

# **SK D&D Co., Ltd. and Subsidiaries**

**Consolidated Financial Statements  
As at and for the Years Ended  
December 31, 2024 and 2023, and  
Independent Auditor's Report**

**SK D&D Co., Ltd.**

# SK D&D Co., Ltd. and Subsidiaries

## Index

As at and for the Years Ended December 31, 2024 and 2023

---

	Page(s)
<b>Independent Auditor's Report .....</b>	<b>1 - 5</b>
<b>Consolidated Financial Statements</b>	
Consolidated Statements of Financial Position .....	6 - 7
Consolidated Statements of Comprehensive Income .....	8 - 9
Consolidated Statements of Changes in Equity .....	10 - 11
Consolidated Statements of Cash Flows.....	12 - 13
Notes to Consolidated Financial Statements .....	14 - 18;

## **Independent Auditor's Report**

(English Translation of a Report Originally Issued in Korean)

To the Board of Directors and Shareholders of  
SK D&D Co., Ltd.:

### **Report on the Audited Consolidated Financial Statements**

#### ***Audit Opinion***

We have audited the consolidated financial statements of SK D&D Co., Ltd. and its subsidiaries (the "Group"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows, all expressed in Korean won, for the years then ended, and notes to 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 at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended, in accordance with Korean International Financial Reporting Standards ("K-IFRSs").

#### ***Basis for Audit Opinion***

We conducted our audits in accordance with Korean Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits 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 audits 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 audit opinion.

## ***Emphasis of Matter***

Without modifying our conclusion, we draw attention to Note 36 to these consolidated financial statements. As discussed in Note 36, the Group decided to spin off its renewable energy and ESS units into a new company with March 1, 2024, as the spin-off date, following approval at the shareholders' meeting on February 2, 2024. Accordingly, the Group recognized profit and loss on the disposal of discontinued operations by applying K-IFRS 2117 *Distribution of non-cash assets to owners* and K-IFRS 1105 *Non-current assets held for sale and discontinued operations*. The profit and loss from discontinued operations are classified and presented as profit or loss from discontinued operations, and the related statements of comprehensive income and notes for the year ended December 31, 2023, have been restated.

## ***Key Audit Matters***

The key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for 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.

### **(1) Revenue recognition based on input method**

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

As described in Note 16 (Construction contracts) to the consolidated financial statements, the Group recognized contract revenue and contract costs associated with the sale of housing and construction contracts as revenue and cost of sales from the sale of housing and from construction, respectively, based on the percentage of completion of contract activities at the end of the reporting period. Meanwhile, the percentage of completion of the contract may be determined in various ways, but the Group measured the percentage of completion by reference to the proportion of actual contract costs incurred to the estimated total contract costs.

The Group recognized the revenue from two projects in total, including Think Factory, related to the sale of housing and construction in accordance with the input method. Revenue recognized using this input method, which accounts for 20.4% of the total revenue of the Group, amounts to ₩177,356 million.

If the method of measuring the percentage of completion using the input method cannot reliably measure the Group's performance, there would be a risk that the revenue and cost of sales from sale of housing and the revenue and cost of sales from construction may be misstated. Therefore, we selected revenue recognition based on the input method as a key audit matter.

#### ***How our audit addressed the Key Audit Matter***

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

- Confirmed the appropriateness of accounting policies on revenue recognition, and obtained an understanding of and assessed internal controls through a review of contract documents by project and relevant standards.

- Assessment of understanding, design and operational effectiveness of internal controls related to revenue recognition.
- Inquired about the current progress status and significant changes in main projects at the end of the reporting period, performed analytical procedures, analyzed the projects which have significant differences and obtained relevant evidence, if necessary.
- Identified the documentation supporting the contract amounts of the projects applied by the Group for recognizing revenue from the sale of housing and construction.
- Compared and determined whether the estimated total contract cost used in calculating the construction percentage of completion of the project is consistent with the estimated total contract cost of the construction contract with the construction group.
- Identified the cause of changes and reviewed relevant documents for projects with significant changes in the estimated cost.
- Confirmed that only contract cost that reflects the construction performed is included in the cumulative incurred cost, and compared and verified relevant evidence for significant incurred cost.
- Recalculated the percentage of completion for construction calculated by the Group.

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

Management is responsible for the preparation of the accompanying consolidated financial statements in accordance with K-IFRSs, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management of the Group 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 Audits of the Consolidated Financial Statements***

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and 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 Hee-wan Park, certified public accountant.

Deloitte IDNjin LLC

Seoul, Korea

March 12, 2025

This report is effective as at March 12, 2025, the auditor's report date. Certain subsequent events or circumstances, which may occur between the auditor's report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the auditor's report should understand that there is a possibility that the above auditor's report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

**SK D&D Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Financial Position**  
**As at December 31, 2024 and 2023**

<i>(In Korean won)</i>	Notes	2024	2023
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3,35	₩ 44,126,156,972	₩ 191,224,060,041
Short-term financial instruments	3,9,34	201,298,730,543	146,005,968,700
Short-term loans	3,9,25,35	4,907,853,760	21,067,422,100
Current portion of long-term loans	3,9,25,35	71,992,000	6,060,868,932
Trade and other receivables	3,4,15,25,35	30,419,102,835	52,914,485,525
Contract assets	16	1,699,389,168	153,359,220
Inventories	6,24	519,877,329,456	1,007,689,348,289
Contract cost	5	5,013,214,951	8,258,471,314
Current tax assets	31	330,920	84,316,467
Other current financial assets	3,7,35	696,821,062	3,637,750,959
Other current assets	8	53,101,606,618	88,916,448,075
Derivative assets	3,22,24,34,35	7,478,481,881	13,238,681,186
Firm contract assets	22,24	-	51,491,861
Non-current assets held for sale	14	3,976,630,475	3,976,630,475
		872,667,640,641	1,543,279,303,144
<b>Non-current assets</b>			
Trade and other receivables	3,4,15,25,35	3,750,314	490,205,085
Long-term financial instruments	3,9,35	1,309,060,645	72,967,164,647
Long-term investment assets	3,9,34	54,042,439,713	51,760,133,103
Investments in joint ventures and associates	10,24,25	248,473,253,333	253,477,965,559
Long-term loans	3,9,25,35	36,555,741,824	155,791,040
Property, plant and equipment	11,24,28	39,169,667,077	296,078,710,365
Right-of-use assets	15,28	8,899,718,316	14,241,389,237
Investment property	12,24,28	155,566,314,330	140,053,239,722
Intangible assets	13,24,28	9,930,854,296	16,711,651,813
Net defined benefit assets	19	1,869,727,170	351,482,996
Other non-current financial assets	3,7	4,145,971,808	3,316,418,022
Other non-current assets	8	-	2,746,710,398
Derivative assets	3,22,24,34,35	-	865,389,624
Deferred tax assets	31	29,590,410,105	26,580,827,503
		589,556,908,931	879,797,079,114
<b>Total assets</b>		₩ 1,462,224,549,572	₩ 2,423,076,382,258

(Continued)



**SK D&D Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Financial Position (Continued)**  
**As at December 31, 2024 and 2023**

<i>(In Korean won)</i>	Notes	2024	2023
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	3,15,17,25,35	₩ 41,892,544,273	₩ 70,118,135,260
Short-term borrowings	3,18,24,35	35,000,000,000	59,000,000,000
Current portion of long-term borrowings	3,18,24,35	366,323,952,245	367,564,995,376
Current portion of debentures	3,18,24,35	87,968,279,589	201,459,592,795
Provisions	23	5,478,448,610	4,763,722,888
Contract liabilities	16	30,572,458,409	87,341,294,977
Income tax payable	31	11,733,346,871	33,775,244,002
Other current financial liabilities	3,20,35	9,107,236,701	9,883,273,097
Other current liabilities	21	9,650,920,637	107,752,169,895
Derivative liabilities	3,22,24,34	-	51,491,861
Firm commitment liabilities	22,24	342,474,389	106,995,541
		598,069,661,724	941,816,915,692
<b>Non-current liabilities</b>			
Trade and other payables	3,15,17,35	9,367,436,527	15,886,999,322
Long-term borrowings	3,18,24,35	231,957,023,991	491,530,563,791
Debentures	3,18,24,35	31,966,998,266	87,872,678,897
Provisions	23	1,834,226,303	6,905,012,769
Income tax payable	31	6,795,650,823	5,699,135,730
Deferred tax liabilities	31	2,060,087,299	6,550,752,248
Other non-current financial liabilities	3,20,35	9,117,762,026	98,606,516,263
Derivative liabilities	3,22,24,34,35	1,025,055,481	6,329,784,085
		294,124,240,716	719,381,443,105
<b>Total liabilities</b>		892,193,902,440	1,661,198,358,797
<b>Equity</b>			
Share capital	26	18,617,383,000	24,190,164,000
Reserves	26	225,678,190,391	290,804,912,147
Other components of equity	26,27	(160,350,745,378)	(9,966,435,432)
Accumulated other comprehensive income	26	(835,083,660)	(140,278,327)
Retained earnings	26	486,920,902,779	456,989,661,073
<b>Equity attributable to owners of the Parent Company</b>		570,030,647,132	761,878,023,461
<b>Total equity</b>		570,030,647,132	761,878,023,461
<b>Total liabilities and equity</b>		₩ 1,462,224,549,572	₩ 2,423,076,382,258

(Concluded)

See accompanying notes to consolidated financial statements.

**SK D&D Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the Years Ended December 31, 2024 and 2023**

<i>(In Korean won)</i>	Notes	2024	2023
<b>Operating revenue</b>	10,25,28	₩ 870,876,606,195	₩ 385,081,898,659
<b>Operating expenses</b>	10,25,28,29	(817,206,552,635)	(207,486,918,437)
<b>Operating profit</b>		53,670,053,560	177,594,980,222
<b>Non-operating income (expenses)</b>			
Finance income	3,30	25,445,572,493	16,214,823,434
Finance costs	3,30	(54,691,681,545)	(46,994,281,112)
Other non-operating income	30	35,467,413,033	3,544,519,616
Other non-operating expenses	30	(7,542,807,163)	(9,907,901,080)
Share of net loss of associates and joint ventures accounted for using the equity method	10	(6,087,842,368)	(9,255,172,176)
		(7,409,345,550)	(46,398,011,318)
Profit before income tax		46,260,708,010	131,196,968,904
Income tax expense	31	(5,654,952,969)	(30,404,594,407)
Profit from continuing operations		40,605,755,041	100,792,374,497
Profit from discontinued operations		3,589,287,768	2,285,998,088
<b>Profit for the year</b>		44,195,042,809	103,078,372,585
<b>Other comprehensive income (loss)</b>			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Loss on valuation of derivative financial instruments	22,26	(721,145,270)	(1,184,867,914)
Share of other comprehensive loss of associates	10,26	26,329,937	(26,329,937)
<i>Items that will not be reclassified to profit or loss</i>			
Gain on valuation of financial assets at fair value through other comprehensive income	26	10,000	-
Remeasurements of net defined benefit assets (liabilities)	19,26	(317,451,003)	265,340,436
<b>Other comprehensive loss for the year, net of tax</b>		(1,012,256,336)	(945,857,415)
<b>Total comprehensive income for the year</b>		₩ 43,182,786,473	₩ 102,132,515,170

(Continued)

**SK D&D Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Comprehensive Income (Continued)**  
**For the Years Ended December 31, 2024 and 2023**

(In Korean won)

	Notes	2024	2023
<b>Profit attributable to:</b>			
Owners of the Parent Company		₩ 44,195,042,809	₩ 103,078,372,585
Non-controlling interest		-	-
		<u>44,195,042,809</u>	<u>103,078,372,585</u>
<b>Total comprehensive income for the year is attributable to:</b>			
Owners of the Parent Company		43,182,786,473	102,132,515,170
Non-controlling interest		-	-
		<u>₩ 43,182,786,473</u>	<u>₩ 102,132,515,170</u>
<b>Earnings per share from continuing operations attributable to the equity holders of the Parent Company</b>			
Ordinary shares			
Basic earnings per share from continuing operations	32	₩ 2,110	₩ 4,084
Diluted earnings per share from continuing operations	32	2,110	4,083
Preferred shares			
Basic earnings per share from continuing operations	32	₩ -	₩ 5,084
Diluted earnings per share from continuing operations	32	-	5,083
<b>Earnings per share from discontinued operations attributable to the equity holders of the Parent Company</b>			
Ordinary shares			
Basic earnings per share from discontinued operations	32	₩ 186	₩ 93
Diluted earnings per share from discontinued operations	32	186	93
Preferred shares			
Basic earnings per share from discontinued operations	32	₩ -	₩ 115
Diluted earnings per share from discontinued operations	32	-	115
(Concluded)			

See accompanying notes to consolidated financial statements.

# SK D&D Co., Ltd. and Subsidiaries

## Consolidated Statements of Changes in Equity

### For the Years Ended December 31, 2024 and 2023

(In Korean won)

	Attributable to owners of the Parent Company						Non-controlling interest	Total equity
	Share capital	Reserves	Other components of equity	Accumulated other comprehensive income (loss)	Retained earnings	Total		
<b>Balance at January 1, 2023</b>	₩ 24,190,164,000	₩ 290,804,582,279	₩ 5,559,547,215	₩ 1,070,919,524	₩ 375,441,046,265	₩ 697,066,259,283	₩ -	₩ 697,066,259,283
<b>Total comprehensive income (loss)</b>								
Profit for the year	-	-	-	-	103,078,372,585	103,078,372,585	-	103,078,372,585
Loss on valuation of derivative financial instruments	-	-	-	(1,184,867,914)	-	(1,184,867,914)	-	(1,184,867,914)
Share of other comprehensive loss of associates	-	-	-	(26,329,937)	-	(26,329,937)	-	(26,329,937)
Remeasurements of net defined benefit assets	-	-	-	-	265,340,436	265,340,436	-	265,340,436
<b>Total comprehensive income (loss) for the year</b>	-	-	-	(1,211,197,851)	103,343,713,021	102,132,515,170	-	102,132,515,170
<b>Transactions with owners recognized directly in equity</b>								
Disposal of treasury shares	-	329,868	17,664,000	-	-	17,993,868	-	17,993,868
Share of other comprehensive loss of associates	-	-	(16,709,986,643)	-	-	(16,709,986,643)	-	(16,709,986,643)
Other transactions	-	-	-	-	(1,999,479,013)	(1,999,479,013)	-	(1,999,479,013)
Annual and interim dividends	-	-	-	-	(19,795,619,200)	(19,795,619,200)	-	(19,795,619,200)
Share options	-	-	1,166,339,996	-	-	1,166,339,996	-	1,166,339,996
<b>Total transactions with owners recognized directly in equity</b>	-	329,868	(15,525,982,647)	-	(21,795,098,213)	(37,320,750,992)	-	(37,320,750,992)
<b>Balance at December 31, 2023</b>	₩ 24,190,164,000	₩ 290,804,912,147	₩ (9,966,435,432)	₩ (140,278,327)	₩ 456,989,661,073	₩ 761,878,023,461	₩ -	₩ 761,878,023,461

(Continued)

**SK D&D Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Changes in Equity (Continued)**  
**For the Years Ended December 31, 2024 and 2023**

(In Korean won)

	Attributable to owners of the Parent Company						Non-controlling interest	Total equity
	Share capital	Reserves	Other components of equity	Accumulated other comprehensive income (loss)	Retained earnings	Total		
<b>Balance at January 1, 2024</b>	₩ 24,190,164,000	₩ 290,804,912,147	₩ (9,966,435,432)	₩ (140,278,327)	₩ 456,989,661,073	₩ 761,878,023,461	₩ -	₩ 761,878,023,461
<b>Total comprehensive income (loss)</b>								
Profit for the year	-	-	-	-	44,195,042,809	44,195,042,809	-	44,195,042,809
Gain on valuation of financial assets at fair value through other comprehensive income	-	-	-	10,000	-	10,000	-	10,000
Loss on valuation of derivative financial instruments	-	-	-	(721,145,270)	-	(721,145,270)	-	(721,145,270)
Share of other comprehensive income of associates	-	-	-	26,329,937	-	26,329,937	-	26,329,937
Remeasurements of net defined benefit assets	-	-	-	-	(317,451,003)	(317,451,003)	-	(317,451,003)
<b>Total comprehensive income (loss) for the year</b>	-	-	-	(694,805,333)	43,877,591,806	43,182,786,473	-	43,182,786,473
<b>Transactions with owners recognized directly in equity</b>								
Share of other comprehensive loss of associates	-	-	(791,979,350)	-	-	(791,979,350)	-	(791,979,350)
Share of other comprehensive income of associates	-	-	478,244,168	-	-	478,244,168	-	478,244,168
Other transactions	-	255,655,738	-	-	(105,066,300)	150,589,438	-	150,589,438
Annual and interim dividends	-	-	-	-	(13,841,283,800)	(13,841,283,800)	-	(13,841,283,800)
Share options	-	-	320,000,900	-	-	320,000,900	-	320,000,900
Spin-off	(5,572,781,000)	(65,382,377,494)	(150,252,841,506)	-	-	(221,208,000,000)	-	(221,208,000,000)
Acquisition of treasury shares	-	-	(137,734,158)	-	-	(137,734,158)	-	(137,734,158)
<b>Total transactions with owners recognized directly in equity</b>	(5,572,781,000)	(65,126,721,756)	(150,384,309,946)	-	(13,946,350,100)	(235,030,162,802)	-	(235,030,162,802)
<b>Balance at December 31, 2024</b>	₩ 18,617,383,000	₩ 225,678,190,391	₩ (160,350,745,378)	₩ (835,083,660)	₩ 486,920,902,779	₩ 570,030,647,132	₩ -	₩ 570,030,647,132

(Concluded)

See accompanying notes to consolidated financial statements.

**SK D&D Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**For the Years Ended December 31, 2024 and 2023**

<i>(In Korean won)</i>	<u>Notes</u>	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities</b>			
Cash generated from operations			
Profit for the year		₩ 44,195,042,809	₩ 103,078,372,585
Adjustments	33,36	61,205,615,009	(73,594,062,575)
Change in operating assets and liabilities	33,36	234,283,759,382	215,226,679,514
		<u>339,684,417,200</u>	<u>244,710,989,524</u>
Dividends received		5,482,031,374	7,442,652,782
Interest received		8,037,404,187	9,978,438,769
Interest paid		(77,454,032,322)	(59,820,440,743)
Income taxes paid		(36,013,273,672)	(13,648,889,742)
<b>Net cash provided by operating activities</b>		<u>239,736,546,767</u>	<u>188,662,750,590</u>
<b>Cash flows from investing activities</b>			
	33,36		
Proceeds from disposal of short-term financial instruments		491,047,788,016	521,371,967,882
Payments for acquisition of short-term financial instruments		(484,659,648,551)	(596,770,783,033)
Proceeds from disposal of long-term financial instruments		6,914,973,731	288,306,416,430
Payments for acquisition of long-term financial instruments		(640,729,824)	(323,119,663,597)
Proceeds from disposal of investments in associates		19,208,520,000	336,700,000
Payments for acquisition of investments in associates		(16,050,934,400)	(12,940,543,000)
Proceeds from disposal of investments in joint ventures		86,196,387,000	-
Payments for acquisition of investments in joint ventures		(412,634,880)	(17,848,550,000)
Decrease in short-term loans		69,075,200,000	61,147,200,000
Increase in short-term loans		(74,108,453,760)	(70,874,700,000)
Decrease in current portion of long-term loans		4,992,000	5,852,911,012
Decrease in long-term loans		78,312,376	44,958,272
Increase in long-term loans		(28,087,155,164)	(1,867,000,000)
Proceeds from disposal of property, plant and equipment		1,778,061,205	1,685,949,951
Payments for acquisition of property, plant and equipment		(5,409,905,378)	(5,068,681,210)
Proceeds from disposal of intangible assets		450,909,090	161,636,364
Payments for acquisition of intangible assets		(200,194,000)	(1,219,786,236)
Proceeds from disposal of investment property		-	889,909,781
Payments for acquisition of investment property		(176,679,493)	(4,257,683,844)
Proceeds from disposal of financial assets at fair value through profit or loss		212,445,628	1,932,120,053

(Continued)

**SK D&D Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Cash Flows (Continued)**  
**For the Years Ended December 31, 2024 and 2023**

<i>(In Korean won)</i>	<u>Notes</u>	<u>2024</u>	<u>2023</u>
Payments for acquisition of financial assets at fair value through profit or loss		(19,437,829,787)	(9,525,226,620)
Proceeds from disposal of financial assets at fair value through other comprehensive income		10,000	3,800,000
Decrease in other non-current financial assets		2,782,000	-
Increase in other non-current financial assets		(1,454,530,000)	(761,427,000)
Cash inflow from transactions of derivative financial instruments		44,196,012	-
Net increase due to loss of control		3,859,246	-
<b>Net cash provided by (used in) investing activities</b>		<u>44,379,741,067</u>	<u>(162,520,474,795)</u>
<b>Cash flows from financing activities</b>	33,36		
Proceeds from paid-in capital increase		610,511,000	-
Proceeds from short-term borrowings		102,000,000,000	59,000,000,000
Repayments of short-term borrowings		(99,000,000,000)	(8,000,000,000)
Repayments of current portion of long-term borrowings		(434,000,365,448)	(220,277,006,669)
Proceeds from long-term borrowings		283,696,800,000	230,737,100,000
Repayments of long-term borrowings		(25,812,499,994)	(39,123,333,332)
Repayments of current portion of debentures		(45,382,000,000)	(75,000,000,000)
Increase in short-term debentures		20,000,000,000	-
Repayments of short-term debentures		(20,000,000,000)	-
Increase in non-current debentures		93,533,000,000	37,917,000,000
Dividends paid		(13,841,283,800)	(19,795,619,200)
Decrease in lease liabilities		(5,782,665,280)	(6,032,152,421)
Disposal of treasury shares		-	17,993,868
Repayments of current portion of long-term financial liabilities		(61,383,988,614)	(2,269,999,647)
Cash outflow due to spin-off		(224,875,811,856)	-
Acquisition of treasury shares		(137,734,158)	-
<b>Net cash used in financing activities</b>		<u>(430,376,038,150)</u>	<u>(42,826,017,401)</u>
<b>Net decrease in cash and cash equivalents</b>		(146,259,750,316)	(16,683,741,606)
Effects of exchange rate changes on cash and cash equivalents		(838,152,753)	(515,664,987)
Cash and cash equivalents at the beginning of year		191,224,060,041	208,423,466,634
<b>Cash and cash equivalents at the end of year</b>		<u>₩ 44,126,156,972</u>	<u>₩ 191,224,060,041</u>

(Concluded)

See accompanying notes to consolidated financial statements.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

### 1. GENERAL INFORMATION:

#### (1) Overview

SK D&D Co., Ltd. (the “Parent Company”) was established to mainly engage in real estate development on April 27, 2004. The headquarters is located at Pangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, Republic of Korea.

By means of a formal resolution at the shareholders’ meeting on January 19, 2015, the Parent Company divided its face value from ₩5,000 per share to ₩1,000 per share. The Parent Company decided to issue 1,600,000 new shares with the approval by the board of directors on May 8, 2015, and listed its shares on the stock exchange market on June 23, 2015.

Meanwhile, the furniture business sector of the Parent Company was transferred to D&D Living Solution Co., Ltd., which is a newly established company, through a split-off on January 1, 2022, the split-off date. The entity name of D&D Living Solution Co., Ltd. was changed to D&D Property Solution Co., Ltd. on September 1, 2022.

The Parent Company had split the renewable energy and ESS business units into a new company, SK eternix Co., Ltd., through spin-off, with March 1, 2024, as the split date.

After stock split and issue of new share, the share capital of the Parent Company as at December 31, 2024, amounted to ₩18,617,383 thousand (including share capital on preferred shares amounting to ₩1 thousand, see Note 26), and its major shareholders (including preferred shares) are as follows:

<i>(In shares)</i>	<b>Ordinary shares</b>		<b>Preferred shares</b>	
	<b>Number of shares</b>	<b>Percentage of ownership (%)</b>	<b>Number of shares</b>	<b>Percentage of ownership (%)</b>
Hahn & Co. Development Holdings Co., Ltd.	5,821,753	31.27	-	-
SK Discovery Co., Ltd.	5,821,751	31.27	-	-
Treasury shares	11,291	0.06	1	100.00
Do-hyun KIM	5,002	0.03	-	-
Employee's stock ownership association	1,839	0.01	-	-
Others	6,955,746	37.36	-	-
Total	18,617,382	100.00	1	100.00

The above information is prepared based on the shareholders’ list as at December 31, 2024, and the number of shares held may differ from those as at the report submission date.



# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

### As at and for the Years Ended December 31, 2024 and 2023

#### (2) Consolidated Subsidiaries

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

	Location	Ownership interest held by the Group (%)	Closing month	Main business
D&D INVESTMENT	Korea	100.00	December 31	Asset management
KORAMCO No. 117 Qualified Investors' Private Real Estate Investment Trust	Korea	60.00	December 31	Real estate development
IGIS No. 412 Professional Investors' Private Placement Real Estate Investment Limited Liab.	Korea	93.75	December 31	Real estate development
DDIOS108	Korea	100.00	December 31	Real estate development
D&D Property Solution Co., Ltd.	Korea	100.00	December 31	Furniture wholesale, development and supply of buildings
Hyundai No. 20 Private Real Equity Investment Trust	Korea	98.36	December 31	Real estate development
DDISF PFV <sup>1</sup>	Korea	95.00	December 31	Real estate development

<sup>1</sup> Newly acquired during the year ended December 31, 2024.

#### (3) Summarized Financial Information

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

(In Korean won)		Assets		Liabilities		Equity		Sales		Profit for the year
D&D INVESTMENT	₩	35,551,866,445	₩	6,744,138,202	₩	28,807,728,243	₩	13,985,170,031	₩	3,590,524,686
KORAMCO No. 117 Qualified Investors' Private Real Estate Investment Trust		42,057,280,812		24,412,839,474		17,644,441,338		-		(2,551,492,771)
IGIS No. 412 Professional Investors' Private Placement Real Estate Investment Limited Liab.		1,108,899,520		13,407,429		1,095,492,091		199,489,637,261		25,865,605,794
DDIOS108		46,982,054,600		41,604,826,787		5,377,227,813		-		(721,080,659)
D&D Property Solution Co., Ltd.		85,396,415,761		49,804,172,600		35,592,243,161		74,218,680,925		7,364,992,432
Hyundai No. 20 Private Real Equity Investment Trust		86,416,014		1,381,203		85,034,811		-		(70,939,185)
DDISF PFV		116,654,976,873		112,761,513,662		3,893,463,211		328,151,000		(1,082,536,789)

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

### (4) Changes in Scope for Consolidation

Subsidiaries newly included in the consolidation or excluded from the consolidation for the years ended December 31, 2024 and 2023, are as follows:

2024		
Subsidiary	Changes in scope	Reason
ESSESCO	Excluded from the consolidation	Losing control due to spin-off
DDISF PFV	Included in the consolidation	Obtaining control
Jindo Sanwol Solar Power, Inc.	Excluded from the consolidation	Losing control
DDIYS832	Excluded from the consolidation	Losing control due to liquidation
2023		
Subsidiary	Changes in scope	Reason
Hyundai No. 20 Private Real Equity Investment Trust	Included in the consolidation	Obtaining control
Uiseong Hwanghaksan Windpower Co., Ltd.	Excluded from the consolidation	Losing control

Net cash inflow and outflow related to subsidiaries included in the consolidation or excluded from the consolidation for the years ended December 31, 2024 and 2023, are as follows:

(In Korean won)

Name of entity	Classification	2024
ESSESCO	Total proceeds from disposal	₩ -
	Cash and cash equivalents held by a subsidiary at the time of disposal	10,045,488,094
	Net cash inflow	(10,045,488,094)
	Total acquisition consideration	4,750,000,000
DDISF PFV	Cash and cash equivalents held by a subsidiary at the time of acquisition	-
	Net cash inflow	(4,750,000,000)
	Total proceeds from disposal	728,805,000
Jindo Sanwol Solar Power, Inc.	Cash and cash equivalents held by a subsidiary at the time of disposal	(724,945,754)
	Net cash inflow	3,859,246
	Total proceeds from disposal	-
DDIYS832	Cash and cash equivalents held by a subsidiary at the time of disposal	-
	Net cash inflow	-

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

Name of entity	Classification	2023
	Total acquisition consideration	₩ -
Hyundai No. 20 Private Real Equity Investment Trust <sup>1</sup>	Cash and cash equivalents held by a subsidiary at the time of acquisition	4,794,356,279
	Net cash inflow	4,794,356,279
	Total proceeds from disposal	-
Uiseong Hwanghaksan Windpower Co., Ltd. <sup>2</sup>	Cash and cash equivalents held by a subsidiary at the time of disposal	376,297,907
	Net cash outflow	(376,297,907)

<sup>1</sup> The Parent Company did not pay the acquisition consideration since the control was acquired due to capital decrease with consideration in the form of third-party allocation during the year ended December 31, 2023.

<sup>2</sup> The Parent Company neither paid the acquisition consideration nor received the proceeds from disposal since the control was lost due to capital increase with consideration in the form of third-party allocation during the year ended December 31, 2023.

### (5) Significant Transactions between the Group

1) Details of significant transactions of the Group for the years ended December 31, 2024 and 2023, are as follows:

(In Korean won)

	2024		2023	
	Revenue and others	Expenses and others	Revenue and others	Expenses and others
D&D INVESTMENT	₩ 36,003,848	₩ -	₩ 353,574,161	₩ -
ESSESCO <sup>1</sup>	206,339,948	-	1,394,653,754	1,106,311,127
IGIS No. 412 Professional Investors' Private Placement Real Estate Investment Limited Liab.	680,000,000	-	120,000,000	-
DDIOS108	369,742,335	-	991,916,713	-
D&D Property Solution Co., Ltd.	665,058,607	1,030,543,842	222,385,810	1,437,930,889
Hyundai No. 20 Private Real Equity Investment Trust <sup>1</sup>	-	-	91,886,575	-
Total	₩ 1,957,144,738	₩ 1,030,543,842	₩ 3,174,417,013	₩ 2,544,242,016

<sup>1</sup> If there were any changes in the status of related parties due to changes in equity during the years ended December 31, 2024 and 2023, the transaction details were prepared based on the point in time when the changes occurred.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

### As at and for the Years Ended December 31, 2024 and 2023

2) Outstanding balance of significant receivables and payables of the Group as at December 31, 2024 and 2023, is as follows:

(In Korean won)	2024		2023	
	Receivables	Payables	Receivables	Payables
D&D INVESTMENT	₩ -	₩ -	₩ 32,671,029	₩ 200,000,000
ESSESCO	-	-	2,450,512,886	321,511,313
IGIS No. 412 Professional Investors' Private Placement Real Estate Investment Limited Liab.	-	-	11,000,000	-
DDIOS108	1,517,981,447	-	924,000,000	-
D&D Property Solution Co., Ltd.	104,267,500	499,261,727	103,916,200	578,313,125
DDISF PFV	1,868,856,164	-	-	-
Total	₩ 3,491,105,111	₩ 499,261,727	₩ 3,522,100,115	₩ 1,099,824,438

3) Details of significant fund transactions and other transactions of the Group for the years ended December 31, 2024 and 2023, are as follows:

#### 1) Fund transactions

Details of significant fund transactions of the Group for the years ended December 31, 2024 and 2023, are as follows:

(In Korean won)	2024			
	Beginning balance	Loans	Collections	Ending balance
DDIOS108	₩ 8,800,000,000	₩ 1,400,000,000	₩ (1,500,000,000)	₩ 8,700,000,000
DDISF PFV	-	38,250,000,000	-	38,250,000,000

  

(In Korean won)	2023			
	Beginning balance	Loans	Collections	Ending balance
DDIOS108	₩ 3,000,000,000	₩ 5,800,000,000	₩ -	₩ 8,800,000,000

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

*2) Equity transactions*

Details of equity transactions of the Group for the year ended December 31, 2024, are as follows:

	2024	
	Contributions	Collections
(In Korean won)		
KORAMCO No. 117 Qualified Investors' Private Real Estate Investment Trust	₩ 600,000,000	₩ -
DDIOS108	2,700,000,000	-
DDISF PFV	4,750,000,000	-
Jindo Sanwol Solar Power, Inc.	-	728,805,000
Hyundai No. 20 Private Real Equity Investment Trust <sup>1</sup>	-	2,740,077,550
IGIS No. 412 Professional Investors' Private Placement Real Estate Investment Limited Liab.	-	27,187,500,001
DDIYS832	-	1,797,611,980
Total	₩ 8,050,000,000	₩ 32,453,994,531

**2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES:**

**(1) Basis of Preparation**

The Group prepares the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("K-IFRSs"). The accompanying consolidated financial statements have been translated into English from the Korean consolidated financial statements. In the event of any differences in interpreting the consolidated financial statements or the independent auditor's report thereon, Korean version, which is used for regulatory reporting purposes, shall prevail.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. Except for the changes in accounting policies and impacts on the newly adopted standards and interpretations explained below, the accounting policies applied in preparing the accompanying consolidated financial statements have been applied consistently with the annual consolidated financial statements as at and for the year ended 2023.

At the time of approving the consolidated financial statements, management has reasonable expectations that the Group has sufficient resources to continue as a going concern for the foreseeable future. Therefore, management has prepared the consolidated financial statements under the assumption that the Group will continue as a going concern, with the exception of the statement below.

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

---

**(2) Changes in Accounting Policies and Disclosures**

The Group has not early adopted the new or amended standards and interpretations issued, but not yet effective.

*1) New and amended standards and interpretations*

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

*- Amendments to K-IFRS 1001 Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current (Amended in 2020)*

The amendment clarifies that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period; specifies that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and introduces a definition of ‘settlement’ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

*- Amendments to K-IFRS 1001 Presentation of Financial Statements – Non-Current Liabilities with Covenants (Amended in 2023)*

The amendment specifies that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity’s right to defer settlement of a liability for at least 12 months after the reporting date. The amendment also specifies that the right to defer settlement of a liability for at least 12 months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity’s right to defer settlement of a liability is subject to the entity complying with covenants within 12 months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within 12 months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

*- Amendments to K-IFRS 1007 Statement of Cash Flows and K-IFRS 1107 Financial Instruments: Disclosures – Supplier finance arrangements*

The amendment adds a disclosure objective to K-IFRS 1007 stating that an entity is required to disclose information about its supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the entity’s liabilities and cash flows. In addition, K-IFRS 1107 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity’s exposure to concentration of liquidity risk.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

---

### *- Amendments to K-IFRS 1116 Leases – Lease Liability in a Sale and Leaseback*

The amendments include subsequent measurement requirements for sales-type leases accounted for using K-IFRS 1115 'Revenue from Contracts with Customers.' The amendments require that, when subsequently measuring lease liabilities arising from a sale and leaseback, a seller-lessee shall determine lease payments or revised lease payments in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

### *- Amendments to K-IFRS 1001 Presentation of Financial Statements – Disclosure of Cryptographic Assets (Amended in 2023)*

The amendments require disclosure requirements for transactions involving cryptographic assets in addition to those required by other standards. They specify disclosure requirements for each of the following scenarios: 1) Holding cryptographic assets, 2) Holding cryptographic assets on behalf of customers and 3) Issuing cryptographic assets.

For cases where cryptographic assets are held, disclosure should include general information about the cryptographic assets, applied accounting policies, acquisition methods, acquisition costs and year-end fair values of the cryptographic assets. Moreover, if cryptographic assets are issued, disclosure should cover the Group's obligations and compliance status related to the issued cryptographic assets, timing and amounts of revenue recognition for sold cryptographic assets, quantity of cryptographic assets held after issuance and significant contractual terms.

The Group believes that the amendments and revisions are not expected to have a significant impact on the consolidated financial statements or business performance of the Group.

### *2) Standards issued but not yet effective*

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

The amendment defines situations where a currency is exchangeable into another currency for accounting purposes and specifies the assessment of the exchangeability between two currencies, estimation for spot exchange rates when exchangeability is lacking and disclosure requirements. These amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier application is permitted.

### *- Amendments to K-IFRS 1109 Financial Instruments and K-IFRS 1107 Financial Instruments: Disclosures – Classification and measurement requirements of financial instruments*

The amendments clarify the conditions related to the discharge of a financial liability before the settlement date when settling such financial liabilities using an electronic payment system. They further specify an interest feature, a contingent feature, financial assets with non-recourse features and contractually linked instruments which should be considered in assessing whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. Furthermore, the amendments include additional disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and contractual terms that could change the timing or amount of contractual cash flows. These amendments are applied retrospectively for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

---

*- Amendments to K-IFRS 1109 Financial Instruments – Derecognition of lease liabilities and transaction price*

The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with K-IFRS 1109, the lessee is required to recognize any resulting gain or loss in profit or loss. Additionally, the amendments have replaced ‘their transaction price (as defined in K-IFRS 1115)’ in K-IFRS 1109:5.1.3 with ‘the amount determined by applying K-IFRS 1115’ to remove an inconsistency between K-IFRS 1109 and the requirements in K-IFRS 1115. These amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.

*- Amendments to K-IFRS 1110 Consolidated Financial Statements – Determination of ‘de facto agent’*

The amendments have amended IFRS 10:B74 to use less conclusive language and to clarify that the relationship described in IFRS 10:B74 is just one example of a circumstance in which judgment is required to determine whether a party is acting as a de facto agent. These amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.

*- K-IFRS 1101 First-Time Adoption of Korean International Financial Reporting Standards – Hedging accounting by a first-time adopter*

The amendments have improved the consistency of the wording of K-IFRS 1101:B6 with the requirements for hedge accounting in K-IFRS 1109 and added cross-references to K-IFRS 1109:6.4.1 to improve the understandability of K-IFRS 1101. These amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.

*- Amendments to K-IFRS 1107 Financial Instruments: Disclosures – Gain or loss on derecognition*

The amendments have updated the obsolete cross-reference in K-IFRS 1107:B38 and aligned the wording of this paragraph with the terms used in K-IFRSs. These amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.

*- Amendments to K-IFRS 1007 Statement of Cash Flows: Cost method*

The amendments have replaced the term ‘cost method’ with ‘at cost’ in K-IFRS 1007:37. These amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted.

The Group believes that the amendments and revisions are not expected to have a significant impact on the consolidated financial statements.



