6,000
FGS East Asia Technical Resource	-	-	-	-	-	-	-

(in millions of Korean won)	2025						
	Equity ownership (%)	**Beginning**	**Increase (decrease)**	**Share of profit or loss**	**Share of changes in other comprehensive income**	**Others**	**Ending**
Management, Inc. [3]							
PT. CORE RESOURCE[3]	-	-	-	-	-	-	-
Zero Tech Co., Ltd. [12]	-	-	-	-	-	-	-
		₩ 196,579	₩ 33,497	₩ 13,110	₩ 2,933	₩ (10,446)	₩ 235,673

[1] As the Group is able to participate in the decision-making body and exercise significant influence, the entity is classified as an associate.

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

[3] The entire equity interest was disposed of for the year ended December 31, 2025.

[4] A portion of capital was reduced with consideration for the year ended December 31, 2025.

[5] The Group participated in the paid-in capital increase for the year ended December 31, 2025.

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

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

[8] Due to a disproportionate capital increase and other related transactions, the Group's ownership interest changed for the year ended December 31, 2025.

[9] Its name was changed for the year ended December 31, 2025.

[10] Although the Group is able to participate in the decision-making body and thereby exercise significant influence, the financial instruments in which the Group has invested consist of preferred shares issued by the investee. As the Group is considered to have no substantive access to profits linked to the ownership interest in the associate through these instruments, the investment is classified as a financial asset measured at fair value through profit or loss in accordance with KIFRS 1109.

[11] Newly acquired for the year ended December 31, 2025.

[12] The entity was liquidated upon the completion of bankruptcy proceedings for the year ended December 31, 2025.

(in millions of	2024						
(in millions of Korean won)	Equity ownership (%)	Beginning	Increase (decrease)	Share of profit or loss	Share of changes in other comprehensive income	Others	Ending
GS KOCREF New Stay REIT Co., Ltd.[1]	16.77	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -
Beopwon Industry Urban Development Corp.	20.00	-	-	-	-	-	-
Park City Co., Ltd.	29.99	-	-	-	-	-	-
Gwacheon Sangsang PFV. Inc[2]	19.00	5,942	-	(327)	-	(3,183)	2,432
FGS East Asia Technical Resource Management, Inc.	25.00	-	-	-	-	-	-
Cadiz San Fernando, A.I.E.	21.95	1,862	-	445	-	(283)	2,024
Participes de Biorreciclaje S.A.	33.33	11,413	-	497	-	835	12,745
Gestion de Participes de Biorreciclaje	33.33	-	-	-	-	-	-
Cheongju Hi Tech Valley	20.00	-	-	-	-	-	-
BKT Co., Ltd.	28.10	10,557	-	226	-	-	10,783
PT. CORE RESOURCE	49.00	-	-	-	-	-	-
Zero Tech Co., Ltd.[2]	19.00	-	-	-	-	-	-
Cheonan Techno Park Inc.	20.00	-	-	-	-	-	-
Camp Stanton Co., Ltd.[2]	0.58	2	-	-	-	-	2
ORIGIN LATPHRAO CO., LTD.	49.00	12,696	-	897	-	(310)	13,283
RENEW SOLAR ENERGY (JHARKHAND THREE) PRIVATE LIMITED	49.00	37,544	-	1,526	(216)	460	39,314
PARK PILLAR R4 CO., LTD.	49.00	11,337	-	(271)	-	1,751	12,817
GYEONGGIPYEONGTAEK GLOBAL CO., LTD.	25.00	5,818	-	1,168	-	-	6,986
GS Collective Fund I LLC[2, 4]	6.45	6,220	1,370	651	-	273	8,514
CHEMICO ADVANCED MATERIALS CO., LTD.[3]	16.52	-	-	-	-	-	-
EPOCH PFV Co., LTD.	23.31	27,083	-	(2,763)	-	-	24,320
Zero Tech Muan Co., LTD.	30.00	-	-	-	-	-	-
Bucheon Visual Culture Industrial Complex Development Co., Ltd.	31.58	-	-	-	-	-	-
PHU MY VINH CONSTRUCTION & INVESTMENT CORPORATION	30.00	19,790	-	365	-	1,333	21,488

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

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

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

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

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

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

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

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

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

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

(2) Changes in investments in joint ventures for each of the two years in the period ended December 31, 2025 are as follows:

(in millions of Korean won)	2025										
	Equity ownership (%)		**Beginning**		**Increase**		**Share of profit or loss**		**Others**		**Ending**
G&M Estate Co., Ltd.	50.00	₩	475	₩	-	₩	33	₩	-	₩	508
Hialeah Water, LLP	50.00		353		-		-		(3)		350
Lignana LLC	50.00		-		-		-		-		-
Lignana LLP	95.00		-		-		-		-		-
VESPOLINA SP. Z O.O.	50.00		-		-		-		-		-
Oasis Residences Real Estate, LLC	50.00		9,963		-		(155)		(224)		9,584
GS MINH HUNG SIKICO CO., LTD.	51.00		3,912		-		119		(211)		3,820
PDC INDUSTRIAL CENTER 198 SP. Z O.O	50.00		-		-		-		-		-
MAGNA PFV Corp.	51.39		34,670		-		(2,795)		-		31,875
MJV4 Co., Ltd.[1]	49.00		5,095		436		(476)		174		5,229
Argan Oasis Real Estate Company	50.00		20,159		-		(92)		(456)		19,611
ALPHA INDUSTRIAL ASSET 3 COMPANY LIMITED[1]	49.00		7,748		445		616		289		9,098
MJV5 CO., LTD.	49.00		4,752		-		(1,261)		129		3,620
Taean Haetdeulwon Solar Power Co., Ltd.[2]	50.00		-		8,089		736		-		8,825
Esencja Wilanow SP. Z O.O. (formerly, Cordia Development 19 SP. Z O.O.)[3]	50.00		-		1		(1)		-		-
GS-ECC JV LLC[3]	60.00		-		427		(30)		4		401
PT EASTON URBAN GOLDEN[3, 4]	20.00		-		-		-		-		-
		₩	87,127	₩	9,398	₩	(3,306)	₩	(298)	₩	92,921

[1] The Group participated in a paid-in capital increase for the year ended December 31, 2025.

[2] For the year ended December 31, 2025, as the Group lost control over the entities due to the disproportionate capital increase, the entities were reclassified as joint ventures.

[3] Newly acquired for the year ended December 31, 2025.

[4] The Group holds joint control over the entity as the consent of the Group is required in decision-making, but the investments in the entity are classified as financial assets at fair value through profit or loss in

accordance with KIFRS 1109, given that, due to the shareholders' agreements including put options, the Group cannot have access to the entity's profits linked to its shares in the entity in substance.

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

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

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

(3) Equity method of accounting has been suspended due to accumulated losses, and unrecognized losses in equity for each of the two years in the period ended December 31, 2025 are as follows:

(in millions of Korean won)	2025					
	Beginning		Increase		Ending	
GS KOCREF New Stay REIT Co., Ltd.	₩	12,076	₩	2,721	₩	14,797

Beopwon Industry Urban Development Corp.	2,358	705	3,063
Park City Co., Ltd.	39,465	(21,354)	18,111
Gestion de Participes de Biorreciclaje	11	-	11
Zero Tech Co., Ltd.[2]	91	(91)	-
PT. CORE RESOURCE[1]	3,465	(3,465)	-
Lignana LLC	46	10	56
Lignana LLP	-	61	61
Zero Tech Muan Co., LTD.	85	22	107
Cheonan Techno Park Inc.	5,153	(5,153)	-
Bucheon Visual Culture Industrial Complex Development Co. Ltd.	10,816	3,409	14,225
VESPOLINA SP. Z O.O.	1,380	954	2,334
CHEONGJU HI TECH VALLEY CO.,LTD.	9,838	(9,838)	-
FGS East Asia Technical Resource Management, Inc. [1]	266	(266)	-
PDC INDUSTRIAL CENTER 198 SP. Z O.O	3,290	725	4,015
Incheon New Port Smart Complex Co., Ltd	-	1	1
	₩ 88,340	₩ (31,559)	₩ 56,781

[1] The entire equity interest was disposed of for the year ended December 31, 2025.

[2] The entity was liquidated upon the completion of bankruptcy proceedings for the year ended December 31, 2025.

(in millions of Korean won)	2024		
	Beginning	**Increase**	**Ending**
GS KOCREF New Stay REIT Co., Ltd.	₩ 58,205	₩ (46,129)	₩ 12,076
Beopwon Industry Urban Development Corp.	2,079	279	2,358
Park City Co., Ltd.	28,543	10,922	39,465
Gestion de Participes de Biorreciclaje	11	-	11
Zero Tech Co., Ltd.	87	4	91
PT. CORE RESOURCE	1,600	1,865	3,465
Lignana LLC	38	8	46
Zero Tech Muan Co., LTD.	64	21	85
Cheonan Techno Park Inc.	6,262	(1,109)	5,153
Bucheon Visual Culture Industrial Complex Development Co. Ltd.	7,957	2,859	10,816

VESPOLINA SP. Z O.O.	503	877	1,380
CHEONGJU HI TECH VALLEY CO.,LTD.	4,288	5,550	9,838
FGS East Asia Technical Resource Management, Inc.	29	237	266
PDC INDUSTRIAL CENTER 198 SP. Z O.O	286	3,004	3,290
Yeouido MBC Site Complex Development PFV Co., Ltd.[1]	21,744	(21,744)	-
	₩ 131,696	₩ (43,356)	₩ 88,340

[1] The entire equity interest was reduced through a capital reduction with consideration for the year ended December 31, 2024.

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

(in millions of Korean won)	2025				
	Asset	**Liabilities**	**Net assets**	**Sales**	**Profit (loss) for the year**
Associates					
GS KOCREF New Stay REIT Co., Ltd.	₩ 318,444	₩ 316,708	₩ 1,736	₩ 3,195	₩ (7,332)
Beopwon Industry Urban Development Corp.	38,075	50,416	(12,341)	29,152	(1,468)
Park City Co., Ltd.	308,939	469,453	(160,514)	-	(28,949)
Gwacheon Sangsang PFV. Inc	19,923	12,095	7,828	-	(1,294)
Cadiz San Fernando, A.I.E.	16,437	8,586	7,851	8,097	2,275
Participes de Biorreciclaje S.A.	138,978	96,049	42,929	40,121	735
Gestion de Participes de Biorreciclaje	7	3	4	-	-
Cheongju Hi Tech Valley	106,575	95,404	11,171	106,339	24,707
BKT Co., Ltd.	54,421	32,909	21,512	34,799	2,862
Cheonan Techno Park Inc.	222,511	239,833	(17,322)	-	(5,221)
Camp Stanton Co., Ltd.	527	213	314	-	(15)
ORIGIN LATPHRAO CO., LTD.	18,039	2,859	15,180	5,303	1,105
RENEW SOLAR ENERGY (JHARKHAND THREE) PRIVATE LIMITED	256,367	211,319	45,048	21,334	3,167

(in millions of Korean won)	2025				
	Asset	Liabilities	Net assets	Sales	Profit (loss) for the year
PARK PILLAR R4 CO., LTD.	37,592	12,474	25,118	18,377	3,476
GYEONGGIPYEONGTAEK GLOBAL CO., LTD.	71,698	25,352	46,346	61,222	1,972
GS Collective Fund I LLC.	166,987	239	166,748	15,692	10,845
EPOCH PFV Co., LTD.	443,462	354,051	89,411	51,138	13,186
Zero Tech muan Co., LTD	1,455	1,809	(354)	-	(72)
Bucheon Visual Culture Industrial Complex Development Co., Ltd.	8,770	43,067	(34,297)	-	(360)
PHU MY VINH CONSTRUCTION & INVESTMENT CORPORATION	57,112	26,896	30,216	11,419	2,925
Gvesco Opportunity-seeking general private real estate investment trust No.1	51,471	-	51,471	2,545	2,543
Incheon New Port Smart Complex Co., Ltd	-	2	(2)	-	(5)
PavilionMC ClimateTech No.1 Private Equity Fund	22,891	687	22,204	79	(1,541)
Daejeon High End Development Co., Ltd	144,413	136,374	8,039	-	(711)
Shuweihat R O Desalination Company LLC	354,006	356,372	(2,366)	-	224
Gvesco General Private Real Estate Investment No. 1	109,201	45,440	63,761	6	(6,564)
Sewoon District5 PFV Co., Ltd.	310,434	456,860	(146,426)	22	(4,737)
IGIS General Investment Type Private Real Estate Investment Trust No. 462	6,361	23	6,338	-	(32)
Utilitas Pecem	66,221	65,543	678	70,501	31,973
Zeit O&M Co., Ltd.	28,585	15,234	13,351	51,776	714
Zeit Elevator Co., Ltd.	27,662	11,050	16,612	48,593	(10,331)

(in millions of Korean won)	2025				
	Asset	**Liabilities**	**Net assets**	**Sales**	**Profit (loss) for the year**
The plan H-Xplor green smart city venture investment association	18,606	2	18,604	62	(597)
Joint ventures					
G&M Estate Co., Ltd.	1,158	139	1,019	508	67
Hialeah Water, LLP	700	(103)	803	-	-
Lignana LLC	28	6	22	-	(20)
Lignana LLP	312	8	304	3	(65)
VESPOLINA SP. Z O.O.	32,060	37,324	(5,264)	-	(1,908)
Oasis Residences Real Estate, LLC	53,319	34,153	19,166	-	(311)
GS MINH HUNG SIKICO CO., LTD.	7,707	192	7,515	309	84
PDC INDUSTRIAL CENTER 198 SP. Z O.O	150,764	160,124	(9,360)	3,882	(1,450)
MAGNA PFV Corp.	157,186	91,566	65,620	-	(1,853)
MJV4 Co., Ltd.	485,562	220,373	265,189	-	(6,583)
Argan Oasis Real Estate Company	36,682	166	36,516	-	(184)
ALPHA INDUSTRIAL ASSET 3 COMPANY LIMITED	1,250,037	762,320	487,717	94,316	9,765
MJV5 CO., LTD.	982,838	805,270	177,568	-	(7,380)
Taean Haetdeulwon Solar Power Co., Ltd.	98,867	81,256	17,611	9,857	988
Esencja Wilanow SP. Z O.O.	18,146	18,441	(295)	-	(261)
GS-ECC JV LLC	719	52	667	-	(49)

(in millions of Korean won)	2024				
	Asset	**Liabilities**	**Net assets**	**Sales**	**Profit (loss) for the year**
Associates					
GS KOCREF New Stay REIT Co., Ltd.	₩ 333,543	₩ 319,168	₩ 14,375	₩ 797	₩ (1,517)
Beopwon Industry Urban Development Corp.	64,420	75,185	(10,765)	1,355	(1,917)
Park City Co., Ltd.	275,136	406,700	(131,564)	-	(36,411)
Gwacheon Sangsang PFV. Inc	22,794	13,672	9,122	-	(1,379)

(in millions of Korean won)	2024				
	Asset	Liabilities	Net assets	Sales	Profit (loss) for the year
FGS East Asia Technical Resource Management, Inc.	169	1,204	(1,035)	13	(190)
Cadiz San Fernando, A.I.E.	12,511	5,390	7,121	7,366	2,028
Participes de Biorreciclaje S.A.	124,900	87,545	37,355	28,508	1,273
Gestion de Participes de Biorreciclaje	7	3	4	-	-
Cheongju Hi Tech Valley	201,124	250,856	(49,732)	-	(17,086)
BKT Co., Ltd.	40,286	26,312	13,974	32,232	2,305
PT. CORE RESOURCE	27,261	34,014	(6,753)	-	(7,523)
Zero Tech Co., Ltd.	40	519	(479)	-	(22)
Cheonan Techno Park Inc.	214,041	240,247	(26,206)	-	(9,373)
Camp Stanton Co., Ltd.	529	131	398	-	(4)
ORIGIN LATPHRAO CO., LTD.	25,467	4,709	20,758	32,870	815
RENEW SOLAR ENERGY (JHARKHAND THREE) PRIVATE LIMITED	268,960	207,827	61,133	25,173	5,142
PARK PILLAR R4 CO., LTD.	61,228	47,262	13,966	31	(235)
GYEONGGIPYEONGTAEK GLOBAL CO., LTD.	44,758	15,310	29,448	64,640	5,196
GS Collective Fund I LLC.	121,118	75	121,043	117	(1,263)
EPOCH PFV Co., LTD.	439,778	328,665	111,113	-	(6,409)
Zero Tech Muan Co., LTD.	1,459	1,741	(282)	-	(69)
Bucheon Visual Culture Industrial Complex Development Co., Ltd.	10,246	44,183	(33,937)	-	(9,035)
PHU MY VINH CONSTRUCTION & INVESTMENT CORPORATION	67,758	40,474	27,284	12,221	2,118
Gvesco Opportunity-seeking general	82,117	17	82,100	166	94

(in millions of Korean won)	2024				
	Asset	**Liabilities**	**Net assets**	**Sales**	**Profit (loss) for the year**
private real estate investment trust No.1					
Incheon New Port Smart Complex Co., Ltd	5	-	5	-	(4)
PavilionMC ClimateTech No.1 Private Equity Fund	7,150	14	7,136	209	(759)
Daejeon High End Development Co., Ltd	112,047	102,920	9,127	-	(417)
Shuweihat R O Desalination Company LLC	291,184	291,184	-	153,701	(2,071)
Gvesco General Private Real Estate Investment No. 1	11,000	-	11,000	-	-
Sewoon District5 PFV Co., Ltd.	319,307	461,053	(141,746)	126	(68,895)
IGIS General Investment Type Private Real Estate Investment Trust No. 462	6,440	23	6,417	-	-
Utilitas Pecem	3,092	1,520	1,572	4,288	1,534
Zeit O&M Co., Ltd.	24,950	12,313	12,637	54,150	(3,884)
GS Elevator Co., Ltd.	20,502	19,538	964	54,308	(12,908)
The plan H-Xplor green smart city venture investment association	9,577	2	9,575	5	(50)
Joint ventures					
G&M Estate Co., Ltd.	1,068	116	952	616	23
Hialeah Water, LLP	862	-	862	-	(130)
Lignana LLC	63	158	(95)	-	(16)
Lignana LLP	1,059	128	931	-	(923)
VESPOLINA SP. Z O.O.	28,727	31,642	(2,915)	-	(1,753)
Oasis Residences Real Estate, LLC	43,510	23,437	20,073	-	(90)
GS MINH HUNG SIKICO CO., LTD.	7,753	54	7,699	173	73
PDC INDUSTRIAL CENTER 198 SP. Z O.O	61,237	68,336	(7,099)	978	(6,007)
MAGNA PFV Corp.	89,252	22,078	67,174	-	(1,759)
MJV4 Co., Ltd.	16,052	5,736	10,316	-	(254)

(in millions of Korean won)	2024				
	Asset	**Liabilities**	**Net assets**	**Sales**	**Profit (loss) for the year**
Argan Oasis Real Estate Company	37,628	31	37,597	-	(6)
ALPHA INDUSTRIAL ASSET 3 COMPANY LIMITED	41,014	25,264	15,750	75	(76)
MJV5 CO., LTD.	29,830	20,413	9,417	7	(763)

13. Property, Plant and Equipment

(1) Details of property, plant and equipment as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)	2025				2024			
	Acquisition cost	**Accumulated depreciation**	**Accumulated impairment**	**Net book value**	**Acquisition cost**	**Accumulated depreciation**	**Accumulated impairment**	**Net book value**
Land	₩ 645,594	₩ -	₩ -	₩ 645,594	₩ 954,409	₩ -	₩ -	₩ 954,409
Buildings	826,813	(266,361)	(26,025)	534,427	838,740	(244,112)	(617)	594,011
Structures	168,687	(78,749)	(1,642)	88,296	166,848	(72,712)	-	94,136
Machinery	418,120	(168,937)	(31,588)	217,595	383,327	(107,628)	(2,717)	272,982
Construction equipment	42,359	(34,892)	-	7,467	43,843	(36,530)	-	7,313
Vehicles	32,837	(24,468)	(11)	8,358	32,608	(22,113)	(56)	10,439
Tools	93,499	(37,378)	-	56,121	125,364	(71,481)	-	53,883
Equipment	157,845	(116,272)	(2)	41,571	153,273	(110,701)	(195)	42,377
Construction-in-progress [1]	26,520	-	-	26,520	609,062	-	-	609,062
	₩ 2,412,274	₩ (727,057)	₩ (59,268)	₩ 1,625,949	₩ 3,307,474	₩ (665,277)	₩ (3,585)	₩ 2,638,612

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

(2) Changes in property, plant and equipment for each of the two years in the period ended December 31, 2025 are as follows:

(in millions of Korean won)	2025								
	Beginning	Acquisition	Disposal	Depreciation	Impairment[1]	Transfer	Change in consolidation	Exchange differences	Ending
Land	₩ 954,409	₩ 36,224	₩ -	₩ -	₩ -	₩ (335,831)	₩ -	₩ (9,208)	₩ 645,594
Buildings	594,011	10,880	(1,660)	(27,657)	(26,046)	(26,022)	-	10,921	534,427
Structures	94,136	1,141	(26)	(5,970)	(1,642)	774	-	(117)	88,296
Machinery	272,982	20,584	(748)	(64,602)	(31,588)	19,255	-	1,712	217,595
Construction equipment	7,313	7,517	(4,091)	(3,171)	-	-	-	(101)	7,467
Vehicles	10,439	1,648	(72)	(3,786)	(12)	-	-	141	8,358
Tools	53,883	13,127	(622)	(8,347)	-	(5,164)	-	3,244	56,121
Equipment	42,377	9,892	(830)	(10,946)	(1)	1,096	(14)	(3)	41,571
Construction-in-progress	609,062	109,208	(613)	-	-	(606,500)	(67,241)	(17,396)	26,520
	₩ 2,638,612	₩ 210,221	₩ (8,662)	₩ (124,479)	₩ (59,289)	₩ (952,392)	₩ (67,255)	₩ (10,807)	₩ 1,625,949

[1] The Group performed an impairment test on Energy Materials Co., Ltd., a domestic new business segment, due to accumulated operating losses and market uncertainty, and recognized an impairment loss of KRW 46,175 million, which was fully allocated to property, plant and equipment. The recoverable amount was determined based on value in use, calculated using a discount rate of 12.8%.