# **SK D&D Co., Ltd. and Subsidiaries**

## **Notes to the Consolidated Financial Statements**

### **As at and for the Years Ended December 31, 2024 and 2023**

---

#### **(3) Material Accounting Policies**

##### *1) Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at December 31, 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has power over the investee; 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. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The Group with less than a majority of the voting rights has rights that are sufficient to give it power when the investor has the practical ability to direct the relevant activities unilaterally. When assessing whether the Group's voting rights are sufficient to give it power, the Group considers all facts and circumstances, including:

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

Gain or loss on subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary. When the proportion of the equity held by non-controlling interests changes, the Group adjusts the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interests in the subsidiary. The Group attributes total comprehensive income to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

All intragroup transactions and related assets, liabilities, income and expenses are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Group.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

---

When the Group loses control of a subsidiary, a gain or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognized in other comprehensive income and accumulated in equity, the amounts previously recognized in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e., reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is recognized as the fair value on initial recognition for subsequent accounting under K-IFRS 1109 Financial Instruments: Recognition and Measurement, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

### *2) Investment in associates and joint ventures*

Associates are entities over which the Group has significant influence, but not control or joint control. Investments in associates are accounted for using the equity method of accounting after initially being recognized at cost. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. If there is an objective evidence of impairment for the investment in the associate, the Group recognizes the difference between the recoverable amount of the associate and its book amount as impairment loss.

A joint arrangement, wherein two or more parties have joint control, is classified as either a joint operation or a joint venture. A joint operator recognizes its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. Interests in joint ventures are accounted for using the equity method after initially being recognized at cost in the consolidated statements of financial position. If there is an objective evidence of impairment for the investment in the joint venture, the Group recognizes the difference between the recoverable amount of the joint venture and its book amount as impairment loss.

Under the equity method, changes in net assets of investees are recognized in accordance with sources, and changes in the Group's share of its profit or losses in investments accounted for using the equity method are adjusted to profit or loss, and any change in other comprehensive income and other components of equity of those investees is presented as part of the Group's other comprehensive income and other components of equity, respectively. In addition, if investees are able to distribute exceeding its retained earnings under the Special Act (e.g., the legislation of the Real Estate Investment Company Act), the entire amount of dividends on preferred share is recognized and accounted for in accordance with sources. In relation to this, the Group develops an accounting policy in order to bring consistency in the accounting treatment.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

---

When the Group invests in an indirect investment vehicle, which is a separate legal entity (REITs, REF, PFV, etc.) only for the execution of the relevant real estate development and operation project, classifies it as an investment in an associate or a joint venture and applies the equity method, any share of profit or loss of associates and joint ventures using the equity method arising from those share investments is classified and recognized as operating profit or loss (operating revenue or operating expenses). Since the real estate development and operation projects mainly realize profits and losses in the form of share deals or asset deals, it is judged that there is no difference between direct and indirect investments, and profit or loss related to the equity method classified as operating profit or loss is not limited to the share of net profit or loss accounted for using the equity method, and the same classification standards are applied to gains and losses on disposal recognized as a result of changes in shares or disposal of shares, or liquidation dividends from the sale of underlying assets, and impairment loss (reversal) due to impairment.

### *3) Goodwill*

Goodwill arising from business combinations is recognized at cost, net of accumulated impairment losses, at the date of acquiring control (acquisition date). For impairment testing, goodwill is allocated to the cash-generating unit (or group of cash-generating units) within the consolidated entity that is expected to benefit from the synergies of the business combination. Impairment tests are performed annually or whenever there are indicators of impairment for the cash-generating units to which goodwill has been allocated. If the recoverable amount of a cash-generating unit is less than its carrying amount, the impairment loss is first allocated to reduce the carrying amount of the goodwill allocated to the cash-generating unit, and any remaining impairment loss is then allocated proportionately to other assets in the cash-generating unit. Impairment losses on goodwill are recognized directly in profit or loss. Impairment losses recognized on goodwill cannot be reversed in subsequent periods. If the related cash-generating unit is disposed of, the amount of goodwill associated with it is included in determining the gain or loss on disposal.

### *4) Non-current assets held for sale*

The Group classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The criteria for held-for-sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment in an associate or, a portion of an investment in an associate, the investment, or the portion of the investment in the associate that will be disposed of, is classified as held for sale when the criteria described above are met, and the Group ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method. Upon loss of significant influence over the associate, the Group discontinues the use of the equity method at the point of sales.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

---

Even after the investment in an associate is sold, unless the equity method continues to be applied to the remaining holding of the investment in the associate, the Group accounts for the remaining investment held in the associate in accordance with K-IFRS 1109 Financial Instruments.

Non-current assets (or disposal group) classified as held for sale are measured at the lower of their previous carrying amount and the fair value, less costs to sell. When non-current assets (or disposal group) are expected to be disposed of, or liquidation of joint ventures and associates is scheduled, they are excluded from assets held for sale since they do not satisfy the purpose of continuing use.

### 5) Revenue recognition

The Group measures revenue as the fair value of the consideration received or receivable, stated net of value-added tax, sales returns, sales rebate and sales discount. The Group recognizes revenue when the amount of revenue can be reliably measured, and it is probable that future economic benefits will flow into the Group and fulfill the requirements for revenue recognition of the Group listed below.

#### ① Construction of real estate for sale

The Group constructs and sells office and residential real estate according to long-term contracts with customers. Such contracts are signed before construction of the real estate begins. According to the contract conditions, transferring the real estate to another customer is restricted and if the Group has the right to claim for enforceable payment with regard to work performed up to that point, revenue incurred from the real estate is recognized based on the percentage-of-completion method (in other words, actual cost to date as a proportion of the estimated total cost). Management has deemed the percentage-of-completion method to be an appropriate method for measuring the progress rate until performance obligations are satisfied in accordance with K-IFRS 1115.

Meanwhile, if the Group does not have the right to claim for enforceable payment with regard to work performed up to that point, revenue is recognized at a time when the control for the real estate is transferred to the customer.

The Group has a right to charge customers for the construction of real estate for sale according to the achievement of milestones related to a series of works. When a specific milestone is reached, the relevant statement of work signed by a third-party evaluator is sent and an invoice regarding milestone payments is issued. Contract assets recognized for all previously performed works are reclassified as receivables at the point in which claims are made to customers. If the amount paid for each milestone exceeds the revenue recognized up to that point under the percentage-of-completion method, the Group recognizes the difference as a contract liability. Since the difference between the point of revenue recognition according to the percentage-of-completion method and the point of milestone payment is generally more than one year, it is judged that there is a significant financing component in the construction contract with the customer, and the significant financing component is separated from the transaction price.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

---

The Group pays sales commission in relation to the sales contract of the real estate for sale. When the Group estimates that such incremental cost would be recovered, the incremental cost is capitalized and recognized as expenses at the point in which the control related to the real estate is transferred.

### ② Power plant construction

The Group enters into plant construction contracts with customers, including design, procurement and construction, such as wind power plants and solar power plants, and fulfills performance obligations over the contract period. The generated revenues are recognized over the period based on the percentage of completion. In these power plant constructions, manufactured main equipment required for operation is delivered from outside suppliers and installed, and there are cases where the cost of main equipment accounts for a high portion of the total projected cost. In this case, a faithful depiction of the Group's performance might be to recognize revenue at an amount equal to the cost of goods used to satisfy a performance obligation if the Group expects that all of the following conditions are met:

- The goods are not distinct and the customer is expected to obtain control of the goods significantly before receiving services related to the goods in accordance with K-IFRS 1115.
- The cost of the transferred goods is significant relative to the total expected costs to completely satisfy the performance obligation.
- The Group procures the goods from a third party and is not significantly involved in designing and manufacturing the goods.

### ③ Rental income

The Group recognizes rental income from investment properties and master leases over the lease term based on monthly rental expenses. The rental income of the Group is generated by contract with a certain rental income corresponding to the leased area and rental income that fluctuates in proportion to the business performance of the lessee generated within the leased area. A certain rental income corresponding to the leased area is determined based on the lease contract, and the rental income, which fluctuates in proportion to the lessee's business performance, is determined by a monthly settlement. The Group issues monthly bills for each of the two types of rental income.

### ④ Sale of merchandises

The Group sells furniture, including selling and installing finished furniture. In accordance with K-IFRS 1115, the Group identifies distinct performance obligations in contracts with customers and determines whether the respective identified performance obligation is satisfied at a point in time or over a period of time. The Group identifies a good or service that is promised to a customer as a distinct performance obligation if 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 the entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract. For distinct performance obligations, the Group allocates the transaction price in proportion to those stand-alone selling prices, or if a stand-alone selling price is not directly observable, the Group estimates the stand-alone selling price at an amount that would result in the allocation of the transaction price meeting the allocation objective. Among the EPC contracts in which the Group participates in businesses, such as fuel cells, sales of merchandises (supply of main equipment, etc.) that fall under 'P

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

---

(Procurement)' are identified as performance obligations that are distinct from other promises in the contract so that a customer can recognize the revenue at the selling price when the customer notifies the product acceptance.

### ⑤ Sale of finished goods

The Group sells electricity produced through wind and solar power generation. Revenues from electricity generation are classified into SMP revenue and REC revenue and the respective supply corresponds to a series of distinct goods or services and, accordingly, is identified as a single performance obligation. Control of the finished goods is transferred when the finished goods are delivered to a customer and revenue is recognized at the same time.

### ⑥ Rendering of services

Commission income arises from services in various ranges provided to customers. Revenue from contracts with customer is recognized when control of the services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. The revenue from rendering of services is recognized over time by measuring the percentage of completion when the performance of service transactions can be reliably estimated. When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognized only to the extent of the expenses recognized that are recoverable.

### 6) Foreign currency translation

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

In preparing the consolidated financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in profit or loss in the period in which they arise, except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation).

These exchange differences are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

---

### *7) 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.

Investment income earned on the temporary investment of specific borrowings on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

### *8) Pension and other postemployment benefits*

Contributions to defined contribution plans are recognized as an expense when employees have rendered service that entitles them to the contributions.

For a defined benefit plan, the defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset), are recognized immediately in the consolidated statements of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements recognized in the consolidated statements of comprehensive income are immediately recognized in retained earnings and are not reclassified to profit or loss in subsequent periods. Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognizes related restructuring costs or termination benefits. The Group recognized gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are composed of service cost (including current service cost and past service cost, as well as gains and losses on curtailments and settlements), net interest expense (income) and remeasurement.

The Group presents the service cost and net interest expense (income) components in profit or loss and the remeasurement component in other comprehensive income. Curtailment gains and losses are accounted for as past service costs.

Net defined benefit assets in the consolidated statements of financial position are limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

---

### 9) Share-based payments

The cost of equity-settled transactions granted to employees and similar service providers is determined by the fair value at the date when the grant is made. Vesting conditions, other than market conditions, are not taken into account when estimating the fair value of equity instruments. Further details of determination on fair value of equity-settled transactions are given in Note 27.

The fair value of equity-settled share-based payment transactions determined at grant date is expensed on a straight-line basis over the vesting period based on the Group's estimates for equity instruments to be vested. The Group corrects the estimates for the quantity of equity instruments expected to be vested as a result of vesting conditions, other than market conditions, at the end of each reporting period. The effect of corrections to initial estimates is recognized in profit or loss over the remaining vesting period so that corrections are recorded in cumulative costs and reflected in other components of equity.

Equity-settled share-based payment transactions vested to counterparties other than employees are measured at fair value of goods or services provided. However, if the fair value of goods or services provided cannot be reliably estimated, it is measured based on the fair value of equity instruments vested at the date in which goods or services are provided.

Under cash-settled share-based payment plan, a liability for a consideration of goods or services provided is initially recognized at fair value. Until the liability is settled, the Group is required to remeasure the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in value recognized in profit or loss for the year.

### 10) Taxes

The tax expense for the period consists of current and deferred taxes. Current and deferred taxes are recognized in profit or loss, except to the extent that they relate to items recognized in other comprehensive income or directly in equity, in which case the taxes are also recognized in other comprehensive income or directly in equity, respectively.

The current income tax expense is measured at the amount expected to be paid to the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. The Group recognizes the current income tax expense based on the amount expected to be paid to a taxation authority.

Deferred income tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.



# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

---

The Group recognizes as deferred tax liability all taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, except to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. In addition, the Group recognizes a deferred tax asset for all deductible temporary differences arising from such investments to the extent that it is probable the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority and when the Group intends to settle on a net basis simultaneously.

### *11) Property, plant and equipment*

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, which is an expenditure arising directly from the construction or acquisition of the item of property, plant and equipment and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are included in profit or loss during the financial period in which they are incurred.

Depreciation of all property, plant and equipment, except for land, is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

	Useful lives
Buildings and structures	14 years, 15 years, 20 years and 40 years
Machinery	7 years, 14 years, 15 years and 20 years
Tools and equipment	5 years
Supplies	4 years, 5 years and 8 years
Others	5 years, 10 years and 17 years

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method, residual value and the useful life of an asset are reviewed at the end of each reporting period, and if changes are considered, as appropriate, such changes are treated as changes in accounting estimates.

The book amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and included in profit or loss when the item is derecognized.

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

---

*12) Leases*

① Group as a lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. For lease arrangements where the Group is the lessee, the Group recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements, except for short-term leases (lease terms of 12 months or less) and leases of low-value underlying assets. Unless another systematic basis better represents the pattern of benefits to the lessee, the Group recognizes lease payments for short-term leases and leases of low-value underlying assets as expenses on a straight-line basis over the lease term.

①-1) Right-of-use assets

The right-of-use asset comprises the initial measurement amount of the lease liability, lease payments made at or before the commencement date (less any lease incentives received) and any initial direct costs incurred by the lessee. The right-of-use asset is subsequently measured at cost, less accumulated depreciation and accumulated impairment losses.

The estimated costs to dismantle and remove the underlying asset, restore the site on which it is located or restore the underlying asset itself as required by the lease terms are recognized and measured according to K-IFRS 1037 'Provisions, Contingent Liabilities and Contingent Assets.' If these costs are not incurred to produce inventories, they are included as part of the cost of the right-of-use asset.

If ownership of the underlying asset transfers to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee depreciates the right-of-use asset from the commencement date to the end of the useful life of the right-of-use asset. Otherwise, the lessee depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies K-IFRS 1036 'Impairment of Assets' to determine whether the right-of-use asset is impaired.

Variable lease payments, which are not based on an index or rate (but excluding those that vary according to an index or rate), are not included in the measurement of the right-of-use asset and lease liability. These payments are recognized in profit or loss in the period in which the event or condition that triggers those payments occurs.

As a practical expedient, a lessee may elect, by class of underlying asset, not to separate non-lease components from lease components and instead account for each lease component and any associated non-lease components as a single lease component. The Group uses this practical expedient. For contracts containing a lease component and one or more additional lease or non-lease components, the lessee allocates the consideration in the contract to each lease component based on the relative stand-alone price of the lease and non-lease components.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

### As at and for the Years Ended December 31, 2024 and 2023

---

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful lives of the assets as follows:

	Useful lives
Properties	1–20 years
Vehicles	1–4 years

#### ①-2) Lease liabilities

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If the interest rate implicit in the lease cannot be readily determined, the lessee's incremental borrowing rate (IBR) is used.

The IBR varies depending on the lease term, currency and the start date of the lease, and is determined based on input variables, including:

- Risk-free interest rates based on government bond yields
- Company-specific risk adjustments
- Credit risk adjustments based on bond yields
- Adjustments specific to the lessee if the lessee's risk characteristics differ from those of the Company and the lease does not benefit from the Company's guarantee

The lease payments included in the measurement of the lease liability comprise the following amounts:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and reducing the carrying amount to reflect the lease payments made.

# **SK D&D Co., Ltd. and Subsidiaries**

## **Notes to the Consolidated Financial Statements**

### **As at and for the Years Ended December 31, 2024 and 2023**

---

The lease liability is remeasured with a corresponding adjustment to the related right-of-use asset in the following cases:

- If there is a change in the lease term or a significant event or change in circumstances that results in a change in the assessment of the exercise of a purchase option. In this case, the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- If there is a change in the lease payments due to changes in an index or rate or if there is a change in the amounts expected to be payable under a residual value guarantee. In this case, the lease liability is remeasured by discounting the revised lease payments using the unchanged discount rate, unless the change in lease payments is due to a change in a floating interest rate, in which case a revised discount rate is used.
- If the lease contract is modified and the modification is not accounted for as a separate lease, the lease liability is remeasured based on the modified lease term by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

#### **①-3) Short-term leases and leases of low-value assets**

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

#### **② Group as a lessor**

The Group classifies each lease as either an operating lease or a finance lease. A lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset is classified as a finance lease, while a lease that does not transfer substantially all of the risks and rewards incidental to ownership of the underlying asset is classified as an operating lease.

If the Group is a middle lessor, it accounts for head leases and subleases as two separate contracts. The Group classifies subleases as finance leases or operating leases based on the right-of-use asset arising from the head lease rather than the underlying asset.

For operating leases, the Group recognizes lease revenue on a straight-line basis or using another systematic basis if that better represents the reduction in the benefit derived from the right-of-use asset. The Group capitalizes the initial direct costs incurred in obtaining the operating lease and recognizes them as an expense over the lease term, consistent with the recognition of lease revenue.

Payments received from lessees under finance leases are recognized as lease receivables, representing the Group's net investment in the lease. The Group allocates finance income over the lease term using the effective interest method, reflecting a constant periodic rate of return on the net investment.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

---

After initial recognition, the Group periodically reviews the estimated unguaranteed residual value and applies the requirements of K-IFRS 1109 'Financial Instruments' to recognize expected credit losses on lease receivables as impairment allowances.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivable. However, for impaired finance lease receivables, finance income is calculated with reference to the net carrying amount (i.e., after deduction of impairment allowances).

In contracts with both lease and non-lease components, the Group applies K-IFRS 1115 'Revenue from Contracts with Customers' to allocate the consideration to each distinct component.

### *13) Investment properties*

Investment properties are properties held to earn rentals or for capital appreciation or both. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at depreciated cost (less any accumulated impairment losses).

While land is not depreciated, buildings are depreciated using the straight-line method over 32 years and 40 years as estimated useful lives. In addition, buildings accounted for as investment properties with adoption of K-IFRS 1116 Leases are depreciated using the straight-line method over the shorter of the lease term and the estimated useful lives.

### *14) Intangible assets*

#### **① Separately acquired intangible assets**

Separately acquired intangible assets with finite useful lives are carried at cost, less any accumulated amortization and accumulated impairment losses. Intangible assets with finite lives are amortized over the useful economic life. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. If changes are considered as appropriate, such changes are treated as changes in accounting estimates. Separately acquired intangible assets with indefinite useful lives are carried at cost, less accumulated impairment losses.

#### **② Derecognition of intangible assets**

An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. It is recognized in profit or loss when the asset is derecognized.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

### As at and for the Years Ended December 31, 2024 and 2023

---

#### ③ Amortization of intangible assets

Membership rights and other intangible assets with an indefinite useful life are not subject to amortization, and other intangible assets except for membership rights are amortized using the straight-line method over the estimated economic useful lives by the following individual asset:

	Useful lives
Patents	5 years, 10 years
Trademarks	5 years
Software	5–15 years
Others	5 years

#### 15) Impairment of property, plant and equipment and intangible assets other than goodwill

The Group assessed, at the end of each reporting period, whether there is an indication that property, plant and equipment and intangible assets other than goodwill may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. The Group estimated the individual asset's recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs; otherwise, they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication of impairment.

An asset's recoverable amount is the higher of an asset's or CGU's fair value, less costs of disposal and its value in use. 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, and the reduced amount is recognized in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or the CGU) is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or the CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

#### 16) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the specific identification method. Cost of inventories includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Net realizable value represents the estimated selling price in the ordinary course of business, less all estimated costs of completion and costs necessary to make the sale.

# **SK D&D Co., Ltd. and Subsidiaries**

## **Notes to the Consolidated Financial Statements**

**As at and for the Years Ended December 31, 2024 and 2023**

---

Cost of sales is recognized as a carrying amount of the inventories in the period they are sold, and the amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as expenses when occurred. In addition, the amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

### *17) Provisions*

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material). The discount rate used is a pretax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage is recognized in profit or loss within finance costs.

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

At the end of each reporting period, the remaining provision balance is reviewed and assessed to determine if the current best estimate is being recognized. If the existence of an obligation to transfer economic benefit is no longer probable, the related provision is reversed during the period.

### *18) Cash and Cash Equivalents*

Cash equivalents are highly liquid short-term investments (typically with maturities of three months or less) that are easily convertible into known amounts of cash and have minimal risk of value changes. Cash equivalents are held for the purpose of meeting short-term cash demands rather than for investment or other purposes.

Bank balances with third-party restrictions, where such restrictions do not render the bank balances no longer meet the definition of cash, are included as part of cash. If contractual restrictions on the use of cash exceed 12 months after the end of the reporting period, the related amounts are classified as non-current assets in the consolidated statements of financial position.

For the purpose of the consolidated statements of cash flows, cash and cash equivalents consist of the cash and cash equivalents defined above and the net amount of bank overdrafts that are repayable on demand according to the requirements of financial institutions and form part of the Group's cash management. Such bank overdrafts are presented as short-term borrowings in the consolidated statements of financial position.

# **SK D&D Co., Ltd. and Subsidiaries**

## **Notes to the Consolidated Financial Statements**

### **As at and for the Years Ended December 31, 2024 and 2023**

---

#### *19) Financial instruments*

Financial assets and financial liabilities are recognized in the consolidated statements of financial position when, and only when, the Group becomes a party to their contractual provisions. Financial assets and financial liabilities are measured at fair value at initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets and issue of financial liabilities are deducted from or added to the fair value of the financial assets or financial liabilities, as appropriate, at initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets at fair value through profit or loss or issue of financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

#### *20) Financial assets*

A regular-way purchase or sale of financial assets is recognized and derecognized, as applicable, using trade-date accounting. A regular-way purchase or sale of a financial asset represents a contract whose terms require delivery of the asset within the timeframe established generally by regulation or convention in the marketplace concerned.

All financial assets recognized are subsequently measured at amortized cost or fair value according to the classification of financial assets.

##### **① Classification of financial assets**

A debt instrument is measured at amortized cost if both of the following conditions are met:

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

A debt instrument is measured at fair value through other comprehensive income if both of the following conditions are met:

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

All other financial assets are subsequently measured at fair value through profit or loss.

Nevertheless, the Group may make the following irrevocable choices or designations at the time of initial recognition of financial assets.

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (①-3) below).



# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

---

- The Group may irrevocably designate a debt investment that meets the amortized cost or fair value through other comprehensive income criteria as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch (see (①-4) below).

### ①-1) Amortized cost and effective interest rate method

The effective interest method is a method of calculating the amortized cost of a debt instrument and allocating interest income over the relevant period. For financial assets other than purchased or originated credit-impaired financial assets (i.e., assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding ECLs, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including ECLs, to the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition, minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of the financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at fair value through other comprehensive income. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired. For financial assets that have subsequently become credit impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit impaired-financial instrument improves so that the financial asset is no longer credit impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognizes interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit impaired.

Interest income is recognized in profit or loss and is included in the "finance income" line item.

### ①-2) A debt instrument classified as an item at fair value through other comprehensive income

The debt instruments are initially measured at fair value, plus transaction costs. Subsequently, changes in the carrying amount of these debt instruments as a result of foreign exchange gains and losses, impairment gains or losses and interest income calculated using the effective interest method are recognized in profit or loss. The amounts that are recognized in profit or loss are the same as the amounts that would have been recognized in profit or loss if these debt instruments had been measured at amortized cost. All other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and accumulated under the

# **SK D&D Co., Ltd. and Subsidiaries**

## **Notes to the Consolidated Financial Statements**

### **As at and for the Years Ended December 31, 2024 and 2023**

---

heading of investments revaluation reserve. When these debt instruments are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

#### **①-3) An equity instrument designated as an item at fair value through other comprehensive income**

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

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

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

Dividends on investments in equity instruments are recognized as finance income in the consolidated statements of comprehensive 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 other comprehensive income.

#### **①-4) Financial assets at fair value through profit or loss**

Financial assets that do not qualify for requirements of measurement at amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss.

- Investments in equity instruments are classified as at fair value through profit or loss, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at fair value through other comprehensive income on initial recognition (see (①-3) above).
- Although a debt instrument meets the requirements of items measured at amortized cost or fair value through other comprehensive income, if it is designated as an item measured at fair value through profit or loss, it may be designated as an item measured at fair value through profit or loss at initial recognition in case where the accounting mismatch is eliminated or significantly reduced (see ① above).

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

---

Financial assets at fair value through profit or loss are measured at fair value at the end of each reporting period, and gain or loss arising from changes in fair value, excluding the portion designated as hedging relationship is recognized in profit or loss. Net gain or loss recognized in profit or loss includes dividends obtained from financial assets and recognized within 'finance income' (see Note 3). Interest income from financial assets at fair value through profit or loss is recognized within 'finance income' (see Note 3). Fair value is determined using the valuation method described in Note 34.

### ② Gain or loss on foreign currency translation

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'finance income or costs' line item (see Note 3).

- For debt instruments measured at fair value through other comprehensive income that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in profit or loss in the 'finance income or costs' line item. Other exchange differences are recognized in other comprehensive income in the investments revaluation reserve.

- For financial assets measured at fair value through profit or loss that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'finance income or costs.'

- For equity instruments measured at fair value through other comprehensive income, exchange differences are recognized in other comprehensive income in the investments revaluation reserve.

### ③ Impairment of financial assets

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

The Group always recognizes lifetime ECL for trade receivables, contract assets and lease receivables. The ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current, as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, for credit exposures for which there has not been a significant increase in credit risk since initial recognition, loss allowance is measured at a 12-month ECL.

# **SK D&D Co., Ltd. and Subsidiaries**

## **Notes to the Consolidated Financial Statements**

### **As at and for the Years Ended December 31, 2024 and 2023**

---

Lifetime ECL represents the ECLs that will result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from all default events that are possible within the 12 months after the reporting date.

#### **③-1) Determining significant increases in credit risk**

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as of the reporting date with the risk of a default occurring on the financial instrument as of the date of initial recognition. To make that assessment, the Group considers reasonable and supportable quantitative/qualitative information, including the historical experiences and forward-looking information, that is available without undue cost or effort. The forward-looking information used by the Group includes various external materials in relation to current and future economic information of the Group's main business, as well as the future outlook of industry of the Group's borrowers available from reports of economic experts, financial analysts, governmental institutions, the relevant think tanks and similar institutions.

The Group considers the following matters when assessing whether the credit risk on a financial instrument has increased significantly since initial recognition.

- An actual or expected significant change in the financial instrument's internal and external credit rating (if available).
- Significant changes in external market indicators of credit risk for a particular financial instrument Changes in market indicators of credit risk include, but are not limited to: (1) the credit spread, (2) a significant increase in the credit default swap prices for the borrower and (3) the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost.
- An actual or expected significant adverse change in the borrower's business performance.
- Significant increases in credit risk on other financial instruments of the same borrower.
- An actual or expected significant adverse change in the regulatory, economic or technological environment of the borrower that results in a significant change in the borrower's ability to meet its debt obligations.

Regardless of the assessment results, the Group assumes that the credit risk of a financial instrument has increased significantly when the contractual payments are past due for more than 90 days, and recognizes 100% impairment for these past-due receivables (however, for pledged receivables, impairment is recognized only for excess of collateral).

Despite the above matters, the Group may assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. The credit risk on a financial instrument is considered low, if (1) the financial instrument has a low risk of default, (2) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (3) the borrower may have a low capacity to meet its contractual cash flow obligations in the long-term due to adverse changes in economic and business environment, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

---

In accordance with the global practices, the Group considers that the financial assets whose external credit rating is higher than 'investment grade' or the Group's internal credit rating is 'normal' (for those not rated by the independent credit rating agencies) to have a low credit risk. 'Normal' rate indicates that the counterparty has a sound financial position and there is no past-due amount.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment shall be considered to be the date of initial recognition for the purposes of applying the impairment requirements. In order to assess whether the credit risk on financial guarantee contracts has increased since initial recognition, the Group considers the changes in the risk of the specific borrower's failure to meet its contractual obligation.

The Group regularly reviews the effectiveness of criteria used to determine whether the credit risk on a financial instrument has increased significantly since initial recognition. In addition, the Group modifies such criteria in an appropriate way to ensure the determination of significant increases of credit risk since initial recognition before the criteria become past due.

### ③-2) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes, as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due, unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

### ③-3) Credit-impaired financial assets

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

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the issuer or borrower (see ③-2) above);
- a breach of contract, such as default or delinquency in interest or principal payments;
- the Group, for economic or legal reasons relating to the borrower's financial difficulty, granting the borrower a concession that the Group would not otherwise consider;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for the financial asset because of financial difficulties.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

---

### ③-4) Write-off policies

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are more than three years past due, whichever occurs sooner. Financial assets that were written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate.

### ③-5) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss-given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss-given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used in determining the expected credit losses are consistent with the cash flows used in measuring the lease receivable in accordance with K-IFRS 1116.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs, less any amounts that the Group expects to receive from the holder, the debtor or any other party.

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

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

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

---

*21) Financial liabilities and equity instruments*

① Classification of financial liabilities and equity

Debt instruments and equity instruments are allocated into financial liabilities and equity in accordance with the definition of the financial asset and liability.

② Equity instruments

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

When the Group reacquires its own shares, those shares are deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of an entity's own equity instruments.

③ Compound financial instruments

The convertible bonds are allocated into financial liabilities and equity in accordance with the definition of the financial asset and liability. Convertible option that can be settled by exchanging financial asset, such as fixed amount of cash for the fixed number of treasury shares, is equity instruments.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. The amount is recognized as liability at amortized cost using effective interest method until extinguishment due to conversion or maturity of the financial instrument.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, consideration for conversion classified as equity remains in equity until the conversion option is exercised and when the consideration for conversion is exercised, the amount recognized as equity is transferred to share premium. There is no gain or loss to be recognized as profit or loss when the convertible bonds are converted to equity instruments or extinguished.

Transaction cost in relation to issuance of convertible bond is allocated to liabilities and equity in proportion to total issuance cost. The transaction cost related to equity is directly recognized in equity, and the transaction cost related to liabilities is included in book value and amortized over remaining period of convertible bond in accordance with the effective interest method.

④ Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is contingent consideration that may be paid by an acquirer as part of a business combination, or held for trading, or it is designated as at fair value through profit or loss.

# **SK D&D Co., Ltd. and Subsidiaries**

## **Notes to the Consolidated Financial Statements**

### **As at and for the Years Ended December 31, 2024 and 2023**

---

A financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of repurchasing in the near term.
- On initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit taking.
- It is a derivative that is not designated and is effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at fair value through profit or loss upon initial recognition, if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise.
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis.
- It forms part of a contract containing one or more embedded derivatives, and K-IFRS 1109 permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are measured at fair value, with any gains or losses arising on changes in fair value recognized in profit or loss to the extent that they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'finance costs' line item in consolidated statements of comprehensive income.

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

Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as fair value through profit or loss are recognized in profit or loss.

#### **⑤ Financial liabilities at amortized cost**

Financial liabilities measured at amortized cost are financial liabilities that are not (a) contingent consideration of an acquirer in a business combination, (b) held-for-trading or (c) designated as fair value through profit or loss, are measured subsequently at amortized cost using the effective interest method.



# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

---

The effective interest method is a method of calculating the amortized cost of a financial liability and allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments, including all fees and points paid or received (that form an integral part of the effective interest rate) transaction costs and other premiums or discounts through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### ⑥ Financial guarantee liabilities

A financial guarantee contract requires the issuer (the Group) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contract liabilities are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at the higher of:

- the amount of loss allowance, as determined in accordance with K-IFRS 1109 (see 'Financial assets' above)
- the amount initially recognized, less cumulative amortization recognized in accordance with K-IFRS 1115

### ⑦ Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments. These foreign exchange gains and losses are recognized in the 'finance income or costs' line item in profit or loss (see Note 3) for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, foreign exchange gains and losses are recognized in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss for financial liabilities that are not part of a designated hedging relationship.

### ⑧ Derecognition of financial liabilities

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

# **SK D&D Co., Ltd. and Subsidiaries**

## **Notes to the Consolidated Financial Statements**

### **As at and for the Years Ended December 31, 2024 and 2023**

---

#### *22) Derivative financial instruments*

The Group entered into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts, interest and currency swaps.

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

A derivative with a positive fair value is recognized as a financial asset and a derivative with a negative fair value is recognized as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

#### **① Embedded derivatives**

Embedded derivatives are components of hybrid instruments that include contracts other than derivatives, and they have effects similar to those of independent derivatives in modifying some cash flows of the hybrid instrument.

Embedded derivatives contained in hybrid contracts that include financial assets within the scope of K-IFRS 1109 are not separated. The entire hybrid contract is classified and subsequently measured at amortized cost or fair value.

Embedded derivatives contained in hybrid contracts, including K-IFRS 1109 other than financial assets within the scope of K-IFRS are accounted for as separate derivatives if the embedded derivatives meet the definition of derivatives, and the characteristics and risks of the embedded derivatives are not closely related to the characteristics and risks of the host contract, and if the host contract is not measured at fair value through profit or loss.

An embedded derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and it is not expected to be realized or settled within 12 months. Other embedded derivatives are presented as current assets or current liabilities.

#### **② Hedge accounting**

The Group designates specific derivative instruments as risk management instruments for hedging fair value risks or cash flow risks related to foreign exchange and interest rates. Foreign currency risk hedges for firm commitments are accounted for as cash flow hedges.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

### As at and for the Years Ended December 31, 2024 and 2023

---

At the inception of the hedge, the Group documents the relationship between the hedging instruments and hedged items based on the purpose and strategy of risk management. Furthermore, the Group documents whether the hedging instruments effectively offset the fair value or cash flow fluctuations of the hedged items due to the hedged risks during the hedging relationship's inception and subsequent periods. The effectiveness of the hedging relationship is considered effective if it meets the following requirements:

- There is an economic relationship between the hedged items and hedging instruments.
- The effect of credit risk is not dominant over the economic relationship between the hedged items and hedging instruments.
- The ratio of the hedging effectiveness of the hedging relationship matches the ratio of the quantities of the hedging instruments actually used by the Group to hedge the quantities of hedged items to avoid the risks of the hedged items.

If the hedging relationship no longer meets the effectiveness requirements related to the hedge ratio, but the risk management objectives for the designated hedging relationship remain the same, the Group adjusts the hedge ratio of the hedging relationship to meet the conditions for reapplication of the hedging relationship.

The Group designates the entire fair value changes (including forward elements) of forward contracts as hedging instruments for the entire hedging relationship that includes forward contracts.

The Group designates only the intrinsic value of option contracts as hedging instruments when using option contracts to hedge anticipated transactions. Under K-IFRS 1039, the time value changes of options (i.e., unspecified elements) were immediately recognized in profit or loss. However, under K-IFRS 1109, the time value changes of options related to hedged items are recognized in other comprehensive income, and the cumulative amount recognized in equity is reclassified to profit or loss during the period when the hedged items affect profit or loss or removed from equity and directly included in the carrying amount of non-financial items.

The Group designates only the intrinsic value of option contracts as hedging instruments. The time value of the corresponding options is recognized in other comprehensive income and accumulated in the hedging cost reserve. If the hedged item is transaction-related, the time value is reclassified to profit or loss when the hedged item affects profit or loss. If the hedged item is period-related, the accumulated amount in the hedging cost reserve is reclassified to profit or loss based on a rational basis, and the Group applies a fixed amortization. The reclassified amount is recognized in profit or loss as the same item as the hedged item. If the hedged item is a non-financial item, the accumulated amount in the hedging cost reserve is directly removed from equity and included in the initial carrying amount of the recognized non-financial item. Additionally, if the hedging cost is in a deficit and it is expected that all or part of the deficit will not be recovered in future periods, the amount is immediately reclassified to profit or loss.

#### ②-1) Fair value hedges

Gains or losses on eligible hedging instruments are recognized in profit or loss. However, if the hedging instrument is designated to hedge an equity instrument classified as other comprehensive income - fair value measurement, gains or losses on the hedging instrument are recognized in other comprehensive income.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

---

The carrying amount of hedged items not measured at fair value is adjusted for fair value changes attributable to the hedged risk and recognized in profit or loss. For other comprehensive income - fair value measurement liabilities, as their carrying amounts already correspond to fair value, gains or losses attributable to the hedged risk are recognized in profit or loss instead of other comprehensive income. If the hedged item is an equity instrument designated as other comprehensive income - fair value measurement, gains or losses attributable to the hedged risk are retained in other comprehensive income to offset against the gains or losses on the hedging instrument.

When gains or losses attributable to the hedged risk are recognized in profit or loss, they are recognized against the related items associated with the hedged item.

Hedge accounting is discontinued only when the conditions for hedge accounting are no longer met. This includes situations where the hedging instrument is extinguished, sold, terminated or exercised. Discontinuation is accounted for prospectively. The fair value adjustment on the carrying amount of the hedged item attributable to the hedged risk is amortized from the date of discontinuation and recognized in profit or loss.

### ②-2) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognized in profit or loss, in the same line of the consolidated statement of comprehensive income as the recognized hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised or it no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

### 23) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of K-IFRS 1102 Share-based payment, that leasing transactions are within the scope of K-IFRS 1116 Leases, and measurements have some similarities to fair value, but are not fair value, such as net realizable value in K-IFRS 1002 Inventories, or value in use in K-IFRS 1036 Impairment of Assets.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

---

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- All inputs other than quoted prices included in Level 1 that are observable (either directly that is, prices, or indirectly that is, derived from prices) for the asset or liability (Level 2).
- Unobservable inputs for the asset or liability (Level 3).

#### **(4) Material Judgement and Key Sources of Estimation Uncertainty**

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The items below are important judgments separate from those related to estimation, which are made by management in the process of applying the Group's accounting policies, and have the most important effect on the amount recognized in the consolidated financial statements.

##### *1) Uncertainty in estimation of total construction revenue and costs*

The amount of due from customers is affected by the progress rate measured based on the actual accumulated contract cost generated, and the total construction revenue is estimated based on future estimates. Total contract revenue is measured based on contractual amount initially agreed. However, the contract revenue can be increased by additional contract work and others in the course of construction, or decreased by the penalty when the completion of contract is delayed due to the Group's fault. Therefore, total contract costs and contract revenue are affected by the uncertainty of the result of future events.