In addition, as the carrying amount of VGSI Elevator Limited Liability Company, Development & New business, was assessed to exceed its recoverable amount, an impairment test was conducted and an impairment loss of KRW 11,777 million was recognized and fully allocated to property, plant and equipment.

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

(3) Details of allocation of depreciation for each of the two years in the period ended December 31, 2025 are as follows:

(in millions of Korean won)		2025		2024
Cost of sales	₩	113,011	₩	81,428
Selling and administrative expenses (including technology development costs)		11,468		7,710
	₩	124,479	₩	89,138

(4) There are no payables related to acquisition of property, plant and equipment at the end of the reporting period.

(5) Collaterals pledged to financial institutions for borrowings as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)	2025				
	Carrying amount	Secured amount	Related account	Related amount	Secured party
Property, plant and equipment (land, buildings and others)	₩ 1,069,862	₩ 1,361,235	Borrowings and others	₩ 661,700	KEB Hana Bank and others

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

14. Intangible Assets

(1) Intangible assets as of December 31, 2025 and 2024 consist of:

(in millions of Korean won)	2025				2024			
	Acquisition cost	**Accumulated amortization**	**Accumulated impairment**	**Net book value**	**Acquisition cost**	**Accumulated amortization**	**Accumulated impairment**	**Net book value**
Goodwill	₩ 613,724	₩ -	₩ (11,809)	₩ 601,915	₩ 584,562	₩ -	₩ (23,443)	₩ 561,119
Memberships	41,700	-	(1,466)	40,234	41,738	-	(1,466)	40,272
Computer software	94,773	(68,163)	-	26,610	90,774	(60,614)	-	30,160
Concession assets	520,604	(128,290)	-	392,314	421,397	(99,797)	-	321,600
Technical rights	48,923	(48,923)	-	-	44,367	(44,367)	-	-
Trademark	107,717	-	-	107,717	96,443	-	-	96,443
Others	66,963	(43,870)	(1,076)	22,017	57,413	(41,656)	(1,076)	14,681
	₩ 1,494,404	₩ (289,246)	₩ (14,351)	₩ 1,190,807	₩ 1,336,694	₩ (246,434)	₩ (25,985)	₩ 1,064,275

(2) Changes in intangible assets for each of the two years in the period ended December 31, 2025 are as follows:

(in millions of Korean won)	2025							
	Beginning	Acquisition	Disposal	Amortization	Transfer	Change in consolidation	Exchange differences	Ending
Goodwill	₩ 561,119	₩ -	₩ -	₩ -	₩ -	₩	₩ 40,796	₩ 601,915
Memberships	40,272	-	-	-	-	-	(38)	40,234
Computer software	30,160	4,267	(10)	(9,360)	664	-	884	26,610
Concession assets	321,600	54,798	-	(19,302)	-	5	35,218	392,314
Trademark	96,443	-	-	-	-	-	11,274	107,717
Others	14,681	4,249	(2,513)	(2,032)	6,725	(15)	922	22,017
	₩ 1,064,275	₩ 63,314	₩ (2,523)	₩ (30,694)	₩ 7,389	₩ (10)	₩ 89,056	₩ 1,190,807

(in millions of Korean won)	2024								
	Beginning	Acquisition	Disposal	Amortization	Impairment	Transfer	Change in consolidation	Exchange differences	Ending
Goodwill	₩ 536,566	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 24,553	₩ 561,119
Memberships	40,034	1,180	(1,349)	-	320	-	-	87	40,272
Computer software	26,991	10,900	(4)	(10,723)	-	2,950	(13)	59	30,160
Concession assets	254,591	99,800	-	(14,510)	-	-	-	(18,281)	321,600
Trademark	88,827	-	-	-	-	-	-	7,616	96,443
Others	13,951	2,115	-	(2,663)	-	(2,244)	3,919	(397)	14,681
	₩ 960,960	₩ 113,995	₩ (1,353)	₩ (27,896)	₩ 320	₩ 706	₩ 3,906	₩ 13,637	₩ 1,064,275

(3) Details of allocation of amortization for each of the two years in the period ended December 31, 2025 are as follows:

(in millions of Korean won)		**2025**		**2024**
Cost of sales	₩	22,750	₩	17,967
Selling and administrative expenses (including technology development costs)		7,944		9,929
	₩	30,694	₩	27,896

(4) Impairment tests for goodwill

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

(in millions of Korean won)	**2025**									
		Beginning		**Increase**		**Impairment**		**Other adjustments**		**Ending**
Architectural & housing construction	₩	182,100	₩	-	₩	-	₩	-	₩	182,100
Plant construction		5		-		-		-		5
Infra works		-		-		-		-		-
Development & New business		24,988		-		-		(584)		24,404
Prefab		255,937		-		-		31,266		287,203
Inima		98,033		-		-		10,114		108,147
others		56		-		-		-		56
	₩	561,119	₩	-	₩	-	₩	40,796	₩	601,915

(in millions of Korean won)	**2024**									
		Beginning		**Increase**		**Impairment**		**Other adjustments**		**Ending**
Architectural & housing construction	₩	182,100	₩	-	₩	-	₩	-	₩	182,100
Plant construction		5		-		-		-		5
Infra works		-		-		-		-		-
Development & New business		21,985		-		-		3,003		24,988
Prefab		234,813		-		-		21,124		255,937
Inima		97,607		-		-		426		98,033
others		56		-		-		-		56
	₩	536,566	₩	-	₩	-	₩	24,553	₩	561,119

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

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

(in millions of Korean won)	2025				
	Sales growth rate	**Operating profit rate**	**Discount rate**	**Perpetual growth rate**	**Recoverable amount[1]**
GS Inima Environment S.A.U.	4.3%	15.8%~23.7%	10.1%	1.0%	N/A
Danwood S.A.	18.8%	5.3%~7.5%	12.6%	1.0%	N/A
CDCF III Fortbay MV, LLC	-	62.1%~69.4%	10.4%	0.0%	N/A
XI C&A CO., LTD.	12.5%	0.1%~4.6%	8.9%	1.0%	N/A

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

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

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

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

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

If the discount rate used in the estimation of recoverable amounts for the CGU had increased by 1% from management's estimates, the Group would have recognized an additional impairment loss of KRW 91,090 million on the carrying amount of goodwill.

If the perpetual growth rate used in the estimation of recoverable amounts for the CGU had decreased by 1% from management's estimates, the Group would have recognized an additional impairment loss of KRW 41,275 million on the carrying amount of goodwill.

(5) As of December 31, 2025, the Group has entered into LIB recycle technology transfer contract with GHP and another company and the amount of related purchase agreement is USD 3,700,000 (USD 3,700,000 in 2024).

(6) As at December 31, 2025, the Group has entered into elevator control panel technology transfer contract with G-Tech and in relation to this, the Group pays 1 % of sales from the elevator control panel as a technical fee.

15. Investment Properties

(1) Details of investment properties as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)	2025				2024			
	Acquisition cost	**Accumulated depreciation**	**Accumulated impairment**	**Net book value**	**Acquisition cost**	**Accumulated depreciation**	**Accumulated impairment**	**Net book value**
Land	₩ 872,533	₩ -	₩ (12,086)	₩ 860,447	₩ 635,691	₩ -	₩ (12,086)	₩ 623,605
Buildings	666,349	(18,510)	(26,080)	621,759	80,984	(12,580)	(26,080)	42,324
Right-of-use assets	153,331	(68,697)	(7,287)	77,347	151,023	(58,960)	(7,223)	84,840
	₩ 1,692,213	₩ (87,207)	₩ (45,453)	₩ 1,559,553	₩ 867,698	₩ (71,540)	₩ (45,389)	₩ 750,769

Fair values of investment properties approximate their book values as of December 31, 2025 and 2024.

(2) Changes in investment properties for each of the two years in the period ended December 31, 2025 are as follows:

(in millions of Korean won)	2025							
	Beginning	**Acquisition**	**Disposal**	**Depreciation**	**Impairment[1]**	**Transfer and others**	**Exchange differences**	**Ending**
Land	₩ 623,605	₩ 25	₩ (58,558)	₩ -	₩ -	₩ 293,587	₩ 1,788	₩ 860,447
Buildings	42,324	1,934	(10,280)	(8,366)	-	591,079	5,068	621,759
Right-of-use assets	84,840	-	-	(9,090)	(64)	1,661	-	77,347
	₩ 750,769	₩ 1,959	₩ (68,838)	₩ (17,456)	₩ (64)	₩ 886,327	₩ 6,856	₩ 1,559,553

[1] The entire amount was recognized in profit or loss of architectural & housing construction for the year ended December 31, 2025.

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

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

(3) Gains and losses on investment properties recognized in profit or loss for each of the two years in the period ended December 31, 2025 are as follows:

(in millions of Korean won)		**2025**		**2024**
Lease income	₩	34,474	₩	23,872
Operating expenses		32,980		20,417
Total, net	₩	1,494	₩	3,455

(4) Collaterals pledged to financial institutions for borrowings as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)	**2025**						
		Carrying amount		**Secured amount[1]**	**Related account**		**Related amount**	**Secured party**
Investment properties (land, buildings)	₩	434,828	₩	304,882	Leasehold deposits	₩	-	NongHyup Bank and others

[1] As of December 31, 2025, the land of ₩ 300,000 million was provided as collateral in relation to the Group's loan agreement (limit: ₩ 250,000 million), and there are no related borrowings.

(in millions of Korean won)	**2024**							
		Carrying amount		**Secured amount[1]**	**Related account**		**Related amount**	**Secured party**
Investment properties (land, buildings)	₩	439,910	₩	307,102	Leasehold deposits	₩	2,337	NongHyup Bank and others

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

(5) The future minimum lease payments expected to be received in relation to the operating lease agreement for investment property as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)		**2025**		**2024**
Within one year	₩	51,507	₩	18,977
Between 1 and 2 years		28,588		16,809
Between 2 and 3 years		26,172		8,911
Between 3 and 4 years		21,949		8,088
Between 4 and 5 years		10,891		3,407
	₩	139,107	₩	56,192

The minimum lease payments incurred from sublease are included.

16. Leases

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

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

(in millions of Korean won)		2025		2024
Right-of-use assets				
Land	₩	2,698	₩	15,564
Buildings		229,911		261,366
Machinery		1,872		1,947
Construction equipment		13,116		17,988
Vehicles		4,820		6,548
Equipment		362		212
Sublease		(13,257)		(15,011)
	₩	239,522	₩	288,614
Lease liabilities				
Current	₩	72,924	₩	75,035
Non-current		281,907		340,192
	₩	354,831	₩	415,227

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

(in millions of Korean won)		2025		2024
Depreciation of right-of-use assets				
Land	₩	1,350	₩	2,284
Buildings		40,443		38,087
Machinery		255		1,552
Construction equipment		18,797		33,657
Vehicles		3,679		3,736
Equipment		171		89
	₩	64,695	₩	79,405
Interest expense relating to lease liabilities	₩	16,830	₩	17,988
Expense relating to short-term leases		42,990		53,749
Expense relating to leases of low-value assets that are not short-term leases		5,590		5,696
Expense relating to variable lease payments not included in lease liabilities		8,994		21,357
Interest income from sublease		2,617		2,151

The total cash outflow for leases for the year ended December 31, 2025 is ₩ 148,560 million (₩ 197,618 million in 2024).

(3) Details of finance lease receivables as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)	2025	2024
Finance lease receivables		
Current	₩ 5,139	₩ 4,827
Non-current	10,291	12,198
	₩ 15,430	₩ 17,025

(in millions of Korean won)	2025	2024
Lease payments		
Within one year	₩ 5,799	₩ 5,300
Between 1 and 2 years	5,849	5,377
Between 2 and 3 years	4,969	5,423
Between 3 and 4 years	2,644	4,658
Between 4 and 5 years	2,284	2,466
Over 5 years	7,194	9,478
	28,739	32,702
Non-guaranteed residual values	-	-
Gross investment in the lease	28,739	32,702
Less: unrealized interest income	(13,309)	(15,677)
Net investment in the lease	₩ 15,430	₩ 17,025

17. Trade and Other Payables, Other Liabilities

(1) Details of trade and other payables as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)		2025		2024
Trade payables [1]	₩	1,290,477	₩	1,638,083
Other payables		193,354		200,150
	₩	1,483,831	₩	1,838,233

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

(in millions of Korean won)		2025		2024
Carrying amount of trade payables that are part of a supplier finance arrangement	₩	153,586	₩	188,836
Of which suppliers have received payment	₩	17,499	₩	21,326

Range of payment term	2025	2024
Payables part of supplier finance arrangement	Within 120 days from the invoice date	Within 120 days from the invoice date
Trade payables (same business) that are not part of a supplier finance arrangement	Within 30 days from the invoice date	Within 30 days from the invoice date

(2) Details of other current liabilities as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)		2025		2024
Advance from customers	₩	24,370	₩	41,720
Withholdings		252,571		248,069
Deposits received		138		143
Accrued expenses		719,643		506,590
Dividends payable		20		19
Unearned revenue		1,706		687
Value added tax withheld		43,026		39,611
Membership guarantee deposits		190,858		171,132
	₩	1,232,332	₩	1,007,971

(3) Details of long-term trade and other payables as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)		December 31, 2025		December 31, 2024
Long-term trade and other payables	₩	79	₩	-
	₩	79	₩	-

(4) Details of other non-current liabilities as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)		December 31, 2025		December 31, 2024
Long-term deposits received	₩	78,834	₩	65,287
Membership guarantee deposits		27,430		45,154
	₩	106,264	₩	110,441

18. Financial Liabilities

(1) Details of short-term financial liabilities as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)		2025		2024
Short-term borrowings	₩	990,920	₩	1,130,572
Current portion of long-term debts		1,177,690		1,997,018
Discount on debentures		(136)		(287)
Current lease liabilities		72,924		75,035
Derivative liabilities		12,826		35,557
Financial guarantee liabilities		19,695		19,926
Current portion of leasehold deposits received		1,048		5,049
	₩	2,274,967	₩	3,262,870

(2) Details of long-term financial liabilities as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)		2025		2024
Long-term borrowings	₩	3,466,978	₩	2,157,680
Discount on present value of long-term borrowings		(5,824)		(6,139)
Debentures		440,512		352,223
Discount on debentures		(1,940)		(720)
Non-current lease liabilities		281,907		340,192
Derivative liabilities		82,175		73,794
Financial guarantee liabilities		81,210		36,502
Other financial liabilities [1]		51,681		-
Leasehold deposits received		22,577		20,351
	₩	4,419,276	₩	2,973,883

[1] As the investor does not hold substantive voting rights or rights to returns, and the Group is obligated to repay the principal and guarantee the agreed internal rate of return (IRR), the instrument has been classified as a financial liability.

(3) Details of short-term borrowings as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)	**Creditor**	**Maturity**	**Annual interest rate (%)**	**2025**	**2024**
Usance	Kookmin Bank	-	-	₩ -	₩ 2,135
	United Overseas Bank	2026-06-01	2.85 ~ 2.94	3,138	-
General borrowings in Korean won	Korea Construction Financial Corp. [1]	2026-10-29	1.10	20,315	17,831
	China Everbright Bank	2026-03-20	3M CD + 1.78	20,000	10,000
	Suhyup Bank	2026-03-02	3M Financial bond rate+ 1.80	10,000	-
	KDB	2026-09-15	3M CD + 1.58	100,000	-
General borrowings in foreign currency	Korea Exim	2026-06-30	3M SOFR + 1.75	71,745	271,950
	Bank of China	2026-02-13	3M SOFR + 2.20	71,745	73,500
	NongHyup Bank	2026-09-22	3M SOFR + 1.59 ~ 3M SOFR 1.86	114,792	73,500
	United Overseas Bank	2026-04-23	3M SOFR + 1.90	86,094	88,200
	China Everbright Bank	2026-07-22	3M SOFR + 1.95	28,698	29,400
	KEB Hana	2026-08-23	3M EURibor + 1.89 ~ 3M SOFR + 1.60	122,000	133,992
Subsidiaries	HSBC	2026-11-13	4.23 ~ 1M SOFR + 1.85	169,455	232,129
	SC	2026-01-02	1.80	56,599	-
	Korea Construction Financial Corp.	2026-01-08	1.10	3,207	3,100
	Woori	2026-01-19	4.52	1,456	40,000
	Caixa and others [1,2,3]	2026-11-27	6.70 and others	111,676	154,835
				₩ 990,920	₩ 1,130,572

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

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

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

(4) Details of long-term borrowings as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)	Creditor	Maturity	Annual interest rate (%)	2025	2024
Long-term borrowings in Korean won	KEB HANA	-	-	₩ -	₩ 300,000
	KB Grand Start Trust 1ST INC	-	-	-	100,000
	GS HANA 2ND INC	-	-	-	75,000
	GS HANA 3RD INC	-	-	-	90,000
	LH corporation	2029-01-11	5.70	212,409	212,409
	GLORY S INC	2026-08-27	5.80	125,000	125,000
	HSBC	2027-05-09	3M CD + 2.13	100,000	100,000
	KDB [1]	2026-10-10	3M CD + 1.33 ~ 4.95	134,000	150,000
	RICHGATE GS INC [1, 2]	2026-05-27	3M CD + 2.25	24,200	145,100
	Great Series One	2026-07-29	5.80	75,000	75,000
	Suhyup Bank	2026-10-10	3M Financial bond rate + 1.81	10,000	10,000
	GS HANA 4TH INC	2026-11-02	5.50	50,000	100,000
	GLORY S 2ND INC	2027-02-07	4.90	200,000	-
	OK 4TH INC [1]	2026-09-30	3M CD + 1.90 ~ 4.90	150,000	-
	OK 5TH INC [1]	2027-04-07	4.60	50,000	-
	TRA Gwangmyeong 5TH INC [1]	2026-11-30	3.40	24,100	-
	Shinhan Capital [1]	2027-09-21	4.60	20,000	-
	NH NongHyup Capital [1]	2027-09-21	4.60	20,000	-
	IBK Capital [1]	2027-09-21	4.60	10,000	-
	GS HANA 5TH INC [2]	2027-02-28	3M CD + 2.25 ~ 5.25	300,000	-
	Best F 3RD INC [1]	2027-11-01	3.20	80,000	-
	KB Grand Start 2ND INC [1]	2028-05-15	4.60	200,000	-
	Bear H 1ST INC [1]	2028-05-15	4.60	20,000	-
Long-term borrowings in foreign currency	HSBC	-	-	-	5,733
	KDB	-	-	-	63,901
	Arab Bank, S'pore	2027-03-18	3M SOFR + 1.90 ~ 6M SOFR + 2.10	143,490	147,000
	Korea Exim	2028-12-03	6M EURibor + 1.53 ~ 3M SOFR + 2.03	305,319	273,796
Subsidiaries	Korea Exim	2027-08-30	6M SODR + 1.65 ~ 6M SOFR + 2.15	344,376	367,461
	K-SURE	2027-05-30	6M SOFR + 1.48	353,703	336,924
	United Overseas Bank[3]	2027-11-19	3M SOFR + 1.48	237,630	243,258
	KDB	2030-06-10	3.61 ~ 3.87	396.187	142,500
	Caixa and others[1,2,4,5]	2041-08-15	TR + 9.00 and	951,240	798,913

	others		
		4,536,654	3,861,995
Less: current portion		(1,069,676)	(1,704,315)
		3,466,978	2,157,680
Less: present value discount		(5,824)	(6,139)
		₩ 3,461,154	₩ 2,151,541

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

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

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

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

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

(5) Details of debentures as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)	Description	Maturity	Annual interest rate (%)	2025	2024
Bonds in Korean won with fixed interest rate	The 141st unsecured bond (public)	-	-	₩ -	₩ 150,000
	The 144-1st unsecured bond (public)	-	-	-	50,000
	The 144-2nd unsecured bond (public)	2026-06-03	5.71	50,000	50,000
Bonds in foreign currency	The 140th - secured bond (variable rate)	-	-	-	73,500
	The 142nd - unsecured bond (variable rate)	2027-05-04	3M SOFR + 2.20	71,745	73,500
	The 143rd - secured bond (variable rate)	2026-10-23	SOFR + 1.13	43,047	44,100
	The 145th - secured bond (variable rate) [1]	2028-03-24	SOFR + 1.10	43,047	-
	The 146th - secured bond (variable rate) [2]	2028-03-27	SOFR + 1.20	57,396	-
	The 147th - secured bond (variable rate) [3]	2028-04-28	SOFR + 1.10	71,745	-
Bonds of subsidiaries in foreign currency	Bond[4]	2030-03-01	TR + 9.00	13,592	14,605
	Bond[4]	2033-08-15	CDI + 2.57	34,453	34,711
	Bond[4]	2029-08-01	TR + 8.75	34,611	38,403
	Bond[4]	2041-05-15	IPCA + 6.69	33,435	29,164
	Bond[4]	2047-11-15	CDI + 2.95	73,593	63,348
	Bond[4]	2030-12-23	CDI + 1.17	26,014	23,594
				552,678	644,925
Less: current portion				(112,166)	(292,415)
				440,512	352,510
Less: discount on debentures				(1,940)	(1,007)
				₩ 438,572	₩ 351,503

[1] The 145th - secured bond (variable rate, private)

The Company issued secured bond (variable rate) on March 26, 2025. Details of the bonds are as follows:

	The 145th - secured bond (variable rate)
Aggregate principal amount of the bonds	USD 30,000,000
Nominal interest rate	SOFR + 1.10%
Lead underwriter	Woori Global Markets Asia Ltd
Guarantor	Woori Bank
Repayment date	March 24, 2028
Repayment method	The principal amount of the bond will be repaid in a lump sum on March 24, 2028. However, if the repayment date falls on a bank holiday, it shall be repaid on the following business day.

[2] The 146th - secured bond (variable rate, private)

The Company issued secured bond (variable rate) on March 27, 2025. Details of the bonds are as follows:

	The 146th - secured bond (variable rate)
Aggregate principal amount of the bonds	USD 40,000,000
Nominal interest rate	SOFR + 1.20%
Lead underwriter	KB Securities Hong Kong Ltd
Guarantor	KB Kookmin BANK
Repayment date	March 27, 2028
Repayment method	The principal amount of the bond will be repaid in a lump sum on March 27, 2028. However, if the repayment date falls on a bank holiday, it shall be repaid on the following business day.

[3] The 147th - secured bond (variable rate, private)

The Company issued secured bond (variable rate) on April 28, 2025. Details of the bonds are as follows:

	The 147th - secured bond (variable rate)
Aggregate principal amount of the bonds	USD 50,000,000
Nominal interest rate	SOFR + 1.10%
Lead underwriter	KB Kookmin BANK, Hongkong Branch
Guarantor	KB Kookmin BANK
Repayment date	April 28, 2028
Repayment method	The principal amount of the bond will be repaid in a lump sum on April 28, 2028.

However, if the repayment date falls on a bank holiday, it shall be repaid on the following business day.

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

19. Post-employment Benefits

(1) Defined contribution retirement pension

The Group operates a defined contribution pension plan under which the amount contributed by the Group is expensed. The amount recognized in the financial statement of profit or loss for the year ended December 31, 2025 is ₩ 6,652 million (₩ 4,796 million in 2024).

(2) Defined benefit retirement pension

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

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

(in millions of Korean won)		**2025**		**2024**
Present value of defined benefit obligations[1]	₩	509,095	₩	539,491
Fair value of plan assets		(567,050)		(570,299)
Net defined benefit liabilities	₩	(57,955)	₩	(30,808)

[1] The present value of the defined benefit obligation is calculated by deducting contributions to the National Pension Fund of ₩ 236 million as of December 31, 2025 (₩ 293 million in 2024).

2) Changes in the carrying amount of defined benefit liabilities for each of the two years in the period ended December 31, 2025 are as follows:

(in millions of Korean won)		**2025**		**2024**
Beginning balance	₩	539,491	₩	500,582
Current service cost		69,723		67,089
Interest expenses		16,273		17,785
Remeasurements:		(18,697)		36,654
Actuarial gain and loss from changes in demographic assumptions		(2,243)		761
Actuarial gain and loss from changes in financial assumptions		(12,463)		15,068
Actuarial gain and loss from experience adjustments		(3,991)		20,825
Exchange differences		(6)		437
Payments from plans:		(96,634)		(74,816)
Benefit payments		(96,634)		(74,816)
Past service cost		-		16
Liabilities transferred to a related party		(1,055)		(41)
Changes in scope of consolidation		-		(8,215)
Ending balance	₩	509,095	₩	539,491

3) Changes in the fair value of plan assets for each of the two years in the period ended December 31, 2025 are as follows:

(in millions of Korean won)		**2025**		**2024**
Beginning balance	₩	570,299	₩	575,697
Interest income		17,480		21,007
Remeasurements:		(742)		(726)
Return on plan assets (excluding amounts included in interest income)		(742)		(726)
Contributions:		67,780		46,672
Employers		67,780		46,672
Payments from plans:		(87,446)		(67,076)
Benefit payments		(86,662)		(66,441)
Management fee		(784)		(635)
Assets transferred to a related party		(321)		469
Changes in scope of consolidation		-		(5,744)
Ending balance	₩	567,050	₩	570,299

4) Fair value of plan assets as of December 31, 2025 and 2024 consists of:

(in millions of Korean won)		**2025**		**2024**
Financial instruments/Insurance	₩	402,432	₩	415,878
Time deposits		74,009		70,903
Cash and cash equivalents		90,609		83,518
	₩	567,050	₩	570,299

5) The amounts recognized in the statements of profit or loss for each of the two years in the period ended December 31, 2025 are as follows:

(in millions of Korean won)		**2025**		**2024**
Current service cost	₩	69,723	₩	67,089
Net interest		(423)		(2,587)
Ending balance[1]	₩	69,300	₩	64,502

[1] Presenting total expenses for pension benefits.

Cost of sales	₩	48,388	₩	45,006
Selling and administrative expenses		20,912		19,496
	₩	69,300	₩	64,502

6) The principal actuarial assumptions as of December 31, 2025 and 2024 are as follows:

	2025	2024
Discount rate	4.22 - 4.56%	3.21 - 4.59%
Future salary increase (including inflation)	2.50 - 5.10%	2.50 - 6.00%

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

7) A quantitative sensitivity analysis for significant assumptions as of December 31, 2025 is as shown below:

(in millions of Korean won)		Impact on defined benefit obligation	
Assumptions	Sensitivity level (%)	1% increase	1% decrease
Discount rate	1.00	₩ (18,311)	₩ 20,076
Future salary increases	1.00	20,067	(18,653)

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

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

Expected contributions to post-employment benefit plans for the year ending December 31, 2026 are ₩ 47,433 million.

The expected maturity analysis of undiscounted pension benefits as of December 31, 2025 and 2024 is as follows:

(in millions of Korean won)	Less than 1 year	Between 1-2 years	Between 2-5 years	Between 5-10 years	Total
Pension benefits					
December 31, 2025	₩ 69,163	₩ 73,480	₩ 333,498	₩ 178,272	₩ 654,413
December 31, 2024	68,172	95,877	273,460	242,184	679,693

The weighted average duration of the defined benefit obligation is 4.22 to 10.23 years.

(3) Other employee benefits

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

(in millions of Korean won)		2025		2024
Employee benefits	₩	53,707	₩	40,867

20. Provisions

Details and changes in provisions for each of the two years in the period ended December 31, 2025 are as follows:

(in millions of Korean won)	2025							
	Beginning	**Additions**	**Reversal**	**Utilization**	**Changes in consolidation scope**	**Ending**	**Current**	**Non-current**
Provisions for construction loss	₩ 447,062	₩ 110,921	₩ (195,355)	₩ 3,909	₩ -	₩ 366,537	₩ 366,537	₩ -
Provisions for construction warranty	462,143	162,936	(5,749)	(195,927)	-	423,403	113,806	309,597
Provisions for others	339,767	101,669	(660)	(160,018)	-	280,758	204,445	76,313
	₩ 1,248,972	₩ 375,526	₩ (201,764)	₩ (352,036)	₩ -	₩ 1,070,698	₩ 684,788	₩ 385,910

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

21. Commitments and Contingencies

21.1. PF Contingent liabilities.

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

As of December 31, 2025, the Group has provided credit enhancement guarantees totaling ₩ 3,162,374 million (₩ 4,588,577 in 2024) in relation to the PF loan, with ₩ 3,057,746 million allocated to independent business (₩ 4,542,258 million in 2024) and ₩ 104,628 million to consortium participation business (₩ 46,319 million in 2024). No amount was previously recorded as contingent liabilities, being converted to provisions. The Group has provided credit enhancement guarantees of ₩ 498,000 million (₩ 428,740 million in 2024) to its related parties in relation to other businesses. Details of contingent liabilities within PF related to refurbishment projects and other projects are as follows.

<Independent project>
(In millions of Korean won)

Category	Type	Guarantee limit	Guaranteed amount	Loan Balance							
					Maturity						
				2025	Less than 3 months	Between 3-6 months	Between 6-12 months	Between 1-2 years	Between 2-3 years	More than 3 years	2024
Refurbishment projects	Bridge loan	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -
	PF loan	1,793,684	907,551	750,261	-	22,232	273,955	97,807	60,076	296,191	1,668,373
		1,793,684	907,551	750,261	-	22,232	273,955	97,807	60,076	296,191	1,668,373
Other projects	Bridge loan	₩ 1,514,800	₩ 1,514,800	₩ 1,324,500	₩ 324,000	₩ 294,500	₩ 561,000	₩ 145,000	₩ -	₩ -	₩ 1,957,500
	PF loan	673,000	635,395	517,300	-	-	297,300	220,000	-	-	169,100
		2,187,800	2,150,195	1,841,800	324,000	294,500	858,300	365,000	-	-	2,126,600
		₩ 3,981,484	₩ 3,057,746	₩ 2,592,061	₩ 324,000	₩ 316,732	₩ 1,132,255	₩ 462,807	₩ 60,076	₩ 296,191	₩ 3,794,973

<Consortium participation project (the total amount)>
(In millions of Korean won)

Category	Type	Guarantee limit	Guaranteed amount	Loan Balance 2025	Maturity: Less than 3 months	Maturity: Between 3-6 months	Maturity: Between 6-12 months	Maturity: Between 1-2 years	Maturity: Between 2-3 years	Maturity: More than 3 years	Loan Balance 2024
Refurbishment projects	Bridge loan	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -
	PF loan	90,992	75,528	62,939	-	-	13,186	49,753	-	-	39,463
		90,992	75,528	62,939	-	-	13,186	49,753	-	-	39,463
Other projects	Bridge loan	₩ 29,500	₩ 29,500	₩ 29,500	₩ -	₩ 29,500	₩ -	₩ -	₩ -	₩ -	₩ -
	PF loan	-	-	-	-	-	-	-	-	-	-
		29,500	29,500	29,500	-	29,500	-	-	-	-	-
		₩ 120,492	₩ 105,028	₩ 92,439	₩ -	₩ 29,500	₩ 13,186	₩ 49,753	₩ -	₩ -	₩ 39,463

<Consortium participation business (the Group’s own amount)>
(In millions of Korean won)

Category	Type	Guarantee limit	Guaranteed amount	Loan Balance 2025	Maturity: Less than 3 months	Maturity: Between 3-6 months	Maturity: Between 6-12 months	Maturity: Between 1-2 years	Maturity: Between 2-3 years	Maturity: More than 3 years	Loan Balance 2024
Refurbishment projects	Bridge loan	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -
	PF loan	88,237	75,128	62,606	-	-	12,853	49,753	-	-	38,599
		88,237	75,128	62,606	-	-	12,853	49,753	-	-	38,599
Other projects	Bridge loan	₩ 29,500	₩ 29,500	₩ 29,500	₩ -	₩ 29,500	₩ -	₩ -	₩ -	₩ -	₩ -
	PF loan	-	-	-	-	-	-	-	-	-	-
		29,500	29,500	29,500	-	29,500	-	-	-	-	-
		₩ 117,737	₩ 104,628	₩ 92,106	₩ -	₩ 29,500	₩ 12,853	₩ 49,753	₩ -	₩ -	₩ 38,599

(2) Details of Real Estate PF Loan Guarantee (excluding construction completion guarantee, borrowings for intermediate payments, SOC)

1) As of December 31, 2025, the guarantee details of PF Loan related to refurbishment projects of the Group are as follows. Under the PF guarantee agreements, if the borrower fails to pay the amount due under the financial contract, or if default occurs to the Group or the borrower, the Group will incur a loss of future interest totaling ₩ 812,867 million (₩ 1,706,972 million in 2024).

(in millions of Korean won)

Location	Project Type	Loan Type	Guarantee Type	Guarantee Limit	Burden rate	Guaranteed amount	Borrower	Related party	Creditor	Loan Balance 2025	Loan Balance 2024	Loan Period	Securitized security maturity	Loan type	Construction completion commitment
Seoul	Apartment	PF loan	Payment Guarantee	₩ 42,000	100%	₩ 26,678	Bangbae 13th District Housing Reconstruction Refurbishment Project Cooperative	X	Bank	₩ 22,232	₩ 21,381	21.06 ~26.06	-	Loan	₩ -
Seoul[1]	Apartment	PF loan	Payment Guarantee	204,000	100%	204,000	Yangpyeong 12th District Urban Environmental	X	Bank	170,000	200,000	24.10 ~26.08	-	Loan	170,000

							refurbishment cooperative								
Seoul[1]	Apartment	PF loan	Payment Guarantee	66,000	100%	56,260	Yangpyeong 12th District Urban Environmental refurbishment cooperative	X	Capital	46,883	4,219	24.11 ~26.08	-	Loan	46,883
Seoul[1]	Apartment	PF loan	Payment Guarantee	50,400	100%	11,846	Yangpyeong 12th District Urban Environmental refurbishment cooperative	X	Other	9,872	-	25.04 ~26.08	-	Loan	9,872
Daegu	Apartment	PF loan	Payment Guarantee	114,240	100%	56,640	Daemyeong 3rd New Town Housing Redevelopment Refurbishment project cooperative	X	SPC	47,200	-	25.04 ~26.10	26.10	ABSTB	-
Gwacheon[1]	Apartment	PF loan	Payment Guarantee	103,080	100%	28,338	Gwacheon Joo-gong 4th Complex Housing Reconstruction Refurbishment Project Cooperative	X	Bank	23,615	24,065	22.10 ~27.01	-	Loan	23,615
Seoul	Apartment	PF loan	Payment Guarantee	21,600	100%	2,180	Yeoksam Milky Way Housing Reconstruction Refurbishment Project Cooperative	X	Capital	1,817	1,698	23.08 ~27.01	-	Loan	-
Seoul	Apartment	PF loan	Payment Guarantee	260,000	100%	94,088	Yongdap-dong Housing Redevelopment refurbishment Project Cooperative	X	Capital	72,375	72,375	23.08 ~27.03	-	Loan	-
Anyang	Apartment	PF loan	Payment Guarantee	156,000	100%	2,880	New Town Mansion Samho Apartment District Housing Reconstruction Refurbishment Project Cooperative	X	SPC	2,400	-	25.12 ~28.04	-	Loan	-
Daegu	Apartment	PF loan	Payment Guarantee	72,960	100%	69,212	Daegu Songhyeon Joo-gong 3rd Complex Apartment Housing Reconstruction Refurbishment Cooperative	X	Other	57,676	84,100	25.04 ~28.07	-	Loan	-

Seoul	Apartment	PF loan	Payment Guarantee	24,000	100%	23,990	Cheongdam Geonyeong Apartment Remodeling Housing Cooperative	X	Capital	19,992	19,992	24.10 ~29.08	-	Loan	-
Seoul	Apartment	PF loan	Payment Guarantee	628,680	100%	282,755	Banghwa 5 Regeneration Promotion Zone Reconstruction Refurbishment Project Cooperative	X	Bank	235,629	43,488	24.11 ~29.10	-	Loan	-
Seoul	Apartment	PF loan	Payment Guarantee	7,332	100%	5,292	Garak Sanga 1st Apartment Reconstruction Refurbishment Project Cooperative	X	Other	4,410	-	25.07 ~30.02	-	Loan	-
Seoul	Apartment	PF loan	Payment Guarantee	43,392	100%	43,392	Garak Plaza Apartment Housing Reconstruction Refurbishment Project Cooperative	X	Other	36,160	-	25.09 ~30.11	-	Loan	-
				₩ 1,793,684		₩ 907,551				₩ 750,261	₩ 471,318				₩ 250,370
Seoul	Apartment	PF loan	Payment Guarantee	₩ 137,880	100%	₩ -	Hangang Mansion Apartment Housing Reconstruction Refurbishment Project Cooperative	X	SPC	₩ -	₩ 114,900	24.11 ~25.01	25.01	ABSTB	₩ -
Seoul	Apartment	PF loan	Payment Guarantee	48,000	100%	-	Jangwi 4th District Housing Redevelopment refurbishment cooperative	X	Capital	-	40,000	21.11 ~25.03	-	Loan	-
Daegu	Apartment	PF loan	Interest Payment Guarantee	14,374	100%	-	Daemyeong 3rd New Town Housing Redevelopment Refurbishment project cooperative	X	SPC	-	9,877	23.10 ~25.04	-	Loan	-
Seoul	Apartment	PF loan	Payment Guarantee	63,600	100%	-	Jangwi 4th District Housing Redevelopment refurbishment cooperative	X	Other	-	53,000	21.11 ~25.06	-	Loan	-

Seoul	Apartment	PF loan	Payment Guarantee	52,800	100%	-	Jangwi 4th District Housing Redevelopment refurbishment cooperative	X	Other	-	44,000	22.08 ~25.06	-	Loan	-
Seoul	Apartment	PF loan	Payment Guarantee	48,000	100%	-	Jangwi 4th District Housing Redevelopment refurbishment cooperative	X	Capital	-	-	25.03 ~25.06	-	Loan	-
Seoul	Apartment	PF loan	Payment Guarantee	156,000	100%	-	Sinbanpo 4th District Reconstruction Refurbishment Project Cooperative	X	Capital	-	109,204	24.09 ~25.09	-	Loan	-
Seoul	Apartment	PF loan	Payment Guarantee	432,000	100%	-	Sinbanpo 4th District Reconstruction Refurbishment Project Cooperative	X	Bank	-	249,992	25.06 ~25.09	-	Loan	-
Seoul	Apartment	PF loan	Payment Guarantee	806,000	100%	-	Sinbanpo 4th District Reconstruction Refurbishment Project Cooperative	X	Bank	-	576,082	25.06 ~25.09	25.09	Loan	-
				₩ 1,758,654		₩ -				₩ -	₩ 1,197,055				₩ -
Independent project				₩ 3,552,338		₩ 907,551				₩ 750,261	₩ 1,668,373				₩ 250,370
Guri	Apartment	PF loan	Interest Payment Guarantee	₩ 4,112	33%	₩ 197	Sutaek E Reconstruction Promotion Zone Housing Redevelopment Refurbishment Project Cooperative	X	Bank	₩ 164	₩ 425	22.04 ~26.08	-	Loan	₩ -
Seoul[2]	Apartment	PF loan	Payment Guarantee	17,520	100%	15,227	Noryangjin 6 Reconstruction Promotion Zone Housing Redevelopment Refurbishment Project Cooperative	X	Bank	12,689	12,689	21.12 ~26.11	-	Loan	-
Seoul[2]	Apartment	PF loan	Payment Guarantee	31,200	100%	30,582	Gongdeok 1 District Housing Reconstruction	X	Capital	25,485	25,485	24.07 ~27.08	-	Loan	-

							Refurbishment Project Cooperative								
Seoul[2]	Apartment	PF loan	Payment Guarantee	38,160	100%	29,122	Gongdeok 1 District Housing Reconstruction Refurbishment Project Cooperative	X	Capital	24,268	-	25.03 ~27.08	-	Loan	-
				₩ 90,992		₩ 75,128				₩ 62,606	₩ 38,599				₩ -
Consortium participation business				₩ 90,992		₩ 75,128				₩ 62,606	₩ 38,599				₩ -
				₩ 3,643,330		₩ 982,679				₩ 812,867	₩ 1,706,972				₩ 250,370

[1] The Company's indemnity agreement is additionally provided as credit enhancement.

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

2) As of December 31, 2025, guarantee details of PF Loan related to other projects of the Group are as follows. Under the PF guarantee agreements, if the borrower fails to pay the amount due under the financial contract, or if default occurs to the Group or the borrower, the Group will incur a loss of future interest totaling ₩ 1,871,300 million (₩ 2,126,600 million in 2024).