##### *2) Significant increase in credit risk*

As explained in 3-(18)-③ above, for credit exposures for which there has not been a significant increase in credit risk since initial recognition, loss allowance is measured at a 12-month ECL, and for those credit exposures for which there has been a significant increase in credit risk since initial recognition, or asset has been impaired, a loss allowance is measured at a lifetime ECL. K-IFRS 1109 does not define what constitutes a significant increase in credit risk. When assessing whether the credit risk of an asset has increased significantly, the Group considers quantitative and qualitative, reasonable and supportable forward-looking information.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

---

### *3) Defined benefit plan*

The Group's defined benefit obligation is determined based on the actuarial valuation carried out at the end of each annual reporting period. Actuarial assumptions are the Group's best estimates of the variables in determining the cost of providing retirement benefits, such as discount rates, rates of expected future salary increases and mortality rates.

### *4) Useful lives of property, plant and equipment and intangible assets*

Useful lives and depreciation and amortization method of property, plant and equipment and intangible assets are reviewed at the end of each reporting period. It is required to estimate whether it is appropriate to be changed. In these estimation processes, the management's judgments take an important role.

### *5) Fair value measurement of financial instruments*

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain type of financial instruments. Note 34 provides detailed information about key assumptions used in the determination of the fair value of financial instruments, as well as the detailed sensitivity analysis for these assumptions. The directors believe that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of financial instruments.

### *6) Leases – estimating the IBR*

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay,' which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

### *7) Deferred tax*

Recognition and measurement of deferred tax assets and liabilities requires significant management judgment. Especially, when determining if deferred tax assets will be realizable or not in the future, it involves significant management assumptions and judgment on the Group's future performance.

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

**3. FINANCIAL INSTRUMENTS:**

(1) Carrying amounts of financial assets by category as at December 31, 2024 and 2023, are as follows:

(In Korean won)

	2024				
	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Derivatives designated as hedging	Derivatives not designated as hedging	Total
<b>Current</b>					
Cash and cash equivalents	₩ 44,126,156,972	₩ -	₩ -	₩ -	₩ 44,126,156,972
Short-term financial instruments	84,126,796,670	117,171,933,873	-	-	201,298,730,543
Short-term loans	4,907,853,760	-	-	-	4,907,853,760
Current portion of long-term loans	71,992,000	-	-	-	71,992,000
Trade and other receivables <sup>1</sup>	24,676,151,338	-	-	-	24,676,151,338
Derivative assets	-	-	342,474,389	7,136,007,492	7,478,481,881
Other current financial assets	696,821,062	-	-	-	696,821,062
Subtotal	158,605,771,802	117,171,933,873	342,474,389	7,136,007,492	283,256,187,556
<b>Non-current</b>					
Long-term financial instruments	1,309,060,645	-	-	-	1,309,060,645
Long-term investment assets	-	54,042,439,713	-	-	54,042,439,713
Long-term loans	36,555,741,824	-	-	-	36,555,741,824
Other non-current financial assets	4,145,971,808	-	-	-	4,145,971,808
Subtotal	42,010,774,277	54,042,439,713	-	-	96,053,213,990
Total	₩ 200,616,546,079	₩ 171,214,373,586	₩ 342,474,389	₩ 7,136,007,492	₩ 379,309,401,546

<sup>1</sup> Lease receivables and non-financial receivables are excluded from trade and other receivables.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

	2023					
	Financial assets at amortized cost	Financial assets at fair value through profit or loss	Derivatives designated as hedging	Derivatives not designated as hedging	Total	
<b>Current</b>						
Cash and cash equivalents	₩ 191,224,060,041	₩ -	₩ -	₩ -	₩ 191,224,060,041	
Short-term financial instruments	119,828,910,665	26,177,058,035	-	-	146,005,968,700	
Short-term loans	21,067,422,100	-	-	-	21,067,422,100	
Current portion of long-term loans	6,060,868,932	-	-	-	6,060,868,932	
Trade and other receivables <sup>1</sup>	43,002,236,857	-	-	-	43,002,236,857	
Derivative assets	-	-	6,894,681,186	6,344,000,000	13,238,681,186	
Other current financial assets	3,637,750,959	-	-	-	3,637,750,959	
Subtotal	384,821,249,554	26,177,058,035	6,894,681,186	6,344,000,000	424,236,988,775	
<b>Non-current</b>						
Long-term financial instruments	72,967,164,647	-	-	-	72,967,164,647	
Long-term investment assets	-	51,760,133,103	-	-	51,760,133,103	
Long-term loans	155,791,040	-	-	-	155,791,040	
Derivative assets	-	-	-	865,389,624	865,389,624	
Other non-current financial assets	3,316,418,022	-	-	-	3,316,418,022	
Subtotal	76,439,373,709	51,760,133,103	-	865,389,624	129,064,896,436	
Total	₩ 461,260,623,263	₩ 77,937,191,138	₩ 6,894,681,186	₩ 7,209,389,624	₩ 553,301,885,211	

<sup>1</sup> Lease receivables and non-financial receivables are excluded from trade and other receivables.

(2) Carrying amounts of financial liabilities by category as at December 31, 2024 and 2023, are as follows:

(In Korean won)

	2024					
	Financial liabilities at amortized cost	Derivatives designated as hedging	Derivatives not designated as hedging	Total		
<b>Current</b>						
Trade and other payables <sup>1</sup>	₩ 20,487,416,290	₩ -	₩ -	₩ 20,487,416,290		
Short-term borrowings	35,000,000,000	-	-	35,000,000,000		
Current portion of long-term borrowings	366,323,952,245	-	-	366,323,952,245		
Current portion of debentures	87,968,279,589	-	-	87,968,279,589		
Other current financial liabilities	9,107,236,701	-	-	9,107,236,701		
Subtotal	518,886,884,825	-	-	518,886,884,825		
<b>Non-current</b>						
Long-term borrowings	231,957,023,991	-	-	231,957,023,991		
Debentures	31,966,998,266	-	-	31,966,998,266		
Derivative liabilities	-	455,055,481	570,000,000	1,025,055,481		
Other non-current financial liabilities	9,117,762,026	-	-	9,117,762,026		
Subtotal	273,041,784,283	455,055,481	570,000,000	274,066,839,764		
Total	₩ 791,928,669,108	₩ 455,055,481	₩ 570,000,000	₩ 792,953,724,589		

<sup>1</sup> Lease liabilities and non-financial liabilities are excluded from trade and other payables.



**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

(In Korean won)

	2023			
	Financial liabilities at amortized cost	Derivatives designated as hedging	Derivatives not designated as hedging	Total
<b>Current</b>				
Trade and other payables <sup>1</sup>	₩ 35,079,110,105	₩ -	₩ -	₩ 35,079,110,105
Short-term borrowings	59,000,000,000	-	-	59,000,000,000
Current portion of long-term borrowings	367,564,995,376	-	-	367,564,995,376
Current portion of debentures	201,459,592,795	-	-	201,459,592,795
Current derivative liabilities	-	51,491,861	-	51,491,861
Other current financial liabilities	9,883,273,097	-	-	9,883,273,097
Subtotal	672,986,971,373	51,491,861	-	673,038,463,234
<b>Non-current</b>				
Trade and other payables <sup>1</sup>	1,614,520,809	-	-	1,614,520,809
Long-term borrowings	491,530,563,791	-	-	491,530,563,791
Debentures	87,872,678,897	-	-	87,872,678,897
Derivative liabilities	-	422,784,085	5,907,000,000	6,329,784,085
Other non-current financial liabilities	98,606,516,263	-	-	98,606,516,263
Subtotal	679,624,279,760	422,784,085	5,907,000,000	685,954,063,845
Total	₩ 1,352,611,251,133	₩ 474,275,946	₩ 5,907,000,000	₩ 1,358,992,527,079

<sup>1</sup> Lease liabilities and non-financial liabilities are excluded from trade and other payables.

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

(In Korean won)	2024	2023	Restriction
Short-term financial instruments	₩ 79,126,796,670	₩ 116,828,910,665	Collateral for borrowings and others
Long-term financial instruments	1,309,060,645	72,967,164,647	Collateral for borrowings and others
Total	₩ 80,435,857,315	₩ 189,796,075,312	

(4) Cash and cash equivalents as at December 31, 2024 and 2023, consist of the following:

(In Korean won)	2024	2023
Ordinary deposits	₩ 44,126,156,972	₩ 96,224,060,041
Time deposits	-	95,000,000,000
Total	₩ 44,126,156,972	₩ 191,224,060,041

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

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

(In Korean won)

	2024					
	Profit or loss				Exchange differences	Other comprehensive income <sup>1</sup>
	Interest	Dividends	Valuation	Disposal		
<b>Financial assets</b>						
Financial assets at amortized cost	₩ 9,142,549,424	₩ -	₩ -	₩ -	₩ -	₩ -
Derivatives designated as hedging	-	-	398,968,271	87,648,500	-	(713,618,027)
Derivatives not designated as hedging	-	-	(73,382,132)	-	-	-
Financial assets at fair value through profit or loss	-	1,770,484,630	2,457,730,442	1,234,448,368	-	-
Total	₩ 9,142,549,424	₩ 1,770,484,630	₩ 2,783,316,581	₩ 1,322,096,868	₩ -	₩ (713,618,027)
<b>Financial liabilities</b>						
Financial liabilities at amortized cost	₩ (42,179,900,230)	₩ -	₩ (1,877,125,522)	₩ (696,221,031)	₩ (78,239,424)	₩ -
Derivatives designated as hedging	-	-	-	(218,898,786)	-	(239,017,733)
Derivatives not designated as hedging	-	-	5,337,000,000	-	-	-
Total	₩ (42,179,900,230)	₩ -	₩ 3,459,874,478	₩ (915,119,817)	₩ (78,239,424)	₩ (239,017,733)

<sup>1</sup> The amounts before applying tax effect

(In Korean won)

	2023					
	Profit or loss				Exchange differences	Other comprehensive income <sup>1</sup>
	Interest	Dividends	Valuation	Disposal		
<b>Financial assets</b>						
Financial assets at amortized cost	₩ 6,233,424,597	₩ -	₩ -	₩ -	₩ -	₩ -
Derivatives designated as hedging	-	-	313,314,457	398,485,012	-	(1,565,215,209)
Derivatives not designated as hedging	-	-	1,919,472,810	-	-	-
Financial assets at fair value through profit or loss	-	1,571,021,953	(7,475,186,795)	593,796,274	-	-
Total	₩ 6,233,424,597	₩ 1,571,021,953	₩ (5,242,399,528)	₩ 992,281,286	₩ -	₩ (1,565,215,209)
<b>Financial liabilities</b>						
Financial liabilities at amortized cost	₩ (25,654,920,309)	₩ -	₩ (1,874,110,910)	₩ -	₩ (2,878,795,257)	₩ -
Derivatives designated as hedging	-	-	-	(72,505,393)	-	-
Derivatives not designated as hedging	-	-	(5,907,000,000)	3,703,000,000	-	-
Total	₩ (25,654,920,309)	₩ -	₩ (7,781,110,910)	₩ 3,630,494,607	₩ (2,878,795,257)	₩ -

<sup>1</sup> The amounts before applying tax effect

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

**4. TRADE AND OTHER RECEIVABLES:**

- (1) Trade and other receivables and its provisions for impairment as at December 31, 2024 and 2023, are as follows:

<i>(In Korean won)</i>	<b>2024</b>		<b>2023</b>	
<b>Current</b>				
Trade receivables	₩	22,478,110,438	₩	38,509,020,491
Less: provision for impairment		(1,675,451,296)		(782,814,204)
Non-trade receivables		7,077,675,613		12,118,106,460
Less: provision for impairment		(125,048,161)		(7,699,714)
Finance lease receivables		466,642,269		1,211,900,971
Accrued income		2,197,173,972		1,865,971,521
Subtotal		<u>30,419,102,835</u>		<u>52,914,485,525</u>
<b>Non-current</b>				
Finance lease receivables		3,750,314		490,205,085
Total	₩	<u>30,422,853,149</u>	₩	<u>53,404,690,610</u>

- (2) Movements in the loss allowance provision for trade and other receivables for the years ended December 31, 2024 and 2023, are as follows:

<i>(In Korean won)</i>	<b>2024</b>		<b>2023</b>	
Beginning balance	₩	790,513,918	₩	884,221,806
Additions		1,059,577,900		2,285,499,664
Spin-off		(37,244,566)		-
Reversal		(12,347,795)		(2,379,207,552)
Ending balance	₩	<u>1,800,499,457</u>	₩	<u>790,513,918</u>

- (3) The aging analysis of trade and other receivables as at December 31, 2024 and 2023, are as follows:

<i>(In Korean won)</i>	<b>2024</b>			<b>2023</b>		
	Trade receivables	Other receivables	Total	Trade receivables	Other receivables	Total
Pledged receivables <sup>1</sup>	₩ 127,176,204	₩ -	₩ 127,176,204	₩ 106,015,574	₩ -	₩ 106,015,574
Unpledged receivables <sup>2</sup>						
Not past due	20,026,808,445	7,132,672,914	27,159,481,359	34,858,275,764	4,679,449,193	39,537,724,957
1-30 days past due	46,714,404	544,775,322	591,489,726	1,348,186,897	2,954,170	1,351,141,067
31-90 days past due	34,768,802	1,881,715,232	1,916,484,034	422,721,210	8,325,730,582	8,748,451,792
Past due over 90 days	2,242,642,583	186,078,700	2,428,721,283	1,773,821,046	2,678,050,092	4,451,871,138

<sup>1</sup> Aging analysis is omitted for pledged receivables in accordance with credit policies.

<sup>2</sup> The Group performs collective credit analysis in accordance with expected credit losses and individual assessment for unpledged receivables.

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

---

**5. CONTRACT COSTS:**

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

<i>(In Korean won)</i>	<b>2024</b>	<b>2023</b>
Costs of obtaining a contract	₩ 5,013,214,951	₩ 8,258,471,314

Costs of obtaining a contract are the amount related to sales commission paid to agent as a result of sales contract of real estate including office and others, and these costs are recognized as expenses when the Group has transferred the control related to that real estate to customers. Meanwhile, there is no impairment loss recognized related to capitalized contract costs during the year ended December 31, 2024.

**6. INVENTORIES:**

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

<i>(In Korean won)</i>	<b>2024</b>	<b>2023</b>
Buildings	₩ -	₩ 65,938,266,617
Land	21,710,179,860	193,863,993,737
Less valuation allowances	(321,674,218)	(321,674,218)
Building lot	411,639,586,421	534,988,567,146
Less valuation allowances	(4,806,789,953)	-
Completed construction	7,253,420,558	7,709,292,253
Less valuation allowances	(939,534,664)	(939,534,664)
Raw materials	-	20,964,533,562
Work in process (construction expenses)	15,272,601,650	27,738,788,394
Work in process (prepaid construction costs)	49,283,116,638	59,044,275,964
Merchandises	15,581,188,441	95,342,050,920
Less valuation allowances	-	-
Finished goods	-	154,065,998
Supplies	965,580,095	822,126,860
Less valuation allowances	(281,648,971)	(288,118,494)
Goods-in-transit	4,521,303,599	2,672,714,214
Total	₩ 519,877,329,456	₩ 1,007,689,348,289

Loss on valuation of inventories and reversal of loss on valuation of inventories amounted to ₩15,127,986 thousand (2023: ₩136,103 thousand) during the years ended December 31, 2024, and ₩3,626 thousand in 2023, respectively. These were included in ‘operating expenses’ in profit or loss.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

- (2) The Group capitalized borrowing costs and recognized it as acquisition costs of inventories and others. The accompanying effect to key items of consolidated statements of financial position and consolidated statements of comprehensive income as at December 31, 2024 and 2023, are as follows:

<i>(In Korean won)</i>	2024	2023
Consolidated statement of financial position		
Work in process	₩ 665,568,655	₩ 29,004,840,107
Consolidated statement of comprehensive income		
Decrease in interest expenses	38,307,401,969	29,921,446,426
Increase in operating expenses	(37,641,833,314)	(916,606,319)
Increase in profit before income tax	665,568,655	29,004,840,107

Effective interest rates of specific borrowings and general borrowings to calculate the capitalized amount during the year ended December 31, 2024, are 6.93% and 6.89%, respectively.

## 7. OTHER FINANCIAL ASSETS:

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

<i>(In Korean won)</i>	2024	2023
Other current financial assets		
Short-term deposits provided	₩ 696,821,062	₩ 3,637,750,959
Other non-current financial assets		
Long-term deposits provided	4,131,771,808	3,316,418,022
Others	14,200,000	-
Subtotal	4,145,971,808	3,316,418,022
Total	₩ 4,842,792,870	₩ 6,954,168,981

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

**8. OTHER ASSETS:**

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

<i>(In Korean won)</i>	<b>2024</b>	<b>2023</b>
Other current financial assets		
Advance payments	₩ 44,182,709,083	₩ 80,145,571,366
Prepaid expenses	8,772,268,919	8,770,876,709
Prepaid construction costs	146,628,616	-
Subtotal	53,101,606,618	88,916,448,075
Other non-current financial assets		
Deposits for provision for long-term repairment	-	2,746,710,398
Total	₩ 53,101,606,618	₩ 91,663,158,473

**9. LONG-TERM AND SHORT-TERM FINANCIAL ASSETS:**

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

<i>(In Korean won)</i>	<b>2024</b>	<b>2023</b>
Current		
Financial assets at amortized cost	₩ 89,106,642,430	₩ 146,957,201,697
Financial assets at fair value through profit or loss	117,171,933,873	26,177,058,035
Subtotal	206,278,576,303	173,134,259,732
Non-current		
Financial assets at amortized cost	37,864,802,469	73,122,955,687
Financial assets at fair value through profit or loss	54,042,439,713	51,760,133,103
Subtotal	91,907,242,182	124,883,088,790
Total	₩ 298,185,818,485	₩ 298,017,348,522

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

(2) Details of financial assets at amortized cost as at December 31, 2024 and 2023, are as follows:

<i>(In Korean won)</i>	<b>Details</b>	<b>Interest rate (%)</b>		<b>2024</b>		<b>2023</b>
Current						
Short-term financial instruments	Deposits and others	0.10–7.35	₩	84,126,796,670	₩	119,828,910,665
Short-term loans	Business expenses	0–4.60		5,357,853,760		21,517,422,100
Less provision for impairment	Business expenses	-		(450,000,000)		(450,000,000)
	Business expenses	0–4.60		767,000,000		6,755,876,932
Current portion of long-term loans	Housing fund loans	1.00		4,992,000		4,992,000
Less provision for impairment	Business expenses	-		(700,000,000)		(700,000,000)
Subtotal				89,106,642,430		146,957,201,697
Non-current						
Long-term financial instruments	Deposits and others	0.10–1.30		1,309,060,645		72,967,164,647
Long-term loans	Business expenses	0–4.60		36,497,755,140		-
	Housing fund loans	1.00		57,986,684		155,791,040
Subtotal				37,864,802,469		73,122,955,687
Total			₩	126,971,444,899	₩	220,080,157,384

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

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

(In Korean won)	Percentage of ownership (%)	2024		2023
		Acquisition cost	Book amount	Book amount
Current				
MMF(Korea Investment 2 Co., Ltd., etc.) <sup>1</sup>	-	₩ 114,000,000,000	₩ 114,531,933,873	₩ 26,177,058,035
HHR Special Situation Private Fund No. 13 <sup>2</sup>	-	2,640,000,000	2,640,000,000	-
Subtotal		116,640,000,000	117,171,933,873	26,177,058,035
Non-current				
Korea Construction Financial Corp.	-	1,362,079,580	1,362,079,580	1,362,079,580
Korea Specialty Contractor Financial Cooperative	-	901,631,327	901,631,327	901,631,327
Korea Electric Technician Association Corp.	-	6,358,000	6,358,000	6,358,000
IGIS Core Platform Professional Investors Private Placement Real Estate Fund No. 1	2.27	4,982,913,460	2,768,000,000	2,615,000,000
Uljin Wind Power Co., Ltd. <sup>3</sup>	-	-	-	12,979,000,000
Hanwha ESS Private Special Asset Investment Trust Security No. 1 <sup>3</sup>	-	-	-	3,601,507,450
Chungju Eco Park Co., Ltd. <sup>4</sup>	-	-	-	950,000
Daesowon Ecopark Co., Ltd. <sup>4</sup>	-	-	-	950,000
IGIS No. 222 Professional Investors' Private Real Estate Investment Company	13.52	15,000,000,000	17,747,000,000	15,000,000,000
Seongnam Sujeong Korean Federation of Community Credit Cooperatives	-	100,000	100,000	100,000
Jungwon Korean Federation of Community Credit Cooperatives	-	50,000	50,000	50,000
KORAMCO No. 135 General Type Private Real Estate Investment Trust	12.18	6,175,000,000	6,340,748,985	6,003,634,379
KORAMCO No. 145 General Type Private Real Estate Investment Trust	7.25	4,307,800,000	888,660,747	2,070,134,570
AQARA LIFE CO., Ltd. (formerly, AQARA KOREA CO., Ltd.)	0.51	500,001,210	500,001,210	500,001,210
Murex Wave No. 3 Fund <sup>5</sup>	-	5,300,000,000	5,300,000,000	2,000,000,000
Caredoc	1.40	1,000,001,088	1,000,001,088	1,000,001,088
Shinhan Normalization General Type Private Real Estate Investment Trust No. 1 <sup>5</sup>	4.26	6,204,255,319	6,204,255,319	2,140,425,532
IGIS No. 61 Professional Investors' Private Placement Real Estate Investment Limited Liab.	0.13	300,000,000	369,576,017	351,376,967
LB No. 49 General Type Private Real Estate Investment Trust	0.01	300,000,000	297,333,000	297,333,000



# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)	Percentage of ownership (%)	2024		2023
		Acquisition cost	Book amount	Book amount
DDI Residential Parent REIT Co., Ltd.	1.54	929,600,000	929,600,000	929,600,000
URIILBANSAMO REAL ESTATE JE1HO INVESTMENT INC. <sup>2</sup>	5.00	8,600,000,000	8,600,000,000	-
DOKSANREJIDEONSEUSAMO REAL ESTATE INVESTMENT HOESA CO. <sup>2</sup>	1.50	834,000,000	827,044,440	-
Subtotal		56,703,789,984	54,042,439,713	51,760,133,103
Total		₩ 173,343,789,984	₩ 171,214,373,586	₩ 77,937,191,138

<sup>1</sup> MMF was classified as financial assets at fair value through profit or loss based on the business model.

<sup>2</sup> It was newly acquired during the year ended December 31, 2024.

<sup>3</sup> It is an effect of spin-off occurred during the year ended December 31, 2024.

<sup>4</sup> It was disposed of during the year ended December 31, 2024.

<sup>5</sup> It was acquired additionally during the year ended December 31, 2024.

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

(In Korean won)	Percentage of ownership (%)	2024		2023	
		Acquisition cost	Book amount	Acquisition cost	Book amount
FIRSTIGE REITS CO., Ltd.	16.20	₩ 360,000,000	₩ -	₩ 360,000,000	₩ -
Uljin Wind Power Co., Ltd. <sup>1</sup>	-	-	-	161,500,000	-
Total		₩ 360,000,000	₩ -	₩ 521,500,000	₩ -

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

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

### As at and for the Years Ended December 31, 2024 and 2023

(5) Changes in long-term and short-term financial assets for the years ended December 31, 2024 and 2023, are as follows:

(In Korean won)

		2024													
		Beginning balance		Acquisition <sup>1</sup>		Disposal		Valuation		Transfer <sup>2</sup>		Spin-off		Ending balance	
Current															
Financial assets at amortized cost	₩	146,957,201,697	₩	275,205,825,379	₩	(360,694,199,866)	₩	-	₩	48,830,637,320	₩	(21,192,822,100)	₩	89,106,642,430	
Financial assets at fair value through profit or loss		26,177,058,035		286,264,000,000		(198,177,058,035)		531,933,873		2,376,000,000		-		117,171,933,873	
Subtotal		173,134,259,732		561,469,825,379		(558,871,257,901)		531,933,873		51,206,637,320		(21,192,822,100)		206,278,576,303	
Non-current															
Financial assets at amortized cost		73,122,955,687		28,727,884,988		(15,124,900,882)		-		(48,830,637,320)		(30,500,004)		37,864,802,469	
Financial assets at fair value through profit or loss		51,760,133,103		19,173,829,787		(214,325,628)		2,066,884,273		(2,376,000,000)		(16,368,081,822)		54,042,439,713	
Subtotal		124,883,088,790		47,901,714,775		(15,339,226,510)		2,066,884,273		(51,206,637,320)		(16,398,581,826)		91,907,242,182	
Total	₩	298,017,348,522	₩	609,371,540,154	₩	(574,210,484,411)	₩	2,598,818,146	₩	-	₩	(37,591,403,926)	₩	298,185,818,485	

<sup>1</sup> Effects for loans that form part of its net investment of investments in associates are included (see Note 10-(1)).

<sup>2</sup> Reclassification to current portion is included.

(In Korean won)

	2023											
	Beginning balance		Acquisition		Disposal¹		Valuation		Transfer²		Ending balance	
Current												
Financial assets at amortized cost	₩	47,959,412,882	₩	542,645,483,033	₩	(454,216,139,899)	₩	-	₩	10,568,445,681	₩	146,957,201,697
Financial assets at fair value through profit or loss		34,777,341,097		126,000,000,000		(134,777,341,097)		177,058,035		-		26,177,058,035
Subtotal		82,736,753,979		668,645,483,033		(588,993,480,996)		177,058,035		10,568,445,681		173,134,259,732
Non-current												
Financial assets at amortized cost		44,203,439,433		327,844,328,637		(288,356,366,702)		-		(10,568,445,681)		73,122,955,687
Financial assets at fair value through profit or loss		74,283,980,928		9,525,226,620		(1,990,976,143)		(17,683,707,690)		(12,374,390,612)		51,760,133,103
Financial assets at fair value through other comprehensive income		3,800,000		-		(3,800,000)		-		-		-
Subtotal		118,491,220,361		337,369,555,257		(290,351,142,845)		(17,683,707,690)		(22,942,836,293)		124,883,088,790
Total	₩	201,227,974,340	₩	1,006,015,038,290	₩	(879,344,623,841)	₩	(17,506,649,655)	₩	(12,374,390,612)	₩	298,017,348,522

<sup>1</sup> Effects for loans that form part of its net investment of investments in associates are included (see Note 10-(1)).

<sup>2</sup> Reclassification of assets and reclassification to current portion are included.

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

**10. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES:**

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

(In Korean won)

(In Korean won)	2024				2023		
	Location	Percentage of ownership (%)	Book amount		Percentage of ownership (%)	Book amount	
Joint ventures							
KORAMCO No. 120 General Type Private Real Estate Investment Trust	Korea	50.00	₩	8,397,775,367	50.00	₩	8,437,335,534
KORAMCO Icheon Baeksa Logistics General Type Private Real Estate Investment Trust	Korea	50.00		9,337,571,888	50.00		7,434,315,986
Cheongju Eco Park Co., Ltd. <sup>1</sup>	Korea	-		-	29.00		6,854,753,608
Hanwha Cheongjuecopark private equity 1 <sup>st</sup> (Infrastructure) <sup>1</sup>	Korea	-		-	48.60		16,951,617,618
Eumsung Ecopark Co., Ltd. <sup>1</sup>	Korea	-		-	29.00		6,737,523,356
Hanwha Eumseongecopark private equity 1st(Infastructure) <sup>1</sup>	Korea	-		-	49.00		16,389,874,669
HHR Real Estate Private Fund No. 5 <sup>2</sup>	Korea	-		-	49.59		8,415,685,315
Metheus Ilsan Complex Logistics Center PFV Co., Ltd. <sup>3</sup>	Korea	45.00		3,489,489,720	45.00		1,521,902,909
PungBaek Wind Farm Corporation <sup>1</sup>	Korea	-		-	37.00		6,035,250,430
Connectfy Cloud Co., Ltd. <sup>3</sup>	Korea	49.00		2,404,544,482	49.00		4,364,202,408
Yakmok Ecopark Co., Ltd. <sup>1</sup>	Korea	-		-	49.91		998,505,019
Chilgok Ecopark Co., Ltd. <sup>1</sup>	Korea	-		-	29.00		2,342,480,372
Uiseong Hwanghaksan Windpower Co., Ltd. <sup>1</sup>	Korea	-		-	49.00		2,282,614,464
Geumyang Ecopark Co., Ltd. <sup>1</sup>	Korea	-		-	29.00		3,643,948,786
ApartTech <sup>3,4,5</sup>	Korea	41.26		-	-		-
Subtotal				23,629,381,457			92,410,010,474
Associates							
KintexMall Co., Ltd.	Korea	40.00		15,846,504	40.00		16,056,361
Daegusolar <sup>1</sup>	Korea	-		-	26.00		2,514,012,391
Monaissance	Korea	25.09		968,185,820	24.36		1,043,922,340
IGIS No. 135 Professional Investors’ Private Placement Real Estate Investment Limited Liab.	Korea	35.00		12,064,021,719	35.00		12,436,220,884
DDISY-230 Residential REIT Co., Ltd.	Korea	20.00		12,475,083,339	20.00		13,846,541,229
DDISS-280 RETAIL REIT CO., Ltd. <sup>6</sup>	Korea	28.62		-	28.62		-
DDISC-1338 Residential REIT Co., Ltd.	Korea	20.00		7,763,240,824	20.00		8,476,005,507
DDISC-1339 Residential REIT Co.,Ltd.	Korea	20.00		8,833,558,220	20.00		9,544,588,451
DDISC-57 Residential REIT Co., Ltd.	Korea	20.00		8,612,855,182	20.00		8,831,040,788
DDI Residential No.1 Subsidiary REIT Co., Ltd. <sup>7</sup>	Korea	15.10		1,821,573,617	15.10		2,422,584,723
Gunpo Mixed Use Development PFV Company	Korea	25.20		4,150,241,888	25.20		-

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

(In Korean won)

	Location	2024		2023	
		Percentage of ownership (%)	Book amount	Percentage of ownership (%)	Book amount
FASSTO <sup>7,8</sup>	Korea	14.61	-	14.82	-
Howbuild <sup>7</sup>	Korea	5.49	185,425,364	5.49	3,000,574,549
D&D Platform REIT Co., Ltd. <sup>7</sup>	Korea	9.32	33,702,247,541	9.32	28,062,463,211
Gulup Wind Power Development Corp. <sup>1</sup>	Korea	-	-	10.00	2,772,728,890
DDIVC-1 REIT Co., Ltd.	Korea	49.00	44,494,422,551	49.00	33,431,821,903
DDISC <sup>4,9</sup>	Korea	20.00	-	20.00	-
DDIYS-40 REIT <sup>10</sup>	Korea	20.00	-	20.00	3,609,429,084
Korea Space Data <sup>7</sup>	Korea	5.27	2,047,725,042	5.28	2,027,722,911
DDILVC Master Real Estate Investment Trust Co., Ltd. <sup>7,11</sup>	Korea	1.67	618,492,701	1.67	723,079,595
DDIVC Master Real Estate Investment Trust Co., Ltd. <sup>7,11</sup>	Korea	2.00	2,351,922,964	2.00	1,188,751,615
NUVEEN ETERNIX SOLAR HOLDINGS CO., Ltd. (formerly, Glennmont D&D Solar Holdings) <sup>1</sup>	Korea	-	-	49.00	4,954,187,604
Shinhan Normalization General Type Private Real Estate Investment Trust No. 1	Korea	23.08	14,712,796,574	23.08	14,932,696,479
Semicolon Mullae REIT Co., Ltd. <sup>12,13</sup>	Korea	8.53	-	8.53	-
GridFlex, Inc. <sup>1</sup>	US	-	-	20.00	7,233,526,570
Songpa Biz Cluster PFV Co., Ltd. <sup>4,7</sup>	Korea	5.00	2,223,452,983	-	-
HHR Special Situation Private Fund No. 13 <sup>4</sup>	Korea	20.00	2,960,859,459	-	-
S CITY GONGDEOK PFV CO., Ltd. <sup>4</sup>	Korea	20.00	836,931,348	-	-
DDI Myeongdong N REIT Co., Ltd. <sup>4,12</sup>	Korea	15.55	5,395,411,469	-	-
LB No. 58 General Type Private Real Estate Investment Trust <sup>4</sup>	Korea	48.00	58,609,576,767	-	-
Subtotal			224,843,871,876		161,067,955,085
Total			₩ 248,473,253,333		₩ 253,477,965,559

<sup>1</sup> The Group sold during the year ended December 31, 2024.

<sup>2</sup> Distribution of residual assets has been completed and it has been liquidated.

<sup>3</sup> Although the Group owns less than half of the effective percentage of ownership of the entity, it was classified as investments in joint ventures as it is determined that the Group is holding equal voting rights for major activities of the entity.

<sup>4</sup> The Group newly acquired during the year ended December 31, 2024.

<sup>5</sup> As at December 31, 2024, as the carrying amount became less than zero, the application of the equity method is discontinued. In relation to this, unrecognized changes in equity amount to ₩390,318,108.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

---

<sup>6</sup> As at December 31, 2024, as the carrying amount became less than zero, the application of the equity method is discontinued. In relation to this, unrecognized changes in equity amount to ₩11,244,567,910.

<sup>7</sup> The Group classified it as investments in associates since it is determined that the Group has a right to appoint the member of the board of directors.

<sup>8</sup> As at December 31, 2024, as the carrying amount became less than zero, the application of the equity method is discontinued. In relation to this, unrecognized changes in equity amount to ₩5,381,189,596.

<sup>9</sup> As at December 31, 2024, as the carrying amount became less than zero, the application of the equity method is discontinued. In relation to this, unrecognized changes in equity amount to ₩4,801,938,895.

<sup>10</sup> As at December 31, 2024, as the carrying amount became less than zero, the application of the equity method is discontinued. In relation to this, unrecognized changes in equity amount to ₩4,204,425,011.

<sup>11</sup> The Group owns the entire shares of the entity through D&D INVESTMENT, a subsidiary of the Group.

<sup>12</sup> The Group classified, a subsidiary of D&D Platform REIT Co., Ltd., which is an associate of the Group, from financial assets at fair value through profit or loss to investment in associates.

<sup>13</sup> As at December 31, 2024, as the carrying amount became less than zero, the application of the equity method is discontinued. In relation to this, unrecognized changes in equity amount to ₩12,233,100,276.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(2) Changes in investments in joint ventures and associates for the years ended December 31, 2024 and 2023, are as follows:

(In Korean won)

(In Korean won)

2024																		
	Beginning balance		Acquisition		Share of profit (loss)		Share of other comprehensive income		Dividend income		Profits (losses) of associates and joint ventures (operating) <sup>1</sup>		Others <sup>2</sup>		Disposal		Ending balance	
Joint ventures																		
KORAMCO No. 120 General Type Private Real Estate Investment Trust	₩	8,437,335,534	₩	-	₩	-	₩	-	₩	-	₩	(39,560,167)	₩	-	₩	-	₩	8,397,775,367
KORAMCO Icheon Baeksa Logistics General Type Private Real Estate Investment Trust		7,434,315,986		-		-		-		-		1,903,255,902		-		-		9,337,571,888
Cheongju Ecopark Co., Ltd.		6,854,753,608		-		481,957,712		86,583,560		-		-		6,364,705,120		(13,788,000,000)		-
Hanwha Cheongjuecopark private equity 1 <sup>st</sup> (Infrastructure)		16,951,617,618		-		429,027,730		228,140,000		(74,036,001)		-		1,702,664,653		(19,237,414,000)		-
Eumsung Ecopark Co., Ltd.		6,737,523,356		-		777,857,416		29,949,364		-		-		5,324,669,864		(12,870,000,000)		-
Hanwha Eumseongecopark private equity 1st(Infrastructure)		16,389,874,669		-		686,973,828		-		(81,930,130)		-		3,964,774,633		(20,959,693,000)		-
HHR Real Estate Private Fund No. 5		8,415,685,315		-		-		-		(434,725,512)		38,521,401		-		(8,019,481,204)		-
Metheus Ilsan Complex Logistics Center PFV Co., Ltd.		1,521,902,909		-		-		-		-		1,967,586,811		-		-		3,489,489,720
PungBaek Wind Farm Corporation		6,035,250,430		-		(538,940,381)		6,653,340		-		-		1,718,036,611		(7,221,000,000)		-
Connectfy Cloud Co., Ltd.		4,364,202,408		-		(1,959,657,926)		-		-		-		-		-		2,404,544,482
Yakmok Ecopark Co., Ltd.		998,505,019		-		(22,975,339)		-		-		-		1,316,470,320		(2,292,000,000)		-
Chilgok Ecopark Co., Ltd.		2,342,480,372		-		(44,353,397)		-		-		-		1,696,089,025		(3,994,216,000)		-
Uiseong Hwanghaksan Windpower Co., Ltd.		2,282,614,464		-		(103,959,047)		-		-		-		103,764,583		(2,282,420,000)		-
Geumyang Ecopark Co., Ltd.		3,643,948,786		-		(289,225,924)		-		-		-		196,921,138		(3,551,644,000)		-
ApertTech		-		412,634,880		(412,634,880)		-		-		-		-		-		-
Subtotal		92,410,010,474		412,634,880		(995,930,208)		351,326,264		(590,691,643)		3,869,803,947		22,388,095,947		(94,215,868,204)		23,629,381,457

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

	2024								
	Beginning balance	Acquisition	Share of profit (loss)	Share of other comprehensive income	Dividend income	Profits (losses) of associates and joint ventures (operating) <sup>1</sup>	Others <sup>2</sup>	Disposal	Ending balance
Associates									
KintexMall Co. Ltd.	16,056,361	-	(209,857)	-	-	-	-	-	15,846,504
Daegusolar	2,514,012,391	-	(49,320,426)	-	(308,672,000)	-	(660,019,965)	(1,496,000,000)	-
Monaissance	1,043,922,340	-	(75,736,520)	-	-	-	-	-	968,185,820
IGIS No. 135 Professional Investors' Private Placement Real Estate Investment Limited Liab.	12,436,220,884	-	-	-	-	(372,199,165)	-	-	12,064,021,719
DDISY-230 Residential REIT Co., Ltd.	13,846,541,229	-	-	-	-	(1,371,457,890)	-	-	12,475,083,339
DDISS-280 RETAIL REIT CO., Ltd.	-	-	-	-	-	-	-	-	-
DDISC-1338 Residential REIT Co., Ltd.	8,476,005,507	-	-	-	-	(712,764,683)	-	-	7,763,240,824
DDISC-1339 Residential REIT Co., Ltd.	9,544,588,451	-	-	-	-	(711,030,231)	-	-	8,833,558,220
DDISC-57 Residential REIT Co., Ltd.	8,831,040,788	-	-	-	(101,681,156)	(116,504,450)	-	-	8,612,855,182
DDI Residential No. 1 Subsidiary REIT Co., Ltd.	2,422,584,723	-	-	(1,108,296,283)	(900,000,000)	1,407,285,177	-	-	1,821,573,617
Gunpo Mixed Use Development PFV Company	-	-	-	-	-	6,587,964,956	(2,437,723,068)	-	4,150,241,888
FASSTO	-	3,000,184,000	(3,000,184,000)	-	-	-	-	-	-
Howbuild	3,000,574,549	-	(2,813,830,345)	(1,318,840)	-	-	-	-	185,425,364
D&D Platform REIT Co., Ltd.	28,062,463,211	6,093,165,400	576,856,489	631,762,441	(1,662,000,000)	-	-	-	33,702,247,541
Gulup Wind Power Development Corp.	2,772,728,890	-	(11,511,655)	-	-	-	(850,217,235)	(1,911,000,000)	-
DDIVC-1 REIT Co., Ltd.	33,431,821,903	12,250,000,000	-	(8,868,510)	-	(1,178,530,842)	-	-	44,494,422,551
DDISC49	-	-	-	-	-	-	-	-	-
DDI YS-40 REIT	3,609,429,084	-	-	-	-	(3,609,429,084)	-	-	-

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

	2024								
	Beginning balance	Acquisition	Share of profit (loss)	Share of other comprehensive income	Dividend income	Profits (losses) of associates and joint ventures (operating) <sup>1</sup>	Others <sup>2</sup>	Disposal	Ending balance
Korea Space Data	2,027,722,911	-	83,384,370	(63,382,239)	-	-	-	-	2,047,725,042
DDILVC Master REIT Co., Ltd.	723,079,595	-	(104,586,894)	-	-	-	-	-	618,492,701
DDIVC Master REIT Co., Ltd.	1,188,751,615	1,480,000,000	(40,627,872)	(350,779)	-	-	-	(275,850,000)	2,351,922,964
NUVEEN ETERNIX SOLAR HOLDINGS CO., Ltd. (formerly, Glennmont D&D Solar Holdings)	4,954,187,604	2,837,585,000	(107,513,104)	159,980,585	-	-	121,954,915	(7,966,195,000)	-
Shinhan Normalization General Type Private Real Estate Investment Trust No. 1	14,932,696,479	-	-	-	-	(219,899,905)	-	-	14,712,796,574
Semicolon Mullae REIT Co., Ltd.	-	-	-	-	-	-	-	-	-
GridFlex. Inc.	7,233,526,570	-	(573,772)	34,781,951	-	-	291,740,251	(7,559,475,000)	-
Songpa Biz Cluster PFV Co., Ltd.	-	2,500,000,000	-	(13,377,926)	-	(263,169,091)	-	-	2,223,452,983
HHR Special Situation Private Fund No. 13	-	2,640,000,000	451,941,426	-	(131,081,967)	-	-	-	2,960,859,459
S CITY GONGDEOK PFV CO., Ltd.	-	1,000,000,000	-	-	-	(163,068,652)	-	-	836,931,348
DDI Myeongdong N REIT Co., Ltd.	-	13,000,000,000	-	(27,523,272)	-	(7,577,065,259)	-	-	5,395,411,469
LB No. 58 General Type Private Real Estate Investment Trust	-	60,000,000,000	-	(336,575,343)	-	(1,053,847,890)	-	-	58,609,576,767
Subtotal	161,067,955,085	104,800,934,400	(5,091,912,160)	(733,168,215)	(3,103,435,123)	(9,353,717,009)	(3,534,265,102)	(19,208,520,000)	224,843,871,876
Total	₩ 253,477,965,559	₩ 105,213,569,280	₩ (6,087,842,368)	₩ (381,841,951)	₩ (3,694,126,766)	₩ (5,483,913,062)	₩ 18,853,830,845	₩ (113,424,388,204)	₩ 248,473,253,333

<sup>1</sup> It includes gain or loss on valuation using equity method classified as operating income, gain or loss on disposal of investments in subsidiaries, and reversal of impairment loss on investments in joint ventures, etc. (See Notes 28 and 29.)