(in millions of Korean won)

Location	Project Type	Loan Type	Guarantee Type	Guarantee Limit	Burden rate	Guaranteed amount	Borrower	Related party	Creditor	Loan Balance 2025	Loan Balance 2024	Loan Period	Securitized security maturity	Loan type	Construction completion commitment
Seoul	Apartment	Bridge loan	Payment Guarantee	₩ 34,800	100%	₩ 34,800	DSD Samho Co., Ltd.	X	SPC	₩ 29,000	₩ -	25.02 ~26.02	26.02	ABCP	₩ -
Yongin	Apartment	Bridge loan	Payment Guarantee	57,600	100%	57,600	DSD Samho Co., Ltd	X	SPC	48,000	48,000	24.03 ~26.03	-	ABL	-
Busan	Apartment	Bridge loan	Payment Guarantee	50,000	100%	50,000	Park City Co., Ltd.	O	SPC	50,000	-	25.03 ~26.03	26.03	ABCP	-
Yongin	Apartment	Bridge loan	Payment Guarantee	68,000	100%	68,000	DSD Samho Co., Ltd.	X	SPC	68,000	68,000	25.03 ~26.03	26.03	ABCP	-
Gwangyang	Apartment	Bridge loan	Payment Guarantee	28,000	100%	28,000	Hoyoung Co., Ltd.	X	SPC	28,000	28,000	25.05 ~26.03	26.03	ABCP	-
Seoul	Apartment	Bridge loan	Payment Guarantee	31,000	100%	31,000	DSD Samho Co., Ltd.	X	SPC	31,000	31,000	25.09 ~26.03	26.03	ABCP	-
Ansan	Apartment	Bridge loan	Payment Guarantee	70,000	100%	70,000	White Korea Co., Ltd.	X	SPC	70,000	200,000	25.11 ~26.03	26.03	ABCP	-
Won-ju	Apartment	Bridge loan	Payment Guarantee	57,500	100%	57,500	Bokyung Comprehensive Construction Co., Ltd.	X	SPC	57,500	50,000	25.07 ~26.04	26.04	ABCP	-
Osan	Apartment	Bridge loan	Payment Guarantee	132,000	100%	132,000	Yangsan 4th District SPC Co., Ltd.	X	SPC	110,000	110,000	24.11 ~26.05	26.05	ABSTB	-
Yongin	Apartment	Bridge loan	Payment Guarantee	165,100	100%	165,100	DSD Samho Co., Ltd.	X	Bank	127,000	127,000	25.05 ~26.05	-	Loan	-
Eumseong	Apartment	PF loan	Payment Guarantee	207,000	100%	169,395	Raon Urban Development Co., Ltd.	X	SPC	147,300	169,100	24.07 ~26.07	-	Loan	-
Seoul	Apartment	Bridge loan	Payment Guarantee	228,000	100%	228,000	KL industry Co.,Ltd.	X	SPC	190,000	-	25.08 ~26.08	26.08	ABCP	-
Yongin	Apartment	Bridge loan	Payment Guarantee	154,300	100%	154,300	Seongwon Construction Co., Ltd.	X	Bank	121,000	103,000	25.09 ~26.09	26.09	ABCP	-
Asan	Apartment	PF loan	Payment Guarantee	180,000	100%	180,000	Hiceyonghwa Park,Ltd	X	SPC	150,000	-	25.06 ~26.10	26.10	ABCP	-
Busan	Apartment	Bridge loan	Payment Guarantee	230,000	100%	230,000	Park City Co., Ltd.	O	SPC	230,000	218,400	25.11 ~26.11	26.11	ABCP	-

Location	Project Type	Loan Type	Guarantee Type	Guarantee Limit	Burden rate	Guaranteed amount	Borrower	Related party	Creditor	Loan Balance 2025	Loan Balance 2024	Loan Period	Securitized security maturity	Loan type	Construction completion commitment
Seoul	Apartment	Bridge loan	Payment Guarantee	20,000	100%	20,000	DSD Samho Co., Ltd.	X	SPC	20,000	-	25.12 ~26.12	26.12	ABCP	-
Daegu[1]	Apartment	PF loan	Payment Guarantee	286,000	100%	286,000	Jabez inc.	X	SPC	220,000	-	25.06 ~27.07	27.07	ABSTB	220,000
Busan	Apartment	Bridge loan	Payment Guarantee	188,500	100%	188,500	Park City Co., Ltd.	O	Bank	145,000	145,000	25.12 ~27.12	-	Loan	-
				₩ 2,187,800		₩ 2,150,195				₩ 1,841,800	₩ 1,297,500				₩ 220,000
Asan	Apartment	Bridge loan	Payment Guarantee	₩ 164,280	100%	₩ -	Haneul E&C Co., Ltd.	X	SPC	₩ -	₩ 136,900	24.03 ~25.03	25.03	ABCP	₩ -
Hwaseong	Apartment	PF loan	Payment Guarantee	18,300	100%	-	SRAMI Co., Ltd.	X	SPC	-	-	25.01 ~25.09	25.09	ABCP	-
Osan	Apartment	Bridge loan	Payment Guarantee	95,000	100%	-	O&TB Holdings Co., Ltd.	X	SPC	-	60,000	25.03 ~25.10	25.10	ABCP	-
Daejeon	Apartment	Bridge loan	Payment Guarantee	87,500	100%	-	HM DOAN Inc.	X	SPC	-	87,500	24.11 ~25.11	25.11	ABCP	-
Daejeon	Apartment	Bridge loan	Payment Guarantee	41,000	100%	-	IS Partners Co., Ltd.	X	SPC	-	41,000	25.08 ~25.11	25.11	ABSTB	-
Cheonan	Apartment	Bridge loan	Payment Guarantee	180,000	100%	-	Joongang Holdings Co., Ltd.	X	SPC	-	134,500	25.10 ~25.11	25.11	ABCP	-
Daejeon	Apartment	Bridge loan	Payment Guarantee	125,000	100%	-	HM DOAN Inc.	X	SPC	-	-	25.04 ~25.12	25.12	ABCP	-
Daejeon	Apartment	Bridge loan	Payment Guarantee	119,000	100%	-	IS Partners Co., Ltd.	X	Bank	-	119,000	25.08 ~25.12	-	Loan	-
Asan	Apartment	Bridge loan	Payment Guarantee	100,200	100%	-	Haneul E&C Co., Ltd.	X	SPC	-	100,200	25.09 ~25.12	25.12	ABCP	-
Osan	Apartment	Bridge loan	Payment Guarantee	150,000	100%	-	O&TB Holdings Co., Ltd.	X	SPC	-	150,000	25.10 ~25.12	25.12	ABCP	-
				₩ 1,080,280		₩ -				₩ -	₩ 829,100				₩ -
Independent project				₩ 3,268,080		₩ 2,150,195				₩ 1,841,800	₩ 2,126,600				₩ 220,000
Bucheon[2]	Apartment	Bridge loan	Payment Guarantee	₩ 29,500	100%	₩ 29,500	Bucheon Visual Culture Industrial Complex Development Co., Ltd	O	SPC	₩ 29,500	₩ -	25.06 ~26.06	26.06	ABCP	₩ -
Consortium participation business				₩ 29,500		₩ 29,500				₩ 29,500	₩ -				₩ -
				₩ 3,297,580		₩ 2,179,695				₩ 1,871,300	₩ 2,126,600				₩ 220,000

[1] The Company's indemnity agreement is additionally provided as credit enhancement.
[2] The project was contracted through a consortium, but each consortium member independently secured the PF Loan.

(3) Real Estate PF completion guarantee.

As of December 31, 2025 and 2024, in relation to refurbishment projects and other projects, the Group has entered into conditional debt assumption and indemnification agreements in the event of failure to fulfill liability completion as follows.
(In millions of Korean won)

		2025				2024			
Category		Number of projects	Construction contract balance	Loan contract amount	Loan balance	Number of projects	Construction contract balance	Loan contract amount	Loan balance
Refurbishment projects	Consortium	41	₩ 23,470,276	₩ 10,475,435	₩ 6,019,278	41	₩ 23,926,149	₩ 10,147,402	₩ 6,263,416
	Group ownership	41	15,377,176	7,180,786	3,949,024	41	15,290,215	6,517,744	4,133,331
Other projects	Consortium	44	₩ 10,975,294	₩ 9,799,440	₩ 6,241,600	43	₩ 8,874,120	₩ 6,319,496	₩ 3,943,362
	Group ownership	44	10,270,821	9,248,704	5,908,292	43	7,880,554	5,249,361	3,326,937
	Consortium	85	₩ 34,445,570	₩ 20,274,875	₩ 12,260,878	84	₩ 32,800,269	₩ 16,466,898	₩ 10,206,778
	Group ownership	85	₩ 25,647,997	₩ 16,429,490	₩ 9,857,316	84	₩ 23,170,769	₩ 11,767,105	₩ 7,460,268

(4) Real Estate PF SOC Guarantee

As of December 31, 2025 and 2024, the Group has provided credit enhancement such as capital replenishment and fund provision up to a total of ₩ 3,110,999 million (₩ 2,957,770 million in 2024) in relation to borrowings from SOC entities and executing agencies. Additionally, the Group bears the obligation to supplement funds in case of insufficient essential business expenses of SOC entities.

(In millions of Korean won)

Category	2025					2024				
	Number of projects		Consortium balance		Group ownership balance	Number of projects		Consortium balance		Group ownership balance
Obligation to supplement the funds[1]	34	₩	3,110,999	₩	577,626	32	₩	2,957,770	₩	556,571

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

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

As of December 31, 2025 and 2024, the Group has provided credit guarantees refurbishment projects amounting to ₩ 433,112 million (₩ 642,454 million in 2024) and other projects amounting to ₩ 1,558,015 million (₩ 2,468,657 million in 2024) in relation to borrowing for intermediate payment, relocation expenses loan, and contract deposit loans from homebuyers.

(In millions of Korean won)

Category		2025				2024			
		Number of projects	Guarantee limit	Guarantee amount	Loan balance	Number of projects	Guarantee limit	Guarantee amount	Loan balance
Refurbishment projects	Consortium	7	₩ 613,876	₩ 534,840	₩ 134,211	12	₩ 930,629	₩ 811,034	₩ 472,059
	Group ownership	7	491,802	433,112	97,724	12	737,837	642,454	380,605
Other projects	Consortium	14	₩ 2,028,472	₩ 1,664,072	₩ 974,020	35	₩ 3,080,676	₩ 2,608,114	₩ 1,228,491
	Group ownership	14	1,904,084	1,558,015	955,210	35	2,931,978	2,468,657	1,188,557
	Consortium	21	₩ 2,642,348	₩ 2,198,912	₩ 1,108,231	47	₩ 4,011,305	₩ 3,419,148	₩ 1,700,550
	Group ownership	21	₩ 2,395,886	₩ 1,991,127	₩ 1,052,934	47	₩ 3,669,815	₩ 3,111,111	₩ 1,569,162

(6) As of December 31, 2025, for the Group's investees incorporated under the *Act on Private Investment in Social Overhead Capital*, the Group has provided pledged investments with a carrying value of ₩ 324,271 million (₩ 308,158 million in 2024) as collaterals as of December 31, 2025. Also, the Group and its partners have provided put options and other commitments of ₩ 189,054 million (₩ 34,737 million after considering the Group’s ownership) (₩ 189,054 million (₩ 34,737 million after considering the Group’s ownership) in 2024) to the financial investor and others. The Group has an agreement wherein the Group has a right to sell of shares held by SOC companies such as Busan East-West highway Corp. to financial investors.

21.2. Non - PF Contingent liabilities

As of December 31, 2025, the Group has provided guarantees to clients and others, through methods such as insurance with guarantee insurance companies or issuance of guarantees, amounting to ₩ 13,779,171 million (₩ 16,730,783 million in 2024), and has received guarantees amounting to ₩ 17,141,369 million (₩ 20,617,281 million in 2024).

(1) Comprehensive summary table

(In millions of Korean won)

Category	Beneficiary	Guarantee type	Guarantee limit	Guarantee balance	Guarantor	Related party
Guarantee provided	Refurbishment Cooperatives, etc.	Sales of housing lots, etc.	₩ 13,820,936	₩ 13,779,171	Korea Housing & Urban Guarantee Corporation, etc.	Included
Guarantee received	-	Sales of housing lots, etc.	17,180,545	17,141,369	Korea Housing & Urban Guarantee Corporation, etc.	
			₩ 31,001,481	₩ 30,920,540		

(2) Guarantee provided

(In millions of Korean won)

Beneficiary	Guarantee type	Guarantee limit	Guarantee balance	Guarantor	Related party
Refurbishment Cooperatives	PF loan	₩ 856,393	₩ 814,628	Korea Housing & Urban Guarantee Corporation	
Trust company, etc.	Sales of housing lots	7,214,138	7,214,138	Korea Housing & Urban Guarantee Corporation	
Trust company	Sales of residential-commercial complex	704,322	704,322	Korea Housing & Urban Guarantee Corporation	
Subcontract company, etc.	Subcontract payment guarantee	64,998	64,998	Construction Guarantee Cooperative	
Subcontract company, etc.	Defect repairs	23,300	23,300	Construction Guarantee Cooperative, etc.	

Beneficiary	Guarantee type	Guarantee limit	Guarantee balance	Guarantor	Related party
Subcontract company, etc.	Others	139,099	139,099	Construction Guarantee Cooperative, etc.	
GS Engineering & Construction Australia Pty Ltd, etc.	Performance guarantee for overseas projects	4,666,814	4,666,814	Spark North East Link Pty Limited, etc.	Included
ICRC, etc.	Other guarantees for overseas projects	151,872	151,872	AIB, etc.	Included
		₩ 13,820,936	₩ 13,779,171		

(3) Guarantee received

(In millions of Korean won)

Guarantor	Guarantee type	Guarantee limit	Guarantee balance	Related party
Korea Housing & Urban Guarantee Corporation	Sales of housing lots	₩ 6,458,174	₩ 6,458,174	
Korea Housing & Urban Guarantee Corporation	Sales of residential-commercial complex	54,553	54,553	
Korea Housing & Urban Guarantee Corporation, etc.	Defect repairs	1,111,374	1,109,968	
Korea Housing & Urban Guarantee Corporation	Construction warranty	1,293,933	1,293,933	
Korea Housing & Urban Guarantee Corporation, etc.	Subcontract payment guarantee	2,369,610	2,369,610	
Construction Guarantee Cooperative, etc.	Performance bond	979,240	979,240	
Construction Guarantee Cooperative, etc.	Others	2,231,660	2,193,890	
KEXIM, etc.	Performance guarantee for overseas projects	961,752	961,752	
KEXIM, etc.	Other guarantees for overseas projects	1,720,249	1,720,249	
		₩ 17,180,545	₩ 17,141,369	

(4) As of December 31, 2025, the Group has provided 22 blank checks and 16 notes amounting to ₩ 128,809 million (20 blank checks and 20 notes amounting to ₩ 195,199 million in 2024) in face value as collaterals to guarantee its construction contracts.

(5) The Group has contingent liabilities in respect of legal claims arising in the ordinary course of business. The Group is involved in 89 lawsuits with aggregated claims sued by the Group amounting to ₩ 503,541 million after considering the Group's ownership with a total amount of ₩ 830,301 million (90 litigations amounting to ₩ 1,397,564 million after considering the Group's ownership with a total amount of ₩ 2,869,959 million in 2024), and 204 lawsuits with aggregated claims against the Group amounting to ₩ 1,331,303 million after considering the Group's ownership with total amount of ₩ 2,427,243 million (205 litigations amounting to ₩ 1,686,016 million after considering the Group's ownership with total amount of ₩ 3,121,244 million in 2024) as the defendant. As of December 31, 2025, the outcome of these cases cannot be reasonably determined.

21.3. Major commitments

(1) As of December 31, 2025, the Group has entered into credit agreements, including revolving loans, with NongHyup Bank and eleven other financial institutions, with a total limit of ₩ 995,643 million (₩ 650,758 million in 2024). Additionally, we have agreements for the issuance of accounts receivable-backed loans with five financial institutions other than NongHyup Bank, with a total limit of ₩ 1,627,500 million (₩ 1,631,500 million in 2024) and, the total comprehensive limit amount received from institutions such as KEXIM for opening a line of credit and bond issuances is ₩ 3,387,496 million, with a specific limit amount for USANCE borrowing (effective limit amount) being ₩ 103,923 million (total limit amount: ₩ 3,649,013 million, USANCE borrowing-related effective limit amount: ₩ 87,385 million in 2024).

(2) As of December 31, 2025, the Group has entered into an interest-free loan agreement amounting to ₩ 6,028,157 million (₩ 4,408,887 million after considering the Group's ownership) (₩ 7,158,604 million (₩ 5,410,279 million after considering the Group's ownership) in 2024) in relation to the Group's refurbishment projects in progress. In addition, the Group has entered into an interest-bearing loan agreement amounting to ₩ 11,383,036 million (₩ 8,817,547 million after considering the Group's ownership) (₩ 10,890,440 million (₩ 8,385,589 million after considering the Group's ownership) in 2024) in relation to the refurbishment projects. There are 7 other interest-bearing loan agreements without limit. Meanwhile, the Group has entered into a loan agreement amounting to ₩ 17,074 million (₩ 11,074million in 2024) in relation to outsourcing business.

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

(4) In relation to the commitments and contingencies above, the Group may be required to make accelerated repayments or provide additional guarantees for the borrowings, payment guarantees, and major lease agreements under the contract if the credit rating of unsecured bonds issued by the Group falls below a certain level. The major trigger provisions are maintaining debt to equity ratio below 330%, EBITDA/interest rate above 200%, non-guaranteed debenture rating of A0 and others. As of December 31, 2025, the credit rating of unsecured bonds is A0 (stable).

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

(6) As of December 31, 2025, the Group has signed an industrial facility loan agreement with the Korea Development Bank for the Pohang secondary battery recycling project, and has provided as collateral the receivable for return of land sale amount. The receivable arises when the land sale contract signed with Pohang city government is terminated (limit of ₩ 18,032 million).Additionally, the Group has added KDB as a co-insured party to the assembly insurance for the project (KB Insurance), and KDB has established a pledge on the insured amount (limit of ₩ 120,000 million).

(7) As of December 31, 2025, the Group has formed a construction consortium for the development project of Songdo International Complex Phase 2, and has signed a partnership and construction agreement with the project developer, Songdo International Complex Developments Co., Ltd.. This agreement stipulates the constructor's obligations to acquire the properties remaining unsold until the end of occupancy commencement period at the request of the developer, its obligation to compensate for shortfall of project development proceeds, and matters on distribution of excess of project development proceeds.

(8) As of December 31, 2025, the Group has entered into a price return swap in which it sells common shares of the GS Kocref New Stay REITs and Mainstream 21st Co., Ltd for the contract amount of ₩85,000 million and Mainstream 21st Co., Ltd settles the difference between the disposal amount of the common shares and the contract amount. In relation to this swap agreement, the Group recognizes the derivative instrument liabilities of ₩185 million as of December 31, 2025.

(9) As of December 31, 2025, in relation to the issuance of new convertible preferred shares of Energy Materials Co., Ltd., a subsidiary, the Group has entered into a shareholders' agreement with the investor of the new shares. Details of the shareholders' agreement are as follows:

- Restriction on the largest shareholder's disposal of shares based on certain requirements
- Tag-along right for the investor
- Drag-along right for the investor

- Right of first offer for the investor or the largest shareholder
- Call option for the largest shareholder

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

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

The Group has recognized financial derivative liabilities of ₩71,637 million in relation to the rights included in the shareholders’ agreement, such as the investor's tag-along right and the largest shareholder's call option as of December 31, 2025.

(10) As of December 31, 2025, in relation to a new investment in 400 Logue Master LP, a subsidiary, the Group has entered into an investors’ agreement. Details of the investors’ agreement are as follows:

- Tag-along right for the investor
- Drag-along right for the investor
- Right of first offer for the investor
- Put option for the investor

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

Category	Exercise Conditions	Exercise Details
Tag-along right	When the largest shareholder intends to transfer 100% of its shares to a third party	The investor has the right to sell their shares under the same terms
Drag-along right	When the largest shareholder intends to transfer 100% of its shares to a third party	The investor has the right to require that their shares be transferred under the same terms
Right of first offer	When the largest shareholder intends to dispose of all of its property or shares	The investor has the right to exercise the right of first offer
Put option	(i) Lock-up period (4 years) expiration (ii) After completion of Property construction, when the occupancy rate exceeds 80% and the average monthly rent under lease agreements for a minimum period of 6 months is USD 4,600 or less (iii) Sale of all of Property or Joint Venture shares (iv) Sale of GS LP or GS GP shares	The investor has the right to demand the purchase of the invested amount

The Group has recognized other financial liabilities of ₩50,947 million in relation to the rights included in the shareholders' agreement, such as the largest shareholder's put option as of December 31, 2025.

(11) As of December 31, 2025, the Group has entered into an agreement to sell the shares of GS Inima Environment S.A.U., its subsidiary, which includes the following major terms and conditions:

Category	Details
Scope of sale	100% of GS Inima Environment S.A.U shares held by GLOBAL WATER SOLUTION CO., LTD.
Purchaser	TAQA (Abu Dhabi National Energy Company PJSC)
Contract amount	USD 900 million(To be finally determined by adding or subtraction contractual adjustments)
Contract execution date	August 2025
Expected closing date	Before February 2027

22. Issued Capital and Capital Surplus

(1) Details of issued capital as of December 31, 2025 and 2024 are as follows:

	2025	2024
Authorized shares	200,000,000 shares	200,000,000 shares
Par value per share	₩ 5,000	₩ 5,000
Outstanding shares	85,581,490 shares	85,581,490 shares
Issued capital	₩ 427,907 million	₩ 427,907 million

(2) Details of capital surplus as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)	2025	2024
Gain on disposal of treasury stock	₩ 2,384	₩ 2,384
Additional paid-in capital	921,432	921,432
Gain on business combination	15,002	15,002
Other capital surplus	(16,015)	(14,838)
	₩ 922,803	₩ 923,980

(3) Details of other equity components as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)	2025	2024
Treasury stock[1]	₩ (36,443)	₩ (36,443)
Hybrid capital securities[2]	196,805	-
Others	(61,870)	(61,870)
	₩ 98,492	₩ (98,313)

[1] To stabilize the Group's share price, the Group purchased 692,595 shares of treasury stock and recognized the acquisition in other components of equity as of December 31, 2025.

[2] Details of the hybrid capital securities classified as equity as of December 31, 2025 are as follows.

(in millions of Korean won)	Issue Date	Maturity Date	Interest Rate(%)	2025	2024
The 1st private hybrid capital debt securities	2025-12-18	2055-12-18	4.82	₩ 200,000	₩ -
Issuance costs				3,195	-
				₩ 196,805	₩ -

Description	The 1st private hybrid capital debt securities
Issue amount	KRW 20,000 million
Maturity	December 18, 2055 (The Company holds the right to extend the maturity)
Interest rate	December 18, 2025 – December 18, 2028: Fixed rate of 4.82% per annum
	December 18, 2028 – December 18, 2029: Fixed rate of 9.82% per annum
	December 18, 2029 – December 18, 2055: Fixed rate determined by adding 2.00% per annum to the applicable interest rate of each immediately preceding interest period, adjusted annually starting one year from December 18, 2029
Interest payment terms	Three months' interest paid in advance, with the option to defer payment
Dividend terms	If interest on the hybrid capital securities is deferred or unpaid, the Company is prohibited from paying dividends, reducing capital, repurchasing treasury shares, or making other distributions of profits
Other terms	From the third anniversary of the issue date (December 18, 2028) and on each subsequent interest payment date, the bond may be redeemed early.
	The terms include an agreement granting a pledge over beneficial interests that is enforceable only upon the liquidation or similar events of the Company.

The Company does not bear a contractual obligation to deliver cash or other financial assets to the counterparty of the perpetual convertible bond transactions. Accordingly, the instrument has been classified as equity.

(4) Details of other comprehensive income (loss) as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)		December 31, 2025		December 31, 2024
Gain on valuation of derivative instruments	₩	15,701	₩	10,118
Loss on translations of foreign operations		(14,417)		(116,364)
Share of changes in other comprehensive income of associates		383		265
	₩	1,667	₩	(105,981)

23. Retained Earnings

(1) Retained earnings as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)		2025		2024
Legal reserves	₩	219,080	₩	193,117
Reserve for business stabilization		894,653		1,144,653
Other voluntary reserves		2,043,555		2,286,627
Remeasurements of net defined benefit liability		(43,437)		(53,392)
Other consolidated retained earnings		188,498		155,987
Unappropriated retained earnings		39,744		(460,496)
	₩	3,342,093	₩	3,266,496

(2) Changes in retained earnings for each of the two years in the period ended December 31, 2025 are as follows:

(in millions of Korean won)		2025		2024
Beginning balance	₩	3,266,496	₩	3,046,354
Annual dividends		(25,466)		-
Profit attributable to equity holders of the Parent Company		93,518		245,568
Remeasurements of the net defined benefit liability		9,955		(25,426)
Distribution on hybrid capital securities		(2,410)		-
Ending balance	₩	3,342,093	₩	3,266,496

(3) Dividends paid for each of the two years in the period ended December 31, 2025 are as follows:

		2025		2024
Type of shares		Ordinary shares		Ordinary shares
Total number of shares issued		85,581,490 shares		85,581,490 shares
Number of shares		84,888,895 shares		84,888,895 shares
Dividends per share *(in Korean won)*	₩	300	₩	-
Total dividends *(in millions of Korean won)*	₩	25,466	₩	-

24. Earnings per Share

Basic and diluted earnings per share of equity holders of the Group for each of the two years in the period ended December 31, 2025 are as follows:

(in Korean won and in shares)	2025	2024
Profit attributable to equity holders of the parent Company[1]	₩ 91,108,198,092	₩ 245,568,242,597
Weighted average number of ordinary shares in issue[2]	84,888,895	84,888,895
Basic and Diluted earnings per share	1,073	2,893

[1] Distributions on the hybrid capital securities were deducted.

[2] Details of calculation of the weighted average number of ordinary shares outstanding for each of the two years in the period ended December 31, 2025 are as follows:

(in shares)	2025		2024	
	Number of shares	Number of shares * number of days	Number of shares	Number of shares * number of days
Beginning	85,581,490	31,237,243,850	85,581,490	31,322,825,340
Treasury stock	(692,595)	(252,797,175)	(692,595)	(253,489,770)
		30,984,446,675		31,069,335,570
Weighted average number of ordinary shares outstanding		84,888,895		84,888,895

25. Selling and Administrative Expenses

Selling and administrative expenses for each of the two years in the period ended December 31, 2025 are as follows:

(in millions of Korean won)		2025		2024
Salaries	₩	315,471	₩	297,295
Pension benefits		28,799		25,463
Employee welfare benefits		45,139		41,767
Taxes and dues		32,043		31,135
Commissions		156,779		146,988
Rents		9,538		11,188
Depreciation		6,847		4,594
Amortization		7,352		8,819
Depreciation of right-of-use assets		21,670		20,854
Advertising		44,973		24,172
Bad debt expense		70,424		67,162
Development		62,982		63,119
Warranty		59,426		41,772
Insurance premium		14,376		12,540
Travel		10,968		9,654
Others		20,468		21,704
	₩	907,255	₩	828,226

26. Other Operating Income and Expenses

(1) Other operating income for each of the two years in the period ended December 31, 2025 is as follows:

(in millions of Korean won)		2025		2024
Gain on disposal of property, plant and equipment	₩	2,106	₩	1,954
Gain on disposal of intangible assets		-		213
Reversal of impairment loss on intangible assets		-		320
Gain on disposal of investment properties		13,782		-
Gain on modification of leases		275		760
Gain on foreign currency transactions		51,133		170,021
Gain on foreign currency translation		39,028		322,453
Reversal of allowance for bad debts		21,957		47,545
Gain on valuation of derivatives		10,439		119
Gain on derivatives transactions		4,827		2,155
Gain on translations of foreign operations		7,825		79,021
Dividend income		10,715		8,650
Gain on valuation of financial assets at fair value through profit or loss		24,006		3,857
Miscellaneous gain and others		86,584		151,669
	₩	272,677	₩	788,737

(2) Other operating expenses for each of the two years in the period ended December 31, 2025 are as follows:

(in millions of Korean won)		2025		2024
Loss on disposal of property, plant and equipment	₩	3,713	₩	2,269
Impairment loss on property, plant and equipment		59,289		3,525
Impairment loss on investment properties		64		1,940
Loss on modification of leases		958		566
Loss on foreign currency transactions		55,319		9,842
Loss on foreign currency translation		83,032		81,943
Bad debt expense		53,152		48,016
Loss on valuation of derivatives		13,496		10,255
Loss on derivatives transactions		19,248		6,738
Loss on disposal of accounts receivables		231		1,254
Loss on translations of foreign operations		381		190,282
Loss on valuation of financial assets at fair value through profit or loss		3,051		9,691

Loss on disposal of financial assets at fair value through profit or loss		125		13,517
Miscellaneous loss and others		63,596		25,033
	₩	355,655	₩	404,871

27. Finance Income and Costs

(1) Finance income for each of the two years in the period ended December 31, 2025 is as follows:

(in millions of Korean won)		**2025**		**2024**
Interest income	₩	194,455	₩	172,477
Gain on foreign currency transactions		77,180		37,531
Gain on foreign currency translation		22,665		11,436
Gain on valuation of financial assets at fair value through profit or loss		145		276
Gain on valuation of derivatives		12,699		30,256
Gain on derivatives transactions		11,875		5,294
Gain on disposal of investments in associates		29,044		131,621
Reversal of financial guarantee liabilities		8,635		6,954
	₩	356,698	₩	395,845

(2) Finance costs for each of the two years in the period ended December 31, 2025 are as follows:

(in millions of Korean won)		**2025**		**2024**
Interest expenses	₩	330,512	₩	314,833
Loss on foreign currency transaction		98,367		125,556
Loss on foreign currency translation		62,587		150,188
Loss on valuation of financial assets at fair value through profit or loss		421		459
Loss on disposal of financial assets		59		675
Loss on valuations of derivatives		4,740		24,164
Loss on derivatives transactions		4,023		-
Loss on disposal of investments in associates		73,284		1,048
	₩	573,993	₩	616,923

(3) Borrowing cost

The amount of borrowing costs capitalized for inventories which are qualifying assets of the Group for the year ended December 31, 2025 is ₩ 128,871 million (₩ 85,463 million in 2024). The capitalization rate is 4.26% to 7.28% (4.50% to 7.10% in 2024) (see Notes 8 and 13).

28. Income Tax

(1) Income tax expenses (benefits) for each of the two years in the period ended December 31, 2025 consist of the following:

(in millions of Korean won)	2025	2024
Current tax:		
Current tax on profits for the year	₩ 136,413	₩ 124,696
Adjustments in respect of the prior year	15,409	(26,772)
Total current tax	151,822	97,924
Deferred tax:		
Origination and reversal of temporary differences	(93,889)	79,646
Total income tax expense	₩ 57,933	₩ 177,570
Income tax charged directly to equity[1]	₩ 4,016	₩ (6)
Income tax expense	53,917	177,576

[1] Income tax credited (charged) directly to equity as of December 31, 2025 and 2024 is as follows:

(in millions of Korean won)	2025			2024		
	Before tax	Tax (charge) credit	After tax	Before tax	Tax (charge) credit	After tax
Share of changes in other comprehensive income	₩ 140	₩ 22	₩ 118	₩ (240)	₩ -	₩ (240)
Gain (loss) on valuation of derivatives	3,332	812	2,520	(8,534)	(1,324)	(7,210)
Gain (loss) on translations of foreign operations	109,809	(1,063)	110,872	(17,620)	10,549	(28,169)
Remeasurements of net defined benefit pension plans	17,401	4,245	13,156	(37,563)	(9,159)	(28,404)
Other capital surplus	-	-	-	(72)	(72)	-
	₩ 130,682	₩ 4,016	₩ 126,666	₩ (64,029)	₩ (6)	₩ (64,023)

(2) A reconciliation between profit before tax at the statutory tax rate of the Republic of Korea to income tax expense at the effective income tax rate of the Group as of December 31, 2025 and 2024 is as follows:

(in millions of Korean won)	December 31, 2025	December 31, 2024
Profit before tax	₩ 147,340	₩ 441,500
Tax calculated at domestic tax rates applicable to profits in the respective countries	40,519	121,412

Tax effects of:				
Income not subject to tax		(3,489)		(20,116)
Expenses not deductible for tax purposes		350		462
Foreign income tax expense		6,131		5,046
Others		10,406		70,772
Adjustment in respect of prior years		13,398		56,164
Income tax expense	₩	53,917	₩	177,576

(3) The gross balances of deferred tax assets and liabilities as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)		**December 31, 2025**		**December 31, 2024**
Deferred tax assets				
Deferred tax asset to be recovered after more than 12 months	₩	931,930	₩	921,055
Deferred tax asset to be recovered within 12 months		513,554		444,185
		1,445,484		1,365,240
Deferred tax liabilities				
Deferred tax liability to be recovered after more than 12 months		335,638		339,514
Deferred tax liability to be recovered within 12 months		123,019		132,788
		458,657		472,302
Deferred tax assets, net	₩	986,827	₩	892,938

(4) Movements in deferred tax assets and liabilities for each of the two years in the period ended December 31, 2025, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

(in millions of Korean won)	2025				
	Beginning balance	**Profit or loss**	**Equity**	**Change in consolidation**	**Ending balance**
Deferred tax liabilities					
Reserve for revaluation	₩ 42,671	₩ -	₩ -	₩ -	₩ 42,671
Deposits for severance benefits	139,540	(4,492)	(283)	-	134,765
Gain or loss on valuation of derivatives	30,620	(1,126)	639	-	30,133
Accrued interest on loans	15,620	(3,794)	-	-	11,826
Inventory construction interest	2,944	(164)	-	-	2,780
Others	240,907	(4,158)	(267)	-	236,482
	472,302	(13,734)	89	-	458,657
Deferred tax assets					
Reversal of allowance for doubtful accounts	149,263	23,398	-	-	172,661
Gain or loss on valuation of derivatives	29,769	(4,755)	(173)	-	24,841
Provisions	364,963	(16,466)	-	-	348,497
Allowance for pension benefits	127,698	(3,483)	(4,529)	-	119,686
Share of profit or loss of associates and joint ventures	41,595	(1,252)	(22)	-	40,321
Loss on asset obsolescence	101,783	64,603	-	-	166,386
Others	550,169	22,126	797	-	573,092
	1,365,240	84,171	(3,927)	-	1,445,484
Deferred tax assets (liabilities), net	₩ 892,938	₩ 97,905	₩ (4,016)	₩ -	₩ 986,827

(in millions of Korean won)	2024				
	Beginning balance	**Profit or loss**	**Equity**	**Change in consolidation**	**Ending balance**
Deferred tax liabilities					
Reserve for revaluation	₩ 42,676	₩ (5)	₩ -	₩ -	₩ 42,671
Deposits for severance benefits	137,171	2,717	(348)	-	139,540
Gain or loss on valuation of derivatives	12,251	20,266	(1,897)	-	30,620
Accrued interest on loans	22,469	(6,849)	-	-	15,620
Inventory construction interest	5,745	(2,801)	-	-	2,944
Others	250,490	2,625	(12,208)	-	240,907
	470,802	15,953	(14,453)	-	472,302
Deferred tax assets					
Reversal of allowance for doubtful accounts	236,078	(86,815)	-	-	149,263
Gain or loss on valuation of derivatives	10,184	20,158	(573)	-	29,769

Provisions	419,819	(54,856)	-	-	364,963
Allowance for pension benefits	117,765	1,122	8,811	-	127,698
Share of profit (loss) of associates and joint ventures	30,826	10,769	-	-	41,595
Loss on asset obsolescence	110,702	(8,919)	-	-	101,783
Others	518,012	54,842	(22,685)	-	550,169
	1,443,386	(63,699)	(14,447)	-	1,365,240
Deferred tax assets (liabilities), net	₩ 972,584	₩ (79,652)	₩ 6	₩ -	₩ 892,938

(5) Details of unrecognized deductible (taxable) temporary differences as deferred tax assets (liabilities) as of December 31, 2025 are follows:

(in millions of Korean won)	**December 31, 2025**	
	Deductible temporary differences and others	**Reason**
Tax expense incurring overseas	₩ 14,940	Uncertainty of future taxable income and others
Tax loss carryforward	2,064,599	Uncertainty of future taxable income and others

(in millions of Korean won)	**December 31, 2024**	
	Deductible temporary differences and others	**Reason**
Tax expense incurring overseas	₩ 13,975	Uncertainty of future taxable income and others
Tax loss carryforward	1,853,373	Uncertainty of future taxable income and others

(6) The Group will be required to pay an additional tax on the difference between the GloBE effective tax rate applied to each constituent entity in their respective jurisdictions and the minimum tax rate of 15% according to the *Global Minimum Tax Law* that will be applied from 2024. As a result of the assessment of the potential exposure to the global minimum tax for the constituent entities, it has been determined that all entities of GS Engineering & Construction Corporation and its subsidiaries, except for Aguas de Ensenada, S.A. de C.V. operating in Mexico, have a GloBE effective tax rate exceeding 15% in their respective countries, and the Pillar Two corporate tax expense recognized for the year ended December 31, 2025 is KRW 216 million(KRW 1,107 million in 2024). Furthermore, the Company applies the exception rules for the recognition and disclosure of deferred tax assets and liabilities related to the *Global Minimum Tax Law*, and therefore, does not recognize deferred tax assets and liabilities related to the *Global Minimum Tax Law* and does not disclose information pertaining to them.

29. Expenses Classified by Nature

Expenses classified by nature for each of the two years in the period ended December 31, 2025 are as follows:

(in millions of Korean won)		2025		2024
Labor cost	₩	1,335,774	₩	1,273,013
Materials		3,163,326		3,199,528
Outsourcing		4,632,981		5,603,369
Employee welfare benefits		167,300		165,029
Advertising		61,197		45,866
Bad debt expense		69,933		68,438
Rents		125,948		107,124
Depreciation and amortization		155,173		117,034
Taxes and dues		171,896		229,685
Service fees		688,671		873,069
Others		1,050,055		686,499
Changes in inventories and others		390,284		209,203
	₩	12,012,538	₩	12,577,857

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

30. Related Party Transactions

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

Relationship	Related parties
Associates[1]	GS KOCREF New Stay REIT Co., Ltd., Parkcity Co., Ltd., Beopwon Industry Urban Development Corp., BKT Co., Ltd., Cheongju Hi Tech Valley, Gwacheon Sangsang PFV. Inc, Camp Stanton Co., Ltd., Cheonan Techno Park Inc., ORIGIN LATPHRAO CO., LTD., RENEW SOLAR ENERGY (JHARKHAND THREE) PRIVATE LIMITED, PARK PILLAR R4 CO., LTD., GYEONGGIPYEONGTAEK GLOBAL CO., LTD., GS Collective Fund I LLC, EPOCH PFV Co., LTD., CHEMICO ADVANCED MATERIALS CO., LTD., Zero Tech Muan Co., LTD., Bucheon Visual Culture Industrial Complex Development Co., Ltd., Incheon New Port Smart Complex Co., Ltd., Sewoon District5 PFV Co., Ltd., IGIS General Investment Type Private Real Estate Investment Trust No. 462 , Gvesco General Private Real Estate Investment No. 1 , The plan H-Xplor green smart city venture investment association, Euljiro 9 PFV Co., Ltd., Pavilion MC Climate Tech Cheil Hossamo Investment Co., Ltd., Daejeon High-End Development Co., Ltd. , Zeit O&M Co., Ltd., ZEIT O&M SDN. BHD., Zeit Elevator Co., Ltd[3], Arlink Co., Ltd., IB Investment Euljiro Co., Ltd.[4], IB Building Management Co., Ltd.[4], IB Investment Supyo Co., Ltd.[4], K-Square Busan Jangnim Data Center PFV Co., Ltd.[4], Ino D&C Co., Ltd.[4], Korea Real Gamsam-dong Apartment PFV Co., Ltd.[4], Cadiz San Fernando, A.I.E., Gestion de Participes de Biorreciclaje, Participes de Biorreciclaje S.A., Utilitas Pecem, Shuweihat R O Desalination Company LLC, PHU MY VINH CONSTRUCTION & INVESTMENT CORPORATION, Duc Hua - Ben Luc Water Supply[4], MIRAMUNDO GAS RENOVABLE, S.L.[4], Gvesco Opportunity-seeking general private real estate investment trust No.1
Joint ventures[1]	G&M Estate Co., Ltd., GS MINH HUNG SIKICO CO., LTD., MJV4 Co., Ltd., MAGNA PFV Corp., Lignana LLC, Lignana LLP, VESPOLINA SP. Z O.O. , Argan Oasis Real Estate Company, ALPHA INDUSTRIAL ASSET3 COMPANY, Oasis Residences Real Estate, LLC, PDC INDUSTRIAL CENTER 198 SP. Z O.O, MJV5 CO., LTD., Taean Haetdeulwon Solar Power Co., Ltd.[5], Esencja Wilanow Sp. z o.o.[3 4], PT Easton Urban Golden[4], GS- ECC JV, LLC[4], Hialeah Water, LLP
Others[2]	GS Holdings, GS Retail Co., Ltd., GS Global Corp., Samyangtongsang Ltd., GS Energy Corporation, GS Power Co., Ltd., Boryeong LNG Terminal Co., Ltd., Incheon Total Energy Co.,Ltd.,GS-Caltex Corporation, Inno Polytech Corporation, GS Mbiz Co., Ltd., Sangji Shipping Co., Ltd., GS BIO Co., Ltd., GS EcoMetal Co., Ltd., Fresh Serve CO., Ltd., GS Netvision Co., Ltd., Parnas Hotel Co., Ltd., PNS Co., Ltd., GS Networks Co., Ltd., GS Teleservices Co., Ltd., GS EPS Co., Ltd., PLS Co., Ltd., GS ENTEC Corp., GS E&R Corp., Donghae green energy Co., Ltd., GS Windpower Co., Ltd., GS Donghae Electric Power Co., Ltd., GS Pocheon Green Energy Corp., Yeongyang Wind Power Corporation-2, Yeongdeok Windpower Corporation1 Co., Ltd., Samcheok Green Energy Park Co., Ltd., GS Sports Co., Ltd., Oksan Ochang Highway Corporation, Eun Pyeong New Road Corp., GUMIMAKEUNMUL Co., Ltd., GS Neotek Co., Ltd., Samyang INT'L Co., Ltd., Boheun

Relationship	Related parties
	Development Co., Ltd., Chemtech International Co., Ltd., Seungsan Company Corporation, Gaseung Development Company, IN ARTS PRODUCTION INC., Central Motors Corp., Winasset Co., Ltd., Sam Joung Development Co., Ltd., Procare Co., Ltd., Kyung Won Construction Co., Ltd, PANCOTEC LTD., GS Dangjin Solarfarm Co.Ltd., Hanul Love Co., Ltd., Gangnam Metro Co., Ltd., FRESHMEAT CO., LTD., G-Energy Corp., Yeongdeok Windpower Corporation 2 Co., Ltd., Pohang Windpower Corporation Co., Ltd., FIRSF Agricultural co.,Ltd., GS VENTURES CO.,LTD., Hugel Inc., ACROSS CO.,LTD., J WORLD CO.,LTD., Logispro project Y Private Real Estate Investment Company, Seongnam Green Energy Co., Ltd, Sasang Haeundae Expressway Co., Ltd, Blue Core PFV Co., Ltd, With Incheon Energy Co., Ltd, Next Renewables Solution Co., Ltd, GS Banwol CHP Co., Ltd., GS Gumi CHP Co., Ltd., Next Carbon Solution Co., Ltd, GS ChargEV. CO. Ltd., GS P&L Co., Ltd., Gajin AKM Co., Ltd.[6], AWP Co., Ltd.[6], K‐PEX Asset Management Co., Ltd.[6]

[1] Equity ownership information is disclosed in Note 12.