<sup>2</sup> It includes gain (loss) on disposal of investments in subsidiaries, joint ventures and associates, and the recognition of equity method gain or loss on loans to investments in associates.



# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

(In Korean won)

2023

	2023																	
	Beginning balance		Acquisition		Share of profit (loss)		Share of other comprehensive income		Dividend income		Profits (losses) of associates and joint ventures (operating) <sup>1</sup>		Others <sup>2</sup>		Disposal		Ending balance	
Joint ventures																		
KORAMCO No. 120 General Type Private Real Estate Investment Trust	₩	5,125,207,425	₩	10,360,000,000	₩	-	₩	-	₩	-	₩	(7,047,871,891)	₩	-	₩	-	₩	8,437,335,534
KORAMCO Icheon Baeksa Logistics General Type Private Real Estate Investment Trust		4,826,233,525		10,340,000,000		-		-		-		(7,731,917,539)		-		-		7,434,315,986
Tiger Alternative Investment trust No. 318		34,719,477,476		4,000,000,000		-		-		-		214,480,522,524		-		(253,200,000,000)		-
Cheongju Ecopark Co., Ltd.		7,241,396,534		-		(386,642,926)		-		-		-		-		-		6,854,753,608
Hanwha Cheongjuecopark private equity 1st(Infrastructure)		17,769,077,248		-		(674,819,629)		-		(142,640,001)		-		-		-		16,951,617,618
Eumsung Ecopark Co., Ltd.		3,589,364,706		-		3,148,158,650		-		-		-		-		-		6,737,523,356
Hanwha Eumseongecopark private equity 1st(Infrastructure)		12,937,842,297		-		3,611,263,065		-		(159,230,693)		-		-		-		16,389,874,669
HHR Real Estate Private Fund No. 5		19,275,452,574		-		-		-		(1,361,629,964)		482,381,501		-		(9,980,518,796)		8,415,685,315
Metheus Ilsan Complex Logistics Center PFV Co., Ltd.		2,257,207,894		-		-		-		-		(735,304,985)		-		-		1,521,902,909
PungBaek Wind Farm Corporation		6,733,319,769		-		(698,069,339)		-		-		-		-		-		6,035,250,430
Connectfy Cloud Co., Ltd.		-		4,900,000,000		(464,740,242)		(71,057,350)		-		-		-		-		4,364,202,408
Yakmok Ecopark Co., Ltd.		-		1,899,500,000		(900,994,981)		-		-		-		-		-		998,505,019
Chilgok Ecopark Co., Ltd.		-		2,986,050,000		(588,986,507)		-		-		-		(54,583,121)		-		2,342,480,372
Uiseong Hwanghaksan Windpower Co., Ltd.		-		4,400,000,000		(2,606,218,403)		-		-		-		488,832,867		-		2,282,614,464
Geumyang Ecopark Co., Ltd.		-		3,663,000,000		(19,051,214)		-		-		-		-		-		3,643,948,786
Subtotal		114,474,579,448		42,548,550,000		419,898,474		(71,057,350)		(1,663,500,658)		199,447,809,610		434,249,746		(263,180,518,796)		92,410,010,474

Associates

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

2023

	Beginning balance	Acquisition	Share of profit (loss)	Share of other comprehensive income	Dividend income	Profits (losses) of associates and joint ventures (operating) <sup>1</sup>	Others <sup>2</sup>	Disposal	Ending balance
KintexMall Co. Ltd.	16,263,924	-	(207,563)	-	-	-	-	-	16,056,361
Daegusolar	2,553,947,326	-	326,061,865	-	(365,996,800)	-	-	-	2,514,012,391
Monaissance	940,474,749	-	103,447,591	-	-	-	-	-	1,043,922,340
IGIS No. 135 Professional Investors' Private Placement Real Estate Investment Limited Liab.	13,151,478,276	-	-	-	-	(715,257,392)	-	-	12,436,220,884
DDISY-230 Residential REIT Co., Ltd.	14,142,275,218	1,200,000,000	-	(3,813,050)	-	(1,491,920,939)	-	-	13,846,541,229
DDISS-280 RETAIL REIT CO., Ltd.	-	-	-	-	-	-	-	-	-
DDISC-1338 Residential REIT Co., Ltd.	9,099,785,386	-	-	-	-	(623,779,879)	-	-	8,476,005,507
DDISC-1339 Residential REIT Co., Ltd.	10,097,016,836	-	-	-	-	(552,428,385)	-	-	9,544,588,451
DDISC-57 Residential REIT Co., Ltd.	9,042,938,789	-	-	-	-	(211,898,001)	-	-	8,831,040,788
DDI Residential No. 1 Subsidiary REIT Co., Ltd.	2,834,530,491	-	-	(1,401,420,874)	(719,087,117)	1,708,562,223	-	-	2,422,584,723
Hyundai No. 20 Private Real Equity Investment Trust	4,570,600,550	-	-	-	(1,174,318,950)	(451,824,904)	(2,944,456,696)	-	-
Gunpo Mixed Use Development PFV Company	-	-	-	-	-	9,624,035,040	(2,857,665,040)	(6,766,370,000)	-
Daehoji Solar Park, Inc.	193,395,554	-	(43,264,162)	-	-	-	186,568,608	(336,700,000)	-
FASSTO	13,766,627,003	-	(10,398,297,813)	(20,633,631)	-	-	(3,347,695,559)	-	-
Howbuild	3,000,334,860	-	1,506,482	(1,266,793)	-	-	-	-	3,000,574,549
D&D Platform REIT Co., Ltd.	28,680,192,938	-	632,593,224	495,677,049	(1,746,000,000)	-	-	-	28,062,463,211
Chilgok Ecopark	-	-	-	-	-	-	-	-	-
Gulup Wind Power Development Corp.	2,944,909,986	-	(172,181,096)	-	-	-	-	-	2,772,728,890

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

2023

	Beginning balance	Acquisition	Share of profit (loss)	Share of other comprehensive income	Dividend income	Profits (losses) of associates and joint ventures (operating) <sup>1</sup>	Others <sup>2</sup>	Disposal	Ending balance
DDIVC-1 REIT Co., Ltd.	28,979,805,915	5,635,000,000	-	(4,536,910)	-	(1,178,447,102)	-	-	33,431,821,903
DDISC49	499,617,508	500,000,000	-	-	-	(999,617,508)	-	-	-
DDI YS-40 REIT	5,608,149,094	-	-	-	-	(1,998,720,010)	-	-	3,609,429,084
Korea Space Data	2,007,720,780	-	47,092,999	(24,338,027)	-	-	(2,752,841)	-	2,027,722,911
DDILVC Master REIT Co., Ltd.	703,530,185	50,000,000	(30,401,207)	(49,383)	-	-	-	-	723,079,595
DDIVC Master REIT Co., Ltd.	822,106,295	413,150,000	(46,504,680)	-	-	-	-	-	1,188,751,615
NUVEEN ETERNIX SOLAR HOLDINGS CO., Ltd. (formerly, Glennmont D&D Solar Holdings)	-	5,209,077,000	(94,908,811)	(159,980,585)	-	-	-	-	4,954,187,604
Shinhan Normalization General Type Private Real Estate Investment Trust No. 1	-	15,000,000,000	-	-	-	(67,303,521)	-	-	14,932,696,479
Semicolon Mullae REIT Co., Ltd.	-	-	-	(20,712,343,714)	-	-	20,712,343,714	-	-
GridFlex. Inc.	-	7,268,316,000	(7,479)	(34,781,951)	-	-	-	-	7,233,526,570
Subtotal	153,655,701,663	35,275,543,000	(9,675,070,650)	(21,867,487,869)	(4,005,402,867)	3,041,399,622	11,746,342,186	(7,103,070,000)	161,067,955,085
Total	₩ 268,130,281,111	₩ 77,824,093,000	₩ (9,255,172,176)	₩ (21,938,545,219)	₩ (5,668,903,525)	₩ 202,489,209,232	₩ 12,180,591,932	₩ (270,283,588,796)	₩ 253,477,965,559

<sup>1</sup> It includes gain or loss on valuation using equity method classified as operating income, gain or loss on disposal of investments in subsidiaries, joint ventures and associates, and impairment loss, etc. (See Notes 28 and 29.)

<sup>2</sup> It includes acquisition and disposal due to changes in percentage of ownership, and the recognition of equity method on impairment loss or loans related to investments in associates (see Note 10-(1)).

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

(3) Summarized financial information of subsidiaries, associates and joint ventures as at and for the years ended December 31, 2024 and 2023, is as follows:

(In Korean won)

(In Korean won)	2024						
	Total assets		Total liabilities		Sales	Profit (loss) for the year	
Joint ventures							
KORAMCO No. 120 General Type Private Real Estate Investment Trust	₩	66,697,950,186	₩	44,341,183,621	₩	-	₩ (3,894,003,752)
KORAMCO Icheon Baeksa Logistics General Type Private Real Estate Investment Trust		65,365,764,506		41,719,200,073		-	(2,422,472,154)
Metheus Ilsan Complex Logistics Center PFV Co., Ltd.		8,451,663,165		428,058,927		-	9,915,073,701
Connectfy Cloud Co., Ltd.		5,447,642,812		540,409,176		539,273,310	(4,019,369,719)
ApartTech		1,237,785,678		4,838,357,815		6,630,000	(2,333,452,342)
Associates							
KintexMall Co. Ltd.		39,616,260		-		-	(524,642)
Monaissance		4,199,423,322		1,258,547,072		2,465,262,791	(33,536,439)
IGIS No. 135 Professional Investors Private Placement Real Estate Investment Limited Liab.		135,788,733,543		101,320,100,060		5,101,930,825	(1,063,462,810)
DDISY-230 Residential REIT Co., Ltd.		214,448,809,745		184,899,108,767		11,957,553,881	(5,964,983,741)
DDISS-280 RETAIL REIT CO., Ltd.		76,939,358,245		55,106,852,411		4,154,998,890	(323,929,225)
DDISC-1338 Residential REIT Co., Ltd.		192,956,365,676		168,948,234,188		7,645,465,758	(3,404,200,605)
DDISC-1339 Residential REIT Co., Ltd.		179,052,175,426		146,659,449,031		7,286,150,249	(3,511,854,663)
DDISC-57 Residential REIT Co., Ltd.		118,601,128,793		92,675,659,481		6,655,561,089	(524,856,561)
DDI Residential No. 1 Subsidiary REIT Co., Ltd.		115,181,745,447		76,820,234,844		7,863,589,446	2,182,967,323
Gunpo Mixed Use Development PFV Company		331,881,409,267		310,499,130,106		103,273,337,548	27,819,752,290
FASSTO		123,819,205,143		142,556,626,679		76,363,656,891	(33,810,270,594)
Howbuild		1,205,692,608		3,644,945,776		3,135,494,505	(3,038,714,320)
D&D Platform REIT Co., Ltd.		1,033,268,037,891		665,000,136,887		40,951,885,219	6,172,638,393
DDIVC-1 REIT Co., Ltd.		285,475,581,050		174,794,156,421		-	(1,205,164,984)
DDISC49		89,824,177,244		64,646,108,325		-	(758,165,223)
DDI YS-40 REIT		147,546,967,962		129,268,418,769		1,839,261,687	(6,223,598,057)
Korea Space Data		7,015,384,708		5,800,183,756		16,676,772,451	(2,491,639,849)
DDILVC Master REIT Co., Ltd.		37,126,611,995		17,050,000		-	(6,275,213,600)
DDIVC Master REIT Co., Ltd.		118,121,965,556		525,817,410		-	(2,031,371,481)
Shinhan Normalization General Type Private Real Estate Investment Trust No. 1		130,253,453,697		66,078,001,876		-	(532,899,588)
Semicolon Mullae REIT Co., Ltd.		577,368,331,611		372,451,951,038		30,225,898,373	6,217,868,299
Songpa Biz Cluster PFV Co., Ltd.		963,270,528,566		914,900,967,633		-	(1,390,439,067)
HHR Special Situation Private Fund No. 13		14,327,089,325		134,151,319		2,032,953,773	1,589,360,951
S CITY GONGDEOK PFV CO., Ltd.		87,662,792,528		83,251,923,495		-	(589,130,967)
DDI Myeongdong N REIT Co., Ltd.		186,377,415,758		102,756,012,211		554,915,794	113,147,787
LB No. 58 General Type Private Real Estate Investment Trust		266,594,586,869		143,100,083,855		-	(1,505,496,986)

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

### As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

	2023			
	Total assets	Total liabilities	Sales	Profit (loss) for the year
Joint ventures				
KORAMCO No. 120 General Type Private Real Estate Investment Trust	₩ 70,130,447,847	₩ 43,879,677,530	₩ -	₩ (5,022,959,271)
KORAMCO Icheon Baeksa Logistics General Type Private Real Estate Investment Trust	69,089,504,104	43,020,467,517	-	(4,268,548,333)
Cheongju Eco Park Co., Ltd.	145,168,000,419	111,577,487,698	42,676,989,353	(1,909,677,170)
Hanwha Cheongju Ecopark private equity 1st(Infrastructure)	31,264,297,157	10,872,184	-	(435,474,537)
Eumsung Ecopark Co., Ltd.	154,700,431,862	122,982,659,322	50,690,153,247	10,397,395,058
Hanwha Eumseong Ecopark private equity 1st(Infrastructure)	30,292,422,912	10,650,494	-	4,954,454,628
HHR Real Estate Private Fund No. 5	16,973,394,988	1,762,936	1,034,184,796	972,802,694
Metheus Ilsan Complex Logistics Center PFV Co., Ltd.	45,718,550,672	41,858,673,970	-	(1,333,915,797)
PungBaek Wind Farm Corporation	65,805,001,447	51,804,282,645	-	(1,389,953,448)
Connectfy Cloud Co., Ltd.	9,472,326,670	565,791,143	183,791,741	(948,449,473)
Yakmok Ecopark Co., Ltd.	3,409,762,000	1,399,062,341	-	(1,794,850,341)
Chilgok Ecopark Co., Ltd.	105,193,404,426	97,115,885,900	-	(2,030,987,955)
Uiseong Hwanghaksan Windpower Co., Ltd.	19,163,514,637	14,505,117,771	-	(5,337,920,559)
Geumyang Ecopark Co., Ltd.	13,831,351,565	1,395,000,000	-	(65,693,661)
Associates				
KintexMall Co. Ltd.	40,140,902	-	-	(518,907)
Daegusolar	14,140,480,225	4,471,201,791	4,225,037,236	1,771,625,104
Monaissance	4,051,835,342	711,984,098	2,931,523,674	427,237,955
IGIS No. 135 Professional Investors' Private Placement Real Estate Investment Limited Liab.	135,760,405,292	100,228,345,623	3,830,155,199	(2,043,592,549)
DDISY-230 Residential REIT Co., Ltd.	219,772,171,602	183,715,900,872	11,548,764,661	(7,320,224,100)
DDISS-280 RETAIL REIT CO., Ltd.	75,400,838,993	50,826,408,501	4,111,526,805	(339,443,213)
DDISC-1338 Residential REIT Co., Ltd.	195,705,995,841	168,134,040,936	8,017,814,593	(3,197,905,801)
DDISC-1339 Residential REIT Co., Ltd.	181,518,515,818	145,570,638,266	7,822,291,887	(3,115,170,529)
DDISC-57 Residential REIT Co., Ltd.	119,986,639,823	92,970,242,480	6,396,370,641	(1,004,970,802)
DDI Residential No. 1 Subsidiary REIT Co., Ltd.	115,560,287,680	76,594,507,750	7,572,377,605	2,193,377,045
Gunpo Mixed Use Development PFV Company	276,260,827,319	282,698,300,448	60,268,126,854	8,578,068,697
FASSTO	167,113,883,151	176,012,655,027	72,889,870,397	(49,647,146,808)
Howbuild	2,214,246,790	1,542,730,738	4,680,649,490	(1,439,447,536)
D&D Platform REIT Co., Ltd.	853,319,156,770	551,677,191,462	41,211,471,667	6,813,876,874
Gulup Wind Power Development Corp.	19,083,235,236	26,874,970	-	(1,721,779,915)
DDIVC-1 REIT Co., Ltd.	245,354,327,487	158,449,638,874	-	(1,204,994,085)
DDISC49	70,325,710,394	44,390,510,102	-	(534,591,336)
DDI YS-40 REIT	107,381,884,851	82,879,737,601	-	(254,125,416)
Korea Space Data	6,462,534,273	2,760,397,584	13,809,208,064	(2,463,753,231)
DDILVC Master REIT Co., Ltd.	43,404,025,595	19,250,000	-	(2,233,330,537)
DDIVC Master REIT Co., Ltd.	60,089,775,162	651,616,535	-	(2,251,921,289)
NUVEEN ETERNIX SOLAR HOLDINGS CO., Ltd. (formerly, Glennmont D&D Solar Holdings)	23,713,163,531	2,851,059,743	363,019,487	(299,109,429)

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

### As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

	2023			
	Total assets	Total liabilities	Sales	Profit (loss) for the year
Shinhan Normalization General Type Private Real Estate Investment Trust No. 1	130,650,493,481	65,942,142,072	-	(291,648,591)
Semicolon Mullae REIT Co., Ltd.	580,985,485,201	369,112,672,338	31,040,400,615	6,901,941,982
GridFlex, Inc.	36,152,160,065	-	-	(37,380)

(4) Fair value of investments in joint ventures and associates that has a quoted market price as at December 31, 2024 and 2023, are as follows:

(In Korean won)

	2024	2023
Associate		
D&D Platform REIT Co., Ltd.	₩ 24,255,090,680	₩ 19,170,000,000

Meanwhile, the Group performed impairment test on equity-method investments of which the fair value of quoted market price is less than the book amount, and there is no impairment loss recognized during the year ended December 31, 2024.

## 11. PROPERTY, PLANT AND EQUIPMENT:

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

(In Korean won)

	2024			2023		
	Acquisition cost	Accumulated depreciation	Book amount	Acquisition cost	Accumulated depreciation	Book amount
Land	₩ 30,462,559,913	₩ -	₩ 30,462,559,913	₩ 42,480,618,056	₩ -	₩ 42,480,618,056
Buildings	2,296,279,341	(160,822,955)	2,135,456,386	22,030,352,447	(6,686,094,316)	15,344,258,131
Structures	-	-	-	3,427,760,000	(985,717,882)	2,442,042,118
Machinery	-	-	-	354,158,243,325	(124,782,663,772)	229,375,579,553
Tools and equipment	-	-	-	26,561,600	(23,845,890)	2,715,710
Supplies	3,029,243,907	(1,390,254,622)	1,638,989,285	4,507,236,742	(2,763,962,761)	1,743,273,981
Other property, plant and equipment	10,030,847,343	(5,243,127,850)	4,787,719,493	14,785,669,922	(11,352,382,306)	3,433,287,616
Construction-in-progress	144,942,000	-	144,942,000	1,256,935,200	-	1,256,935,200
Total	₩ 45,963,872,504	₩ (6,794,205,427)	₩ 39,169,667,077	₩ 442,673,377,292	₩ (146,594,666,927)	₩ 296,078,710,365

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

(2) Changes in property, plant and equipment for the years ended December 31, 2024 and 2023, are as follows:

(In Korean won)

(In Korean won)		2024												
		Beginning balance		Acquisition		Transfer <sup>1</sup>		Disposal		Depreciation		Spin-off		Ending balance
Land	₩	42,480,618,056	₩	-	₩	(11,129,728,639)	₩	(520,691,203)	₩	-	₩	(367,638,301)	₩	30,462,559,913
Buildings		15,344,258,131		-		(350,613,958)		(410,869,606)		(263,218,520)		(12,184,099,661)		2,135,456,386
Structures		2,442,042,118		-		-		-		(38,086,222)		(2,403,955,896)		-
Machinery		229,375,579,553		-		-		-		(3,744,326,933)		(225,631,252,620)		-
Tools and equipment		2,715,710		-		-		(1,261,734)		(493,643)		(960,333)		-
Supplies		1,743,273,981		620,040,199		685,811,576		(150,050,807)		(586,803,904)		(673,281,760)		1,638,989,285
Other property, plant and equipment		3,433,287,616		297,642,603		3,517,119,000		(621,617,868)		(1,763,782,444)		(74,929,414)		4,787,719,493
Construction-in-progress		1,256,935,200		4,492,222,576		(4,974,880,576)		-		-		(629,335,200)		144,942,000
Total	₩	296,078,710,365	₩	5,409,905,378	₩	(12,252,292,597)	₩	(1,704,491,218)	₩	(6,396,711,666)	₩	(241,965,453,185)	₩	39,169,667,077

<sup>1</sup> Amounts transferred to investment properties and intangible assets are included.

(In Korean won)

(In Korean won)		2023												
		Beginning balance		Acquisition		Transfer <sup>1,2</sup>		Disposal		Others <sup>3</sup>		Depreciation		Ending balance
Land	₩	43,967,945,094	₩	1,120,464,095	₩	520,691,203	₩	(2,298,180,795)	₩	(830,301,541)	₩	-	₩	42,480,618,056
Buildings		16,213,196,043		24,557,006		423,885,155		(45,275,850)		-		(1,272,104,223)		15,344,258,131
Structures		2,670,559,452		-		-		-		-		(228,517,334)		2,442,042,118
Machinery		249,950,261,138		2,936,980,000		-		(1,078,714,492)		-		(22,432,947,093)		229,375,579,553
Tools and equipment		1,987,000		1,892,600		-		-		-		(1,163,890)		2,715,710
Supplies		1,920,324,335		376,730,105		162,272,645		(30,084,457)		-		(685,968,647)		1,743,273,981
Other property, plant and equipment		4,711,352,741		32,263,980		806,132,600		(1,960,000)		-		(2,114,501,705)		3,433,287,616
Construction-in-progress		40,420,046,504		3,333,003,200		(42,496,114,504)		-		-		-		1,256,935,200
Total	₩	359,855,672,307	₩	7,825,890,986	₩	(40,583,132,901)	₩	(3,454,215,594)	₩	(830,301,541)	₩	(26,735,202,892)	₩	296,078,710,365

<sup>1</sup> Amounts transferred from inventories to land and buildings are included.

<sup>2</sup> Amounts transferred to inventories, investment properties and intangible assets are included.

<sup>3</sup> Amounts related to changes in the scope of consolidation that occurred during the current period are included.

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

**12. INVESTMENT PROPERTIES:**

(1) Details of investment properties as at December 31, 2024 and 2023, are as follows:

(In Korean won)		2024			
		Acquisition cost	Accumulated depreciation	Accumulated impairment	Book amount
Land	₩	129,256,098,895	₩ -	₩ -	₩ 129,256,098,895
Buildings		25,216,978,381	(2,291,058,742)	(2,237,534,111)	20,688,385,528
Right-of-use assets		6,275,083,507	(653,253,600)	-	5,621,829,907
Total	₩	160,748,160,783	₩ (2,944,312,342)	₩ (2,237,534,111)	₩ 155,566,314,330

  

(In Korean won)		2023			
		Acquisition cost	Accumulated depreciation	Accumulated impairment	Book amount
Land	₩	118,126,370,256	₩ -	₩ -	₩ 118,126,370,256
Buildings		22,258,609,386	(1,893,655,960)	(2,237,534,111)	18,127,419,315
Right-of-use assets		10,137,510,742	(6,338,060,591)	-	3,799,450,151
Total	₩	150,522,490,384	₩ (8,231,716,551)	₩ (2,237,534,111)	₩ 140,053,239,722

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

(In Korean won)		2024						
		Beginning balance	Acquisition	Transfer <sup>1</sup>	Disposal	Effect of re-estimation and others	Depreciation	Ending balance
Land	₩	118,126,370,256	₩ -	₩ 11,129,728,639	₩ -	₩ -	₩ -	₩ 129,256,098,895
Buildings		18,127,419,315	2,607,041,888	350,613,958	-	-	(396,689,633)	20,688,385,528
Right-of-use assets		3,799,450,151	-	5,376,898,199	(3,278,774,987)	628,030,076	(903,773,532)	5,621,829,907
Total	₩	140,053,239,722	₩ 2,607,041,888	₩ 16,857,240,796	₩ (3,278,774,987)	₩ 628,030,076	₩ (1,300,463,165)	₩ 155,566,314,330

<sup>1</sup> Amounts transferred from property, plant and equipment are included.

(In Korean won)		2023						
		Beginning balance	Acquisition	Transfer <sup>1,2</sup>	Effect of re-estimation and others	Disposal	Depreciation	Ending balance
Land	₩	74,573,245,678	₩ 2,840,279,704	₩ 41,575,522,888	₩ -	₩ (862,678,014)	₩ -	₩ 118,126,370,256
Buildings		18,487,824,587	5,114,839,391	(5,054,294,304)	-	(27,231,767)	(393,718,592)	18,127,419,315
Right-of-use assets		5,312,792,289	-	(208,265,696)	6,842,848	-	(1,311,919,290)	3,799,450,151
Total	₩	98,373,862,554	₩ 7,955,119,095	₩ 36,312,962,888	₩ 6,842,848	₩ (889,909,781)	₩ (1,705,637,882)	₩ 140,053,239,722

<sup>1</sup> Amounts transferred from construction in progress to land and buildings, from inventories to land and buildings are included.

<sup>2</sup> Changes due to new subleases are included.



**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

- (3) Profit or loss recognized in relation to investment properties for the years ended December 31, 2024 and 2023, is as follows:

<i>(In Korean won)</i>		<b>2024</b>		<b>2023</b>
Rental income from investment properties	₩	2,322,996,188	₩	2,257,900,395
Rental expenses from investment properties		1,665,975,365		1,709,716,077

- (4) Fair value of land and buildings recognized as investment properties as at December 31, 2024, is ₩ 146,147 million.

**13. INTANGIBLE ASSETS:**

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

<i>(In Korean won)</i>	<b>2024</b>			<b>2023</b>		
	Acquisition cost	Accumulated amortization	Book amount	Acquisition cost	Accumulated amortization	Book amount
Goodwill	₩ 3,115,136,496	₩ -	₩ 3,115,136,496	₩ 3,115,136,496	₩ -	₩ 3,115,136,496
Patents	25,579,513	(20,815,813)	4,763,700	30,392,272	(18,692,409)	11,699,863
Trademarks	410,223,508	(407,648,698)	2,574,810	410,500,080	(348,524,403)	61,975,677
Membership rights	2,087,025,428	-	2,087,025,428	2,272,610,428	-	2,272,610,428
Software	16,083,589,979	(11,692,636,117)	4,390,953,862	20,064,287,137	(9,238,857,788)	10,825,429,349
Other intangible assets	472,000,000	(141,600,000)	330,400,000	472,000,000	(47,200,000)	424,800,000
Total	₩ 22,193,554,924	₩ (12,262,700,628)	₩ 9,930,854,296	₩ 26,364,926,413	₩ (9,653,274,600)	₩ 16,711,651,813

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

<i>(In Korean won)</i>	<b>2024</b>						
	Beginning balance	Acquisition	Transfer <sup>1</sup>	Disposal	Amortization	Spin-off	Ending balance
Goodwill	₩ 3,115,136,496	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 3,115,136,496
Patents	11,699,863	-	-	-	(2,123,404)	(4,812,759)	4,763,700
Trademarks	61,975,677	-	-	(276,572)	(59,124,295)	-	2,574,810
Membership rights	2,272,610,428	-	-	(185,585,000)	-	-	2,087,025,428
Software	10,825,429,349	200,194,000	771,950,000	(12,721,333)	(2,443,785,669)	(4,950,112,485)	4,390,953,862
Other intangible assets	424,800,000	-	-	-	(94,400,000)	-	330,400,000
Total	₩ 16,711,651,813	₩ 200,194,000	₩ 771,950,000	₩ (198,582,905)	₩ (2,599,433,368)	₩ (4,954,925,244)	₩ 9,930,854,296

<sup>1</sup> Transferred to software from construction in progress.

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

(In Korean won)

	2023					
	Beginning balance	Acquisition	Transfer <sup>1</sup>	Disposal	Amortization	Ending balance
Goodwill	₩ 3,115,136,496	₩ -	₩ -	₩ -	₩ -	₩ 3,115,136,496
Patents	15,779,017	-	-	-	(4,079,154)	11,699,863
Trademarks	125,284,921	1,616,720	-	-	(64,925,964)	61,975,677
Membership rights	2,417,391,538	-	-	(144,781,110)	-	2,272,610,428
Software	12,172,675,014	184,293,456	1,358,824,755	-	(2,890,363,876)	10,825,429,349
Other intangible assets	-	472,000,000	-	-	(47,200,000)	424,800,000
Total	₩ 17,846,266,986	₩ 657,910,176	₩ 1,358,824,755	₩ (144,781,110)	₩ (3,006,568,994)	₩ 16,711,651,813

<sup>1</sup> Transferred to software from construction in progress.

- (3) The Group performed impairment test on intangible assets with indefinite useful lives, and there is no impairment loss recognized during the year ended December 31, 2024.

**14. NON-CURRENT ASSETS HELD FOR SALE:**

Details of non-current assets held for sale as at December 31, 2024 and 2023, are as follows:

(In Korean won)

	2024	2023
Land	₩ 3,117,921,993	₩ 3,117,921,993
Buildings	858,708,482	858,708,482
Total	₩ 3,976,630,475	₩ 3,976,630,475

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

**15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES:**

(1) Right-of-use assets as at December 31, 2024 and 2023, consist of the following:

(In Korean won)

	2024			2023		
	Acquisition cost	Accumulated depreciation	Book amount	Acquisition cost	Accumulated depreciation	Book amount
Land	₩ -	₩ -	₩ -	₩ 6,451,029,356	₩ (1,720,274,496)	₩ 4,730,754,860
Buildings	14,180,268,496	(5,536,028,162)	8,644,240,334	15,106,820,873	(6,370,044,847)	8,736,776,026
Vehicles	727,006,455	(471,528,473)	255,477,982	1,239,490,598	(465,632,247)	773,858,351
Total	₩ 14,907,274,951	₩ (6,007,556,635)	₩ 8,899,718,316	₩ 22,797,340,827	₩ (8,555,951,590)	₩ 14,241,389,237

(2) Changes in right-of-use assets and lease liabilities for the years ended December 31, 2024 and 2023, are as follows:

(In Korean won)

	2024				
	Right-of-use assets				Lease liabilities
	Land	Buildings	Vehicles	Total	
Beginning balance	₩ 4,730,754,860	₩ 8,736,776,026	₩ 773,858,351	₩ 14,241,389,237	₩ 19,317,566,070
Effect of re-estimation	-	(177,155,680)	3,247,772	(173,907,908)	527,763,427
Spin-off	(4,659,076,756)	(122,753,184)	(349,135,229)	(5,130,965,169)	(5,101,282,403)
Acquisition/Increase	-	10,055,125,745	154,945,764	10,210,071,509	9,374,266,769
Disposal/Redemption	-	-	(55,405,844)	(55,405,844)	(3,435,487,668)
Depreciation	(71,678,104)	(3,801,677,942)	(272,032,832)	(4,145,388,878)	-
Transfer <sup>1</sup>	-	(6,046,074,631)	-	(6,046,074,631)	-
Interest expenses	-	-	-	-	949,267,087
Lease payment	-	-	-	-	(6,934,767,745)
Ending balance	₩ -	₩ 8,644,240,334	₩ 255,477,982	₩ 8,899,718,316	₩ 14,697,325,537

<sup>1</sup> Amounts transferred to investment properties are included.

(In Korean won)

	2023				
	Right-of-use assets				Lease liabilities
	Land	Buildings	Vehicles	Total	
Beginning balance	₩ 5,160,823,484	₩ 4,845,535,394	₩ 517,774,518	₩ 10,524,133,396	₩ 18,427,585,141
Effect of re-estimation	-	1,039,010,257	(31,856,609)	1,007,153,648	710,564,859
Acquisition/Increase	-	6,152,414,474	665,164,524	6,817,578,998	5,899,817,791
Disposal/Redemption	-	(89,519,800)	-	(89,519,800)	-
Depreciation	(430,068,624)	(3,210,664,299)	(377,224,082)	(4,017,957,005)	-
Interest expenses	-	-	-	-	1,080,997,488
Lease payment	-	-	-	-	(6,801,399,209)
Ending balance	₩ 4,730,754,860	₩ 8,736,776,026	₩ 773,858,351	₩ 14,241,389,237	₩ 19,317,566,070

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

- (3) Details of undiscounted contractual redemption plan of lease liabilities related to right-of-use assets of the Group are as follows:

<i>(In Korean won)</i>	<b>Within one year</b>		<b>Between 1 year to 4 years</b>		<b>Later than 4 years</b>		<b>Total</b>
Buildings	₩	5,158,209,464	₩	10,393,604,818	₩	297,965,962	₩ 15,849,780,244
Vehicles		194,295,643		93,013,765		-	287,309,408
Investment properties		279,067,840		2,289,723		-	281,357,563
Total	₩	5,631,572,947	₩	10,488,908,306	₩	297,965,962	₩ 16,418,447,215

- (4) The consolidated statements of other comprehensive income show the following amounts relating to right-of-use assets and lease liabilities:

<i>(In Korean won)</i>	<b>2024</b>		<b>2023</b>	
Revenue				
Interest income of finance lease receivables	₩	12,720,240	₩	79,020,251
Expenses				
Depreciation of right-of-use assets		4,145,388,878		4,017,957,005
Interest expenses of lease liabilities		949,267,087		1,080,997,488
Lease payments - short-term leases and leases of low-value assets		443,516,609		616,971,309
Net expenses recognized in the consolidated statements of other comprehensive income	₩	5,525,452,334	₩	5,636,905,551

- (5) Details of undiscounted contractual maturity analysis of finance lease receivables as at December 31, 2024, are as follows:

<i>(In Korean won)</i>	<b>2024</b>			
	<b>Within one year</b>	<b>Between 1 year to 5 years</b>	<b>Later than 5 years</b>	<b>Total</b>
Investment properties	₩ 477,543,600	₩ 3,928,181	₩ -	₩ 481,471,781

- (6) As at December 31, 2024, there are no future minimum lease payments expected to be received in relation to the non-cancelable operating lease agreement. The future minimum lease payments expected to be received in relation to the non-cancelable operating lease agreement as at December 31, 2023, are as follows:

<i>(In Korean won)</i>	<b>2023</b>
Within one year	₩ 375,663,875

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

**16. CONSTRUCTION CONTRACTS:**

(1) Details of contract assets and liabilities as at December 31, 2024 and 2023, are as follows:

<i>(In Korean won)</i>	<b>2024</b>		<b>2023</b>	
Accumulated costs	₩	210,702,177,491	₩	143,388,185,500
Add: accumulated profit		113,825,583,364		44,436,883,749
Accumulated contract revenue		324,527,760,855		187,825,069,249
Less: progress billings <sup>1</sup>		(353,400,830,096)		(275,013,005,006)
Subtotal		(28,873,069,241)		(87,187,935,757)
Contract assets and due from customers		1,699,389,168		153,359,220
Contract liabilities and due to customers <sup>2</sup>	₩	(30,572,458,409)	₩	(87,341,294,977)

<sup>1</sup> Advance payments of ₩5,604 million for delivery are excluded.