[2] The marked entities are not the related parties of the Group in accordance with KIFRS 1024, but belong to a large-scale business group of GS group in accordance with the *Monopoly Regulation and Fair Trade Act*. Electronic notes are provided to several entities to guarantee construction performance and others, which are also included in the notes for commitments and contingencies (see Note 21).

[3] Name of the entity has changed for the year ended December 31, 2025.

[4] Newly acquired shares for the year ended December 31, 2025.

[5] Reclassified from a subsidiary to an associate for the year ended December 31, 2025.

[6] Newly included for the year ended December 31, 2025.

(2) Sales and purchases with the related parties for each of the two years in the period ended December 31, 2025 are as follows:

(in millions of Korean won)	2025					
	Sales and others			Purchase and others		
	Sales	Other income	Total	Purchase	Other expenses	Total
Associates						
Parkcity Co., Ltd.	₩ -	₩ 411	₩ 411	₩ -	₩ -	₩ -
Beopwon Industry Urban Development Corp.	-	8	8	-	-	-
PT. CORE RESOURCE[1]	-	-	-	6	-	6
BKT Co., Ltd.	-	-	-	36	-	36
Cheongju Hi-Tech Valley Co., Ltd	22,004	-	22,004	-	-	-
Cheonan Techno Park Inc.	26,251	-	26,251	-	-	-
RENEW SOLAR ENERGY (JHARKHAND THREE) PRIVATE LIMITED	-	11,740	11,740	-	7	7
GYEONGGIPYEONGTAEK GLOBAL CO., LTD.	35,167	-	35,167	-	-	-
EPOCH PFV Co., LTD.	5,631	-	5,631	-	-	-
Zero Tech Muan Co., LTD.	-	67	67	-	-	-
Sewoon District 5 PFV Co., Ltd.	3,500	-	3,500	-	-	-
Gvesco General Private Real Estate Investment No. 1	1,440	-	1,440	-	-	-
The plan H-Xplor green smart city venture investment association	205	-	205	-	-	-
Euljiro Nine PFV Co. Ltd.	10,377	-	10,377	-	-	-
Daejeon High End Development Co., Ltd	1,307	-	1,307	-	-	-
Zeit O&M Co., Ltd. [2]	77	-	77	7,781	-	7,781
Zeit Elevator Co., Ltd. [2]	2,541	500	3,041	16,370	-	16,370
Arlink Co., Ltd.	-	-	-	-	33	33
IB Investment Euljiro Co., Ltd.	4,437	-	4,437	-	-	-
Cadiz San Fernando, A.I.E.	580	485	1,065	-	-	-
Gestion de Participes de Biorreciclaje	873	772	1,645	-	-	-
Utilitas Pecem	-	378	378	-	-	-
Shuweihat R O Desalination Company LLC	145,449	-	145,449	-	-	-
PHU MY VINH CONSTRUCTION AND INVESTMENT CORPORATION	-	360	360	-	-	-
Gvesco Opportunity-seeking general private real estate investment trust No.1	6	179	185	-	-	-
Joint ventures						
G&M Estate Co., Ltd.	239	-	239	508	-	

(in millions of Korean won)	2025					
	Sales and others			**Purchase and others**		
	Sales	**Other income**	**Total**	**Purchase**	**Other expenses**	**Total**
MAGNA PFV Corp.	58,656	-	58,656	-	-	
Lignana LLP	19	-	19	-	-	508
VESPOLINA SP. Z O.O	9	2,159	2,168	-	-	-
PDC INDUSTRIAL CENTER 198 SP. Z O.O	134	4,520	4,654	-	-	-
Taean Hatdlewon Solar Power Co., Ltd.	10,723	-	10,723	-	-	-
Esencja Wilanow SP. Z O.O.	28	265	293	-	-	-
Others						
GS Holdings[2]	172	-	172	-	16,393	16,393
GS Retail Co., Ltd.	1,776	-	1,776	3,069	964	4,033
GS Global Corp.	122	-	122	251	-	251
GS Energy Corporation	271	-	271	117	-	117
GS Power Co., Ltd.	23	-	23	371	-	371
Boryeong LNG Terminal Co., Ltd.	12,487	-	12,487	-	-	-
Incheon Total Energy Co., Ltd.	-	-	-	201	-	201
GS-Caltex Corporation	31,740	-	31,740	7,466	-	7,466
GS Mbiz Co., Ltd.	1	-	1	1,303	51	1,354
GS Net Vision Co., Ltd	-	-	-	-	5	5
Parnas Hotel Co., Ltd.	130,395	-	130,395	125	7	132
GS EPS Co., Ltd.	187	-	187	-	-	-
GS ENTEC Corp.	2	-	2	-	-	-
GS E&R Corp.	39	-	39	-	-	-
GS Windpower Co., Ltd.	10	-	10	-	-	-
GS Sports Ltd.	733	-	733	-	5,520	5,520
Oksan Ochang Highway Corporation	3,754	-	3,754	-	-	-
Eun Pyeong New Road Corp.	3	11	14	-	-	-
GUMIMAKEUNMUL Co., Ltd.	4,756	-	4,756	-	-	-
GS Neotek Co., Ltd.	10	-	10	4,315	384	4,699
Samyang INT'L Co., Ltd.	-	-	-	14,331	1	14,332
Seungsan Company Corporation	-	-	-	-	22	22
GS VENTURES CO.,LTD.	4	-	4	-	-	-
Seongnam Green Energy Co., Ltd	18,936	-	18,936	-	-	-
GS P&L Co., Ltd.	5	-	5	-	-	-
	₩ 535,079	₩ 21,855	₩ 556,934	₩ 56,250	₩ 23,387	₩ 79,637

[1] Excluded from the related parties of the Group due to the full paid-in capital disposal for the year ended December 31, 2025.

[2] The amount includes the trademark agreement.

(in millions of Korean won)	2024					
	Sales and others			Purchase and others		
	Sales	Other income	Total	Purchase	Other expenses	Total
Associates						
FGS East Asia Technical Resource Management, Inc.	₩ -	₩ 54	₩ 54	₩ -	₩ -	₩ -
Parkcity Co., Ltd.	-	413	413	-	-	-
Beopwon Industry Urban Development Corp.	-	2	2	-	-	-
Yeouido MBC Site Complex Development PFV Co., Ltd.[2]	39,510	30,228	69,738	-	-	-
PT. CORE RESOURCE	-	336	336	-	-	-
BKT Co., Ltd.	12	-	12	1,055	-	1,055
Cheongju Hi-Tech Valley Co., Ltd	19,909	-	19,909	1	-	1
Gwacheon Sangsang PFV. Inc	-	3,182	3,182	-	-	-
Zero Tech Co., Ltd.	-	21	21	-	-	-
Cheonan Techno Park Inc.	15,816	-	15,816	-	-	-
ORIGIN LATPHRAO CO.,LTD.	-	2,098	2,098	-	-	-
RENEW SOLAR ENERGY (JHARKHAND THREE) PRIVATE LIMITED	-	1,272	1,272	-	-	-
GYEONGGIPYEONGTAEK GLOBAL CO., LTD.	22,524	57	22,581	-	-	-
EPOCH PFV Co., LTD.	52,182	-	52,182	-	-	-
Zero Tech Muan Co., LTD.	-	67	67	-	-	-
Sewoon District 5 PFV Co., Ltd.	750	-	750	-	-	-
Gvesco General Private Real Estate Investment No. 1	46	-	46	-	-	-
The plan H-Xplor green smart city venture investment association	27	-	27	-	-	-
Zeit O&M Co., Ltd.	-	-	-	481	-	481
GS Elevator Co., Ltd.	100	-	100	2,662	1	2,663
Cadiz San Fernando, A.I.E.	-	417	417	-	-	-
Shuweihat R O Desalination Company LLC	112,535	-	112,535	-	-	-
Gvesco Opportunity-seeking general private real estate investment trust No.1	6	-	6	-	-	-
Joint ventures						
G&M Estate Co., Ltd.	362	-	362	616	-	616
MAGNA PFV Corp.	10,907	-	10,907	-	-	-
VESPOLINA SP. Z O.O	-	1,876	1,876	-	-	-
PDC INDUSTRIAL CENTER 198 SP. Z O.O	-	3,666	3,666	-	-	-
Others						
GS Holdings[1]	114	-	114	-	18,481	18,481
GS Retail Co., Ltd.	1,245	-	1,245	2,543	172	2,715
GS Global Corp.	134	-	134	2,257	-	2,257

(in millions of Korean won)	2024					
	Sales and others			Purchase and others		
	Sales	Other income	Total	Purchase	Other expenses	Total
GS Energy Corporation	440	-	440	277	-	277
GS Power Co., Ltd.	(2,938)	-	(2,938)	32	-	32
Boryeong LNG Terminal Co., Ltd.	11,828	-	11,828	9	-	9
Incheon Total Energy Co., Ltd.	-	-	-	331	-	331
GS-Caltex Corporation	39,938	-	39,938	7,739	3	7,742
GS Mbiz Co., Ltd.	4	-	4	-	-	-
GS Net Vision Co., Ltd	-	-	-	-	5	5
Parnas Hotel Co., Ltd.	23,678	-	23,678	41	45	86
GS EPS Co., Ltd.	2,820	-	2,820	14	-	14
GS ENTEC Corp.	2	-	2	-	-	-
GS E&R Corp.	118	-	118	-	-	-
GS Windpower Co., Ltd.	8	-	8	-	-	-
GS Pocheon Green Energy Corp.	3,246	-	3,246	-	-	-
GS Sports Ltd.	815	-	815	-	5,370	5,370
Oksan Ochang Highway Corporation	2,157	-	2,157	-	-	-
Eun Pyeong New Road Corp.	-	11	11	-	-	-
GUMIMAKEUNMUL Co., Ltd.	4,736	-	4,736	-	-	-
GS Neotek Co., Ltd.	65	-	65	1,873	290	2,163
Samyang INT'L Co., Ltd.	-	-	-	8,258	-	8,258
Seungsan Company Corporation	-	-	-	-	21	21
Gangnam Metro Co., Ltd.	-	1	1	-	-	-
GS VENTURES CO.,LTD.	3	-	3	-	-	-
Seongnam Green Energy Co., Ltd	5,446	-	5,446	-	-	-
GS Banwol CHP Co., Ltd.	2,848	-	2,848	-	-	-
GS Gumi CHP Co., Ltd.	2,785	-	2,785	-	-	-
	₩ 374,178	₩ 43,701	₩ 417,879	₩ 28,189	₩ 24,388	₩ 52,577

[1] The amount includes the trademark agreement.
[2] Excluded from the related parties of the Group due to the full paid-in capital reduction for the year ended December 31, 2024.

(3) Receivables and payables arising from the related party transactions as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)	2025						
	Receivables				Payables		
	Trade receivables and contract assets	Other receivables	Loans	Total	Trade payables	Other payables and contract liabilities	Total
Associates							
Parkcity Co., Ltd.	₩ -	₩ 3,092	₩ 6,856	₩ 9,948	₩ -	₩ -	₩ -
Beopwon Industry Urban Development Corp.	19,517	-	-	19,517	-	-	-
Cheongju Hi-Tech Valley Co., Ltd	28,779	202	-	28,981	-	1,576	1,576
Gwacheon Sangsang PFV	-	1,360	-	1,360	-	-	-
Cheonan Techno Park Inc.	35,632	-	-	35,632	-	-	-
RENEW SOLAR ENERGY (JHARKHAND THREE) PRIVATE LIMITED	-	1,545	-	1,545	-	4,002	4,002
GYEONGGIPYEONGTAEK GLOBAL CO., LTD.	22,236	-	-	22,236	-	2,693	2,693
EPOCH PFV Co., LTD.	1,521	-	-	1,521	-	-	-
Zero Tech Muan Co., LTD	-	346	1,463	1,809	-	-	-
Sewoon District 5 PFV Co., Ltd.	-	-	-	-	-	862	862
Gvesco General Private Real Estate Investment No. 1	399	-	-	399	-	-	-
Euljiro Nine PFV Co. Ltd. v	646	-	-	646	-	784	784
Daejeon High End Development Co., Ltd	1,307	-	-	1,307	-	-	-
Zeit O&M Co., Ltd.	-	-	-	-	366	14	380
Zeit Elevator Co., Ltd.	-	13	-	13	1,841	560	2,401
Cadiz San Fernando, A.I.E.	185	-	-	185	1,113	-	1,113
Gestion de Participes de Biorreciclaje	394	-	-	394	3,461	-	3,461
Participes de Biorreciclaje S.A.	614	-	-	614	-	-	-
Utilitas Pecem	169	-	-	169	-	-	-
Shuweihat R O Desalination Company LLC	69,266	-	-	69,266	24,158	-	24,158
Gvesco Opportunity-seeking general private real estate investment trust No.1	1	-	-	1	-	-	-
Joint ventures							
G&M Estate Co., Ltd.	6	31	-	37	-	72	72
MAGNA PFV Corp.	6,140	-	-	6,140	475	3,101	3,576
VESPOLINA SP. Z O.O.	-	4,117	30,757	34,874	-	-	-
PDC INDUSTRIAL CENTER 198 SP. Z O.O	-	7,823	78,357	86,180	-	-	-
Esencja Wilanow SP. Z O.O.	-	265	8,461	8,726	-	-	-
Hialeah Water, LLP	-	-	-	-	573	-	573
Others							
GS Holdings	8	25	-	33	-	2,952	2,952
GS Retail Co., Ltd.	116	195	-	311	438	5,831	6,269

(in millions of Korean won)	2025						
	Receivables				Payables		
	Trade receivables and contract assets	Other receivables	Loans	Total	Trade payables	Other payables and contract liabilities	Total
GS Global Corp.	11	-	-	11	-	674	674
GS Energy Corporation	7	-	-	7	-	1,285	1,285
GS Power Co., Ltd.	2	-	-	2	-	-	-
GS-Caltex Corporation	8,315	72	-	8,387	-	8,934	8,934
GS Mbiz Co., Ltd.	-	-	-	-	66	-	66
Parnas Hotel Co., Ltd.	647	-	-	647	1	1,604	1,605
GS EPS Co., Ltd.	-	-	-	-	-	894	894
GS E&R Corp.	4	-	-	4	-	-	-
GS Windpower Co., Ltd.	1	-	-	1	-	-	-
GS Sports Ltd.	39	-	-	39	-	704	704
Oksan Ochang Highway Corporation	1,813	2,285	13,680	17,778	-	-	-
Eun Pyeong New Road Corp.	1,951	140	163	2,254	-	-	-
GUMIMAKEUNMUL Co., Ltd.	436	-	-	436	-	-	-
GS Neotek Co., Ltd.	-	97	-	97	14	1,804	1,818
Samyang INT'L Co., Ltd.	-	-	-	-	2,608	1,147	3,755
Seungsan Company Corporation	-	3,719	-	3,719	-	303	303
Kyung Won Construction Co., Ltd	-	-	-	-	-	114	114
Gangnam Metro Co., Ltd.	-	34	651	685	-	-	-
Seongnam Green Energy Co., Ltd	5,813	-	-	5,813	-	-	-
	₩ 205,975	₩ 25,361	₩ 140,388	₩ 371,724	₩ 35,114	₩ 39,910	₩ 75,024

(in millions of Korean won)	2024						
	Receivables				Payables		
	Trade receivables and contract assets	Other receivables	Loans	Total	Trade payables	Other payables and contract liabilities	Total
Associates							
FGS East Asia Technical Resource Management, Inc.	₩ -	₩ 145	₩ 1,197	₩ 1,342	₩ -	₩ -	₩ -
Parkcity Co., Ltd.	-	2,680	6,856	9,536	-	-	-
Beopwon Industry Urban Development Corp.	19,567	2	145	19,714	-	-	-
PT. CORE RESOURCE	-	1,951	3,733	5,684	-	-	-
BKT Co., Ltd.	-	-	-	-	323	-	323
Cheongju Hi-Tech Valley Co., Ltd	13,964	-	-	13,964	-	3,002	3,002
Gwacheon Sangsang PFV	-	1,695	-	1,695	-	-	-
Zero Tech Co., Ltd.	-	110	450	560	-	-	-
Cheonan Techno Park Inc.	10,842	-	-	10,842	-	3,246	3,246
RENEW SOLAR ENERGY (JHARKHAND THREE) PRIVATE LIMITED	-	1,666	-	1,666	-	-	-
GYEONGGIPYEONGTAEK GLOBAL CO., LTD.	9,909	-	-	9,909	-	-	-
EPOCH PFV Co., LTD.	10,550	-	-	10,550	-	13,900	13,900
Zero Tech Muan Co., LTD.	-	279	1,463	1,742	-	-	-
Bucheon Visual Culture Industrial Complex Development Co. Ltd	-	-	-	-	-	163	163
Gvesco General Private Real Estate Investment No. 1	-	8	-	8	-	-	-
Zeit O&M Co., Ltd.	-	3,073	-	3,073	503	-	503
GS Elevator Co., Ltd.	-	1,976	-	1,976	1,671	451	2,122
Cadiz San Fernando, A.I.E.	142	-	-	142	1,012	-	1,012
Gestion de Participes de Biorreciclaje	449	-	-	449	3,163	-	3,163
Participes de Biorreciclaje S.A.	92	-	-	92	-	-	-
Shuweihat R O Desalination Company LLC	37,770	-	-	37,770	19,471	-	19,471
Gvesco Opportunity-seeking general private real estate investment trust No.1	-	2	-	2	-	-	-
Joint ventures							
G&M Estate Co., Ltd.	13	31	-	44	-	76	76
MAGNA PFV Corp.	3,446	-	-	3,446	3,159	-	3,159
VESPOLINA SP. Z O.O.	-	1,778	27,840	29,618	-	-	-
PDC INDUSTRIAL CENTER 198 SP. Z O.O	-	3,000	56,877	59,877	-	-	-
Hialeah Water, LLP	-	-	-	-	589	-	589
Others							

(in millions of Korean won)	2024						
	Receivables				Payables		
	Trade receivables and contract assets	Other receivables	Loans	Total	Trade payables	Other payables and contract liabilities	Total
GS Holdings	4	-	-	4	-	12,618	12,618
GS Retail Co., Ltd.	64	196	-	260	449	5,956	6,405
GS Global Corp.	10	-	-	10	1,738	674	2,412
GS Energy Corporation	5	23	-	28	-	1,439	1,439
GS Power Co., Ltd.	1	-	-	1	-	-	-
Boryeong LNG Terminal Co., Ltd.	-	-	-	-	-	10,729	10,729
Incheon Total Energy Co., Ltd.	-	-	-	-	117	-	117
GS-Caltex Corporation	14,173	208	-	14,381	-	6,660	6,660
GS Mbiz Co., Ltd.	-	-	-	-	-	2	2
Parnas Hotel Co., Ltd.	9,537	-	-	9,537	4	1,602	1,606
GS EPS Co., Ltd.	-	-	-	-	2	894	896
GS E&R Corp.	9	-	-	9	-	-	-
GS Pocheon Green Energy Corp.	374	-	-	374	-	-	-
GS Sports Ltd.	35	-	-	35	-	740	740
Oksan Ochang Highway Corporation	1,271	1,173	10,680	13,124	-	-	-
Eun Pyeong New Road Corp.	1,949	129	163	2,241	-	-	-
GUMIMAKEUNMUL Co., Ltd.	435	-	-	435	-	-	-
GS Neotek Co., Ltd.	1	146	-	147	262	1,991	2,253
Samyang INT'L Co., Ltd.	-	-	-	-	1,738	1,147	2,885
Seungsan Company Corporation	-	3,719	-	3,719	-	303	303
Kyung Won Construction Co., Ltd	-	-	-	-	-	114	114
Gangnam Metro Co., Ltd.	-	1	651	652	-	-	-
GS VENTURES CO.,LTD.	1	-	-	1	-	-	-
Seongnam Green Energy Co., Ltd	5,446	-	-	5,446	-	-	-
GS Banwol CHP Co., Ltd.	377	-	-	377	-	-	-
GS Gumi CHP Co., Ltd.	370	-	-	370	-	-	-
	₩ 140,806	₩ 23,991	₩ 110,055	₩ 274,852	₩ 34,201	₩ 65,707	₩ 99,908

Allowance for doubtful accounts of receivables from the related parties as of December 31, 2025 is ₩ 41,331 million (₩ 34,564 million as of December 31, 2024), and bad debt expense recognized for the year ended December 31, 2025 is ₩ 11,848 million (reversal of bad debt expense of ₩ 119 million in 2024).

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

2025 are as follows:

(in millions of Korean won)	2025								
	Annual interest rate (%)	**Maturity date**	**Beginning**	**Increase**	**Transfer**	**Effects of changes in foreign exchange rates**	**Ending**	**Interest income**	**Equity transaction**
Associates									
Parkcity Co., Ltd.	6.00	-	6,856	-	-	-	6,856	411	-
Beopwon Industry Urban Development Corp.	-	-	145	-	145	-	-	8	-
ORIGIN LATPHRAO CO., LTD.	-	-	-	-	-	-	-	-	(3,047)
RENEW SOLAR ENERGY (JHARKHAND THREE) PRIVATE LIMITED	-	-	-	-	-	-	-	11,740	-
GYEONGGIPYEONGTAEK GLOBAL CO., LTD.	-	-	-	-	-	-	-	-	3,750
GS Collective Fund I LLC	-	-	-	-	-	-	-	-	720
Zero Tech Muan Co., LTD.	4.60	-	1,463	-	-	-	1,463	67	-
Gvesco General Private Real Estate Investment No. 1	-	-	-	-	-	-	-	-	25,000
The plan H-Xplor green smart city venture investment association	-	-	-	-	-	-	-	-	3,000
PavilionMC ClimateTech No.1 Private Equity Fund	-	-	-	-	-	-	-	-	5,109
IB Investment Euljiro Co., Ltd.	-	-	-	-	-	-	-	-	1
K-Square Busan Jangnim Data Center PFV Co., Ltd.	-	-	-	-	-	-	-	-	900
Ino D&C Co., Ltd.	-	-	-	-	-	-	-	-	1
Korea Real Gamsam-dong Apartment PFV Co., Ltd.	-	-	-	-	-	-	-	-	6,000
Cadiz San Fernando, A.I.E.	-	-	-	-	-	-	-	485	-
Utilitas Pecem	-	-	-	-	-	-	-	378	-
PHU MY VINH CONSTRUCTION AND INVESTMENT CORPORATION	-	-	-	-	-	-	-	360	-
Gvesco Opportunity-seeking general private real estate	-	-	-	-	-	-	-	1,194	(7,020)

(in millions of Korean won)	2025								
	Annual interest rate (%)	Maturity date	Beginning	Increase	Transfer	Effects of changes in foreign exchange rates	Ending	Interest income	Equity transaction
investment trust No.1									
Joint ventures									
MJV4 CO., LTD.	-	-	-	-	-	-	-	-	436
VESPOLINA SP. Z O.O.	7.00	2032.02.05	27,840	-	-	2,917	30,757	2,159	-
ALPHA INDUSTRIAL ASSET3 COMPANY	-	-	-	-	-	-	-	-	445
PDC INDUSTRIAL CENTER 198 SP. Z O.O	7.00	2032.03.23	56,877	15,548	-	5,932	78,357	4,520	-
GS-ECC JV, LLC	-	-	-	-	-	-	-	-	427
Esencja Wilanow SP. Z O.O.	8.00	2028.08.05	-	8,461	-	-	8,461	265	1
Others									
Oksan Ochang Highway Corporation	4.60	2047.12.31	10,680	3,000	-	-	13,680	-	-
Eun Pyeong New Road Corp.	6.90	-	163	-	-	-	163	11	-
Gangnam Metro Co., Ltd.	5.07	-	651	-	-	-	651	-	-
			₩ 104,675	₩ 27,009	₩ 145	₩ 8,849	₩ 140,388	₩ 21,598	₩ 35,723

(in millions of Korean won)	2024								
	Annual interest rate (%)	**Maturity date**	**Beginning**	**Increase**	**Transfer**	**Effects of changes in foreign exchange rates**	**Ending**	**Interest income**	**Equity transaction**
Associates									
FGS East Asia Technical Resource Management, Inc.	4.60	2025.01.17~ 2025.10.15	1,018	34	-	145	1,197	54	-
Parkcity Co., Ltd.	6.00	-	6,856	-	-	-	6,856	413	-
Beopwon Industry Urban Development Corp.	6.00	2025.05.31	-	145	-	-	145	2	-
Yeouido MBC Site Complex Development PFV Co., Ltd.	-	-	-	-	-	-	-	-	(6,500)
PT. CORE RESOURCE	8.00~ 12.00	2025.12.31	3,274	-	-	459	3,733	336	-
Gwacheon Sangsang PFV. Inc	-	-	-	-	-	-	-	3,182	-
Zero Tech Co., Ltd.	4.60	-	450	-	-	-	450	21	-
ORIGIN LATPHRAO CO., LTD.	-	-	-	-	-	-	-	2,098	-
RENEW SOLAR ENERGY (JHARKHAND THREE) PRIVATE LIMITED	-	-	-	-	-	-	-	1,272	-
GS Collective Fund I LLC	-	-	-	-	-	-	-	-	1,370
Zero Tech Muan Co., LTD.	4.60	-	1,463	-	-	-	1,463	67	-
HI-ASCENT Fund no.2 [1]	-	-	-	-	-	-	-	-	(2,873)
Gvesco General Private Real Estate Investment No. 1	-	-	-	-	-	-	-	-	5,000
The plan H-Xplor green smart city venture investment association	-	-	-	-	-	-	-	-	3,000
PavilionMC ClimateTech No.1 Private Equity Fund	-	-	-	-	-	-	-	-	3,784
Cadiz San Fernando, A.I.E.	-	-	-	-	-	-	-	417	-
Utilitas Pecem	-	-	-	-	-	-	-	-	5,158
Gvesco Opportunity-seeking general private real estate investment trust No.1	-	-	-	-	-	-	-	-	9,740
Joint ventures									
VESPOLINA SP. Z	7.00	2032.02.05	22,855	1,853	-	3,132	27,840	1,876	-

(in millions of Korean won)	2024								
	Annual interest rate (%)	Maturity date	Beginning	Increase	Transfer	Effects of changes in foreign exchange rates	Ending	Interest income	Equity transaction
O.O.									
Argan Oasis Real Estate Company	-	-	-	-	-	-	-	-	18,746
ALPHA INDUSTRIAL ASSET3 COMPANY	-	-	-	-	-	-	-	-	7,292
PDC INDUSTRIAL CENTER 198 SP. Z O.O	7.00	2032.03.23	33,771	21,186	-	1,920	56,877	3,666	-
MJV5 CO., LTD.	-	-	-	-	-	-	-	-	4,878
Others									
Oksan Ochang Highway Corporation	4.60	2047.12.31	8,220	2,460	-	-	10,680	-	-
Eun Pyeong New Road Corp.	6.90	-	163	-	-	-	163	11	-
Gangnam Metro Co., Ltd.	-	-	-	651	-	-	651	1	-
			₩ 78,070	₩ 26,329	₩ -	₩ 5,656	₩ 110,055	₩ 13,416	₩ 49,595

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

(5) Guarantees between related parties

Details of payment guarantees that the Group provides to the related parties as of December 31, 2025 and 2024 are as follows:

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

	Type	Beneficiary	Period	2025		2024	
Associates							
Parkcity Co., Ltd.	Payment guarantee	KB Securities	2022.08~2025.08	KRW	-	KRW	100,000
			2022.08~2025.08	KRW	-	KRW	78,400
		Daishin Securities	2022.08~2025.08	KRW	-	KRW	20,000
		IBK capital	2022.08~2025.08	KRW	-	KRW	20,000
		SC Bank	2021.04~2027.12	KRW	145,000	KRW	145,000
		DB Financial Investment Co., Ltd.	2025.03~2026.03	KRW	50,000	KRW	-
		KB Securities Co., Ltd.	2025.11~2026.11	KRW	230,000	KRW	-
Bucheon Visual Culture Industrial Complex Development Co. Ltd.	Payment guarantee	ACPG Bucheon Development Limited	2021.06~2025.06	USD	-	USD	30,000

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

	Type	Beneficiary	Period	2025		2024	
Euljiro 9 PFV Co., Ltd.	Conditional debt acquisition	KYOBO SECURITIES CO., LTD.	2025.06~2026.06	KRW	29,500	KRW	-
		KB Securities[1]	2024.11~2028.12	KRW	-	KRW	25,700
		KB Capital	2024.11~2028.12	KRW	11,900	KRW	8,700
		Industrial Bank of Korea	2024.11~2028.12	KRW	19,700	KRW	14,400
		KB Securities[1]	2024.11~2028.12	KRW	-	KRW	51,000
		KB Bank	2024.11~2028.12	KRW	11,900	KRW	8,700
		The Military Mutual Aid Association[1]	2024.11~2028.12	KRW	51,000	KRW	-
-		IBK Insurance Co., Ltd.[1]	2024.11~2028.12	KRW	7,900	KRW	-
		IBK Capital Corporation[1]	2024.11~2028.12	KRW	7,900	KRW	-
		Hyundai Capital Services, Inc.[1]	2024.11~2028.12	KRW	7,900	KRW	-
		Hyundai Commercial Inc.[1]	2024.11~2028.12	KRW	11,900	KRW	-
Daejeon High-End Development Co., Ltd.	Conditional debt acquisition	Samsung Securities	2025.09~2029.10	KRW	70,000	KRW	-
		Kyobo Securities	2025.09~2029.10	KRW	70,000	KRW	-
Cheonan Techno Park Inc.	Conditional debt acquisition	INDUSTRIAL BANK OF KOREA and others	2022.04~2025.01	KRW	-	KRW	56,000
		NongHyup Property & Casualty Insurance Co., Ltd. and others	2025.01~2026.04	KRW	15,700	KRW	-
Cheongju Hi Tech Valley	Conditional debt acquisition	Hyundai Commercial Inc. and others[1]	2022.04~2026.11	KRW	44,300	KRW	55,000
Shuweihat R O Desalination Company LLC	Payment guarantee	Commercial Bank of Dubai PSC	2024.02~2026.02	USD	54,702	USD	54,702
IB Investment Eulji-ro Co., Ltd.	Conditional debt acquisition	CL KIS LLC	2025.06~2029.05	KRW	4,000	KRW	-
		NH Investment & Securities	2025.06~2029.05	KRW	20,000	KRW	-
		Shinhan capital	2025.06~2029.05	KRW	30,000	KRW	-
		Korea Investment & Securities	2025.06~2029.05	KRW	2,000	KRW	-
		CL KIS LLC	2025.06~2029.05	KRW	50,000	KRW	-
		Hana Securities	2025.06~2029.05	KRW	18,690	KRW	-
		Meritz Securities	2025.06~2029.05	KRW	53,730	KRW	-
		Meritz Fire & Marine Insurance	2025.06~2029.05	KRW	80,590	KRW	-
		Mirae Asset Securities	2025.06~2029.05	KRW	8,260	KRW	-

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

	Type	Beneficiary	Period	2025		2024	
		IM Securities	2025.06~2029.05	KRW	20,000	KRW	-
		Lotte Card	2025.06~2029.05	KRW	6,190	KRW	-
		Korea Investment Savings Bank	2025.06~2029.05	KRW	10,000	KRW	-
		Acuon Capital Corporation	2025.06~2029.05	KRW	2,090	KRW	-
		MUSTSAMIL MUTUAL SAVING & FINANCE CO., LTD.	2025.06~2029.05	KRW	3,000	KRW	-
		DB CAPITAL CORP.	2025.06~2029.05	KRW	1,250	KRW	-
		O2 SAVINGS BANK	2025.06~2029.05	KRW	1,000	KRW	-
Ino D&C Co., Ltd.	Conditional debt acquisition	Meritz Securities	2025.08~2030.07	KRW	136,800	KRW	-
		Meritz Securities	2025.08~2030.07	KRW	48,200	KRW	-
		Meritz Securities	2025.08~2030.07	KRW	27,400	KRW	-
		Meritz Securities	2025.08~2030.07	KRW	11,000	KRW	-
		Meritz Fire & Marine Insurance	2025.08~2030.07	KRW	48,200	KRW	-
		Meritz Fire & Marine Insurance	2025.08~2030.07	KRW	11,000	KRW	-
		Meritz capital	2025.08~2030.07	KRW	24,200	KRW	-
		Meritz capital	2025.08~2030.07	KRW	5,400	KRW	-
		Hana securities	2025.08~2030.07	KRW	22,000	KRW	-
		GL Industrial Development	2025.08~2030.07	KRW	13,800	KRW	-
		IBK securities	2025.08~2030.07	KRW	11,000	KRW	-
		Hanwha Investment & Securities	2025.08~2030.07	KRW	11,000	KRW	-
Sewoon District5 PFV Co., Ltd.		Shinhan Investment Corp.	2025.11~2030.11	KRW	114,400	KRW	-
		National Agricultural Cooperative Federation	2025.11~2030.11	KRW	28,600	KRW	-
		DAISHIN SECURITIES	2025.11~2030.11	KRW	100,000	KRW	-
		DAISHIN SECURITIES	2025.11~2030.11	KRW	30,000	KRW	-
		Hyundai Capital Services, Inc.	2025.11~2030.11	KRW	19,100	KRW	-
		Shinhan Asset Management Co., Ltd.	2025.11~2030.11	KRW	13,400	KRW	-
		Hyundai Commercial Inc.	2025.11~2030.11	KRW	9,500	KRW	-
		HYUNDAI MOTOR SECURITIES CO.,	2025.11~2030.11	KRW	40,000	KRW	-

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

	Type	Beneficiary	Period	2025		2024	
		LTD.					
Joint Ventures							
Taean Hatdlewon Solar Power Co., Ltd.	Conditional debt acquisition	Kookmin bank	2024.09~2041.03	KRW	69,900	KRW	56,600
MAGNA PFV Corp	Conditional damage compensation	Hanwha Life Insurance and others	2024.12~2027.05	KRW	90,800	KRW	-
Others							
Oksan Ochang Highway Corporation	Payment guarantee	Meritz Fire & Marine Insurance CO., Ltd. and others	2015.10~2045.12	KRW	4,920	KRW	7,920

[1] For the year ended December 31, 2025, the guaranteed beneficiary was changed.

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

(6) Details of the assets pledged as collaterals for the related parties as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)	Type	Beneficiary	2025		2024	
Associates						
RENEW SOLAR ENERGY (JHARKHAND THREE) PRIVATE LIMITED	Equity securities	COOPERATIEVE RABOBANK U.A., HONG KONG BRANCH and others	₩	16,755	₩	18,024
Joint Venture						
Taean Hatdlewon Solar Power Co., Ltd.	Equity securities	Kookmin bank		8,880		8,880
Others						
Oksan Ochang Highway Corporation	Equity securities	Meritz Fire & Marine Insurance Co., Ltd. and others		29,940		29,940
	Electronic bill	Meritz Fire & Marine Insurance Co., Ltd. and others		17,000		17,000
GUMIMAKEUNMUL Co., Ltd.	Equity securities	Mirae Asset green infrastructure special asset investment trust 2		584		584
Seongnam Green Energy Co., Ltd	Equity securities	KDB and others		1,232		-
GS Power Co., Ltd.	Electronic bill	GS Power Co., Ltd.		14,989		33,254
GS EPS Co., Ltd.	Electronic bill	GS EPS Co., Ltd.		1,448		1,448
GS Energy Corporation	Electronic bill	GS Energy Corporation		484		459

(7) Compensation for key management personnel of the Company as of December 31, 2025 and 2024 consists of the following:

(in millions of Korean won)	2025	2024
Salaries	₩ 30,852	₩ 31,894
Severance benefits	4,072	3,384
	₩ 34,924	₩ 35,278

31. Cash Flows

(1) Cash flows from operating activities for each of the two years in the period ended December 31, 2025 are as follows:

(in millions of Korean won)		2025		2024
Profit for the year	₩	93,423	₩	263,924
Adjustments for:				
Income tax expenses	₩	53,917	₩	177,576
Interest expenses		330,512		314,833
Interest income		(194,455)		(172,477)
Dividend income		(10,715)		(8,650)
Depreciation		124,479		89,138
Amortization		30,694		27,896
Depreciation of investment property		17,456		12,281
Depreciation of right-of-use assets		64,695		79,405
Bad debt expense		242,986		165,486
Reversal of allowance for bad debt		(141,367)		(97,853)
Provision for severance benefits		69,300		64,502
Loss on disposal of account receivables		231		1,254
Loss (Gain) on foreign currency translation		83,926		(101,758)
Loss on disposal of property, plant and equipment		1,607		315
Impairment loss on property, plant and equipment		59,289		3,525
Gain on disposal of intangible assets		-		(213)
Reversal of impairment loss on intangible assets		-		(320)
Gain on disposal of investment property		(13,782)		-
Impairment loss on investment property		64		1,940
Loss (Gain) on valuation of derivatives		(4,902)		4,044
Loss (Gain) on derivatives transactions		6,568		(711)
Reversal of financial guarantee liabilities		(8,635)		(6,954)
Construction warranty expenses		162,936		204,820
Reversal of provision for construction warranties		(5,749)		(6,176)
Provision for construction losses		110,921		90,070
Reversal of provision for construction losses		(195,355)		(279,590)
Provision for others		101,669		50,265
Reversal of provision for others		(660)		(6,619)
Loss (Gain) on valuation of financial assets at fair value through profit or loss		(20,678)		6,017
Loss on disposal of financial assets at fair value through profit or loss		125		13,517
Loss on disposal of financial assets		59		675
Loss on overseas operations translation		381		190,282

(in millions of Korean won)		**2025**		**2024**
Gain on overseas operations translation		(7,825)		(79,021)
Loss (Gain) on disposal of investments in associates		44,241		(130,573)
Share of loss (profit) of associates and joint ventures		(9,804)		7,242
Loss (Gain) on changes in leases		684		(194)
Others		(11,025)		(5,493)
	₩	881,788	₩	608,481
Changes in operating assets and liabilities				
Trade receivables	₩	183,564	₩	302,925
Other receivables		(222,645)		(119,533)
Contract assets		305,256		104,039
Inventories		169,359		188,842
Settlement of derivatives transactions		(11,704)		(2,599)
Other current assets		(68,961)		(19,545)
Other non-current assets		7,437		6,496
Trade payables		(339,098)		(92,800)
Other payables		(18,781)		(65,517)
Contract liabilities		3,621		(323,348)
Other current liabilities		314,402		(81,165)
Other current provision		(158,342)		(29,251)
Non-current provision		(213,555)		(165,965)
Other non-current liabilities		7,251		(2,815)
Payment of severance benefits		(76,175)		(55,352)
Others		4,289		(11,762)
	₩	(114,082)	₩	(367,350)
	₩	861,129	₩	505,055

(2) Material non-cash transactions for each of the two years in the period ended December 31, 2025 are as follows:

(in millions of Korean won)		**2025**		**2024**
Reclassification of property, plant and equipment to investment property	₩	798,266	₩	-
Reclassification to current portion of borrowings		515,417		1,435,736
Reclassification to current portion of debentures		108,286		276,216
Reclassification of deposits for business to loans		74,570		55,200
Reclassification to current portion of lease liabilities		68,874		72,170
Write-off of other receivables and others		49,710		245,768
Changes in lease liabilities		23,228		56,148

(in millions of Korean won)	**2025**	**2024**
Reclassification of plan assets to net defined benefit assets	21,756	38,627
Reclassification to current portion of membership guarantee deposits	20,831	1,838
Reclassification of inventories to investment property	13,321	-
Reclassification to current portion of leasehold deposits received	4,001	27,664
Reclassification of current portion of financial guarantee liabilities	232	10,719
Reclassification between long-term and short-term loans	811	19,582
Reclassification of inventories to property, plant and equipment	-	18,602
Non-cash acquisition of property, plant and equipment	-	24,837
Reclassification of accounts receivable and other receivables to loans	-	176,236
Reclassification of other provisions to present value discount on loans	-	64,235

(3) Changes in liabilities arising from financing activities for each of the two years in the period ended December 31, 2025 are as follows:

(in millions of Korean won)	**2025**							
			Impact on non-cash transactions					
	Beginning	**Cash flows from financing activities**	**Additional expenses**	**Current portion**	**Transfer**	**Changes in consolidation scope**	**Exchange differences**	**Ending**
Short-term borrowings	₩ 1,130,572	₩ (262,537)	₩ -	₩ 160,479	₩ -	₩ -	₩ (37,594)	₩ 990,920
Current portion of debentures	292,415	(289,846)	379	108,286	-	-	796	112,030
Current portion of long-term borrowing	1,704,316	(1,044,598)	-	354,937	-	-	50,868	1,065,523
Current financial guarantee liabilities	19,927	-	-	(232)	-	-	-	19,695
Current lease liabilities	75,035	(71,318)	6	68,874	418	(816)	725	72,924
Current portion of leasehold deposits received	5,049	-	-	(4,001)	-	-	-	1,048
Other current liabilities	171,132	(1,105)	-	20,831	-	-	-	190,858
Debentures	351,504	180,222	765	(108,286)	-	-	14,366	438,571
Long-term	2,151,541	1,851,900	8,646	(515,417)	32,754	(66,711)	(1,559)	3,461,154