<sup>2</sup> Contract liabilities other than construction contract liabilities of ₩4,000 million are included.

(2) Regarding contracts in progress as at December 31, 2024, that recognized revenue under stage of completion using the cost-based input method, the changes in estimates of total contract revenue and estimated total contract costs for the years ended December 31, 2024 and 2023, are as follows:

<i>(In millions of Korean won)</i>		<b>2024</b>					
		<b>Changes in estimated total contract revenue</b>	<b>Changes in estimated total contract cost</b>	<b>Impact on profit or loss for the period</b>	<b>Impact on profit or loss for the future</b>	<b>Changes in contract assets</b>	<b>Changes in contract liabilities</b>
Saeng-gag gongjang Guro <sup>1</sup>	₩	-	₩ (2,427)	₩ 3,709	₩ (1,282)	₩ -	₩ (3,709)
New construction of Gunpo Mixed Use Development <sup>2</sup>		(6,491)	(7,959)	993	475	993	-

<sup>1</sup> The Group carries out the joint operations with TAEYEONG D&I CO., LTD., and the percentage of ownership is 60%.

<sup>2</sup> The Group carries out the joint operations with SK Ecoplant Co., Ltd. and Taeyoung Engineering & Construction Co., Ltd., and the percentage of ownership is 33%. The percentage of ownership may change in the future depending on additional area construction and others.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In millions of  
Korean won)

2023

	Changes in estimated total contract revenue	Changes in estimated total contract cost	Impact on profit or loss for the period	Impact on profit or loss for the future	Changes in contract assets	Changes in contract liabilities
Saeng-gag gongjang Guro <sup>1</sup>	₩ -	₩ 7,723	₩ (4,022)	₩ (3,701)	₩ -	₩ 4,022

<sup>1</sup> The Group carries out the joint operations with TAEYEONG D&I CO., LTD., and the percentage of ownership is 60%.

The impact on profit or loss for the period and future are calculated based on the estimated total contract costs based on the circumstances that occurred from the commencement of the contract until the end of the reporting period, and contract costs and contract revenue may change in the future period.

(3) Contracts those recognize revenue under stage of completion using the cost-based input method, that contract amount for the year ended December 31, 2024, is more than 5% of previous revenues, are as follows:

(In Korean won)

	Contract date	Contractual completion date	Progress (%)	Contract assets and due from customers		Trade receivables	
				Total amount	Accumulated impairment loss	Total amount	Allowance for doubtful account
Saeng-gag gongjang Guro	2022-04-22	2025-08-25	48.81	₩ -	₩ -	₩ 2,807,390,280	₩ 965,052,551
New construction of Gunpo Mixed Use Development	2020-12-28	2025-09-30	38.38	1,699,389,168	-	-	-

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

**17. TRADE AND OTHER PAYABLES:**

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

<i>(In Korean won)</i>		<b>2024</b>		<b>2023</b>	
Current					
Trade payables		₩	13,613,116,749	₩	17,673,168,586
Non-trade payables			15,216,706,068		38,534,280,227
Current lease liabilities			5,329,889,010		5,045,087,557
Accrued expenses			7,732,832,446		8,865,598,890
	Subtotal		41,892,544,273		70,118,135,260
Non-current					
Long-term non-trade payables			-		1,614,520,809
Non-current lease liabilities			9,367,436,527		14,272,478,513
	Subtotal		9,367,436,527		15,886,999,322
	Total	₩	51,259,980,800	₩	86,005,134,582

**18. DEBENTURES AND BORROWINGS:**

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

<i>(In Korean won)</i>	<b>2024</b>		<b>2023</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Short-term borrowings	₩ 35,000,000,000	₩ -	₩ 59,000,000,000	₩ -
Long-term borrowings	366,323,952,245	231,957,023,991	367,564,995,376	491,530,563,791
Debentures	87,968,279,589	31,966,998,266	201,459,592,795	87,872,678,897
Total	₩ 489,292,231,834	₩ 263,924,022,257	₩ 628,024,588,171	₩ 579,403,242,688

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

<i>(In Korean won)</i>		<b>Interest rate (%)</b>		<b>2024</b>		<b>2023</b>	
<b>Creditor</b>	<b>Category</b>						
Korea Development Bank and others	Specific and general borrowings	5.37-7.8	₩	35,000,000,000	₩	59,000,000,000	

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

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

(In Korean won)

Creditor	Category	Interest rate (%)	2024	2023
Hana Bank and others <sup>1</sup>	Specific and general borrowings	3.70–8.83	₩ 579,386,666,676	₩ 823,730,742,747
Woori Bank <sup>2</sup>	General borrowings	SOFR 3M+3.02	-	38,682,000,000
Woori Bank <sup>3</sup>	General borrowings	3M CD+3.19	22,000,000,000	-
	Subtotal		601,386,666,676	862,412,742,747
Less: discount on borrowings			(3,105,690,440)	(3,317,183,580)
Less: current portion			(368,066,666,676)	(368,124,306,669)
Less: current portion of discount on borrowings			1,742,714,431	559,311,293
	Total		₩ 231,957,023,991	₩ 491,530,563,791

<sup>1</sup> Borrowings include an agreement for the early repayment of a portion of the amount upon receipt of proceeds from the sale of assets held by KORAMCO No. 120 General Type Private Real Estate Investment Trust, KORAMCO Icheon Baeksa Logistics General Type Private Real Estate Investment Trust and IGIS No. 222 Professional Investors' Private Real Estate Investment Company, in which the Group has invested.

<sup>2</sup> During the year ended December 31, 2024, the Group established SK eternix Co., Ltd. through spin-off of the renewable energy and ESS business units and transferred the corresponding long-term borrowings to SK eternix Co., Ltd.

<sup>3</sup> The Group has entered into an interest rate swap contract to fix the variable interest rate risk (see Notes 22 and 24).



# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

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

(In Korean won)

Category	Issuance date	Redemption date	Stated interest rate (%)	2024	2023
Debentures	2021.03.12	2024.03.12	4.50	₩ -	₩ 130,000,000,000
	2022.03.17	2025.03.17	5.00	40,000,000,000	40,000,000,000
	2022.03.28	2025.03.28	5.00	10,000,000,000	10,000,000,000
	2022.07.27	2024.07.26	6.00	-	20,000,000,000
	2023.05.31	2025.05.19	6.90	15,000,000,000	15,000,000,000
	2023.10.27	2025.04.25	7.50	16,000,000,000	16,000,000,000
	2023.10.27	2025.10.27	8.00	7,000,000,000	7,000,000,000
	2024.10.16	2026.04.16	7.50	15,000,000,000	-
	2024.11.28	2026.05.28	7.50	17,000,000,000	-
Subtotal				120,000,000,000	238,000,000,000
Less: discount on borrowings				(64,722,145)	(170,091,963)
Less: current portion				(88,000,000,000)	(150,000,000,000)
Less: current portion of discount on borrowings				31,720,411	42,770,860
				31,966,998,266	87,872,678,897
Debentures in foreign currency <sup>1</sup>	2021.04.23	2024.04.23	SOFR 3M+1.26	-	25,788,000,000 (USD 20,000,000)
	2021.07.29	2024.07.29	SOFR 3M+1.16	-	25,788,000,000 (USD 20,000,000)
Subtotal				-	51,576,000,000
Less: discount on borrowings				-	(73,636,345)
Less: current portion				-	(51,576,000,000)
Less: current portion of discount on borrowings				-	73,636,345
Subtotal				-	-
Total				₩ 31,966,998,266	₩ 87,872,678,897

<sup>1</sup> Debentures in foreign currency were repaid during the year ended December 31, 2024.

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

**19. POSTEMPLOYMENT BENEFITS:**

The Group operates defined benefit pension plans. The defined benefit obligation is calculated annually by competent and independent actuary using the projected unit credit method.

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

<i>(In Korean won)</i>	<b>2024</b>		<b>2023</b>	
Present value of defined benefit obligations	₩	10,930,134,824	₩	12,892,015,670
Fair value of plan assets		(12,799,861,994)		(13,243,498,666)
Net defined benefit assets	₩	(1,869,727,170)	₩	(351,482,996)

- (2) Components of retirement benefits by account for the years ended December 31, 2024 and 2023, are as follows:

<i>(In Korean won)</i>	<b>2024</b>		<b>2023</b>	
Cost of sales	₩	853,994,510	₩	482,851,401
General administrative expenses		1,561,750,364		2,381,557,660
Total	₩	2,415,744,874	₩	2,864,409,061

- (3) Movements in the net defined benefit liabilities (assets) for the years ended December 31, 2024 and 2023, are as follows:

<i>(In Korean won)</i>	<b>2024</b>		
	<b>Present value of defined benefit obligations</b>	<b>Plan assets</b>	<b>Net defined benefit liabilities (assets)</b>
Beginning balance	₩ 12,892,015,670	₩ (13,243,498,666)	₩ (351,482,996)
Profit or loss			
Current service cost	2,719,973,126	-	2,719,973,126
Interest expense (income)	366,674,975	(693,465,592)	(326,790,617)
	3,086,648,101	(693,465,592)	2,393,182,509
Remeasurements recognized as other comprehensive income			
Loss from plan assets	-	332,457,171	332,457,171
Change in demographic assumptions	24,609,295	-	24,609,295
Change in financial assumptions	(253,338,202)	-	(253,338,202)
Experience adjustments	361,229,465	-	361,229,465
	132,500,558	332,457,171	464,957,729
Contributions paid	-	(3,797,987,492)	(3,797,987,492)
Benefit payments	(2,540,908,969)	2,365,774,497	(175,134,472)
Transfer from (to) affiliates	(2,640,120,536)	2,236,858,088	(403,262,448)
Ending balance	₩ 10,930,134,824	₩ (12,799,861,994)	₩ (1,869,727,170)

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)	2023		
	Present value of defined benefit obligations		Net defined benefit liabilities (assets)
		Plan assets	
Beginning balance	₩ 12,547,044,989	₩ (13,299,877,273)	₩ (752,832,284)
Profit or loss			
Current service cost	3,156,164,370	-	3,156,164,370
Interest expense (income)	375,468,192	(776,000,976)	(400,532,784)
	3,531,632,562	(776,000,976)	2,755,631,586
Remeasurements recognized as other comprehensive income			
Loss from plan assets	-	354,443,080	354,443,080
Change in financial assumptions	487,953,386	-	487,953,386
Experience adjustments	(1,204,404,944)	-	(1,204,404,944)
	(716,451,558)	354,443,080	(362,008,478)
Contributions paid	-	(4,086,455,849)	(4,086,455,849)
Benefit payments	(2,127,336,120)	4,195,407,224	2,068,071,104
Transfer from (to) affiliates	(342,874,203)	368,985,128	26,110,925
Ending balance	₩ 12,892,015,670	₩ (13,243,498,666)	₩ (351,482,996)

(4) Plan assets as at December 31, 2024 and 2023, consist of the following:

(In Korean won)	2024	2023
Ordinary deposits and others	₩ 12,799,861,994	₩ 13,243,498,666

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

(In percentage)	2024	2023
Discount rate	2.87%–4.99%	3.13%–5.65%
Salary growth rate (base-up)	3.00%–4.00%	4.00%–4.50%

(6) While holding all other assumptions constant as at December 31, 2024 and 2023, and in the case where significant actuarial assumptions are within the reasonable and possible changes, the fluctuation of the defined benefit obligations is as follows:

(In Korean won)	2024			
	Discount rate		Salary growth rate	
	1% increase	1% decrease	1% increase	1% decrease
Defined benefit obligations	₩ (484,383,905)	₩ 553,482,004	₩ 551,093,009	₩ (491,243,821)

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

(In Korean won)	2023			
	Discount rate		Salary growth rate	
	1% increase	1% decrease	1% increase	1% decrease
Defined benefit obligations	₩ (643,717,307)	₩ 731,211,858	₩ 719,207,525	₩ (644,734,146)

**20. OTHER FINANCIAL LIABILITIES:**

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

(In Korean won)	2024	2023
Other current financial liabilities		
Deposits withheld	₩ -	₩ 12,320,000
Leasehold deposits received	2,468,803,295	6,450,405,349
Current portion of long-term financial liabilities <sup>1</sup>	6,638,433,406	2,276,219,178
Dividends payable	-	1,144,328,570
Subtotal	9,107,236,701	9,883,273,097
Other non-current financial liabilities		
Leasehold deposits received	1,563,245,029	4,177,262,409
Financial guarantee liabilities	7,346,002,240	5,194,574,630
Long-term financial liabilities <sup>1</sup>	208,514,757	89,234,679,224
Subtotal	9,117,762,026	98,606,516,263
Total	₩ 18,224,998,727	₩ 108,489,789,360

<sup>1</sup> As it is determined that the Group has a contractual obligation and others to distribute the financial assets to non-interest shareholders of KORAMCO No. 117 Qualified Investors' Private Real Estate Investment Trust, IGIS No. 412 Professional Investors' Private Placement Real Estate Investment Limited Liab. and DDISF PFV, the shares and profit or loss of those non-controlling shareholders are included.

As at December 31, 2024, the management evaluated the historical overdue experience of debt instruments subject to financial guarantee contracts, debt status of the debtor, as well as the outlook of the industry to which the debtor belongs, and as a result, the management determined that the credit risk has not increased significantly after initial recognition of financial guarantee liabilities. There are no changes in estimation techniques or material assumptions applied when evaluating financial guarantee liabilities during the year ended December 31, 2024.

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

**21. OTHER CURRENT LIABILITIES:**

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

<i>(In Korean won)</i>		<b>2024</b>		<b>2023</b>
Withholdings	₩	2,988,030,208	₩	1,712,825,595
Advance receipts <sup>1</sup>		6,327,599,958		103,796,514,892
Unearned revenues		335,290,471		2,242,829,408
Total	₩	9,650,920,637	₩	107,752,169,895

<sup>1</sup> Amounts with nature of contract liabilities received from customers in advance are included.

**22. DERIVATIVE FINANCIAL INSTRUMENTS:**

(1) Details of derivative assets and liabilities as at December 31, 2024 and 2023, are as follows:

<i>(In Korean won)</i>	<b>2024</b>			
	<b>Derivative assets</b>		<b>Derivative liabilities</b>	
	<b>Current</b>		<b>Non-current</b>	
Currency forward	₩	342,474,389	₩	-
Interest rate swaps		-		455,055,481
OTC derivatives		7,136,007,492		570,000,000
Total	₩	7,478,481,881	₩	1,025,055,481

<i>(In Korean won)</i>	<b>2023</b>			
	<b>Derivative assets</b>		<b>Derivative liabilities</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Currency forward	₩ 106,995,541	₩ -	₩ 51,491,861	₩ -
Currency swaps	6,787,685,645	-	-	422,784,085
OTC derivatives	6,344,000,000	865,389,624	-	5,907,000,000
Total	₩ 13,238,681,186	₩ 865,389,624	₩ 51,491,861	₩ 6,329,784,085

Meanwhile, the Group evaluates derivatives at its fair value at the time of initial recognition and at the end of each reporting period, and in case of derivative contracts with a maturity of one year or longer, the amount considering the time value is reflected in adjusted gains and losses.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

### As at and for the Years Ended December 31, 2024 and 2023

- (2) There are no details of derivative assets and liabilities related to currency swap as at December 31, 2024.  
Details of derivative assets and liabilities related to currency swap as at December 31, 2023, are as follows:

(In Korean won and in USD)

Purchase		Sell		2023	
				Derivative assets	Derivative liabilities
Currency	Amount	Currency	Amount	Current	Non-current
USD <sup>1</sup>	20,000,000	KRW	22,382,000,000	₩ 3,589,934,811	₩ -
USD <sup>1</sup>	20,000,000	KRW	23,000,000,000	3,197,750,834	-
USD <sup>2</sup>	30,000,000	KRW	39,045,000,000	-	422,784,085
Total				₩ 6,787,685,645	₩ 422,784,085

<sup>1</sup> Matured for the year ended December 31, 2024.

<sup>2</sup> During the year ended December 31, 2024, the Group established SK eternix Co., Ltd. through spin-off the renewable energy and ESS business units and transferred the corresponding derivative financial instruments to SK eternix Co., Ltd.

- (3) The Group applies cash flow hedge accounting, which uses interest rate swaps as a hedging instrument to hedge risks arising from changes in interest rates on borrowings with floating rate. Details of derivative assets related to interest rate swaps as at December 31, 2024, are as follows:

(In Korean won)

Contractor	Contract period	Contractual interest rate		2024	
		Payment	Receipt	Derivative liabilities (Non-current)	
Woori Bank	2024.07.23– 2027.04.23	6.69%	KRW 3M CD+3.19%	₩	455,055,481

- (4) The Group applies fair value hedge accounting, which uses currency forwards as a hedging instrument to fix exchange rate fluctuation risks exposed in payments of imports of furniture. Details of derivative assets and liabilities related to currency forwards as at December 31, 2024 and 2023, are as follows:

(In Korean won, in EUR and in USD)

Purchase		Sell		2024		2023	
				Derivative assets (current)	Derivative assets (current)	Derivative liabilities (current)	Derivative liabilities (current)
Currency	Amount	Currency	Amount				
EUR <sup>1</sup>	3,900,000	KRW	5,453,390,000	₩ -	₩ 106,995,541	₩	-
USD <sup>1</sup>	4,910,668	KRW	6,382,886,266	-	-		51,491,861
EUR	6,478,953	KRW	9,564,952,468	342,474,389	-		-
Total				₩ 342,474,389	₩ 106,995,541	₩	51,491,861

<sup>1</sup> Matured for the year ended December 31, 2024.

- (5) As at December 31, 2024, the Group has five OTC derivative contracts (see Note 24-(11) for the details). The Group measures the fair value of OTC derivatives by applying the option-pricing model (binomial model) based on the fair value measurement of the underlying assets and the evaluated underlying assets.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

### As at and for the Years Ended December 31, 2024 and 2023

Details of gain or loss on valuation of derivatives recognized due to OTC derivative contracts for the years ended December 31, 2024 and 2023, are as follows:

(In Korean won)

	2024			
	Derivative assets (current)	Derivative liabilities (non-current)	Gain (loss) on valuation of derivative financial instruments	Gain (loss) on transaction of derivatives
Beneficiary certificates of Hyundai No. 20 Private Real Equity Investment Trust <sup>1</sup>	₩ -	₩ -	₩ -	-
Beneficiary securities of preferred shares (investment trust) of Seongsu commercial facility	6,060,000,000	-	(284,000,000)	-
Semicolon Mullae REIT Co., Ltd. Common stock put and call option	918,323,434	-	52,933,810	-
Beneficiary securities put and call option of DDI LVC Master Real Estate Investment Trust Co., Ltd. <sup>2</sup>	-	-	-	-
Type 1 shares of Gunpo Mixed Use Development PFV Company	-	570,000,000	5,337,000,000	-
Type 2 beneficiary securities of HHR Special Situation Private Fund No. 13	157,684,058	-	157,684,058	-
Total	₩ 7,136,007,492	₩ 570,000,000	₩ 5,263,617,868	₩ -

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

(In Korean won)

	2023					
	Derivative assets (current)	Derivative assets (non-current)	Derivative liabilities (non-current)	Gain (loss) on derivative financial instruments	Gain (loss) on transaction of derivatives	
Beneficiary certificates of Hyundai No. 20 Private Real Equity Investment Trust <sup>1</sup>	₩ -	₩ -	₩ -	₩ -	₩ -	3,703,000,000
Beneficiary securities of preferred shares (investment trust) of Seongsu commercial facility	6,344,000,000	-	-	1,915,000,000	-	-
Semicolon Mullae REIT Co., Ltd. Common stock put and call option	-	865,389,624	-	4,472,810	-	-
Beneficiary securities put and call option of DDI LVC Master Real Estate Investment Trust Co., Ltd. <sup>2</sup>	-	-	-	-	-	-
Type 1 shares of Gunpo Mixed Use Development PFV Company	-	-	5,907,000,000	(5,907,000,000)	-	-
Type 2 beneficiary securities of HHR Special Situation Private Fund No. 13	-	-	-	-	-	-
Total	₩ 6,344,000,000	₩ 865,389,624	₩ 5,907,000,000	₩ (3,987,527,190)	₩	3,703,000,000

<sup>1</sup> Matured for the year ended December 31, 2023.

<sup>2</sup> Although these are OTC derivatives, there are no gain or loss on valuation for the year ended December 31, 2024.



**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

**23. PROVISIONS:**

(1) Details of provisions as at December 31, 2024 and 2023, are as follows:

(In Korean won)	2024			2023		
	Current	Non-current	Total	Current	Non-current	Total
Provision for warranty	₩ 781,976,749	₩ 1,280,388,309	₩ 2,062,365,058	₩ -	₩ 2,242,737,556	₩ 2,242,737,556
Provision for loss compensation	4,484,197,507	-	4,484,197,507	4,763,722,888	929,504,277	5,693,227,165
Provision for long-term maintenance	-	-	-	-	2,745,905,764	2,745,905,764
Provision for restoration	212,274,354	553,837,994	766,112,348	-	986,865,172	986,865,172
Total	₩ 5,478,448,610	₩ 1,834,226,303	₩ 7,312,674,913	₩ 4,763,722,888	₩ 6,905,012,769	₩ 11,668,735,657

(2) Changes in provisions for the years ended December 31, 2024 and 2023, are as follows:

(In Korean won)	2024						
	Beginning balance	Additions	Interest expenses	Used	Reversal and others	Spin-off	Ending balance
Provision for warranty	₩ 2,242,737,556	₩ 531,365,592	₩ -	₩ (488,758,090)	₩ -	₩ (222,980,000)	₩ 2,062,365,058
Provision for loss compensation	5,693,227,165	3,554,693,230	-	(4,763,722,888)	-	-	4,484,197,507
Provision for long-term maintenance	2,745,905,764	-	-	-	-	(2,745,905,764)	-
Provision for restoration	986,865,172	255,129,487	34,587,689	-	(510,470,000)	-	766,112,348
Total	₩ 11,668,735,657	₩ 4,341,188,309	₩ 34,587,689	₩ (5,252,480,978)	₩ (510,470,000)	₩ (2,968,885,764)	₩ 7,312,674,913

(In Korean won)	2023					
	Beginning balance	Additions	Interest expenses	Used	Reversal	Ending balance
Provision for warranty	₩ 1,873,698,375	₩ 623,100,503	₩ -	₩ (76,990,412)	₩ (177,070,910)	₩ 2,242,737,556
Provision for loss compensation	929,504,277	4,763,722,888	-	-	-	5,693,227,165
Provision for long-term maintenance	2,745,905,764	-	-	-	-	2,745,905,764
Provision for restoration	37,849,795	935,742,480	13,272,897	-	-	986,865,172
	₩ 5,586,958,211	₩ 6,322,565,871	₩ 13,272,897	₩ (76,990,412)	₩ (177,070,910)	₩ 11,668,735,657

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

---

**24. CONTINGENCIES AND COMMITMENTS:**

(1) Major commitments for financial transactions of the Group as at December 31, 2024, are as follows:

<i>(In Korean won and in USD)</i>	<b>Details</b>	<b>Credit limit</b>	
Hana Bank and others	Collateralized loans on electronic trade receivables	₩	3,000,000,000
		USD	<sup>1</sup> 22,800,820
	Currency derivatives	₩	<sup>2</sup> 22,000,000,000
	General loans		15,804,996,000
	Overdrafts		4,000,000,000
	Corporate card		1,400,000,000
	Agreements for discounting of commercial paper		943,000,000

<sup>1</sup> It includes currency forward contracts to fix exchange rate fluctuation risk exposed in payment for imports of raw materials.

<sup>2</sup> Limits for interest rate swaps contracts to fix the variable interest rate risk.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(2) Details of the trust contract the Group entered into as at December 31, 2024, are as follows:

(In millions of Korean won)

Trust property	Trust company	Beneficiary	Amount	Trust type
280-6, Seongsu-dong 2-ga, Seongdong-gu, Seoul, etc.	KOREA trust Co., Ltd.	First-tier joint: Korea Federation of Community Credit Cooperatives	₩ 26,000	Management Land Trust of Knowledge Industry Center Development
		First-tier joint: Shinhan Bank and Shinhan Capital Co., Ltd.	39,000	
		Second-tier: MADW Seongsu W Center Co., Ltd.	65,000	
280, Seongsu-dong 2-ga, Seongdong-gu, Seoul, etc.	MUGUNGH WA TRUST CO., Ltd.	First-tier joint: Shinhan Bank	32,500	Management Land Trust of Knowledge Industry Center Development
		First-tier joint: Daegu Bank	19,500	
		First-tier joint: Shinhan Capital Co., Ltd.	15,600	
		First-tier joint: KB CAPITAL Co., Ltd.	13,000	
		First-tier joint: ABLE VIEW TOWER Co., Ltd.	1,300	
		Second-tier: ABLE VIEW TOWER Co., Ltd.	35,100	
		Third-tier: SK ecoplant Co., Ltd.	90,039	
12-1, 12, Dangsang-dong 1-ga, Yeongdeungpo-gu, Seoul	KOREA trust Co., Ltd.	First-tier joint: Shinhan Bank	24,000	Management Land Trust
		First-tier joint: Kyobo Life Insurance Co., Ltd.	42,000	
		First-tier joint: National Agricultural Cooperative Federation	42,000	
		First-tier joint: Fisheries Cooperative Federation	18,000	
		First-tier joint: Korean Reinsurance Company	18,000	
		First-tier joint: JB Woori Capital Co., Ltd.	12,000	
		First-tier joint: NH Capital Co., Ltd.	12,000	
		First-tier joint: KDB CAPITAL CORPORATION	6,000	
		First-tier joint: Shinhan Card Co., Ltd.	6,000	
		First-tier joint: NongHyup Bank (Trustee of SHBNPP Private Real Estate Loan Fund No. 1)	6,000	
		Second-tier: TAEYOUNG ENGINEERING &	149,880	

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In millions of Korean won)

Trust property	Trust company	Beneficiary	Amount	Trust type
636-89, Guro-dong, Guro-gu, Seoul, etc.	KOREA trust Co., Ltd.	CONSTRUCTION		Management Land Trust
		First-tier joint: Shinhan Bank	12,000	
		First-tier joint: Korea Securities Finance Corporation	84,000	
		First-tier joint: Industrial Bank of Korea	96,000	
		First-tier joint: National Credit Union Federation of Korea	36,000	
		First-tier joint: Ganaan Credit Association	6,000	
		First-tier joint: Songpa East Credit Union	3,600	
		First-tier joint: Jecheon North Credit Union	1,200	
		First-tier joint: CHEONANJEIL COOPERATIVE CREDIT UNION	4,200	
		First-tier joint: DAECHEONG CREDIT UNION	960	
		First-tier joint: SEONRIN COOPERATIVE CREDIT UNION	1,800	
		First-tier joint: Nambu Credit Association	1,560	
		First-tier joint: Juseong Credit Cooperative	4,680	
		First-tier joint: Shinhan Card Co., Ltd.	36,000	
		First-tier joint: IBK Capital Corporation	12,000	
		Second-tier: TAEYOUNG ENGINEERING & CONSTRUCTION	264,792	
		First-tier joint: LEETAEWON 1-DONG SAEMAEUL FINANCE FIRM	3,000	Real estate collateral trust
		First-tier joint: Eunpyeong New Town Community Credit Cooperatives	2,400	
		First-tier joint: Gusandong Saemaeul Finance Firm	3,000	
		First-tier joint: GUNPO COMMUNITY CREDIT COOPERATIVE	5,400	
		First-tier joint: PAJU SAEMAEUL FINANCE FIRM	1,200	
23-6, Yongdu-dong, Dongdaemun-gu, Seoul, etc.	Kyobo Asset Trust Co., Ltd.			

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In millions of Korean won)

Trust property	Trust company	Beneficiary	Amount	Trust type
23-22, Yongdu-dong, Dongdaemun-gu, Seoul, etc.	Kyobo Asset Trust Co., Ltd.	First-tier joint: Myeongdong Community Credit Cooperatives	2,760	Real estate collateral trust
		First-tier joint: ANSAN CENTER SAEVILLAGE SAFE	4,800	
		First-tier joint: ICHON COMMUNITY CREDIT COOPERATIVE	3,600	
		First-tier joint: SEOBINGGODONG SAE VILLAGE SAFE	2,400	
		First-tier joint: SEONGAM SAEMAEUL FINANCE FIRM	2,400	
		First-tier joint: Yongin Center Community Credit Cooperative	3,600	
		Second-tier: AMAEARIA 1ST CO., LTD.	6,000	
		First-tier joint: GUNPO COMMUNITY CREDIT COOPERATIVE	600	
		First-tier joint: ICHON COMMUNITY CREDIT COOPERATIVE	720	
		First-tier joint: SEONGAM SAEMAEUL FINANCE FIRM	600	
		First-tier joint: DONGSOMUN SAEMAEUL FINANCE FIRM	840	
		First-tier joint: SINDANG HWANGHAK KOREAN FEDERATION OF COMMUNITY CREDIT COOPERATIVE	1,080	
		First-tier joint: Samcheok Dowon Korean Federation Of Community Credit Cooperatives	720	
		First-tier joint: Seongnam Jungbu Community Credit	6,000	
		First-tier joint: Seongnam Jeil Community Credit Cooperatives	3,600	
		First-tier joint: NAMHANSANSEONG SAEMAEUL SAFE	1,200	

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In millions of Korean won)

Trust property	Trust company	Beneficiary	Amount	Trust type
532-11, Sinsa-dong, Gangnam-gu, Seoul, etc.	Hana Bank	First-tier joint: YANGPYEONGSAE VILLAGE SAFE CHAMBER OF COMMERCE AND INDUSTRY	720	Real estate collateral trust
		First-tier joint: NOWON KOREAN FEDERATION OF COMMUNITY CREDIT COOPERATIVES	1,200	
		Second-tier: AMAELRIA 1ST CO., LTD.	6,000	
		First-tier joint: Hana Bank Jongro Financial Center Branch	20,400	
		First-tier joint: POHANG AGRICULTURAL COOPERATIVE	6,000	
		First-tier joint: Busan Bank	12,000	
		Second-tier: Hana Bank Jongno Financial Center Branch	12,000	
		Third-tier joint: Shinhan Capital Co., Ltd.	24,000	
		Third-tier joint: Value Cloud Co., Ltd.	36,000	
		Third-tier joint: Korea Investment Savings Bank	8,400	
		Third-tier joint: A Capital Co., Ltd.	2,400	
		Third-tier joint: KIWOOM SAVINGS BANK	3,600	
		Third-tier joint: PEPPER SAVINGS BANK	12,000	
		Third-tier joint: WOORI SAVINGS BANK	3,600	
		Third-tier joint: Hana Capital Co., Ltd.	12,000	
61-1, Yeonpyeong-ri, Jinjeop-eup, Namyangju-si, Gyeonggi-do, etc.	Shinhan Asset Trust	Third-tier joint: Daishin Savings Bank Co., Ltd.	12,000	Real estate collateral trust
		Third-tier joint: JT Saving Bank Co., Ltd.	6,000	
		First-tier joint: iM Bank	13,100	
		First-tier joint: OK Savings Bank Bundang	15,720	

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In millions of Korean won)

Trust property	Trust company	Beneficiary	Amount	Trust type
		Branch		
		First-tier joint: JINJU SAVINGS BANK Busan Branch	3,930	
		First-tier joint: DONGWON JEIL SAVINGS BANK CO., Ltd. Haeundae Branch	3,930	
		First-tier joint: YEGARAM SAVINGS BANK Ulsan Branch	6,550	
		First-tier joint: Moa savings bank Suwon Branch	3,930	
		First-tier joint: YUANTA SAVINGS BANK KOREA	6,550	
		First-tier joint: ACUON SAVINGS BANK	5,240	
		First-tier joint: Incheon savings bank	3,930	
		First-tier joint: young-jin MSB	2,620	
		First-tier joint: KUEM HWA SAVINGS BANK	3,930	
8-14, Mullae-dong 3-ga, Yeongdeungpo-gu, Seoul, etc.	Shinhan Asset Trust	First-tier: Seongnamsujeong Community Credit Cooperatives	12,000	Real estate collateral trust
8-6, Mullae-dong 3-ga, Yeongdeungpo-gu, Seoul	Shinhan Asset Trust	First-tier: Wangsip-Ri Center Sae Village Safe	2,760	Real estate collateral trust
8-8, Mullae-dong 3-ga, Yeongdeungpo-gu, Seoul	Shinhan Asset Trust	First-tier: Wangsip-Ri Center Sae Village Safe	1,440	Real estate collateral trust
8-1, Mullae-dong 3-ga, Yeongdeungpo-gu, Seoul, etc.	Shinhan Asset Trust	First-tier joint: LEETAEWON 1-DONG SAEMAEUL FINANCE FIRM	600	Real estate collateral trust
		First-tier joint: Namdaemun Chungmuro Korean Federation of Community Credit Cooperatives	2,400	
		First-tier joint: DEURIMSAE VILLAGE SAFE CO.	2,760	
		First-tier joint: Bansong Community Credit Cooperatives	3,000	
		First-tier joint: Baetel Community Credit Cooperatives	600	

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In millions of Korean won)

Trust property	Trust company	Beneficiary	Amount	Trust type
		First-tier joint: BYEOLNAE SAEMAEUL FINANCE FIRM	2,400	
		First-tier joint: SeJong Community Credit Cooperatives	1,200	
		First-tier joint: SINDANG HWANGHAK KOREAN FEDERATION OF COMMUNITY CREDIT COOPERATIVE	1,200	
		First-tier joint: ANYANG JEIL SAEMAEUL SAFE CO.	1,200	
		First-tier joint: YEOLRIN KOREAN FEDERATION OF COMMUNITY CREDIT COOPERATIVE	1,200	
		First-tier joint: Uijeongbu Center Community Credit Cooperatives	2,400	
		First-tier joint: JEONTAEK SAEMAEUL FINANCE FIRM	840	
		First-tier joint: Jegidong Community Credit Cooperatives	1,200	
		First-tier joint: Pocheon Community Credit Cooperatives	2,400	
		First-tier joint: HANGANG 2-DONG SAEMAEUL FINANCE FIRM	600	
14-3, Mullae-dong 3-ga, Yeongdeungpo-gu, Seoul, etc.	Shinhan Asset Trust	First-tier: Jungwon Community Credit Cooperative	8,640	Real estate collateral trust
8-2, Mullae-dong 3-ga, Yeongdeungpo-gu, Seoul, etc.	Shinhan Asset Trust	First-tier: Nakwon Community Credit Cooperative	5,160	Real estate collateral trust
108-104, Oryu-dong, Guro-gu, Seoul, etc.	Shinhan Asset Trust	First-tier joint: Gyeongnam Gaon Credit Union	1,200	Real estate collateral trust
		First-tier joint: Gyeongnam Masan Credit Union	2,400	
		First-tier joint: GUDEOK CREDIT COOPERATIVE	3,720	
		First-tier joint: GUPO CREDIT ASSOCIATION	1,200	



# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In millions of Korean won)

Trust property	Trust company	Beneficiary	Amount	Trust type
656-1119, Seongsu-dong 1-ga, Seongdong-gu, Seoul, etc.	Shinhan Asset Trust	First-tier joint: Namseoul Credit Union Co.	3,600	Real estate collateral trust
		First-tier joint: Dalgubeol Credit Cooperative	3,600	
		First-tier joint: Busanjin Credit Association	3,600	
		First-tier joint: Seongmo Credit Union	840	
		First-tier joint: ASAN CREDIT COOPERATIVE	4,800	
		First-tier joint: INCHEONDAEGEONSI NYONG COOPERATIVE CO.	2,400	
		First-tier joint: Hanra Credit Association	2,400	
		First-tier joint: HongSeong Credit Union	2,400	
		First-tier joint: Hana Bank	1,200	
		First-tier joint: NongHyup Bank	2,400	
		First-tier joint: National Credit Union Federation of Korea	1,300	
		First-tier joint: Yeonhee Credit Union	1,170	
		First-tier joint: Shingil Credit Union	910	
		First-tier joint: Changwon Mirae Credit Union	3,250	
		First-tier joint: Gunam Credit Union	1,820	
		First-tier joint: Yiwon Credit Union	520	
		First-tier joint: West Chungju Credit Union	390	
		First-tier joint: East Incheon Credit Union	650	
		First-tier joint: Geumsan Credit Union	1,170	
		First-tier joint: Chungjeolro Credit Union	910	
		First-tier joint: Bomnae Credit Union	1,170	
		First-tier joint: Wonju Chambit Credit Union	2,470	
		First-tier joint: Gyeongil Credit Union	910	
		First-tier joint: YeongjuYoungnam Credit Union	1,300	
		First-tier joint: Yesung Credit Union	1,430	

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In millions of Korean won)

Trust property	Trust company	Beneficiary	Amount	Trust type
		First-tier joint: Pungcheon Credit Union	1,040	
		First-tier joint: BeakAm Credit Union	1,950	
		First-tier joint: Gyeongsan Credit Union	2,600	
		First-tier joint: DaeguDaegun Credit Union	3,510	
		First-tier joint: Hanwoori Credit Union	2,730	
		First-tier joint: South Cheongju Credit Union	3,900	
		First-tier joint: Ulsan Happiness Credit Union	3,900	
		First-tier joint: NH Capital Co., Ltd.	19,500	
		First-tier joint: Mirae Asset Capital Co., Ltd.	13,000	
		First-tier joint: Goryeo Savings Bank Co., Ltd.	3,900	
		First-tier joint: OSB Savings Bank Co., Ltd.	2,600	
		First-tier joint: Daishin Savings Bank Co., Ltd.	3,900	
		First-tier joint: Jinju Savings Bank Co., Ltd.	1,300	
		Busan branch		
		Second-tier: Sungsu Cloud Co., Ltd.	9,100	

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

---

(3) Details of guarantees and collateral provided to the Group as at December 31, 2024, are as follows:

*(In millions of Korean won)*

Guarantor	Details		Guaranteed amount
Seoul Guarantee Insurance	Approval guarantee insurance and others	₩	37,619
Construction Guarantee Cooperative	Subcontracting payment surety and others		14,157
Korea Specialty Contractor Financial Cooperative	Construction warranty performance guarantee and others		5,508

(4) Details of collateral provided to the Group as at December 31, 2024, are as follows:

*(In millions of Korean won)*

Guarantor	Details		Collateral amount
Hanyang Industrial Development Co., Ltd.	Second-class priority on the shares of Metheus Ilsan Complex Logistics Center PFV Co., Ltd.	₩	6,000

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

(5) Details of the assets provided as collateral by the Group as at December 31, 2024, are as follows:

(In Korean won)

	Provided by		Secured amount	Secured assets		Carrying amount
Investment properties	Hana Bank	₩	32,400,000,000	Land and buildings of Episode Seongsu 121 (26-3, Seongsu-dong 1-ga, Seongdong-gu, Seoul)	₩	31,253,317,450
	EAST SEOUL AGRICULTURAL COOPERATIVE		6,000,000,000	Land located at 25-13, Samseong-dong		8,556,123,993
	Shinhan Bank		1,200,000,000	1419, 1420 and 1519, Gangnam BL 106, 832-16 Yeoksam-dong, Gangnam-gu, Seoul		2,265,311,243
	Gyeongnam Central Credit Union, Oncheonjang Credit Union, Changwon Mirae Credit Union, Ulsan Nambu Credit Union, Hongseong Credit Union, Busan Dongrae Credit Union, Dalgubeol Credit Union, Halla Credit Union, Changshin Credit Union and Janghowon Credit Union		28,800,000,000	384-32 SinGal-dong and 9 other parcels of land and buildings		40,914,853,261
	Hana Bank, NongHyup Bank, Gyeongnam Gaon Credit Union, Gyeongnam Masan Credit Union, Gudeok Credit Union, Guipo Credit Union, SOUTH SEOUL Credit Cooperative, Dalgubeol Credit Union, Busanjin Credit Union, Seongmo Credit Union, Asan Credit Union, Incheon Daegun Credit Union, Halla Credit Union and Hongseong Credit Union		35,760,000,000	Land and buildings at 108-104 Oryu-dong, Guro-gu, Seoul		45,101,448,459
Inventories	Shinhan Capital Co., Ltd., Korea Investment Savings Bank, A Capital Co., Ltd., KIWOOM SAVINGS BANK, PEPPER SAVINGS BANK, WOORI SAVINGS BANK and Value Cloud Co., Ltd.		20,000,000,000	Shared investments for lands located at 1323-35, 1323-6 and 1323-7, Seocho-dong		15,091,724,018
Investment in subsidiaries	SEONGMO Credit Cooperative, GYEONGNAM GAON Credit Cooperative, GYEONGNAM MASAN Credit Cooperative, HONGSEONG Credit Cooperative, GUDEOK Credit Cooperative, GUPO Credit Cooperative, Namseoul Credit Cooperative, DALGUBEOL Credit Cooperative, BUSANJIN Credit Cooperative, HALLA Credit Cooperative, ASAN Credit Cooperative and INCHEON DAEGUN Credit Cooperative		32,160,000,000	Shares of a subsidiary (DDIOS108)		-
Investment in associates	Industrial Bank of Korea, National Credit Union Federation of Korea and Eunpyeong Credit Cooperative		84,000,000,000	Shares of an associate(DDI Residential No.1 Subsidiary REIT Co., Ltd.)		1,821,573,617
	Industrial Bank of Korea, IBK Capital, KDB Capital Corporation, Korea Development Bank and Shinhan Bank <sup>1</sup>		300,000,000,000	Shares of an associate (Gunpo Mixed Use Development PFV Company)		4,150,241,888
	ABLE GUNPO 1ST CO., Ltd., Korea Investment Capital, Jiphy Gunpo Co., Ltd. and KISTRIATS 1ST CO., Ltd. <sup>2</sup>		132,000,000,000			
	Hyundai Engineering & Construction Co., Ltd.		2,500,000,000	Shares of an associate (Songpa Biz Cluster PFV Co., Ltd.)		2,223,452,983
Beneficiary certificates in	Shinhan Capital Co., Ltd., Hana Capital, Co., Ltd., Daishin Savings Bank Co., Ltd., JT Saving Bank		120,000,000,000	Beneficiary certificates of 24 other parcels of		-

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

### As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

	Provided by	Secured amount	Secured assets	Carrying amount
real estate	Co., Ltd., Korea Investment Savings Bank, A Capital Co., Ltd., KIWOOM SAVINGS BANK, PEPPER SAVINGS BANK, WOORI SAVINGS BANK and Value Cloud Co., Ltd. <sup>3</sup>		land and land located at 23-6, Yongdu-dong, Dongdaemun-gu	
	MY S DUNSAN Co., Ltd. <sup>4</sup>	27,600,000,000	Beneficiary certificates of other parcels of land and land located at 636-89 Guro-dong, Guro-gu	-
	KIWOOM Capital Co., Ltd. <sup>5</sup>	20,800,000,000	Beneficiary certificates of areas located at 76-3 Yeonpyeong-ri, Jinjeop-eup, Namyangju-si, Gyeonggi-do	-

<sup>1</sup> The Group has provided a joint first-priority collateral to the entities relating to Gunpo Mixed Use Development.

<sup>2</sup> The Group has provided a joint second-priority collateral to the entities relating to Gunpo Mixed Use Development.

<sup>3</sup> The Group's beneficiary certificates were provided to the entities relating to Yongdu-dong complex housing project as collateral.

<sup>4</sup> The Group's beneficiary certificates were provided to the entities relating to Saeng-gag gongjang Guro project as collateral.

<sup>5</sup> The Group's beneficiary certificates were provided to the entities relating to Jinjeop, Namyangju apartment complex project as collateral.

(6) Details of the insurance coverage of the Group as at December 31, 2024, are as follows:

(In millions of Korean won)

Insured by	Details	Insured amount
DB INSURANCE Co., Ltd.	Package insurance and others	₩ 11,820
KB Insurance Co., Ltd.	Personal information protection compensation liability insurance	500
Meritz Fire & Marine Insurance Co., Ltd.	Package insurance and others	118,431
Hyundai Marine & Fire Insurance Co., Ltd.	Fire insurance and others	44,082

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

### As at and for the Years Ended December 31, 2024 and 2023

(7) Details of major litigation pending in which the Group is involved as a defendant as at December 31, 2024, are as follows. The outcome of the lawsuits cannot be predicted as at December 31, 2024.

(In millions of Korean won)

	Amount	Plaintiff	Defendant	Remark
Compensation for damages	₩ 4,695	Y.H LOGISTICS Co., Ltd. and others	The Group and others	First trial in progress
Claim for unjust enrichment	316	Choi Yong-won	The Group and others	First trial in progress
Claim for service payment	1,215	NAMMUN DEVELOPMENT CO. and others	The Group and DDIVC-1 REIT Co., Ltd.	First and third <sup>1</sup> trial in progress

<sup>1</sup> Following the reporting period, the Group won the second-instance judgment, but the opposing party has appealed, and the case is currently in the process of the third-instance trial.

(8) Details of the contingent liabilities related to construction contracts as at December 31, 2024 and 2023, are as follows:

#### a) Summary

(In millions of Korean won)

					Outstanding loan balance									
					Maturity									
Type <sup>1</sup>	Business segment	Guarantee limit <sup>2</sup>	Guarantee amount <sup>2</sup>	2024	Not later than three months	Later than three months and not later than six months	Later than six months and not later than one year	Later than one year and not later than two years	Later than two years and not later than three years	Later than three years	2023			
Other business es	Main PF	Gunpo TRIARTZ Industrial Knowledge Center	₩ 378,000	₩ 270,612	₩ 158,700	₩ -	₩ -	₩ 158,700	₩ -	₩ -	₩ 201,000			
	Main PF	Gunpo TRIARTZ Industrial Knowledge Center	132,000	132,000	40,000	-	-	40,000	-	-	-			
	Collateralized loan	Icheon Baeksamyeon Logistics Center (Building A)	41,500	41,500	41,500	-	-	41,500	-	-	41,500			
	Collateralized loan	Icheon Baeksamyeon Logistics Center (Building B)	43,500	43,500	43,500	-	-	43,500	-	-	43,500			

<sup>1</sup> The Group has excluded credit enhancement for 'mid-term loan,' which has relatively lower risk compared to 'responsible construction' where the subject of guarantee is different, from the scope of preparation for the consolidated summary statement.

<sup>2</sup> The Group has disclosed the amount considering the Group's burden rate on the consolidated summary statement for consortium projects, while information such as overall limits is disclosed in the guarantee details.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

### As at and for the Years Ended December 31, 2024 and 2023

#### b) Details

(In millions of Korean won)

Business area	Business segment	Types of PF	Types of credit enhancement	Guarantee limit (Total)	Debt-to-equity ratio (consolidated)	Guarantee amount	Debitor		Outstanding loan balance (Consolidated)		Loan period	Date of maturity	Types of loan	Guaranteed completion deposit amount
							Debitor	Related parties	2024	2023				
The area of 150-1, Dang-dong, Gunpo-si, Gyeonggi-do	Gunpo TRIARTZ Industrial Knowledge Center <sup>1</sup>	Main PF	Assumption of obligation	₩ 300,000	76%	₩ 120,612	Gunpo Mixed Use Development PFV Company	Investment in an associate	₩ 158,700	₩ 201,000	2021.04.23–2025.08.23	2025.08.23	Loans payable	₩ 228,000
			Cash deficiency support <sup>2</sup>	300,000	50%	150,000								
			Assumption of obligation	132,000	100%	40,000			40,000	-	2024.07.08–2026.11.08	2026.11.08	Loans payable	-
			Cash deficiency support	132,000	100%	132,000								
			Early repayment: If the borrower wishes to repay all or part of the loan early, they may do so only on each interest payment date. However, the borrower must pay the full amount of unpaid accrued interest (including overdue interest) to the lender, and the early repayment amount must be in multiples of ₩100 million, with a minimum amount of ₩1,000 million.											
267-2, Hyunbang-ri, Baeksamyeon, Icheon-si, Gyeonggi-do (20 additional parcels)	Icheon Baeksamyeon Logistics Center (Building A)	Collateralized loan	Assumption of obligation and cash deficiency support	41,500	100%	41,500	KORAMCO Icheon Baeksa Logistics General Type Private Real Estate Investment Trust	Investment in a joint venture	41,500	41,500	2021.03.24–2025.08.31	2025.08.31	Loans payable	-
270-3, Hyunbang-ri, Baeksamyeon, Icheon-si, Gyeonggi-do (16 additional parcels)	Icheon Baeksamyeon Logistics Center (Building B)	Collateralized loan	Assumption of obligation and cash deficiency support	43,500	100%	43,500	KORAMCO No.120 General Type Private Real Estate Investment Trust	Investment in a joint venture	43,500	43,500	2021.03.24–2025.08.31	2025.08.31	Loans payable	-

<sup>1</sup> The Group has additional joint guarantee arrangements related to the obligation of guarantee for construction/completion, interim payment loan agreements with subpurchasers, in addition to the stated credit enhancements (see Note 22-(9) and (10)).

<sup>2</sup> The ratio for cash deficiency support was changed to 50% during the year ended December 31, 2024.

(9) Details of the obligations for which the Group is responsible for ensuring proper construction and completion as at December 31, 2024 and 2023, are as follows:

(In millions of Korean won)	Business segment	2024				2023			
		Number of construction projects	Contract amount	Agreed amount	Outstanding loan balance	Number of construction projects	Contract amount	Agreed amount	Outstanding loan balance
Other businesses	Gunpo TRIARTZ Industrial Knowledge Center <sup>1</sup>	1	₩ 562,700	₩ 228,000	₩ 158,700	1	₩ 562,700	₩ 203,520	₩ 201,000

<sup>1</sup> In relation to the ongoing Gunpo Integrated Development Project, the Group bears the obligation to assume overlapping debts of ₩156,000 million and debts according to the debt-to-equity ratio of ₩72,000 million in the event of non-compliance with the obligation for responsible construction and completion.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(10) Details of the joint guarantees the Group entered into in relation to intermediate payment of consumer in relation to real estate development as at December 31, 2024, are as follows:

(In millions of Korean won)	Financial institutions	Outstanding loan balance	Guaranteed amount	Guarantee limit	Guarantee period
Saeng-gag gong Jang Guro	Nonghyup Bank, Woori Bank, Kookmin Bank, Industrial Bank of Korea and Hana Capital Co., Ltd.	₩ 315,311	₩ 378,373	₩ 431,852	From the initial execution date of the interim payment to March 31, 2026 (however, Woori Bank is until February 27, 2026)
Gunpo TRIARTZ Industrial Knowledge Center	Nonghyup Bank, Kookmin Bank and Hana Capital Co., Ltd.	191,778	230,134	480,000	From the initial execution date of the interim payment to October 23, 2026

(11) Details of the OTC derivative contracts held by the Group as at December 31, 2024, are as follows:

a) Beneficiary securities of preferred shares (investment trust) of Seongsu commercial facility

### Details

Counterparty	SSK 1st Co., Ltd.	SSK 2nd Co., Ltd.
Contract date	March 19, 2020	
Maturity date <sup>1</sup>	The earlier of the day on which the counterparty sells all of the underlying assets, or the day on which all proceeds from the sale of the real estate owned by the REITs in which the underlying asset is invested are fully paid, or the day when the preferred share of the REIT is sold, or the day on which the REITs decides to reduce the relevant preferred share for consideration is paid, or October 31, 2025.	
Nominal amount <sup>2</sup>	- Transaction date – July 21, 2020: ₩2,925 million - July 22, 2020 – October 30, 2024: ₩5,850 million - October 31, 2024 – maturity date: ₩4,850 million	- Transaction date – July 21, 2020: ₩2,925 million - July 22, 2020 – October 30, 2024: ₩5,850 million - October 31, 2024 – maturity date: ₩4,850 million
Underlying assets	Richmond Private Real Estate Fund No. 91	Korea Investment Seongsudong Retail Professional Investment Type Private Parent Real Estate Investment Trust
Settlement method	The Group pays transaction costs for OTC derivatives according to the contract, and if the settlement price is higher than the transaction price at the time of settlement, the counterparty pays the difference to the Group, and if the settlement price is lower than the transaction price, the Group pays the difference to the counterparty.	

<sup>1</sup> The maturity date has been extended since the real estate was not sold.

<sup>2</sup> The amount is the acquisition price of the beneficiary certificate.



# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

b) Ordinary shares' put option and call option of Semicolon Mullae REIT Co., Ltd.

### Details

	Put option	Call option
Exercise right		
Exerciser	S-1 CORPORATION <sup>1</sup>	D&D INVESTMENT
Obligator	D&D INVESTMENT	S-1 CORPORATION <sup>1</sup>
Exercise assets	800,000 shares of ordinary share	
Requirements	₩5,000 per share (₩4,000,000,000 in total)	
Exercise period	Within 3 months from the date of termination of a PM/FM contract	

<sup>1</sup> Non-controlling shareholder of Semicolon Mullae REIT Co., Ltd.

c) Put and call options of beneficiary certificates of DDI LVC Master Real Estate Investment Trust Co., Ltd.

### Details

	Put option	Call option
Counterparty		
Exerciser	DDI LVC Master Real Estate Investment Trust Co., Ltd.	The Parent Company
Obligator	The Parent Company	DDI LVC Master Real Estate Investment Trust Co., Ltd.
Exercise assets	All issued shares or beneficiary certificates of the last investment organization among the investment organizations established under the memorandum of understanding on joint investment with DDILVC Co., Ltd.	
Requirements	When the actual distribution to DDILVC Co., Ltd. is smaller than the distribution in portfolio <sup>1</sup>	When the actual distribution to DDILVC Co., Ltd. is greater than the distribution in portfolio <sup>1</sup>
Exercise price	The amount expected to be paid to DDILVC Co., Ltd. According to the estimated amount of disposal of the investment asset in relation to the last investment organization + (distribution in portfolio <sup>1</sup> - actual distribution)	The amount expected to be paid to DDILVC Co., Ltd. According to the estimated amount of disposal of the investment asset in relation to the last investment organization - (distribution in portfolio <sup>1</sup> - actual distribution)
Exercise period	The period from the day before 25 business days to the day before 7 business days from the expected date of disposal of the investment assets of the last investment organization	

<sup>1</sup> Distribution in portfolio: DDILVC Co., Ltd.'s cumulative expected return amount for all investment organizations established under the memorandum of understanding on joint investment.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

d) Type 1 shares of Gunpo Mixed Use Development PFV Company

### Details

Counterparty	TAEYOUNG ENGINEERING & CONSTRUCTION
Contract date	January 19, 2023
Maturity date	Distribution date for residual assets according to development completion (or liquidation) of the target company from the date of full payment for the acquisition of the underlying asset in accordance with the sales contract by the profit payer (TAEYOUNG ENGINEERING & CONSTRUCTION)
Contract amount	₩6,766,370,000
Underlying assets	230,000 shares of type 1 shares
Settlement method	The Parent Company shall pay a fixed income pursuant to the contract, and at the final settlement, if the settlement amount for variable income is positive(+), TAEYOUNG ENGINEERING & CONSTRUCTION shall pay to the Parent Company, whereas if it is negative(-), the Parent Company shall pay the corresponding amount to TAEYOUNG ENGINEERING & CONSTRUCTION.

e) Type 2 beneficiary securities of HHR Special Situation Private Fund No. 13

### Details

Counterparty	Hanyang Industrial Development Co., Ltd.
Contract date	February 26, 2024
Maturity date	The earlier of the day on which the cumulative payment amount of the investment trust exceeds ₩250 billion (₩25,000,000,000), or the day on which the credit limit of the purchase commitment amount held by SK D&D Co., Ltd. and D&D INVESTMENT, for the investment trust is exhausted, or the day on which the end of repurchase period (March 31, 2025)
Underlying assets	Type 2 beneficiary securities of HHR Special Situation Private Fund No. 13
Settlement method	(The payment for acquisition of paid beneficiary certificates) + (The interest amount calculated on a daily basis by applying for the payment amount from the date of payment for acquisition of the paid beneficiary certificates to the date of completion of their transfer (i) an annual interest rate of 13% for the period up to September 30, 2024, and (ii) an annual interest rate of 15% for the period starting from October 1, 2024) - (The total amount of distributions, including profits, received from the investment trust during the period from the date of acquisition to the date of transfer in relation to the paid beneficiary certificates)

Meanwhile, the Group measures the fair value of OTC derivatives by performing fair value measurement on the underlying assets and applying option-pricing model (binomial model) and discounted cash flow model, based on the underlying assets. Gain or loss on valuation of derivatives recognized due to OTC derivative contracts for the year ended December 31, 2024, is disclosed in the derivative notes (see Note 22-(5)).

## SK D&D Co., Ltd. and Subsidiaries

### Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

---

(12) Details of joint guarantees provided by or provided to the Group for existing liabilities prior to the date of spin-off are as follows (see Note 36-(7)):

Spin-off date	Details	Joint guarantees
March 1, 2024	Spin-off of SK eternix Co., Ltd. from SK D&D Co., Ltd.	SK D&D Co., Ltd. and SK eternix Co., Ltd.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

### 25. RELATED-PARTY TRANSACTIONS:

(1) Details of related parties as at December 31, 2024, are as follows:

Type	Name of entity
Entities with joint control over the Group	SK Discovery Co., Ltd. and Hahn & Co. Development Holdings Co., Ltd.
Joint ventures	KORAMCO No. 120 General Type Private Real Estate Investment Trust, KORAMCO Icheon Baeksa Logistics General Type Private Real Estate Investment Trust, Cheongju Eco Park Co., Ltd. <sup>1</sup> , Hanwha CheongjuEcopark private equity 1st (Infrastructure) <sup>1</sup> , Eumsung Ecopark Co., Ltd. <sup>1</sup> , Hanwha Eumseongecopark private equity 1st (Infrastructure) <sup>1</sup> , HHR Real Estate Private Fund No. 5 <sup>2</sup> , Metheus Ilsan Complex Logistics Center PFV Co., Ltd., PungBaek Wind Farm Corporation <sup>1</sup> , Connectfy Cloud Co., Ltd., Yakmok Ecopark Co., Ltd. <sup>1</sup> , Geumyang Ecopark Co., Ltd. <sup>1</sup> , Uiseong Hwanghaksan Windpower Co., Ltd. <sup>1</sup> , Chilgok Ecopark Co., Ltd. <sup>1</sup> and ApartTech <sup>3</sup>
Associates	KintexMall Co., Ltd., Daegusolar <sup>1</sup> , Monnaissance, IGIS No. 135 Professional Investors' Private Placement Real Estate Investment Limited Liab., DDISY-230 Residential REIT Co., Ltd., DDISS-280 Retail REIT Co., Ltd., DDISC-1338 Residential REIT Co., Ltd., DDISC-1339 Residential REIT Co., Ltd., DDISC-57 Residential REIT Co., Ltd., DDI Residential No.1 Subsidiary REIT Co., Ltd., Gunpo Mixed Use Development PFV Company, FASSTO, Howbuild, D&D Platform REIT Co., Ltd., Gulup Wind Power Development Corp. <sup>1</sup> , DDIVC-1 REIT Co., Ltd., DDISC49, DDIYS-40 REIT, Korea Space Data, NUVEEN ETERNIX SOLAR HOLDINGS CO., LTD. (formerly, Glennmont D&D Solar Holdings) <sup>1</sup> , Shinhan Normalization General Type Private Real Estate Investment Trust No. 1, DDI Baek-Am Logistics REIT Co., Ltd. <sup>4</sup> , DDI Baek-Am Logistics No. 2 REIT Co., Ltd. <sup>4</sup> , Korea Space Service <sup>5</sup> , Ssgddak Co., Ltd. <sup>5</sup> , Glenmont D&D SOLAR PROJECTS 1 CO., LTD. <sup>6</sup> , Semicolon Mullae REIT Co., Ltd. <sup>4</sup> , GridFlex, Inc. <sup>1</sup> , Songpa Biz Cluster PFV Co., Ltd. <sup>3</sup> , HHR Special Situation Private Fund No. 13 <sup>3</sup> , S CITY GONGDEOK PFV CO., LTD. <sup>3</sup> , DDI Myeongdong N REIT Co., Ltd. <sup>3,4</sup> , LB No. 58 General Type Private Real Estate Investment Trust <sup>3</sup> , DDI LVC Master Real Estate Investment Trust Co., Ltd. and DDI VC Master Real Estate Investment Trust Co., Ltd.
Other related parties such as large-scale business group affiliated company <sup>7</sup>	SK Inc., SK ecoplant Co., Ltd., SK networks Co., Ltd., SKC Ltd., SK Chemicals Co., Ltd., SK Innovation Co., Ltd., SK RENT A CAR CO., LTD., SK M&SERVICE CO., LTD., SK PICGLOBAL CO., LTD., SK BROADBAND CO., LTD., HAPPYNARAE Co., Ltd., SK BIOSCIENCE CO., LTD., SK GAS LTD., HUVIS CORPORATION, SK MAGIC INC., SK Pinx Co., Ltd., Korea Marketplace Systems Co., Ltd., SK Telecom Co., Ltd., Ko-one Energy Service Co., Ltd., SK eternix Co., Ltd. <sup>8</sup> , ESSESCO <sup>9</sup> , SK Hynix Inc., SK REIT Co., Ltd. and other related parties

<sup>1</sup> The entity was sold during the year ended December 31, 2024.

<sup>2</sup> Distribution of residual assets has been completed, and the entity was liquidated during the year ended December 31, 2024.

<sup>3</sup> The entity was newly acquired during the year ended December 31, 2024.

# **SK D&D Co., Ltd. and Subsidiaries**

## **Notes to the Consolidated Financial Statements**

### **As at and for the Years Ended December 31, 2024 and 2023**

---

<sup>4</sup> The entity is classified as a related party as it is an investment in subsidiary of D&D Platform REIT Co., Ltd., an associate.

<sup>5</sup> The entity is classified as a related party as it is an investment in subsidiary of Korea Space Data, an associate.

<sup>6</sup> The entity is classified as a related party as it is an investment in subsidiary of NUVEEN ETERNIX SOLAR HOLDINGS CO., LTD. (formerly, Glennmont D&D Solar Holdings), an associate. However, the entity is excluded from a related party as NUVEEN ETERNIX SOLAR HOLDINGS CO., LTD. (formerly, Glennmont D&D Solar Holdings) was sold during the year ended December 31, 2024.

<sup>7</sup> The entity is not a related party as defined in paragraph 9 of K-IFRS 1024. However, the entity is classified as a related party in accordance with the resolution of Securities and Futures Commission that defined a large-scale business group affiliated company designated by the Fair Trade Commission is considered a related party with substantive relationship prescribed in paragraph 10 of K-IFRS 1024 or paragraph 12 of K-IFRS 1024.

<sup>8</sup> During the year ended December 31, 2024, a new company (SK eternix Co., Ltd.) was established and classified as a large-scale business group affiliated company, as a result of spin-off renewable energy and ESS business units.

<sup>9</sup> The entity is classified as other related party as it is investments in subsidiaries of SK eternix Co., Ltd., a large-scale business group affiliated company.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(2) Sales and purchases with related parties for the years ended December 31, 2024 and 2023, are as follows:

(In Korean won)

Type	Name of entity	2024			
		Sales and others		Disposal of assets <sup>1</sup>	Purchases and others
Entity with joint control over the Group	SK DISCOVERY CO., LTD.	₩	174,881,387	₩	-
Joint ventures	Connectfy Cloud Co., Ltd.		810,000,000	-	65,176,179
	Yakmok Ecopark Co., Ltd.		7,859,270	-	-
	Uiseong Hwanghaksan Windpower Co., Ltd.		93,764,384	-	-
Associates	DDISY-230 Residential REIT Co., Ltd.		2,848,209,708	-	108,261,996
	DDISS-280 Retail REIT Co., Ltd.		267,656,776	-	-
	DDISC-1338 Residential REIT Co., Ltd.		1,671,377,968	-	113,858,580
	DDISC-1339 Residential REIT Co., Ltd.		1,442,684,723	-	225,202,567
	DDISC-57 Residential REIT Co., Ltd.		1,287,983,401	-	75,416,041
	DDI Residential No.1 Subsidiary REIT Co., Ltd.		1,232,501,818	-	-
	Gunpo Mixed Use Development PFV Company		34,849,376,248	-	-
	D&D Platform REIT Co., Ltd.		324,630	-	-
	DDIVC-1 REIT Co., Ltd.		2,100,939,892	-	-
	DDISC49		1,057,540,000	-	-
	DDI YS-40 REIT		1,005,975,824	-	181,243,562
	Korea Space Data		-	-	642,773,381
	Shinhan Normalization General Type Private Real Estate Investment Trust No. 1		420,000,000	-	-
	Glenmont D&D SOLAR PROJECTS 1 CO., Ltd.		33,849,890	-	-
	Semicolon Mullae REIT Co., Ltd.		866,419,532	-	278,997,363
	Songpa Biz Cluster PFV Co., Ltd.		3,330,814,416	-	-
	S CITY GONGDEOK PFV CO., LTD.		122,806,211	-	-
	DDI Myeongdong N REIT Co., Ltd.		161,516,699,561	-	-
	LB No. 58 General Type Private Real Estate Investment Trust		219,673,880,000	-	-
	DDI VC Master Real Estate Investment Trust Co., Ltd.		1,122,114,888	-	-
	DDI Beak-Am Logistics No. 1 REIT Co., Ltd.		197,304,980	-	-
	DDI Baek-Am Logistics No. 2 REIT Co., Ltd.		195,000,000	-	-
Other related parties such as large-scale	SK INC.		-	-	3,274,219,104
	SK ECOPLANT CO., LTD.		2,286,761,780	-	209,428,241

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

business group	SK NETWORKS CO. LTD.	-	-	30,000,000
affiliated company	SK CHEMICALS CO., LTD.	17,365,680	-	-
	SK INNOVATION CO., LTD.	-	-	232,364,122
	SK RENT A CAR CO., LTD.	-	-	26,150,000
	SK M&SERVICE CO., LTD.	-	-	429,834,265
	SK PICGLOBAL CO., LTD.	94,876,644	-	-
	SK BROADBAND CO., LTD.	13,625,806	-	77,450,990
	HAPPYNARAE Co., Ltd.	-	-	31,935,892
	SK BIOSCIENCE	2,268,000	-	-
	SK GAS Ltd.	16,161,010	-	1,418,892,372
	HUVIS CORPORATION	242,963,950	-	-
	SK Magic Co., Ltd.	-	-	10,772,040
	SK Pinx Co., Ltd.	-	-	30,000,000
	SK Telecom Co., Ltd.	-	-	36,739,768
	Ko-one Energy Service Co., Ltd.	-	-	5,250,342
	SK eternix Co., Ltd.	1,974,452,157	186,982,833	500,838,833
	ESSESCO	206,339,948	-	-
	SK Hynix Inc.	-	-	911,000
	Capstec Co., Ltd.	-	-	105,768,550
	SK REIT Co., Ltd.	199,415,600,000	-	-
	Total	₩ 640,600,380,482	₩ 186,982,833	₩ 8,111,485,188

<sup>1</sup>It includes the amount classified as profit and loss from discontinued operations in the consolidated statements of comprehensive income during the year ended December 31, 2024.

<sup>2</sup>If there is a change in the status of a related party due to a change in ownership during the current period, the transactions are prepared based on the time of change.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

(In Korean won)

		2023					
Type	Name of entity	Sales and others		Disposal of assets <sup>1</sup>		Purchases and others	Acquisition of assets
Entity with joint control over the Group	SK DISCOVERY CO., LTD.	₩	9,629,873	₩	-	₩	-
Joint ventures	KORAMCO No. 120 General Type Private Real Estate Investment Trust		40,000,000		-		-
	KORAMCO Icheon Baeksa Logistics General Type Private Real Estate Investment Trust		40,000,000		-		-
	Eumsung Ecopark Co., Ltd.		80,499,519		-		-
	PungBaek Wind Farm Corporation		33,161,083,627		578,051,330		-
	Connectfy Cloud Co., Ltd.		336,677,419		-	18,279,197	-
	Yakmok Ecopark Co., Ltd.		1,792,082,639		-		-
	Uiseong Hwanghaksan Windpower Co., Ltd.		5,015,627,397		742,457,371		-
	Chilgok Ecopark Co., Ltd. <sup>2</sup>		2,220,623,409		-		-
	DDISY-230 Residential REIT Co., Ltd.		2,683,519,968		-	102,179,277	-
	DDISS-280 Retail REIT Co., Ltd.		223,587,516		-		-
Associates	DDISC-1338 Residential REIT Co., Ltd.		1,849,713,586		-	43,190,586	-
	DDISC-1339 Residential REIT Co., Ltd.		1,559,078,188		-	80,287,704	-
	DDISC-57 Residential REIT Co., Ltd.		1,443,819,721		-	72,659,971	-
	DDI Residential No.1 Subsidiary REIT Co., Ltd.		1,193,298,186		-		-
	Gunpo Mixed Use Development PFV Company		15,839,236,802		-		-
	Daehoji Solar Park, Inc.		28,696,439		-		-
	DDIVC-1 REIT Co., Ltd.		2,016,671,235		-		-
	DDISC49		877,540,000		-		-
	DDI YS-40 REIT		548,194,594		-		-
	Korea Space Data		-		-	559,313,713	-
	DDI VC Master Real Estate Investment Trust Co., Ltd.		1,311,444,124		-		-
	Shinhan Normalization		123,270,547		-		-



# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

Type	Name of entity	2023			
		Sales and others	Disposal of assets <sup>1</sup>	Purchases and others	Acquisition of assets
Other related parties such as large-scale business group affiliated company	General Type Private Real Estate Investment Trust No. 1				
	DDI Beak-Am Logistics No.1 REIT Co., Ltd.	197,279,900	-	-	-
	DDI Baek-Am Logistics No. 2 REIT Co., Ltd.	220,000,000	-	-	-
	Glenmont D&D SOLAR PROJECTS 1 CO., Ltd.	5,929,921	-	-	-
	Korea Space Service	-	-	200,000	-
	Semicolon Mullae REIT Co., Ltd.	866,419,532	-	268,366,860	-
	SK INC.	-	-	3,183,139,990	252,503,000
	SK ECOPLANT CO., LTD.	734,500,000	-	203,450,372	-
	SK NETWORKS CO. LTD.	-	-	30,000,000	-
	SK shieldus Co., Ltd. <sup>2</sup>	18,502,135	-	170,956,582	-
	SK CHEMICALS CO., LTD.	50,995,620	-	-	-
	SK INNOVATION CO., LTD.	-	-	438,583,900	-
	SK RENT A CAR CO., LTD.	-	-	58,665,968	-
	SK M&SERVICE CO., LTD.	-	-	367,943,153	-
	SK PICGLOBAL CO., LTD.	1,151,729,870	-	-	-
	SK BROADBAND CO., LTD.	10,800,000	-	96,047,506	-
	HAPPYNARAE Co., Ltd.	-	-	70,487,244	625,000
	SK BIOSCIENCE CO., LTD.	2,268,000	-	-	-
	SK GAS LTD.	41,458,640	-	2,003,588,080	-
	HUVIS CORPORATION	1,487,670,100	-	-	-
	SK Magic Co., Ltd.	-	-	18,559,795	-
	SK Pinx Co., Ltd.	-	-	84,064,470	-
	Korea Marketplace Systems Co.	-	-	20,106,955	622,000,000
	Capstec Co., Ltd.	-	-	450,689,572	-
	SK Telecom Co., Ltd.	-	-	26,295,531	-
	Ko-one Energy Service Co., Ltd.	-	-	5,652,941	-
Total		₩ 77,181,848,507	₩ 1,320,508,701	₩ 8,372,709,367	₩ 875,128,000

# **SK D&D Co., Ltd. and Subsidiaries**

## **Notes to the Consolidated Financial Statements**

**As at and for the Years Ended December 31, 2024 and 2023**

---

<sup>1</sup> It includes the amount billed for the amount recorded as advance payment, etc., by the Group in accordance with the transfer agreement.

<sup>2</sup> It was excluded from a large-scale business group affiliated company during the year ended December 31, 2023, and the transactions are prepared based on the time of the change.

<sup>3</sup>It includes the amount classified as profit and loss from discontinued operations in the consolidated statements of comprehensive income during the year ended December 31, 2023.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

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

(In Korean won)		2024			
Type	Name of entity	Receivables <sup>1</sup>		Payables	
Entity with joint control over the Group	SK DISCOVERY CO., Ltd.	₩	60,475,611	₩	99,272,451
Joint venture	Connectfy Cloud Co., Ltd.		74,250,000		10,651,717
Associates	DDISY-230 Residential REIT Co., Ltd.		2,776,396,965		489,679,814
	DDISS-280 Retail REIT Co., Ltd.		105,555,826		-
	DDISC-1338 Residential REIT Co., Ltd.		286,407,684		100,751
	DDISC-1339 Residential REIT Co., Ltd.		289,522,144		4,754,006
	DDISC-57 Residential REIT Co., Ltd.		240,842,556		6,078,600
	DDI Residential No. 1 Subsidiary REIT Co., Ltd.		175,513,133		1,930,600
	Gunpo Mixed Use Development PFV Company		65,663,014		30,326,087
	D&D Platform REIT Co., Ltd.		834,000,000		-
	DDIVC-1 REIT Co., Ltd.		299,811,612		-
	DDISC49		792,834,828		28,135,990
	DDI YS-40 REIT		115,794,767		-
	Korea Space Data		-		61,639,630
	Semicolon Mullae REIT Co., Ltd.		238,265,371		-
	Songpa Biz Cluster PFV Co., Ltd.		1,902,945,566		-
	S CITY GONGDEOK PFV CO.,Ltd.		7,540,984		-
	DDI Myeongdong N REIT Co., Ltd.		108,772,215		39,796,894
	DDI VC Master Real Estate Investment Trust Co., Ltd.		569,178,951		-
	DDI Beak-Am Logistics No. 1 REIT Co., Ltd.		54,258,869		-
	DDI Baek-Am Logistics No. 2 REIT Co., Ltd.		121,000,000		-
Other related parties such as large-scale business group affiliated company	SK INC.		122,753,063		351,368,129
	SK ECOPLANT CO., Ltd.		140,937,000		-
	SK CHEMICALS CO., Ltd.		4,905,513		-
	SK INNOVATION CO., Ltd.		6,142,443		-
	SK RENT A CAR CO., Ltd.		-		30,389,264
	SK M&SERVICE CO., Ltd.		-		10,836,040
	SK BROADBAND CO., Ltd.		-		6,600
	HAPPYNARAE Co., Ltd.		-		13,812,144
	SK BIOSCIENCE CO., Ltd.		1,226,378		-

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

SK GAS Ltd.	638,824,497	2,975,659,624
SK Telecom Co., Ltd.	-	10,929,028
SK eternix Co., Ltd.	9,536,472	330,000,000
Total	₩ 10,043,355,462	₩ 4,495,367,369

<sup>1</sup> Receivables resulting from fund transactions are excluded (see Note 25-(4)).