(in millions of Korean won)	2025							
			Impact on non-cash transactions					
	Beginning	**Cash flows from financing activities**	**Additional expenses**	**Current portion**	**Transfer**	**Changes in consolidation scope**	**Exchange differences**	**Ending**
borrowings								
Financial guarantee liabilities	36,501	-	(8,635)	232	53,112	-	-	81,210
Leasehold deposits received	20,351	(1,577)	-	4,001	-	-	(197)	22,578
Non-current lease liabilities	340,192	(2,838)	122	(68,874)	22,810	(10,894)	1,390	281,908
Other non-current liabilities	45,153	3,108	-	(20,830)	-	-	(1)	27,430
Other long-term financial liabilities	-	50,042	-	-	-	-	1,639	51,681
	₩ 6,343,688	₩ 411,453	₩ 1,283	₩ -	₩ 109,094	₩ (78,421)	₩ 30,433	₩ 6,817,530

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

(in millions of Korean won)	2024							
			Impact on non-cash transactions					
	Beginning	Cash flows from financing activities	Additional expenses	Current portion	Transfer	Changes in consolidation scope	Exchange differences	Ending
Debentures	443,112	180,719	480	(276,216)	-	-	3,409	351,504
Long-term borrowings	2,467,330	1,006,966	2,161	(1,435,736)	5,682	-	105,138	2,151,541
Financial guarantee liabilities	51,835	-	(6,954)	(20,038)	11,658	-	-	36,501
Leasehold deposits received	18,228	(25,979)	-	27,664	-	-	438	20,351
Non-current lease liabilities	353,506	(2,326)	(133)	(72,170)	56,894	-	4,421	340,192
Other non-current liabilities	41,772	4,619	-	(1,238)	-	-	-	45,153
	₩ 6,023,666	₩ 14,773	₩ (7,418)	₩ -	₩ 65,651	₩ 686	₩ 246,330	₩ 6,343,688

32. Financial Risk Management

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

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

(1) Financial risk

(a) Market risk

i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The Group's principal monetary assets and liabilities denominated in currencies other than its functional currency as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won and in thousands of foreign currencies)	2025			
	Financial assets		Financial liabilities	
	Foreign currency	Korean won equivalent	Foreign currency	Korean won equivalent

USD	833,097	₩	1,195,411	1,109,747	₩	1,592,376
EUR	85,106		143,466	289,567		488,130
KWD	1,231		5,734	8,875		41,355
JPY	-		-	6,710,020		61,573
AUD	8		7	16		16

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

As of December 31, 2025 and 2024, if the Group's functional currency had weakened/strengthened by 5% against foreign currencies with all other variables held constant, profit before income tax would have been affected as follows:

(in millions of Korean won)	**2025**				**2024**			
		Weakened (5%)		**Strengthened (5%)**		**Weakened (5%)**		**Strengthened (5%)**
USD	₩	(19,848)	₩	19,848	₩	(29,064)	₩	29,064
EUR		(17,233)		17,233		(19,481)		19,481
KWD		(1,781)		1,781		1,731		(1,731)
JPY		(3,079)		3,079		(107)		107
AUD		-		-		-		-

ii) Interest rate risk

The Group's interest rate risk arises from variable-rate borrowings, and related interest expense is exposed to interest rate risk. As of December 31, 2025, the financial liabilities that are exposed to interest rate risk are the variable-rate borrowings amounting to ₩ 4,237,649 million (₩ 3,933,586 million in 2024).

As of December 31, 2025 and 2024, if interest rates had been fluctuated by 100bp with all other variables held constant, interest expenses would have been affected as follows:

(in millions of Korean won)	**2025**				**2024**			
		100bp increase		**100bp decrease**		**100bp increase**		**100bp decrease**
Interest expenses	₩	42,376	₩	(42,376)	₩	32,479	₩	(32,479)

(b) Credit risk

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

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

The Group's credit risk is managed in accordance with the Group's credit policy with the purpose of minimizing possible loss through efficient credit risk management, support for rapid decision making and implementation of safety measures on the Group's accounts receivable. The Group appropriately evaluates and reflects the risks to the statement of financial position when a default is expected, as of December 31, 2025, for receivables with any signs of impairment or those for which recovery date has passed.

The provision matrix for trade receivables based on collective assessment as of December 31, 2025 is as follows:

(in millions of Korean won)	**Expected credit losses ratio (%)**		**Book value**		**Expected credit losses**
Receivable not past due	2.74	₩	304,267	₩	8,344
Less than 3 months	3.52		265,411		9,355
Between 4 and 12 months	15.12		232,940		35,226
Between 13 and 24 months	35.73		27,993		10,003
Between 25 and 36 months	64.21		20,114		12,916
Over 36 months	74.35		10,903		8,106
		₩	861,628	₩	83,950

In addition, the Group has recognized for doubtful account on trade receivables of ₩ 285,165 million by individual basis assessment as of December 31, 2025.

Details of maximum exposure to credit risk as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)		**2025**		**2024**
Cash equivalents (excluding cash on hands)	₩	3,014,681	₩	2,081,972
Trade and other receivables		2,772,863		3,050,492
Contract assets		959,574		1,200,904
Short-term financial assets		553,885		514,421
Long-term financial assets		908,382		717,438
Long-term trade and other receivables		1,864,917		1,961,793
Financial guarantee contracts		9,362,531		8,286,995

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

(c) Liquidity risk

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

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

Major commitments related to the credit limit of financial institutions as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)		2025		2024	
	Financial institutions	Limited amount	Used amount	Limited amount	Used amount
Short- and long-term financial liabilities[1]	Korea Exim bank and others	₩ 10,511,911	₩ 6,673,370	₩ 9,804,278	₩ 6,065,222

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

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

(in millions of Korean won)	2025					
			Residual maturity			
	Book value	Cash flow on contract	Less than 1 year	Between 1 year and 2 years	Between 2 years and 3 years	Over 3 years
Trade and other payables	₩ 1,483,831	₩ 1,483,831	₩ 1,483,831	₩ -	₩ -	₩ -
Long-term trade and other payables	79	79	-	79	-	-
Short- and long-term financial liabilities[1]	6,593,339	7,274,604	3,043,739	2,394,228	810,476	1,026,161
Financial guarantee liabilities[2]	100,905	9,362,531	9,362,531	-	-	-
	₩ 8,178,154	₩ 18,121,045	₩ 13,890,101	₩ 2,394,307	₩ 810,476	₩ 1,026,161

[1] Including interest expense.

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

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

[1] Including interest expense.

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

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

(2) Capital risk management

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

Gearing ratios as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)	2025	2024
Total liabilities (A)	₩ 12,936,285	₩ 12,716,170
Total equity (B)	5,523,557	5,087,124
Deposits (C)	3,014,681	2,081,972
Borrowings (D)	6,068,198	5,630,347
Debt-to-equity ratio (A/B)	234%	250%
Net borrowings ratio ((D-C)/B)	55%	70%

33. Fair Value

For the year ended December 31, 2025, there are no significant changes in the business environment and economic environment that affect the fair value of financial assets and financial liabilities of the Group.

(1) Fair value of financial instruments by category

Carrying amounts and fair values of financial instruments by category as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)	2025		2024	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial assets				
Cash and cash equivalents	₩ 3,015,810	₩ 3,015,810	₩ 2,083,025	₩ 2,083,025
Trade and other receivables	2,772,863	2,772,863	3,050,492	3,050,492
Short-term financial assets	560,192	560,192	520,621	520,621
Long-term trade and other receivables	1,864,917	1,864,917	1,961,793	1,961,793
Long-term financial assets	908,382	908,382	717,438	717,438
Financial assets at fair value through profit or loss	301,590	301,590	239,766	239,766
	₩ 9,423,754	₩ 9,423,754	₩ 8,573,135	₩ 8,573,135
Financial liabilities				
Trade and other payables	₩ 1,483,831	₩ 1,483,831	₩ 1,838,233	₩ 1,838,233
Short-term financial liabilities	2,274,967	2,275,511	3,262,870	3,265,121
Other current liabilities	297,534	297,534	598,136	598,136
Long-term trade and other payables	79	79	-	-
Long-term financial liabilities	4,419,276	4,419,276	2,973,883	2,975,511
Other non-current liabilities	106,263	106,263	110,441	110,441
	₩ 8,581,950	₩ 8,582,494	₩ 8,783,563	₩ 8,787,442

(2) Fair value hierarchy

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

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

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

- disclosed market price of similar product or dealer price;
- fair value of derivatives is measured by discounting to present value using forward exchange rate as of December 31, 2025 and 2024; and
- cash flow discount method is used for others.

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

Fair value hierarchy classifications of the financial assets and financial liabilities that are measured at fair value or of which fair values are disclosed as of December 31, 2025 and 2024 are as follows:

(in millions of Korean won)	**December 31, 2025**			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Short-term financial assets	₩ 107	₩ 36,200	₩ -	₩ 36,307
Derivative assets	-	27,569	-	27,569
Financial assets at fair value through profit or loss	496	-	301,094	301,590
Financial liabilities				
Derivative liabilities	₩ -	₩ 23,180	₩ 71,822	₩ 95,002

(in millions of Korean won)	**December 31, 2024**			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Short-term financial assets	₩ -	₩ 36,200	₩ -	₩ 36,200
Derivative assets	-	30,570	-	30,570
Financial assets at fair value through profit or loss	358	-	239,408	239,766
Financial liabilities				
Derivative liabilities	₩ -	₩ 37,543	₩ 71,808	₩ 109,351

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

There are no transfers between the levels of each fair value hierarchy for the year ended December 31, 2025.

(5) Valuation techniques and inputs used in the fair value measurements categorized within Level 2 and Level 3 of the fair value hierarchy as of December 31, 2025 are as follows:

(in millions of Korean won)	December 31, 2025					
		Fair value	**Level**	**Valuation techniques**	**Inputs**	**Range of inputs (weighted average)**
Financial assets at fair value through profit or loss						
Gyongbuk Green Energy	₩	1,475	3	Discounted cash flow model	Discount rate	11.66%
Ulsan Green Co., Ltd.		3,736	3	Dividend discount model	Discount rate	12.18%
Wonju Green Co., Ltd.		1,641	3	Discounted cash flow model	Discount rate	7.71%
Public Development Co., Ltd.		4,316	3	Discounted cash flow model	Discount rate	8.15%
Angelswing Co., Ltd.		1,946	3	Binomial model	Discount rate	22.84%
					Risk-free rate of return	2.74%
CHEMICO ADVANCED MATERIALS CO., LTD.		1,630	3	Binomial model	Discount rate	24.29%
					Risk-free rate of return	2.74%
Gaya Railway Co., Ltd.		169	3	Shareholders' discounted cash flow model	Discount rate	5.73%
Gumi Green Water Co., Ltd.		1,296	3	Discounted cash flow model	Discount rate	6.98%
Masan Drain Co., Ltd.		405	3	Dividend discount model	Discount rate	5.47%
Seoul Northern Highway Co., Ltd.		2,676	3	Dividend discount model	Discount rate	11.95%
Seoul Tunnel Co., Ltd.		10,700	3	SPA compliance assessment	-	-
Seoul-Munsan Highway Co., Ltd.		16,851	3	SPA compliance assessment	-	-
Pyeongtaek EOS		2,179	3	Discounted cash flow model	Discount rate	11.66%
Hwaseong Gwangju Highway		18,527	3	Discounted cash flow model	Discount rate	9.45%
Gunsan Green Energy Center Co., Ltd.		732	3	Dividend discount model	Discount rate	12.69%
Other equity securities		232,815	3	Precedent transactions analysis	-	-
Derivative assets						
Currency forward	₩	17,047	2	Present value method	CD rate	2.51% ~ 3.03%
Currency swap		7,892	2	Present value method	CD rate	2.51% ~ 3.03%
Interest rate swap		2,630	2	Present value method	MTM	-

Derivative liabilities						
Currency forward	₩	8,938	2	Present value method	CD rate	2.51% ~ 3.03%
Currency swap		3,588	2	Present value method	CD rate	2.51% ~ 3.03%
Interest rate swap		10,654	2	Present value method	MTM	-
Other option		71,822	3	Binomial model	Risk-free rate of return	2.41% ~ 3.39%

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

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

34. Service Concession Arrangements

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

(in millions of Korean won)	Principal business activity	Countries	Start date	Expiry date	Amount	Classification
Aguas de Ensenada, S.A. de C.V.	Seawater desalinating plant and others/ DBOOT (Design-Build-Own-Operate-Transfer at the end of project period) type	Mexico	2018.06	2036.05	₩ 84,155	Financial assets
Ambient Servicos Ambientais de Ribeirao Preto, S.A.	Sewage purifying plant and others, DBOOT (Design-Build-Own-Operate-Transfer at the end of project period) type	Brazil	1995.09	2033.09	67,495	Financial assets
Samar Solucoes Ambientais de Aracatuba S.A.	Water and sewage processing plan and others / BOT (Build-Operate-Transfer at the end of the project period) type	Brazil	2012.09	2042.01	78,518	Intangible assets
Shariket Miyeh Ras Djinet, Spa	Seawater desalinating plant and others/ DBOOT (Design-Build-Own-Operate-Transfer at the end of project period) type	Algeria	2012.02	2037.09	78,100	Financial assets
GS Inima Industrial Triunfo, S.A.	Industrial waterworks in chemical complex and others / AOO (Acquisition-Operation -Own) type	Brazil	2014.03	2054.02	106,885	Intangible assets
GS Inima Barka 5 Desalination Company, S.A.O.C.	Seawater desalinating plant and others/ DBOOT (Design-Build-Own-Operate-Transfer at the end of project period) type	Oman	2024.06	2044.06	180,745	Financial assets
Ourinhos Saneamento S.A	Water and sewage processing plant and others / BOT (Build Operate-Transfer at the end of the project period) type	Brazil	2024.06	2054.04	71,812	Intangible assets
GS Inima(Al Ghubrah), LLC	Seawater desalinating plant and others/ DBOOT (Design-Build-Own-Operate-Transfer at the end of project period) type	Oman	2024.06	2047.02	297,238	Financial assets

Audit opinion on internal control over financial reporting

The accompanying independent auditor's report on internal control over financial reporting for consolidation purposes is attached as a result of auditing the internal control over financial reporting of GS Engineering & Construction Corporation (the "Company") and its subsidiaries (collectively referred to as the "Group") and the consolidated financial statements of the Group for the year ended December 31, 2025 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. ICFRCP Operating Status Report

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

GS Engineering & Construction Corporation
The Shareholders and Board of Directors

Opinion on internal control over financial reporting for consolidation purpose

We have audited the internal control over financial reporting for consolidation purposes ("ICFR") of GS Engineering & Construction Corporation (the "Company") and its subsidiaries (collectively referred to as the "Group") based on the Conceptual Framework for Design and Operation of ICFR established by the Operating Committee of ICFR in Korea (the "ICFR Committee") as of December 31, 2025.

In our opinion, the Group's ICFR has been designed and is operating effectively, in all material respects, as of December 31, 2025 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, 2025, and the consolidated statement of profit or loss, 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, of the Group, and our report dated March 16, 2026 expressed an unqualified opinion thereon.

Basis for opinion on ICFR

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

Responsibilities of management and those charged with governance for ICFR

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

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

Auditor's responsibilities for the audit of ICFR

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

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

ICFR definition and inherent limitations

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

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

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

Ernst & Young Han Young

March 16, 2026

This audit report is effective as of March 16, 2026, the independent auditor's report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's report to the time this report is used. Such events and circumstances could significantly affect the Group's ICFR and may result in modifications to this report.

ICFRCP Operating Status Report

(English Translation of a Report Originally Issued in Korean)

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

We, as the Representative Director / CEO and the Internal Accounting Manager of GS Engineering & Construction Corporation ("the Company"), assessed operating status of the Company's Internal Control over Financial Reporting for Consolidation Purposes ("ICFRCP") for the year ending December 31, 2025.

Design and operation of ICFRCP is the responsibility of the Company's management, including the Representative Director / CEO and the Internal Accounting Manager (collectively, "We", "Our" or "Us").
We evaluated whether the Company effectively designed and operated its ICFRCP to prevent and detect errors or frauds which may cause a misstatement in consolidated financial statements to ensure preparation and disclosure of reliable consolidated financial information.
We used the 'Conceptual Framework for Designing and Operating Internal Control over Financial Reporting' established by the Operating Committee of Internal Control over Financial Reporting in Korea (the "ICFR Committee")' as the criteria for design and operation of the Company's ICFRCP. And we conducted an evaluation of ICFRCP based on the 'Standards for Evaluating and Reporting the Effectiveness of Internal Control over Financial Reporting' pursuant to Appendix 6 of the Detailed Regulations on External Audit and Accounting, etc.

Based on our assessment, we concluded that the Company's ICFRCP is designed and operated effectively as of December 31, 2025, in all material respects, in accordance with the 'Conceptual Framework for Designing and Operating Internal Control over Financial Reporting'.

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

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

February 23, 2026

Chae, Hun-geun
Internal Accounting Manager

Huh, Yoon Hong
Representative Director / CEO

(Attachment)

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

Category	Control Activities Performed by the Company	Company List	Inspection Results of Design and Operation Status (Performing Team, Execution Timing, etc.)
Entity Level Controls	**<Operating Fraud Prevention System>** Management operates regular ethics audits and internal/external whistleblowing programs, etc. to prevent embezzlement and fraud. Audit results are reported to the audit committee, and management's commitment to compliance with the fraud prevention system is communicated to all employees via company-wide announcements.	GS E&C, Xi S&D and 1 other company	No material weaknesses found as test results (Internal Accounting Control Team, Jul 2025, Feb 2026)
	<Fraud Risk Assessment> The compliance team notifies the internal accounting control team of the annual operation plan and internal audit results based on fraud risk assessments and response measures. The internal accounting control team reviews the information and incorporates it into controls if necessary.	GS E&C, Xi S&D and 1 other company	No material weaknesses found as test results (Internal Accounting Control Team, Jul 2025, Feb 2026)
	<Task Allocation Management> When designing transaction-level controls, management considers task allocation and access restrictions in accordance with internal accounting control guidelines. The internal accounting control team ensures the task allocation list is kept up to date.	GS E&C, Xi S&D and 1 other company	No material weaknesses found as test results (Internal Accounting Control Team, Jul 2025, Feb 2026)
Financial Misconduct Controls (Account Management, Cash In/Out Management, Fundraising, etc.)	**<Account Registration/Modification>** The account opening in charge person prepares a proposal before opening an account under company's name, and the approving authority reviews and approves the reason for the request per company's regulations. After opening the account, it is registered in the designated system for management purposes.	GS E&C, Xi S&D and 1 other company	No material weaknesses found as test results (Internal Accounting Control Team, Jul 2025, Nov 2025, Feb 2026)
	<Account Status Management> The financing team leader (or the international finance team leader for foreign currency accounts, and the marketing team leader for sales accounts) reviews and approves account purposes, usage organizations, and whether accounts should be closed, based on the account management system.	GS E&C, Xi S&D and 2 other companies	No material weaknesses found as test results (Internal Accounting Control Team, Jul 2025, Nov 2025, Feb 2026)
	<Seal Usage Control> The corporate seal is stored in a safe with restricted physical access. The life & culture team leader reviews and approves requests for seal use, and all sealing activities are recorded as electronic data.	GS E&C, Xi S&D and 1 other company	No material weaknesses found as test results (Internal Accounting Control Team, Jul 2025, Nov 2025, Feb 2026)
	<Fund Disbursement Restrictions, Firm Banking> Payments to partner companies are only transferred to accounts registered in the partner account management system.	GS E&C, Xi S&D and 1 other company	No material weaknesses found as test results (Internal Accounting Control Team, Jul 2025, Nov 2025, Feb 2026)
	<Fund Disbursement Review> The financing team leader (or the international finance team leader for foreign currency transactions) reviews and approves fund disbursement requests, communication slips, and supporting documents to ensure consistency and validity.	GS E&C, Xi S&D and 6 other companies	No material weaknesses found as test results (Internal Accounting Control Team, Jul 2025, Nov 2025, Feb 2026)

	<Task Allocation for Approval of Fund Disbursement Vouchers> The person entering the voucher and the person approving it are separate, as are the requester and final approver for fund disbursement.	GS E&C, Xi S&D and 5 other companies	No material weaknesses found as test results (Internal Accounting Control Team, Jul 2025, Nov 2025, Feb 2026)
	<Cash Balance Reconciliation Management> The financing team leader (or the international finance team leader) reviews whether the ending balance in the monthly cash report matches the bank statements. If discrepancies exist, the reasons are investigated and approved.	GS E&C, Xi S&D and 7 other companies	No material weaknesses found as test results (Internal Accounting Control Team, Jul 2025, Nov 2025, Feb 2026)
	<Funding Review> For company borrowings and bond issuances, proposals detailing the source, amount, terms, and duration are prepared and approved by the appropriate authority per company's regulations. If board approval is required, the board resolution is obtained.	GS E&C, Xi S&D and 4 other companies	No material weaknesses found as test results (Internal Accounting Control Team, Jul 2025, Nov 2025, Feb 2026)
	<Vendor Master Creation/Modification Review> The financing team in charge person reviews and approves newly registered vendor account details to ensure they match the attached supporting documents.	GS E&C, Xi S&D and 1 other company	No material weaknesses found as test results (Internal Accounting Control Team, Jul 2025, Nov 2025, Feb 2026)