(In Korean won)

Type	Name of entity	2023	
		Receivables	Payables
Entity with joint control over the Group	SK DISCOVERY CO., Ltd.	₩ 10,205,409	₩ 160,743,275
Joint ventures	PungBaek Wind Farm Corporation	949,135,400	5,914,800,000
	Connectfy Cloud Co., Ltd.	127,795,161	3,924,679
	Yakmok Ecopark Co., Ltd.	7,082,639	-
	Uiseong Hwanghaksan Windpower Co., Ltd.	758,084,768	394,100,000
	Chilgok Ecopark Co., Ltd.	-	89,946,000,000
Associates	DDISY-230 Residential REIT Co., Ltd.	2,283,267,606	288,288,275
	DDISS-280 Retail REIT Co., Ltd.	61,486,566	-
	DDISC-1338 Residential REIT Co., Ltd.	280,178,728	35,212,315
	DDISC-1339 Residential REIT Co., Ltd.	257,293,260	182,874,997
	DDISC-57 Residential REIT Co., Ltd.	243,499,646	25,044,140
	DDI Residential No. 1 Subsidiary REIT Co., Ltd.	168,194,834	1,500,675
	Gunpo Mixed Use Development PFV Company	-	101,086,957
	DDIVC-1 REIT Co., Ltd.	231,359,382	-
	DDISC49	92,823,500	-
	DDI YS-40 REIT	117,590,000	-
	Korea Space Data	-	50,902,490
	DDI VC Master Real Estate Investment Trust Co., Ltd.	700,957,989	-
	NUVEEN ETERNIX SOLAR HOLDINGS CO., Ltd. (formerly, Glennmont D&D Solar Holdings)	2,837,585,000	52,000,000
	DDI Beak-Am Logistics REIT Co., Ltd.	54,258,869	-
	DDI Baek-Am Logistics No. 2 REIT Co., Ltd.	146,000,000	-
	GLENNMONT D&D SOLAR PROJECTS 1 CO., Ltd.	-	3,605,300,000
	Semicolon Mullae REIT Co., Ltd.	238,265,371	-
Other related parties such as	SK INC.	-	331,016,979

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

Type	Name of entity	2023	
		Receivables	Payables
large-scale business group affiliated company	SK ECOPLANT CO., Ltd.	1,040,937,000	-
	SK CHEMICALS CO., Ltd.	7,450,698	-
	SK INNOVATION CO., Ltd.	-	46,086,695
	SK RENT A CAR CO., Ltd.	-	108,057,095
	SK M&SERVICE CO., Ltd.	-	14,088,424
	SK PICGLOBAL CO., Ltd.	325,367,787	-
	HAPPYNARAE Co., Ltd.	-	7,907,670
	SK BIOSCIENCE CO., Ltd.	1,138,722	-
	SK GAS Ltd.	996,300,309	569,658,148
	HUVIS CORPORATION	534,975,861	-
	Ko-one Energy Service Co., Ltd.	-	948,990
	Total	₩ 12,471,234,505	₩ 101,839,541,804

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

### As at and for the Years Ended December 31, 2024 and 2023

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

(In Korean won)			2024				
Type	Name of entity	Details	Beginning balance	Increase	Decrease	Spin-off	Ending balance
Joint ventures	Yakmok Ecopark Co., Ltd.	Short-term loans	₩ 1,075,200,000	₩ -	₩ (1,075,200,000)	₩ -	₩ -
	Uiseong Hwanghaksan Windpower Co., Ltd.	Short-term loans	12,400,000,000	-	-	(12,400,000,000)	-
Associates	DDISY-230 Residential REIT Co., Ltd.	Short-term loans	1,100,000,000	-	-	-	1,100,000,000
	Gunpo Mixed Use Development PFV Company	Long-term loans	8,426,600,000	-	-	-	8,426,600,000
	Songpa Biz Cluster PFV Co., Ltd.	Long-term loans	-	22,300,000,000	-	-	22,300,000,000
	S CITY GONGDEOK PFV CO., Ltd.	Long-term loans	-	5,000,000,000	-	-	5,000,000,000
	DDISS-280 Retail REIT Co., Ltd.	Short-term loans	-	3,760,000,000	-	-	3,760,000,000
Other related parties such as large-scale business group affiliated company	SK eternix Co., Ltd.	Short-term loans	-	68,000,000,000	(68,000,000,000)	-	-
Total			₩ 23,001,800,000	₩ 99,060,000,000	₩ (69,075,200,000)	₩ (12,400,000,000)	₩ 40,586,600,000

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

### As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

(In Korean won)			2023						
Type	Name of entity	Details	Beginning balance		Increase		Decrease		Ending balance
Joint ventures	Chilgok Ecopark Co., Ltd.	Short-term loans	₩	3,757,200,000	₩	3,190,000,000	₩	(6,947,200,000)	₩
	Uiseong Hwanghaksan Windpower Co., Ltd.	Short-term loans		-		12,400,000,000		-	12,400,000,000
	Yakmok Ecopark Co., Ltd.	Short-term loans		-		1,075,200,000		-	1,075,200,000
Associates	DDISY-230 Residential REIT Co., Ltd.	Short-term loans		1,100,000,000		1,000,000,000		(1,000,000,000)	1,100,000,000
	Hyundai No. 20 Private Real Equity Investment Trust <sup>1</sup>	Current portion of long-term loans		1,300,000,000		1,800,000,000		(3,100,000,000)	-
	Hyundai No. 20 Private Real Equity Investment Trust <sup>1</sup>	Short-term loans		-		200,000,000		(200,000,000)	-
	Gunpo Mixed Use Development PFV Company <sup>2</sup>	Long-term loans		8,426,600,000		-		-	8,426,600,000
	Daehoji Solar Park, Inc.	Current portion of long-term loans		900,000,000		-		(900,000,000)	-
	Shinhan Normalization General Type Private Real Estate Investment Trust No. 1	Short-term loans		-		51,000,000,000		(51,000,000,000)	-
			₩	15,483,800,000	₩	70,665,200,000	₩	(63,147,200,000)	₩ 23,001,800,000

<sup>1</sup> If there is a change in the status of a related party due to a change in ownership during the prior period, transactions are prepared based on the time of change.

<sup>2</sup> As Gunpo Mixed Use Development PFV Company discontinued applying the equity method, a share of net profit (loss) of associates and joint ventures accounted for using the equity method was reflected in related loans that are part of its net investment, but share of net profit (loss) of associates and joint ventures accounted for using the equity method is excluded in the note above (see Note 10-(1)).

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

(5) Details of equity transactions with related parties for the years ended December 31, 2024 and 2023, are as follows:

(In Korean won)

Type	Name of entity	Details	2024	2023
Joint ventures	Hanwha Cheongju Ecopark private equity 1 <sup>st</sup> (Infrastructure)	Dividend received	₩ 74,036,001	₩ 142,640,001
	Hanwha Cheongju Ecopark private equity 1 <sup>st</sup> (Infrastructure) <sup>1</sup>	Disposal	19,237,414,000	-
	Eumsung Ecopark Co., Ltd. <sup>1</sup>	Disposal	12,870,000,000	-
	Hanwha Eumseong Ecopark private equity 1 <sup>st</sup> (Infrastructure)	Dividend received	81,930,130	159,230,693
	Hanwha Eumseong Ecopark private equity 1 <sup>st</sup> (Infrastructure) <sup>1</sup>	Disposal	20,959,693,000	-
	HHR Real Estate Private Fund No. 5	Dividend received	434,725,512	1,361,629,964
	HHR Real Estate Private Fund No. 5	Disposal	8,019,481,204	9,980,518,796
	KORAMCO No. 120 General Type Private Real Estate Investment Trust	Investments	-	10,360,000,000
	KORAMCO Icheon Baeksa Logistics General Type Private Real Estate Investment Trust	Investments	-	10,340,000,000
	Tiger Alternative Investment trust No. 318	Investments	-	4,000,000,000
	Tiger Alternative Investment trust No. 318	Disposal	-	253,200,000,000
	Connectfy Cloud Co., Ltd.	Investments	-	4,900,000,000
	Chilgok Ecopark Co., Ltd. <sup>1</sup>	Disposal	3,994,216,000	-
	Yakmok Ecopark Co., Ltd.	Investments	-	1,899,500,000
	Yakmok Ecopark Co., Ltd. <sup>1</sup>	Disposal	2,292,000,000	-
	Chilgok Ecopark Co., Ltd.	Investments	-	2,986,050,000
	Uiseong Hwanghaksan Windpower Co., Ltd.	Investments	-	4,400,000,000
	Uiseong Hwanghaksan Windpower Co., Ltd. <sup>1</sup>	Disposal	2,282,420,000	-
	ApartTech	Investments	412,634,880	-
	Geumyang Ecopark Co., Ltd.	Investments	-	3,663,000,000
	Geumyang Ecopark Co., Ltd. <sup>1</sup>	Disposal	3,551,644,000	-
	Cheongju Eco Park Co., Ltd. <sup>1</sup>	Disposal	13,788,000,000	-
	PungBaek Wind Farm Corporation <sup>1</sup>	Disposal	7,221,000,000	-
Associates	Daegusolar	Dividend received	308,672,000	365,996,800
	Daegusolar <sup>1</sup>	Disposal	1,496,000,000	-
	DDISY-230 Residential REIT Co., Ltd.	Investments	-	1,200,000,000
	DDISC-57 Residential REIT	Dividend received	101,681,156	-



**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

(In Korean won)

Type	Name of entity	Details	2024	2023
	Co., Ltd.			
	DDI Residential No. 1 Subsidiary REIT Co., Ltd.	Dividend received	900,000,000	719,087,117
	Hyundai No. 20 Private Real Equity Investment Trust	Dividend received	-	1,174,318,950
	FASSTO	Investments	3,000,184,000	-
	D&D Platform REIT Co., Ltd.	Dividend received	1,662,000,000	1,746,000,000
	D&D Platform REIT Co., Ltd.	Investments	6,093,165,400	-
	DDIVC-1 REIT Co., Ltd.	Investments	12,250,000,000	5,635,000,000
	DDI LVC Master Real Estate Investment Trust Co., Ltd.	Investments	-	50,000,000
	DDI VC Master Real Estate Investment Trust Co., Ltd.	Investments	1,480,000,000	413,150,000
	DDI VC Master Real Estate Investment Trust Co., Ltd.	Disposal	275,850,000	-
	DDISC49	Investments	-	500,000,000
	NUVEEN ETERNIX SOLAR HOLDINGS CO., Ltd. (formerly, Glennmont D&D Solar Holdings)	Investments	2,837,585,000	5,209,077,000
	NUVEEN ETERNIX SOLAR HOLDINGS CO., Ltd. (formerly, Glennmont D&D Solar Holdings) <sup>1</sup>	Disposal	7,966,195,000	-
	Gunpo Mixed Use Development PFV Company	Disposal	-	6,766,370,000
	Daehoji Solar Park, Inc.	Disposal	-	336,700,000
	Shinhan Normalization General Type Private Real Estate Investment Trust No. 1	Investments	-	15,000,000,000
	Semicolon Mullae REIT Co., Ltd.	Dividend received	-	800,000,000
	GridFlex, Inc.	Investments	-	7,268,316,000
	GridFlex, Inc. <sup>1</sup>	Disposal	7,559,475,000	-
	Gulup Wind Power Development Corp. <sup>1</sup>	Disposal	1,911,000,000	-
	Songpa Biz Cluster PFV Co., Ltd.	Investments	2,500,000,000	-
	S CITY GONGDEOK PFV CO., Ltd.	Investments	1,000,000,000	-
	HHR Special Situation Private Fund No. 13	Investments	2,640,000,000	-
	HHR Special Situation Private Fund No. 13	Dividend received	131,081,967	-
	LB No. 58 General Type Private Real Estate Investment Trust	Investments	60,000,000,000	-
	DDI Myeongdong N REIT Co., Ltd.	Investments	13,000,000,000	-
	Total		₩ 222,332,084,250	₩ 354,576,585,321

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

### As at and for the Years Ended December 31, 2024 and 2023

---

<sup>1</sup> The share price transferred to SK eternix Co., Ltd. due to the spin-off is ₩105,129,057,000 during the year ended December 31, 2024.

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

*(In Korean won)*

	2024	2023
Salaries	₩ 4,175,186,641	₩ 5,250,015,530
Postemployment benefits	523,568,597	807,567,395
Share-based payment expenses	320,000,900	1,166,339,996
Total	<u>₩ 5,018,756,138</u>	<u>₩ 7,223,922,921</u>

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

**26. EQUITY:**

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

<i>(In Korean won in number of shares)</i>	2024		2023	
	Ordinary shares <sup>1</sup>	Preferred shares <sup>1,2</sup>	Ordinary shares	Preferred shares <sup>1</sup>
Total number of authorized shares	60,000,000	40,000,000	60,000,000	40,000,000
A par value	₩ 1,000	₩ 1,000	₩ 1,000	₩ 1,000
Total number of issued shares	18,617,382	1	22,190,164	2,000,000
Share capital	₩ 18,617,382,000	₩ 1,000	₩ 22,190,164,000	₩ 2,000,000,000

<sup>1</sup> During the year ended December 31, 2024, the number of shares and share capital decreased due to the spin-off (spin-off date: March 1, 2024).

<sup>2</sup> The Parent Company issued convertible preferred shares of ₩132,860 million in 2020, and investors may request the conversion of all or part of these preferred shares into registered ordinary shares of the Parent Company from one year after the issue date of the preferred shares to five years. The issuance price and conversion price of the convertible preferred shares are both ₩25,550, and the conversion ratio is 1 to 1. The conversion price and ratio may be adjusted in the future depending on share fluctuations. The convertible preferred shares are cumulative, non-participating convertible preferred share with non-voting rights and pays investors a profit dividend of 4.0% per annum based on the issuance price. The preferred shares have the priority in allocation of residual assets over ordinary shares, if the allocation of residual assets for ordinary share exceeds the ratio for preferred share, the Group has the same rights as ordinary share for the excess. During the year ended December 31, 2024, 1,539,252 shares of convertible preferred shares held by Hahn & Co. Development Holdings Co., Ltd. were converted into ordinary shares under the request for conversion.

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

(2) Details of reserves as at December 31, 2024 and 2023, are as follows:

<i>(In Korean won)</i>		<b>2024</b>		<b>2023</b>
Share premium <sup>1,2</sup>	₩	218,683,054,541	₩	283,809,776,297
Other reserves		6,994,751,850		6,994,751,850
Gain on disposal of treasury shares		384,000		384,000
Total	₩	<u>225,678,190,391</u>	₩	<u>290,804,912,147</u>

<sup>1</sup> The Parent Company issued convertible preferred shares in 2020 and recognized net amount, after deducting the capital of preferred shares and direct issue costs from the total amount of convertible preferred shares issued, as share premium.

<sup>2</sup> During the year ended December 31, 2024, share premium decreased due to the spin-off (spin-off date: March 1, 2024).

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

<i>(In Korean won)</i>		<b>2024</b>		<b>2023</b>
Share options <sup>1</sup>	₩	7,807,997,076	₩	9,787,581,993
Treasury shares <sup>2</sup>		(137,734,158)		-
Loss on capital decrease <sup>3</sup>		(147,953,255,689)		-
Share of other comprehensive income of associates		654,946,788		176,702,620
Share of other comprehensive loss of associates		(19,480,565,376)		(18,688,586,026)
Others		(1,242,134,019)		(1,242,134,019)
Total	₩	<u>(160,350,745,378)</u>	₩	<u>(9,966,435,432)</u>

<sup>1</sup> During the year ended December 31, 2024, the share options decreased due to the spin-off (spin-off date: March 1, 2024).

<sup>2</sup> Fractional shares (11,291 ordinary shares and 1 preferred share), which occurred due to the spin-off (split date: March 1, 2024), are acquired during the year ended December 31, 2024.

<sup>3</sup> In relation to the spin-off (spin-off date: March 1, 2024) that occurred during the year ended December 31, 2024, the fair value of assets and liabilities, which is to distribution to owners, was recorded as unpaid dividends, and the difference between the unpaid dividends and the reduction in the Company's share capital was reflected.

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

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

<i>(In Korean won)</i>	<b>2024</b>		<b>2023</b>	
Gain on valuation of financial assets at fair value through other comprehensive income	₩	401,489,264	₩	401,479,264
Loss on valuation of financial assets at fair value through other comprehensive income		(1,055,636,500)		(1,055,636,500)
Gain on valuation of derivative financial instruments		-		863,921,162
Loss on valuation of derivative financial instruments		(180,936,424)		(323,712,316)
Share of other comprehensive income of associates		-		242,442,050
Share of other comprehensive loss of associates		-		(268,771,987)
Total	₩	(835,083,660)	₩	(140,278,327)

(5) Details of retained earnings as at December 31, 2024 and 2023, are as follows:

<i>(In Korean won)</i>	<b>2024</b>		<b>2023</b>	
Earned profit reserves <sup>1</sup>	₩	12,883,939,592	₩	12,127,588,770
Retained earnings before appropriation		474,036,963,187		444,862,072,303
Total	₩	486,920,902,779	₩	456,989,661,073

<sup>1</sup> The Commercial Code of the Republic of Korea requires the Parent Company to appropriate, for each financial period, as a legal reserve, an amount equal to a minimum of 10% of cash dividends paid until such reserve equals 50% of its issued share capital. The reserve is not available for cash dividends payment, but may be transferred to share capital or used to reduce accumulated deficit.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

### As at and for the Years Ended December 31, 2024 and 2023

(6) Details of dividend paid (or payable) for the years ended December 31, 2024 and 2023, are as follows:

i) Interim dividends (dividend date: August 12, 2024 (current), and June 30, 2023 (previous))

<i>(In Korean won)</i>		<b>2024</b>		<b>2023</b>
Ordinary shares (2024: ₩200 per share, 2023: ₩400 per share)	₩	3,721,218,200	₩	8,875,809,600
Preferred shares (2023: ₩400 per share)		-		800,000,000
Total	₩	<u>3,721,218,200</u>	₩	<u>9,675,809,600</u>

ii) Annual dividends

<i>(In Korean won)</i>		<b>2024</b>		<b>2023</b>
Ordinary shares (2024: ₩400 per share, 2023: ₩400 per share)	₩	7,442,436,400	₩	8,876,065,600
Preferred shares (2023: ₩622 per share)		-		1,244,000,000
Total	₩	<u>7,442,436,400</u>	₩	<u>10,120,065,600</u>

Dividend in respect of the year ended December 31, 2023, is the same as the dividends proposed for approval at the general shareholders' meeting.

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

---

**27. SHARE OPTIONS:**

(1) The Group has granted share options to executives and employees. Details are as follows:

*(In Korean won, in number of shares)*

Grant date	Number of shares to be issued <sup>3</sup>	Exercise period	Exercise price		Fair value at grant date
2016-03-18 <sup>1</sup>	92,354	2018-03-18 – 2025-03-17	₩	38,450	₩ 29,025
2017-03-24 <sup>1</sup>	92,354	2019-03-24 – 2026-03-23		25,900	7,671
2018-03-27 <sup>1</sup>	92,353	2020-03-27 – 2025-03-26		28,500	8,707
2022-03-23 <sup>2</sup>	209,107	2025-03-23 – 2029-03-22		30,200	8,828 – 10,814

<sup>1</sup> Exercise price has been remeasured at fair value due to the adjustments of the exercise price following a capital increase without consideration on April 10, 2017, and a capital increase with consideration on May 23, 2020.

<sup>2</sup> For the share options granted on March 23, 2022, the fair value at the grant date was calculated differently depending on the vesting period, even under the same conditions.

<sup>3</sup> The number of shares to be issued was decreased due to the spin-off (spin-off date: March 1, 2024), during the year ended December 31, 2024.

(2) The fair value of share options was calculated according to the binomial option pricing model, and the variables applied to the model are as follows:

<i>(In Korean won, in percentage (%))</i>	Granted on March 18, 2016		Granted on March 24, 2017		Granted on March 27, 2018		Granted on March 23, 2022 <sup>1</sup>	
Share price at grant date	₩	61,700	₩	38,500	₩	27,200	₩	31,250
Exercise price		38,450		25,900		28,500		30,200
Expected volatility		73.60		30.50		29.87		36.70 – 40.42
Risk-free interest rate		1.77		2.12		2.57		2.50 – 2.64

<sup>1</sup> For the share options granted on March 23, 2022, variables were applied differently depending on the vesting period even under the same conditions.

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

(3) Changes in share options for the year ended December 31, 2024, are as follows:

(In Korean won, in number of shares)

	Number of shares to be issued			Valuation			
	Beginning balance	Decrease (spin-off)	Ending balance	Beginning balance	Decrease (spin-off)	Increase	Ending balance
2016.03.18 <sup>1</sup>	120,000	(27,646)	92,354	₩ 5,223,600,000	₩ (1,203,381,104)	₩ -	₩ 4,020,218,896
2017.03.24 <sup>1</sup>	120,000	(27,646)	92,354	1,380,852,000	(318,112,260)	-	1,062,739,740
2018.03.27 <sup>1</sup>	120,000	(27,647)	92,353	1,044,840,000	(240,703,866)	-	804,136,134
2022.03.23	271,700	(62,593)	209,107	2,138,289,993	(537,388,587)	320,000,900	1,920,902,306
Total	631,700	(145,532)	486,168	₩ 9,787,581,993	₩ (2,299,585,817)	₩ 320,000,900	₩ 7,807,997,076

<sup>1</sup> Cumulative share-based payment expenses due to grant of share options are fully recognized.

**28. OPERATING SEGMENT:**

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies.

(1) The Group is engaged in real estate development/operation and furniture business, and the main products and services of each segment are as follows.

**Main products and services**

Real estate development/operation	Development and operation of offices/knowledge industry centers/commercial facilities/officetels/rental housing, etc.
Furniture business	Sales and installation of imported/domestic furniture, etc.

<sup>1</sup> On March 1, 2024, the Group spun off its renewable energy and ESS business units into a new company, SK eternix Co., Ltd., in accordance with the provisions of Articles 530-2 to 530-11 of the Commercial Act.



**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

- (2) The financial performances of the reportable segments for the years ended December 31, 2024 and 2023, are as follows:

		2024			
		Real estate development/operation	Furniture	Unallocated	Total
Operating revenue	₩	808,679,603,308	₩ 62,197,002,887	₩ -	₩ 870,876,606,195
Operating profit (loss)		75,648,205,058	13,998,937,697	(35,977,089,195)	53,670,053,560
Depreciation and amortization <sup>1</sup>		5,474,110,792	565,067,804	3,883,587,754	9,922,766,350

<sup>1</sup> Sum of depreciation of property, plant and equipment; depreciation of investment property; depreciation of right-of-use assets; and amortization of intangible assets.

		2023			
		Real estate development/operation	Furniture	Unallocated	Total
Operating revenue	₩	328,166,726,905	₩ 56,915,171,754	₩ -	₩ 385,081,898,659
Operating profit (loss)		202,497,067,318	9,225,225,814	(34,127,312,910)	177,594,980,222
Depreciation and amortization <sup>1</sup>		4,891,569,281	552,606,496	3,161,256,089	8,605,431,866

<sup>1</sup> Sum of depreciation of property, plant and equipment; depreciation of investment property; depreciation of right-of-use assets; and amortization of intangible assets.

Transfers or transactions between segments are made under conditions applicable to third parties and have been eliminated in the process of preparing the consolidated financial statements. Selling and administrative expenses and finance income and costs, which are managed at the Group level, are not allocated to segments.

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

(3) The financial position of each reportable segment as at December 31, 2024 and 2023, is as follows:

		2024			
		Real estate development/ operation	Furniture	Unallocated	Total
Total assets	₩	1,240,658,560,902	₩ 38,196,605,821	₩ 183,369,382,849	₩ 1,462,224,549,572
Non-current assets <sup>1</sup>		197,626,816,134	3,857,113,897	12,082,623,988	213,566,554,019
Total liabilities		340,855,975,833	23,634,838,327	527,703,088,280	892,193,902,440

<sup>1</sup> Property, plant and equipment, investment property, right-of-use assets and intangible assets are included.

		2023					
		Real estate development/ operation	Renewable energy	ESS	Furniture	Unallocated	Total
Total assets	₩	1,466,980,684,043	₩ 347,570,983,044	₩ 233,151,389,476	₩ 37,759,939,976	₩ 337,613,385,719	₩ 2,423,076,382,258
Non-current assets <sup>1</sup>		195,738,539,692	51,974,841,592	204,199,502,143	4,400,355,950	10,771,751,760	467,084,991,137
Total liabilities		930,292,212,612	176,371,346,243	74,140,901,362	19,337,490,585	461,056,407,995	1,661,198,358,797

<sup>1</sup> Property, plant and equipment; investment property; right-of-use assets; and intangible assets are included.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

- (4) Revenue from contracts with customers of the Group is classified as follows, and all sales for the years ended December 31, 2024 and 2023, generated in domestic, are as follows:

(In Korean won)

	2024			
	Real estate development/ operation	Furniture	Inter-company transactions and others	Total
<b>1. Revenue from contracts with customers</b>				
At a point in time				
Merchandises	₩ -	₩ 1,597,529,273	₩ -	₩ 1,597,529,273
Services	5,146,218,633	33,304,000	-	5,179,522,633
Housing	575,174,683,106	-	-	575,174,683,106
Operation	1,293,885,851	-	-	1,293,885,851
Subtotal	581,614,787,590	1,630,833,273	-	583,245,620,863
Over time				
Merchandises	-	60,566,169,614	-	60,566,169,614
Services	25,372,306,464	-	(4,295,980,988)	21,076,325,476
Rental	14,225,921,666	-	(611,949,868)	13,613,971,798
Construction	33,421,097,909	-	-	33,421,097,909
Housing	143,934,983,909	-	-	143,934,983,909
Subtotal	216,954,309,948	60,566,169,614	(4,907,930,856)	272,612,548,706
<b>2. Revenue from other sources</b>				
Profits of associates and joint ventures <sup>1</sup>	15,018,436,626	-	-	15,018,436,626
Total	₩ 813,587,534,164	₩ 62,197,002,887	₩ (4,907,930,856)	₩ 870,876,606,195

<sup>1</sup> Gain on valuation of ₩10,001,358,345 and reversal of impairment loss of ₩5,017,078,281 from equity method investment held for operating purposes during the year ended December 31, 2024, are included (see Note 10-(2)).

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(In Korean won)

2023

	Real estate development/ operation	Furniture	Inter-company transactions and others	Total
<b>1. Revenue from contracts with customers</b>				
At a point in time				
Merchandises	₩ 1,633,200	₩ 1,460,945,457	₩ -	₩ 1,462,578,657
Services	2,411,968,182	734,500,000	-	3,146,468,182
Housing	4,191,393,855	-	-	4,191,393,855
Operation	948,213,876	-	-	948,213,876
Subtotal	7,553,209,113	2,195,445,457	-	9,748,654,570
Over time				
Merchandises	-	54,719,726,297	-	54,719,726,297
Services	20,873,042,769	-	(2,662,749,112)	18,210,293,657
Rental	7,480,690,939	-	(492,492,451)	6,988,198,488
Construction	14,250,586,757	-	-	14,250,586,757
Housing	53,172,629,071	-	-	53,172,629,071
Subtotal	95,776,949,536	54,719,726,297	(3,155,241,563)	147,341,434,270
<b>2. Revenue from other sources</b>				
Profits of associates and joint ventures <sup>1</sup>	227,991,809,819	-	-	227,991,809,819
Total	₩ 331,321,968,468	₩ 56,915,171,754	₩ (3,155,241,563)	₩ 385,081,898,659

<sup>1</sup> Gain on valuation of ₩5,752,982,785 and gain on disposal of ₩222,238,827,034 from equity method investment held for operating purposes during the year ended December 31, 2023, are included (see Note 10-(2)).

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

- (5) The transaction amount for major customers, who contribute more than 10% of the Group's revenue, and the ratio of the total operating revenue for the years ended December 31, 2024 and 2023, are as follows:

(In Korean won)

		2024		
	Reportable segment		Amount	Percentage
Customer A	Real estate development/ operation	₩	156,085,203,106	17.92%
Customer B	Real estate development/ operation		219,673,880,000	25.22%
Customer C	Real estate development/ operation		199,415,600,000	22.90%

(In Korean won)

		2023		
	Reportable segment		Amount	Percentage
Customer D	Real estate development/ operation	₩	215,472,457,034	55.95%

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

---

**29. OPERATING EXPENSES:**

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

<i>(In Korean won)</i>	<b>2024</b>	<b>2023</b>
Changes in inventories (including land)	₩ 591,479,362,703	₩ 56,858,233,590
Raw materials used	7,347,135,033	3,568,980,099
Employee benefits expenses	39,784,073,183	42,204,864,831
Depreciation (including depreciation of investment property)	3,595,864,589	3,925,081,735
Depreciation of right-of-use assets	3,918,879,658	2,767,729,917
Amortization	2,408,022,103	1,912,620,214
Outsourcing expenses	78,922,429,517	32,090,881,654
Commission expenses	37,029,912,356	28,431,837,630
Taxes and dues	4,863,423,789	397,209,175
Rental expenses	810,240,445	527,599,183
Advertising expense	497,632,512	544,344,752
Losses of associates and joint ventures <sup>1</sup>	20,502,349,688	25,502,600,587
Other	26,047,227,059	8,754,935,070
<b>Total</b>	<b>₩ 817,206,552,635</b>	<b>₩ 207,486,918,437</b>

<sup>1</sup> Loss on valuation from equity method investment held for operating purposes (see Note 10-(2)).

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

**30. NON-OPERATING INCOME AND EXPENSES:**

(1) Details of other non-operating income and expenses for the years ended December 31, 2024 and 2023, are as follows:

<i>(In Korean won)</i>	2024	2023
Other non-operating income		
Rental revenues	₩ 438,197,497	₩ 235,236,672
Gain on disposal of investment in subsidiaries	3,365,376	-
Gain on disposal of investment in joint ventures	22,388,095,947	-
Gain on disposal of investment in associates	413,695,166	-
Gain on disposal of property, plant and equipment	566,657,952	-
Gain on disposal of intangible assets	265,324,090	67,955,254
Gain on disposal of right-of-use assets	10,438,202	53,894,383
Reversal of provision for restoration	305,940,000	-
Gain on lease modification	260,882,497	1,041,443
Miscellaneous gains	10,814,816,306	3,186,391,864
Total	₩ 35,467,413,033	₩ 3,544,519,616
Other non-operating expenses		
Loss on disposal of investment in associates	₩ 1,510,237,200	₩ 180,490,245
Impairment loss in investment in associates	-	3,308,945,987
Loss on disposal of property, plant and equipment	493,087,965	22,000,505
Loss on disposal of intangible assets	12,997,905	36,312,821
Loss on disposal of right-of-use assets	-	106,929,134
Loss on inventory obsolescence	10,916,775	231,890
Compensation expenses	3,554,693,230	5,219,722,888
Donation	1,499,366,370	519,572,288
Miscellaneous losses	461,507,718	513,695,322
Total	₩ 7,542,807,163	₩ 9,907,901,080

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

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

<i>(In Korean won)</i>	<b>2024</b>		<b>2023</b>	
Finance income				
Interest income	₩	9,366,967,582	₩	6,606,243,096
Gain on foreign currency transaction		13,048,451		94,682,187
Gain on foreign currency translation		-		10,285,961
Dividend income		1,770,484,630		1,571,021,953
Gain on derivative transactions		125,707,255		4,101,485,012
Gain on valuation of derivative financial instruments		5,946,586,139		2,232,787,267
Gain on transaction of firm commitments		2,861,038		72,505,393
Reversal of financial guarantee liabilities		3,337,298,480		714,016,520
Gain on disposal of financial assets at fair value through profit or loss		1,236,328,368		604,186,886
Gain on valuation of financial assets at fair value through profit or loss		3,646,290,550		207,609,159
Total	₩	25,445,572,493	₩	16,214,823,434
Finance costs				
Interest expenses	₩	43,254,368,119	₩	26,536,703,153
Loss on foreign currency transaction		73,664,739		2,974,857,561
Loss on foreign currency translation		17,623,136		8,905,844
Loss on derivative transactions		256,957,541		72,505,393
Loss on valuation of derivative financial instruments		284,000,000		5,907,000,000
Loss on transaction of firm commitments		24,210,000		391,983,104
Loss on valuation of firm commitments		342,474,389		106,995,541
Financial guarantee expenses		3,337,298,480		714,016,520
Loss on disposal of financial assets at fair value through profit or loss		1,880,000		10,390,612
Loss on valuation of financial assets at fair value through profit or loss		1,188,560,108		7,682,795,954
Loss on valuation of non-controlling interest financial liabilities		5,214,424,002		2,588,127,430
Loss on repayment of non-controlling interest financial liabilities		696,221,031		-
Total	₩	54,691,681,545	₩	46,994,281,112



**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

---

**31. TAX EXPENSE:**

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

<i>(In Korean won, in percentage)</i>	<b>2024</b>	<b>2023</b>
Current income taxes	₩ 16,995,518,476	₩ 43,643,864,031
Additional payment of income taxes (refunds and others)	(1,838,983,248)	(6,707,059,787)
Changes in deferred tax due to temporary differences	(7,732,523,621)	(10,520,693,440)
Income tax expense charged directly to equity	473,433,922	4,766,182,640
Income tax expense	₩ 7,897,445,529	₩ 31,182,293,444
Income tax expense from continuing operations	5,654,952,969	30,404,594,407
Income tax expense from discontinued operations	2,242,492,560	777,699,037
Effective tax rate	15.16%	23.23%

Income tax expense charged directly to the equity as at December 31, 2024 and 2023, is as follows:

<i>(In Korean won)</i>	<b>2024</b>	<b>2023</b>
Gain on valuation of derivative financial instruments	₩ 231,490,490	₩ 380,347,295
Share of other comprehensive income of associates	94,436,706	4,534,299,417
Actuarial gains and losses	147,506,726	(148,464,072)
	₩ 473,433,922	₩ 4,766,182,640

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

- (2) Reconciliation between profit before income tax and income tax expense for the years ended December 31, 2024 and 2023, is as follows:

<i>(In Korean won)</i>	2024	2023
Profit before income tax	₩ 52,092,488,338	₩ 134,260,666,029
Income tax based on statutory tax rate	11,210,240,757	36,056,876,030
Adjustments:		
Non-deductible expense (2024: ₩1,620,716,077, 2023: ₩3,522,369,851)	358,498,567	804,183,430
Effect of unrecognized deferred tax among temporary differences	(2,596,395,645)	(1,221,588,317)
Additional payment of income taxes	(1,838,983,248)	(6,707,059,787)
Tax exemption	(8,640,000)	-
Effect of recirculation of corporate income	1,142,310,858	3,466,539,616
Non-deductible dividend income	(49,747,941)	(61,281,103)
Others (difference in tax rate, etc.)	(319,837,819)	(1,155,376,425)
Income tax expense	₩ 7,897,445,529	₩ 31,182,293,444

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

(3) The movements in deferred tax assets and liabilities for the years ended December 31, 2024 and 2023, are as follows:

(In Korean won)

	2024			
	Beginning balance	Profit or loss	Charged (credited) directly to the equity	Ending balance
Investment in subsidiaries, associates and joint ventures	₩ 27,539,519,161	₩ 3,565,225,758	₩ 94,436,706	₩ 31,199,181,625
Defined benefit obligations	2,736,369,870	(551,347,632)	132,430,104	2,317,452,342
Loss on valuation of inventories	62,523,400	(1,352,130)	-	61,171,270
Depreciation	(356,134,510)	5,244,512,096	-	4,888,377,586
Gain (loss) on foreign currency translation	1,528,309,751	(717,526,140)	-	810,783,611
Gain (loss) on valuation of securities	5,008,627,882	(3,893,508,100)	-	1,115,119,782
Unpaid annual leave	228,530,709	104,981,968	-	333,512,677
Long-term employee benefits	72,296,443	(23,797,663)	-	48,498,780
Provision for warranty	527,466,910	(61,896,947)	-	465,569,963
Provision for loss compensation	225,869,539	(225,869,539)	-	-
Finance costs on advance receipts	1,392,150,576	(1,328,234,816)	-	63,915,760
Accrued income	(537,998,862)	(469,303,617)	-	(1,007,302,479)
Plan assets	(2,677,414,130)	333,065,352	-	(2,344,348,778)
Interest on construction funds	(14,560,989,588)	3,444,399,342	-	(11,116,590,246)
Amortization of intangible assets (goodwill)	(584,046,042)	-	-	(584,046,042)
Valuation of derivatives	(2,152,784,440)	(254,200,432)	231,490,490	(2,175,494,382)
Provision for long-term maintenance	667,255,101	(667,255,101)	-	-
Conversion of journal entry (lease)	253,527,377	2,120,049,310	-	2,373,576,687
allowance for doubtful account	313,363,413	150,638,643	-	464,002,056
Asset impairment	543,720,789	-	-	543,720,789
Actuarial gains and losses	-	(15,076,622)	15,076,622	-
Long-term borrowings (present value discounts)	(744,858,565)	51,392,833	-	(693,465,732)
Allowance for valuation loss of completed projects	228,306,923	-	-	228,306,923
Allowance for valuation loss of land	78,166,835	1,168,049,959	-	1,246,216,794
Loss on impairment of investment assets	79,218,000	-	-	79,218,000
Legal proceedings provisions	1,157,584,661	-	-	1,157,584,661
Bonuses	2,311,659,000	(956,934,000)	-	1,354,725,000
Others	(3,310,164,948)	10,801,107	-	(3,299,363,841)
	₩ 20,030,075,255	₩ 7,026,813,629	₩ 473,433,922	₩ 27,530,322,806

**As at and for the Years Ended December 31, 2024 and 2023**

(In Korean won)

2023

	Beginning balance		Profit or loss		Charged (credited) directly to the equity		Ending balance	
Investment in subsidiaries, associates and joint ventures	₩	15,105,239,875	₩	8,145,499,869	₩	4,288,779,417	₩	27,539,519,161
Defined benefit obligations		2,809,187,107		(82,545,542)		9,728,305		2,736,369,870
Loss on valuation of inventories		89,303,616		(26,780,216)		-		62,523,400
Depreciation		(320,218,892)		(35,915,618)		-		(356,134,510)
Gain on foreign currency translation		1,221,258,106		307,051,645		-		1,528,309,751
Gain (loss) on valuation of securities		3,108,647,221		1,654,460,661		245,520,000		5,008,627,882
Unpaid annual leave		221,409,246		7,121,463		-		228,530,709
Long-term employee benefits		57,248,531		15,047,912		-		72,296,443
Provision for warranty		458,942,545		68,524,365		-		527,466,910
Provision for loss compensation		225,869,539		-		-		225,869,539
Finance costs on advance receipts		336,552,220		1,055,598,356		-		1,392,150,576
Accrued income		(469,947,881)		(68,050,981)		-		(537,998,862)
Plan assets		(2,773,736,187)		96,322,057		-		(2,677,414,130)
Interest on construction funds		(8,261,624,583)		(6,299,365,005)		-		(14,560,989,588)
Amortization of intangible assets (goodwill)		(586,840,521)		2,794,479		-		(584,046,042)
Valuation of derivatives		(2,436,270,813)		(96,860,922)		380,347,295		(2,152,784,440)
Provision for long-term maintenance		667,255,101		-		-		667,255,101
Conversion of journal entry (lease)		(7,281,644)		260,809,021		-		253,527,377
allowance for doubtful account		339,017,927		(25,654,514)		-		313,363,413
Asset impairment		543,720,789		-		-		543,720,789
Actuarial gains and losses		-		158,192,377		(158,192,377)		-
Long-term borrowings (present value discounts)		(935,114,520)		190,255,955		-		(744,858,565)
Allowance for valuation loss of completed projects		228,306,923		-		-		228,306,923
Allowance for valuation loss of land		78,166,835		-		-		78,166,835
Loss on impairment of investment assets		79,218,000		-		-		79,218,000
Legal proceedings provisions		-		1,157,584,661		-		1,157,584,661
Bonuses		2,021,031,000		290,628,000		-		2,311,659,000
Others		(2,289,957,725)		(1,020,207,223)		-		(3,310,164,948)
	₩	9,509,381,815	₩	5,754,510,800	₩	4,766,182,640	₩	20,030,075,255

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

---

- (4) Details of unrecognized temporary differences related to investment assets as deferred tax assets (liabilities) as at December 31, 2024 and 2023, are as follows:

<i>(In Korean won)</i>	<b>2024</b>	<b>2023</b>
Investment in subsidiaries <sup>1</sup>	₩ (30,722,493,128)	₩ (20,037,737,385)
Investment in joint ventures and associates	60,000,000	60,000,000
	<u>₩ (30,662,493,128)</u>	<u>₩ (19,977,737,385)</u>

<sup>1</sup> Among the deductible (taxable) temporary differences in subsidiaries in which the Parent Company holds 100% of the shares, deductible temporary differences consist of temporary differences with respect to subsidiaries for which it is probable that the temporary difference will not reverse in the foreseeable future and taxable profits will not be available and taxable temporary differences consist of temporary differences with respect to subsidiaries with a 100% non-inclusion rate of dividend income, although temporary differences are expected to be reversed only through dividends, not disposals.

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

---

**32. EARNINGS PER SHARE:**

- (1) Details of calculation of basic earnings per ordinary share from continuing operations for the years ended December 31, 2024 and 2023, are as follows:

<i>(In Korean won, in shares)</i>	<b>2024</b>		<b>2023</b>	
Profit attributable to ordinary shares from continuing operations <sup>1</sup>	₩	40,605,755,041	₩	90,625,615,973
Weighted average number of ordinary shares outstanding <sup>2</sup>		19,244,938		22,189,705
Basic earnings per share from continuing operations	₩	2,110	₩	4,084

<sup>1</sup> Preferred shares are deducted from profit attributable to ordinary shares from continuing operations of the Parent Company.

<sup>2</sup> Treasury shares acquired as a result of the spin-off during the year ended December 31, 2024, are reflected.

- (2) Diluted earnings per ordinary share from continuing operations for the year ended December 31, 2024, are identical to basic earnings per share, and details of calculation of diluted earnings per ordinary share from continuing operations for the year ended December 31, 2023, are as follows:

<i>(In Korean won, in shares)</i>	<b>2023</b>	
Profit attributable to ordinary shares from continuing operations <sup>1</sup>	₩	90,626,884,370
Weighted-average number of ordinary shares outstanding		22,193,462
Diluted earnings per share from continuing operations	₩	4,083

<sup>1</sup> Preferred shares are deducted from profit attributable to ordinary shares from continuing operations for the Parent Company.

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

---

- (3) Details of calculation of basic earnings per preferred share from continuing operations for the year ended December 31, 2023, are as follows:

<i>(In Korean won, in shares)</i>		<b>2023</b>
Profit attributable to preferred shares from continuing operations <sup>1</sup>	₩	10,166,758,523
Weighted average number of preferred shares outstanding <sup>2</sup>		2,000,000
Basic earnings per share from continuing operations	₩	5,084

<sup>1</sup> It is the amount corresponding to the percentage of preferred share of the amount after deducting the dividend on preferred share from the annual 4% dividend and profit from the continuing operations attributable to ordinary shares.

<sup>2</sup> Treasury shares acquired as a result of the spin-off during the year ended December 31, 2024, are reflected. Since there is no weighted-average number of preferred shares outstanding as 1,539,252 shares of convertible preferred shares held by Hahn & Co. Development Holdings Co., Ltd. have been converted into ordinary shares, the earnings per preferred shares had not been calculated.

- (4) Details of calculation of diluted earnings per preferred share from continuing operations for the year ended December 31, 2023, are as follows:

<i>(In Korean won, in shares)</i>		<b>2023</b>
Profit attributable to preferred shares from continuing operations <sup>1</sup>	₩	10,165,490,126
Weighted-average number of preferred shares outstanding <sup>2</sup>		2,000,000
Diluted earnings per share from continuing operations	₩	5,083

<sup>1</sup> The effects of share options granted on March 24, 2017, were reflected when calculating profit attributable to preferred shares from continuing operations in 2023.

<sup>2</sup> Treasury shares acquired as a result of the spin-off during the year ended December 31, 2024, are reflected. Since there is no weighted-average number of preferred shares outstanding as 1,539,252 shares of convertible preferred shares held by Hahn & Co. Development Holdings Co., Ltd. have been converted into ordinary shares, the earnings per preferred shares had not been calculated.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

- (5) Details of calculation of basic and diluted earnings per ordinary share from discontinued operations for the years ended December 31, 2024 and 2023, are as follows:

<i>(In Korean won, in shares)</i>	<b>2024</b>		<b>2023</b>	
Profit attributable to ordinary shares from discontinued operations <sup>1</sup>	₩	3,589,287,768	₩	2,055,413,279
Weighted average number of ordinary shares outstanding <sup>2</sup>		19,244,938		22,189,705
Basic and diluted earnings per share from discontinued operations <sup>3</sup>	₩	186	₩	93

<sup>1</sup> Preferred shares are deducted from profit attributable to ordinary shares from discontinued operations.

<sup>2</sup> Treasury shares acquired as a result of the spin-off during the year ended December 31, 2024, are reflected.

<sup>3</sup> For the years ended December 31, 2024 and 2023, since there is no dilutive effect, basic and diluted earnings per ordinary share from discontinued operations are the same.

- (6) Details of calculation of basic and diluted earnings per preferred share from discontinued operations for the year ended December 31, 2023, are as follows:

<i>(In Korean won, in shares)</i>	<b>2023</b>	
Profit attributable to preferred shares from discontinued operations <sup>1</sup>	₩	230,584,810
Weighted average number of preferred shares outstanding <sup>2</sup>		2,000,000
Basic and diluted earnings per share from discontinued operations <sup>3</sup>	₩	115

<sup>1</sup> It is the amount corresponding to the percentage of preferred share among the amount after deducting the dividend on preferred share from the annual 4% dividend and profit from discontinued operations attributable to ordinary shares.

<sup>2</sup> Treasury shares acquired as a result of the spin-off during the year ended December 31, 2024, are reflected. Since there is no weighted average number of preferred shares outstanding as 1,539,252 shares of convertible preferred shares held by Hahn & Co. Development Holdings Co., Ltd. have been converted into ordinary shares, the earnings per preferred shares had not been calculated.

<sup>3</sup> For the years ended December 31, 2024 and 2023, since there is no dilutive effect, basic and diluted earnings per preferred share from discontinued operations are the same.



# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

- (7) Weighted-average number of ordinary shares outstanding and the weighted-average number of preferred shares outstanding for calculation of basic and diluted earnings per share are as follows:

*a) Basic earnings per ordinary share*

<i>(In shares)</i>	<b>Period</b>	<b>Changes in details</b>	<b>Number of shares</b>	<b>Number of days</b>	<b>Weighted-average number of shares</b>
2024	1/1 – 12/31	Beginning balance	22,190,164	366/366	22,190,164
	3/29 – 12/31	Spin-off	(5,112,034)	278/366	(3,882,911)
	3/29 – 12/31	Acquisition of fractional shares	(11,291)	278/366	(8,576)
	5/21 – 12/31	Conversion of convertible preferred share into ordinary share	1,539,252	225/366	946,261
	Total				<u>19,244,938</u>
2023	1/1 – 12/31	Beginning balance	22,189,524	365/365	22,189,524
	9/20 – 12/31	Treasury share disposal	640	103/365	181
	Total				<u>22,189,705</u>

*b) Diluted earnings per ordinary share*

<i>(In shares)</i>	<b>Period</b>	<b>Changes in details</b>	<b>Number of shares</b>	<b>Number of days</b>	<b>Weighted-average number of shares</b>
2023	Weighted average number of shares outstanding				22,189,705
	1/1 – 12/31	Share option <sup>1</sup>	3,757	365/365	3,757
	Total				<u>22,193,462</u>

<sup>1</sup> The effects of share options granted on March 24, 2017, was reflected when calculating diluted earnings per share in 2023.

*c) Basic and diluted earnings per preferred share*

<i>(In shares)</i>	<b>Period</b>	<b>Changes in details</b>	<b>Number of shares</b>	<b>Number of days</b>	<b>Weighted-average number of shares</b>
2023	1/1 – 12/31	Beginning balance	2,000,000	365/365	2,000,000
	Total				<u>2,000,000</u>

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

### 33. CASH FLOWS:

(1) Adjustments to cash generated from (used in) operations for the years ended December 31, 2024 and 2023, are as follows:

<i>(In Korean won)</i>	2024	2023
Loss related to equity method (operating)	₩ 20,502,349,688	₩ 25,502,600,587
Depreciation	6,396,711,666	26,735,202,892
Depreciation of investment property	1,300,463,165	1,705,637,882
Depreciation of right-of-use assets	4,145,388,878	4,017,957,005
Amortization	2,599,433,368	3,006,568,994
Bad debt expenses	1,047,593,530	2,503,221,811
Loss on disposal of right-of-use assets	-	106,929,134
Loss on disposal of property, plant and equipment	493,087,965	23,452,537
Loss on disposal of intangible assets	12,997,905	51,100,000
Loss on inventory obsolescence	10,916,775	231,890
Share-based payment expenses	320,000,900	1,166,339,996
Postemployment benefits	2,415,744,874	2,864,409,061
Employee benefits	86,866,652	-
Interest expenses	45,857,018,211	42,634,503,995
Loss on foreign currency translation	861,281,917	786,548,934
Contribution to provision for losses	3,554,693,230	4,763,722,888
Loss on derivative transactions	256,957,541	467,329,568
Loss on valuation of derivative financial instruments	284,000,000	5,958,491,861
Loss on transaction of firm commitments	24,210,000	391,983,104
Loss on valuation of firm commitments	342,474,389	686,563,589
Loss on disposal of financial assets at fair value through profit or loss	1,880,000	10,390,612
Loss on valuation of financial assets at fair value through profit or loss	1,188,560,108	7,682,795,954
Financial guarantee expenses	3,337,298,480	844,920,630
Loss on valuation of inventories	15,127,985,977	136,102,813
Loss on valuation using equity method	9,575,841,339	17,125,296,052
Loss on disposal of investment in associates	1,510,237,200	235,073,366
Impairment loss on investment in associates	-	3,308,945,987
Loss on valuation of non-controlling interest financial liabilities	5,214,424,002	2,588,127,430
Loss on repayment of non-controlling interest financial liabilities	696,221,031	-
Income tax expense	7,897,445,529	31,182,293,444
Other expenses	-	100,000,000
Profits related to equity method (operating)	(15,018,436,626)	(227,991,809,819)
Interest income	(10,289,723,067)	(10,440,285,906)
Dividend income	(1,814,121,000)	(1,773,749,257)
Gain on foreign currency translation	-	(91,928,746)

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

<i>(In Korean won)</i>	2024	2023
Gain on disposal of property, plant and equipment	(566,657,952)	(40,584,165)
Gain on disposal of intangible assets	(265,324,090)	(67,955,254)
Gain on disposal of right-of-use assets	(10,438,202)	(53,894,383)
Reversal of provision for impairment	(363,426)	(2,366,348,712)
Reversal of warranty provision	-	(177,070,910)
Reversal of provision for restoration	(305,940,000)	-
Reversal of loss on valuation of inventories	-	(3,625,601)
Gain on derivative transactions	(169,903,267)	(4,687,318,505)
Gain on valuation of derivative financial instruments	(6,124,327,469)	(2,248,996,167)
Gain on transaction of firm commitments	(2,861,038)	(72,505,393)
Gain on valuation of firm commitments	-	(438,060,857)
Gain on disposal of financial assets at fair value through profit or loss	(1,256,722,115)	(604,186,886)
Gain on valuation of financial assets at fair value through profit or loss	(3,787,378,254)	(207,609,159)
Reversal of financial guarantee liabilities	(3,337,298,480)	(844,920,630)
Gain on valuation using equity method	(3,487,998,971)	(7,870,123,876)
Gain on disposal of investment in subsidiaries	(3,365,376)	(11,622,934)
Gain on disposal of investment in joint venture	(22,388,095,947)	-
Gain on disposal of investment in associates	(413,695,166)	(186,568,608)
Gain on lease modification	(249,281,522)	(1,638,823)
Gain on disposal of discontinued operations	(4,364,537,343)	-
Total	₩ 61,205,615,009	₩ (73,594,062,575)

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

(2) Changes in operating assets and liabilities for the years ended December 31, 2024 and 2023, are as follows:

<i>(In Korean won)</i>	2024	2023
Disposal of investment in associates (operating)	₩ -	₩ 6,766,370,000
Acquisition of investment in associates (operating)	(88,750,000,000)	(22,335,000,000)
Disposal of investment in joint ventures (operating)	8,019,481,204	263,180,518,796
Acquisition of investment in joint ventures (operating)	-	(24,700,000,000)
Decrease (increase) in trade and other receivables	(5,414,813,940)	10,748,872,205
Decrease (increase) in inventories	369,760,610,369	(93,356,423,271)
Increase in contract assets	(1,699,389,168)	-
Decrease (increase) in contract costs	3,245,256,363	(1,105,603,748)
Increase in other current assets	(25,891,935,017)	(55,685,967,302)
Decrease (increase) in other non-current assets	572,474,844	(475,443,439)
Increase (decrease) in trade and other payables	(12,096,016,137)	10,375,717,950
Increase (decrease) in contract liabilities	(238,236,568)	24,937,455,850
Increase (decrease) in other current liabilities	(712,558,545)	87,970,675,500
Increase (decrease) in other non-current liabilities	(4,092,238,219)	4,562,555,959
Decrease in lease receivables	1,209,989,586	1,994,156,874
Transfer from and to associates	(403,262,448)	26,110,925
Benefit payments	(175,134,472)	2,068,071,104
Contribution to plan assets	(3,797,987,492)	(4,086,455,849)
Decrease in provisions	(5,252,480,978)	(76,990,412)
Net change in cash due to change in scope of consolidation (operating)	-	4,418,058,372
Total	₩ 234,283,759,382	₩ 215,226,679,514

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

### As at and for the Years Ended December 31, 2024 and 2023

- (3) The consolidated statements of cash flows of the Group are prepared using the indirect method. Significant transactions not affecting cash flows for the years ended December 31, 2024 and 2023, are as follows:

<i>(In Korean won)</i>	<b>2024</b>	<b>2023</b>
Transfer of borrowings to current portion	₩ 440,766,882,756	₩ 333,043,313,299
Transfer of loans to current portion	37,828,392,000	9,160,868,932
Transfer of lease receivables to current portion	745,258,702	742,079,380
Transfer of advance payments to property, plant and equipment, and intangible assets	-	2,858,313,500
Transfer of advance payments to inventories	8,346,904,158	29,887,823,854
Transfer of construction-in-progress to property, plant and equipment property	4,202,930,576	968,405,245
Transfer of construction-in-progress to intangible assets	771,950,000	1,358,824,755
Transfer of construction-in-progress to investment properties	-	35,758,481,504
Transfer of inventories to property, plant and equipment property	-	944,576,358
Transfer of inventories to investment properties	-	857,015,575
Non-trade payables related to the acquisition of property, plant and equipment, and intangible assets	225,843,608	958,016,789
Non-trade receivables related to the disposal of property, plant and equipment, and intangible assets	-	701,908,506
Acquisition of right-of-use assets (new contract for lease liabilities)	9,374,266,769	6,510,678,457
Acquisition of right-of-use assets (provision for restoration)	255,129,487	835,742,480
Acquisition of right-of-use assets (present value discounts of deposits provided)	567,098,613	315,452,009
Transfer of right-of-use assets to investment properties	6,001,031,963	-
Transfer of leasehold deposits provided to current portion	24,824,835	-
Transfer of leasehold deposits received to unearned revenues	160,110,248	1,572,395,151
Transfer of leasehold deposits received to current portion	97,584,537	3,601,354,212
Acquisition of financial guarantee liabilities (newly established)	5,488,726,090	-
Transfer of provision for restoration to current portion	212,274,354	-
Transfer of lease liabilities to current portion	5,207,762,539	6,928,871,708
Transfer of debentures to current portion	87,897,619,841	201,012,356,338
Transfer of property, plant and equipment to investment properties	11,480,342,597	-
Transfer of financial liabilities attributable to non-controlling interests to current portion	60,677,380,928	-
Transfer of financial assets at fair value through profit or loss to current portion	2,376,000,000	-
Change in scope of consolidation	-	2,644,456,696

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

Transfer of derivative assets to current portion - 11,437,991,981

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

(In Korean won)		2024			
		Beginning balance	Financing cash flows	Others <sup>1</sup>	Ending balance
Short-term borrowings	₩	59,000,000,000	₩ 3,000,000,000	₩ (27,000,000,000)	₩ 35,000,000,000
Current portion of long-term borrowings		367,564,995,376	(434,000,365,448)	432,759,322,317	366,323,952,245
Current lease liabilities		5,045,087,557	(5,782,665,280)	6,067,466,733	5,329,889,010
Current portion of debentures		201,459,592,795	(45,382,000,000)	(68,109,313,206)	87,968,279,589
Current portion of long-term financial liabilities		2,276,219,178	(61,383,988,614)	65,746,202,842	6,638,433,406
Long-term borrowings		491,530,563,791	257,884,300,006	(517,457,839,806)	231,957,023,991
Non-current debentures		87,872,678,897	93,533,000,000	(149,438,680,631)	31,966,998,266
Non-current lease liabilities		14,272,478,513	-	(4,905,041,986)	9,367,436,527
Long-term financial liabilities		89,234,679,224	-	(89,026,164,467)	208,514,757
Dividend payable		1,144,328,570	(13,841,283,800)	12,696,955,230	-
Total	₩	1,319,400,623,901	₩ (205,973,003,136)	₩ (338,667,092,974)	₩ 774,760,527,791

<sup>1</sup> Effects on foreign currency translation of liabilities, transfers to current portion, changes due to the spin-off etc., are included.

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

(In Korean won)

	2023			
	Beginning balance	Financing cash flows	Others <sup>1</sup>	Ending balance
Short-term borrowings	₩ 8,000,000,000	₩ 51,000,000,000	₩ -	₩ 59,000,000,000
Current portion of long-term borrowings	254,741,167,671	(220,277,006,669)	333,100,834,374	367,564,995,376
Current lease liabilities	4,281,940,299	(6,032,152,421)	6,795,299,679	5,045,087,557
Current portion of debentures	74,924,581,109	(75,000,000,000)	201,535,011,686	201,459,592,795
Current portion of long-term financial liabilities	3,845,204,087	(2,269,999,647)	701,014,738	2,276,219,178
Long-term borrowings	631,044,007,796	191,613,766,668	(331,127,210,673)	491,530,563,791
Non-current debentures	250,136,172,342	37,917,000,000	(200,180,493,445)	87,872,678,897
Non-current lease liabilities	14,145,644,842	-	126,833,671	14,272,478,513
Long-term financial liabilities	89,962,543,340	-	(727,864,116)	89,234,679,224
Dividend payable	-	(19,795,619,200)	20,939,947,770	1,144,328,570
Total	₩ 1,331,081,261,486	₩ (42,844,011,269)	₩ 31,163,373,684	₩ 1,319,400,623,901

<sup>1</sup> Effects on foreign currency translation of liabilities and transfers to current portion, etc., are included.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

### 34. FAIR VALUE:

(1) The Group has classified fair value measurements in accordance with the fair value hierarchy, which reflects the significance of the inputs used in fair value measurement. The levels of the fair value hierarchy are as follows.

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

(2) Fair value hierarchy classifications of the financial instruments that are measured at fair value as at December 31, 2024 and 2023, are as follows:

(In Korean won)

		2024			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at fair value through profit or loss	₩	-	₩ 114,531,933,873	₩ 56,682,439,713	₩ 171,214,373,586
Derivatives designated as hedging		-	342,474,389	-	342,474,389
Derivatives not designated as hedging		-	-	7,136,007,492	7,136,007,492
Financial liabilities					
Derivatives designated as hedging		-	455,055,481	-	455,055,481
Derivatives not designated as hedging		-	-	570,000,000	570,000,000

(In Korean won)

		2023			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at fair value through profit or loss	₩	-	₩ 26,177,058,035	₩ 51,760,133,103	₩ 77,937,191,138
Derivatives designated as hedging		-	6,894,681,186	-	6,894,681,186
Derivatives not designated as hedging		-	-	7,209,389,624	7,209,389,624
Financial liabilities					
Derivatives designated as hedging		-	474,275,946	-	474,275,946
Derivatives not designated as hedging		-	-	5,907,000,000	5,907,000,000

The fair value of cash and cash equivalents, trade receivables, other receivables, other financial assets, long-term and short-term financial assets, trade payables, other payables, long-term and short-term borrowings, and other financial liabilities is excluded from the fair value disclosure because the effect of the discount is not significant, as it is similar to the carrying amount.



**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

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

(In Korean won)

		2024			
	Fair value	Valuation techniques	Unobservable inputs	Application rate	Relationship between unobservable inputs and fair value measurements
Beneficiary certificates	₩ 16,868,574,068	Income approach: The discounted cash flow method is used to estimate the present value of future economic benefits (considering cash outflows from management fees for the purchase of beneficiary certificates) that are expected to be derived from the ownership of an investee.	Long-term growth rate	-	Fair value increases (decreases) as growth rate increases (decreases)
			Weighted-average cost of capital	7.29% – 9.07%	Fair value decreases (increases) as the discount rate increases (decreases)
			Cost of equity	11.58% – 17.29%	Fair value decreases (increases) as the discount rate increases (decreases)
Unlisted investment	39,813,865,645	Income approach: The discounted cash flow method is used to estimate the present value of future economic benefits that are expected to be derived from the ownership of an investee.	Long-term growth rate	-	Fair value increases (decreases) as growth rate increases (decreases)
			Cost of equity	14.7%	Fair value decreases (increases) as the discount rate increases (decreases)
Derivative assets	7,136,007,492	Binomial option pricing model and discounted cash flow model: For contracts that include options, the option value is calculated through the binomial model for the payoff, and the discounted cash flow model is used to estimate the present value of future economic benefits of the underlying assets	Discount rate	2.98% – 8.73%	Fair value of the option increases (decreases) as the underlying asset increases (decreases)
			Cost of equity	11.58%	
Derivative liabilities	570,000,000		Price volatility	12.6% – 50.0%	

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

(In Korean won)

2023

		Fair value	Valuation techniques	Unobservable inputs	Application rate	Relationship between unobservable inputs and fair value measurements
Beneficiary certificates	₩	17,079,411,898	Income approach: The discounted cash flow method is used to estimate the present value of future economic benefits (considering cash outflows from management fees for the purchase of beneficiary certificates) that are expected to be derived from the ownership of an investee.	Long-term growth rate Weighted average cost of capital Cost of equity	- 6.60% – 7.47% 14.09% – 15.85%	Fair value increases (decreases) as growth rate increases (decreases) Fair value decreases (increases) as the discount rate increases (decreases) Fair value decreases (increases) as the discount rate increases (decreases)
Unlisted investment		21,701,721,205	Income approach: The discounted cash flow method is used to estimate the present value of future economic benefits that are expected to be derived from the ownership of an investee.	Long-term growth rate Weighted average cost of capital	- -	Fair value increases (decreases) as growth rate increases (decreases) Fair value decreases (increases) as the discount rate increases (decreases)
Investment convertible notes, etc.		12,979,000,000	Discounted cash flow: The fair value of investment convertible notes is measured by adding the fair value of general bonds that do not include conversion rights and the fair value of conversion rights, which are embedded derivatives (call options). The fair value of general bonds without conversion rights is measured by discounting the future cash flows of the bonds by applying the market interest rate applied to entities with similar creditworthiness to those of the issuer of convertible notes, and the fair value of conversion rights is measured using an option-pricing model. Price volatility, which is a significant input used to measure the fair value of conversion rights, is estimated based on past stock price changes of the alternative companies.	Cost of equity Price volatility	16.82% -	Fair value increases (decreases) as price volatility increases (decreases)
Derivative assets		7,209,389,624	Binomial option-pricing model and discounted cash flow model: For contracts that include options, the option value is calculated through the binomial model for the payoff, and the discounted cash flow model is used to estimate the present value of future economic benefits of the underlying assets.	Discount rate Cost of equity	4.32% – 21.95% 12.22%	Fair value of the option increases (decreases) as the underlying asset increases (decreases)
Derivative liabilities		5,907,000,000		Volatility of the underlying assets	14.00% – 45.00%	

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

### 35. PURPOSE AND POLICY OF FINANCIAL RISK MANAGEMENT:

The Group's principal financial liabilities comprise trade and other payables, borrowings and debentures. These financial liabilities arise from the Group's operations activity. Also the Group has financial assets, including trade and other receivables, cash and cash equivalents and loans that are directly derived from its operations.

The Group is exposed to market risk, credit risk and liquidity risk and the Group's key management oversees the management of these risks. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

#### *(1) Market risk*

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks comprise three types of risk: interest rate risk, foreign currency risk and other price risk.

##### *a) Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group internally measures its interest rate risk based on 1%, which reflects the management's assessment of reasonable level of interest rate risk.

As at December 31, 2024, long-term borrowings with variable interest rate are ₩78,062 million (2023: ₩78,857 million).

##### *b) Foreign currency risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The book amount of the Group's monetary assets and liabilities denominated in foreign currencies as at December 31, 2024 and 2023, is as follows:

(In Korean won)		2024		2023	
		Assets	Liabilities <sup>1</sup>	Assets	Liabilities <sup>1</sup>
USD	₩	-	₩	₩	-
EUR		-	1,048,678,327	93,664,036	158,122,980
GBP		-	-	-	98,507,400

<sup>1</sup> The Group has applied hedge on foreign currency denominated, and the hedge was determined to be effective for foreign currency risk, so the amount was excluded (see Note 22-(2)).

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

The table below summarizes the impact of weakened/strengthened functional currency on the Group's profit (loss) for the year. The analysis is based on the assumption that functional currency has weakened/strengthened by 5% with all other variables held constant. The Group internally assesses the currency risk against changes in exchange rate fluctuations regularly. The impact on profit or loss is limited as the Group effectively manages foreign currency risk through currency futures trading.

(In Korean won)	2024				2023			
	Increase 5%		Decrease 5%		Increase 5%		Decrease 5%	
USD	₩	-	₩	-	₩	3,797	₩	(3,797)
EUR		(52,433,916)		52,433,916		(3,222,947)		3,222,947
GBP		-		-		(4,925,370)		4,925,370

The Group has entered into a loss limit agreement for derivatives transactions to conduct transactions without providing separate evidence collateral for foreign exchange transactions with a bank.

### (2) Credit risk

Credit risk is the risk that counterparty will not meet its obligations, leading to a financial loss of the Group.

#### a) Trade and other receivables

The Group deals with customers who have robust credit quality for those who want credit transaction with the Group, which the credit quality is assessed by the Group's credit investigation procedure. The Group regularly monitors balances of trade and other receivables and reassesses customer credit rating to maintain exposure level of impairment loss risk to unimportant level.

At the end of the reporting period, the Group individually recognizes whether major customer receivables are impaired or not, and additionally, in case of a large number of small receivables, it is included in a group of financial assets with similar credit risk characteristics and expected credit losses of the Group are calculated collectively. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets described in Note 3.

#### b) Other assets

Credit risks associated with the Group's other assets, which consist of cash, short-term deposits and short-term and long-term loans arise from the default by the counterparties. Maximum exposure to credit risks will be the book value of the related assets. The Group deposits its surplus funds in Woori Bank and other financial institutions whose credit ratings are high, therefore credit risk related to financial institutions is considered limited.

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

### As at and for the Years Ended December 31, 2024 and 2023

As at December 31, 2024, financial assets exposed to credit risk are as follows. The carrying amount indicates the maximum of exposure to credit risk.

(In Korean won)		2024		2023
Financial assets at fair value through profit or loss	₩	171,214,373,586	₩	77,937,191,138
Financial assets at amortized cost		200,616,546,079		461,260,623,263
Derivatives designated as hedging		342,474,389		6,894,681,186
Derivatives not designated as hedging		7,136,007,492		7,209,389,624
	₩	<u>379,309,401,546</u>	₩	<u>553,301,885,211</u>

### (3) Liquidity risk

Liquidity risk refers to the risk that the Group may default on the contractual obligations that become due.

The Group manages its risk to a shortage of funds using a recurring liquidity planning tool. The Group matches the financial liabilities with the financial assets taking into account the maturity dates and cash flow from operating activities of those financial assets.

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

(In Korean won)	2024					Total
	Less than 3 months	Between 3 months to 1 year	Between 1 and 4 years	Over 4 years		
Trade and other payables <sup>1</sup>	₩ 22,491,079,811	₩ 47,657,498	₩ -	₩ -	₩	22,538,737,309
Short-term borrowings	146,835,616	35,809,057,808	-	-		35,955,893,424
Current portion of long-term borrowings	78,229,147,030	301,135,445,162	-	-		379,364,592,192
Current portion of debentures	51,224,794,521	38,543,328,767	-	-		89,768,123,288
Current portion of long-term financial liabilities	66,119,257	7,041,049,246	80,000,000	453,333,333		7,640,501,836
Debentures	591,780,822	1,808,219,178	32,843,698,630	-		35,243,698,630
Long-term borrowings	3,464,599,562	33,024,216,301	216,414,423,758	-		252,903,239,621
Long-term financial guarantee liabilities	-	-	7,346,002,240	-		7,346,002,240
Long-term financial liabilities	-	-	80,000,000	453,333,333		533,333,333
	₩ <u>156,214,356,619</u>	₩ <u>417,408,973,960</u>	₩ <u>256,764,124,628</u>	₩ <u>906,666,666</u>	₩	<u>831,294,121,873</u>

<sup>1</sup> Lease liabilities and non-financial debts are excluded.

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

(In Korean won)

	2023					
	Less than 3 months	Between 3 months to 1 year	Between 1 and 4 years	Over 4 years	Total	
Trade and other payables <sup>1</sup>	₩ 35,079,110,105	₩ -	₩ -	₩ -	₩	35,079,110,105
Short-term borrowings	27,721,951,616	32,095,756,712	-	-		59,817,708,328
Current portion of long-term borrowings	9,165,639,457	372,486,146,959	-	-		381,651,786,416
Current portion of debentures	131,823,480,495	72,301,659,677	-	-		204,125,140,172
Current portion of long-term financial liabilities	565,945,205	1,710,273,973	-	-		2,276,219,178
Long-term trade and other payables <sup>1</sup>	-	-	1,014,520,809	600,000,000		1,614,520,809
Debentures	1,320,123,288	3,989,383,562	89,675,493,151	-		94,985,000,001
Long-term borrowings	8,012,577,640	24,090,765,777	476,810,386,238	39,665,782,361		548,579,512,016
Long-term financial guarantee liabilities	-	-	5,194,574,630	-		5,194,574,630
Long-term financial liabilities	-	-	64,281,150,685	30,808,746,813		95,089,897,498
	₩ 213,688,827,806	₩ 506,673,986,660	₩ 636,976,125,513	₩ 71,074,529,174	₩	1,428,413,469,153

<sup>1</sup> Lease liabilities and non-financial debts are excluded.

The amounts of financial liabilities by remaining maturity included in above represent undiscounted contractual principal, which differ from the carrying amount of financial liabilities recognized in the separate statements of financial position, and includes interest on financial liabilities to be paid in the future.

The total guaranteed amount under the financial guarantee contracts exposed to liquidity risk, other than the above, is ₩507,089 million (2023: ₩218,306 million), and the limit of the guarantee is ₩911,852 million (2023: ₩791,852 million) (see Note 24-(10)). In addition, the Group provides a Cash Deficiency Support agreement, with the maximum exposure to liquidity risk amounting to ₩517,000 million (2023: ₩391,200 million) under the agreement (see Note 24-(8)).

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

---

### *(4) Capital management*

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain sound capital structure, the Group may adjust the dividend payment to shareholders, reduce issued capital or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year ended December 31, 2024.

The Group uses the debt ratio divided by total liabilities by equity capital. The total liabilities, equity capital and debt ratio as at December 31, 2024 and 2023, are as follows:

<i>(In Korean won)</i>	<b>2024</b>	<b>2023</b>
Total liabilities	₩ 892,193,902,440	₩ 1,661,198,358,797
Equity capital	570,030,647,132	761,878,023,461
Debt ratio	<u>156.52%</u>	<u>218.04%</u>

# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

---

### 36. SPIN-OFF:

- (1) The Group established SK eternix Co., Ltd. (newly established company) through spin-off renewable energy and ESS business units, with the resolution of the board of directors on September 15, 2023, and the approval of the general shareholders' meeting on February 2, 2024. The newly established company has been relisted on the Korea Exchange's stock market on March 29, 2024, after relisting review in accordance with Article 38, Paragraph 1, Item 2, Article 39, Article 41, and Article 42 of the Korea Exchange's Securities Market Listing Regulations.

Details of spin-off are as follows:

#### Details

Companies subject to spin-off	SK D&D Co., Ltd. (existing company) SK eternix Co., Ltd. (newly established company)
Completion of stock spin-off	March 1, 2024

- (2) For non-cash assets that are non-reciprocal distributions, and where the owners of the same equity are treated equally, the Group recognizes the non-cash asset using the fair value at the date when the Group declares a distribution and has an obligation to distribute these assets to its owners. In relation to this, the dividends payable recognized by the Group on March 1, 2024, amount to ₩221,208 million. The difference of the said dividends payable is adjusted in the Company's equity.

In measuring the dividends payable, the Group measured the fair value of the segments subject to distribution using the estimate of independent external valuation and the valuation model.

These measurements are classified in Level 3. Significant inputs used in the fair value measurement are as follows:

#### Assumption

Discount rate	8.9%
Terminal growth rate	1.0%



# SK D&D Co., Ltd. and Subsidiaries

## Notes to the Consolidated Financial Statements

As at and for the Years Ended December 31, 2024 and 2023

- (3) The Group's asset and liabilities for distribution to owners are as follows. The Group recognized the difference between the amount of the asset and liabilities for distribution to owners and dividend payable at fair value as gains on disposal of discontinued operations.

(In millions of Korean won)

2024

### Assets for distribution to owners

Current assets	₩	482,010
Cash and cash equivalents	₩	224,875
Short-term loans		21,193
Trade and other receivables		27,761
Inventories		150,806
Current derivative financial assets		487
Other current assets		56,888
Non-current assets		285,758
Long-term financial instruments		8,132
Long-term investment property		16,368
Long-term loans		31
Property, plant and equipment		241,965
Right-of-use assets		5,131
Intangible assets		4,955
Other non-current financial assets		37
Other non-current assets		2,747
Derivative assets		1,092
Deferred tax assets		5,300
Total		767,768

### Liabilities related to a group of assets for distribution to owners

Current liabilities	338,587
Trade and other payables	14,556
Current portion of long-term borrowings	10,711
Current portion of debentures	149,984
Contract liabilities	58,328
Other current financial liabilities	12
Other current liabilities	104,996
Non-current liabilities	212,338
Trade and other payables	4,583
Long-term borrowings	107,306
Debentures	61,570
Provisions	2,969
Other non-current financial liabilities	30,834

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

*(In millions of Korean won)*

**2024**

Non-current deferred income tax liabilities	5,076	
Total		550,925
Carrying amount of net assets (A)		216,843
Dividend payable (B)		221,208
Profit from discontinued operations (B-A)	₩	4,365

(4) Details of profit and loss on discontinued operations due to the spin-off for the years ended December 31, 2024 and 2023, are as follows:

*(In Korean won)*

**2024**

**2023**

Operating revenue	₩	12,404,019,544	₩	94,594,046,818
Operating expenses		(10,017,831,566)		(81,809,230,875)
Operating income		2,386,187,978		12,784,815,943
Finance income		1,663,828,668		5,826,227,390
Finance costs		(3,541,988,871)		(18,032,232,126)
Other income		987,622,868		2,651,388,569
Other expenses		(28,407,658)		(166,502,651)
Profit from discontinued operations before tax		1,467,242,985		3,063,697,125
Income tax expense		(2,242,492,560)		(777,699,037)
Profit (loss) from discontinued operations after tax		(775,249,575)		2,285,998,088
Gain on disposal of discontinued operations		4,364,537,343		-
Profit from discontinued operations (including gain on disposal of discontinued operations)		3,589,287,768		2,285,998,088

(5) Cash flows from discontinued operations for the years ended December 31, 2024 and 2023, are as follows:

*(In Korean won)*

**2024**

**2023**

□. Cash flows used in operating activities	₩	(9,028,738,230)	₩	(7,721,812,800)
□. Cash flows from investing activities		4,104,327,748		25,541,754,793
□. Cash flows from financing activities		102,897,275,829		19,551,369,509
□. Cash flows from discontinued operations		97,972,865,347		37,371,311,503

**SK D&D Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
**As at and for the Years Ended December 31, 2024 and 2023**

---

(6) Rights and obligations transferred to the spun-off company

Active and passive assets; other rights and obligations, including rights and obligations under public law; and factual relations with monetary value (including licensing, labor relations, contract relations, litigation, etc.), which are related to the business subject to divide, are carried over to the spun-off company; otherwise, they are carried over to the original company.

(7) Responsibilities of the Company according to the spin-off

In accordance with Article 530(9)(1) of Commercial Law, the newly established company and the existing company are jointly liable for the liabilities of the Company before the spin-off date.

**37. SUBSEQUENT EVENTS:**

(1) Decision to increase short-term borrowings

On January 15, 2025, the board of directors decided to set a limit of ₩60 billion on the issuance of short-term electronic debentures to secure operating funds and others.

(2) Decision to cash dividend

The Group resolved to annual dividends at the board of directors' meeting on February 10, 2025, and the details are as follows:

Details	
Dividend amount	Ordinary shares: ₩7,442,436,400 (₩400 per share)
Dividend yield	6.23%
Dividend date	March 31, 2025
Payout date	April 22, 2025

**38. APPROVAL OF ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS:**

The consolidated financial statements of 2024 were approved for issue by the board of directors on February 10, 2025, and will be approved by the shareholders at their Annual General Meeting on March 25, 2025.