



SK Inc. and its subsidiaries

Consolidated Financial Statements
December 31, 2023 and 2022
(with Independent Auditor's Report Thereon)

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Independent Auditors' Report

Based on a report originally issued in Korean

To the Shareholders and Board of Directors of
SK Inc.

Opinion

We have audited the consolidated financial statements of SK Inc. and its subsidiaries (the "Group"), expressed in Korean won, which comprise the consolidated statement of financial position as of December 31, 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising of material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Korean International Financial Reporting Standards ("K-IFRS").

We also have audited, in accordance with Korean Standards on Auditing ("KSAs"), the Group's internal control over financial reporting ("ICFR") for consolidation purposes as of December 31, 2023 based on the criteria established in Conceptual Framework for Designing and Operating Internal Control over Financial Reporting issued by the Operating Committee of Internal Control over Financial Reporting in the Republic of Korea, and our report dated March 12, 2024 expressed an unmodified opinion on the effectiveness of the Group's internal control over financial reporting for consolidation purposes.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements as of and for the year ended December 31, 2023. 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.

Impairment testing of goodwill and intangible assets with indefinite useful lives

As described in Notes 16 and 17 to the consolidated financial statements, the Group recognizes goodwill of ₩6,845,928 million and intangible assets with indefinite useful life (including brand-related assets of ₩2,288,941 million) as of December 31, 2023, all of which has incurred through a number of business combinations in the past.

Among the total goodwill and intangible assets recognized by the Group, goodwill of ₩984,359 million from the acquisition of the E-waste recycling business in 2022 and SK brand-related assets of ₩1,975,000 million from the merger with the Company in 2015 are significant. In accordance with K-IFRS 1036 *Impairment of Assets*, impairment test is required to be performed annually for goodwill acquired in a business combination and intangible assets with indefinite useful lives. As the assumptions and judgment used by Group's management in estimating the value-in-use related to impairment testing of goodwill and intangible assets with indefinite useful lives is significant, we determined the impairment testing of goodwill related to the acquisition of the E-waste recycling business and SK brand-related assets to be a key audit matter.



The primary audit procedures we have performed to address this key audit matter are as follows:

- Understanding the process related to the review of the impairment evaluation and its results for goodwill and intangible assets with indefinite useful life, and evaluated the effectiveness of the design and operation of internal controls.
- Comparison of financial forecasts used in estimating value-in-use with those approved by management.
- Comparison of prior year's forecast with actual results for the current year to evaluate the accuracy of estimates.
- Evaluating the major assumptions used in the evaluation by comparing with the past financial performance, industry indicators and market data.
- Evaluation of the impairment review report of the Group by involving internal valuation specialists.

Other Matters

The consolidated financial statements of the Group for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on March 14, 2023.

The procedures and practices utilized in the Republic of Korea to audit such consolidated financial statements may differ from those generally accepted and applied in other countries.

The accompanying consolidated financial statements as of and for the years ended December 31, 2023 and 2022 have been translated into United States dollars solely for the convenience of the reader. We have audited the translation and, in our opinion, the consolidated financial statements expressed in Korean won have been translated into dollars on the basis set forth in Note 2 to the consolidated financial statements.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with K-IFRS, and for such internal control as management determines 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 is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 KSAs 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 KSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used in the preparation of the consolidated financial statements and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 auditors' 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 auditors' report is Se Hong Choi.

KPMG Samjong Accounting Corp.

Seoul, Korea
March 12, 2024

This report is effective as of March 12, 2024, the audit report date. Certain subsequent events or circumstances, which may occur between the audit 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 audit report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

SK Inc. and its subsidiaries

Consolidated Financial Statements
for the years ended December 31, 2023 and 2022

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

SK Inc. and its subsidiaries
Consolidated statements of financial position
as of December 31, 2023 and 2022

(Korean won in millions and U.S. dollar in thousands)

	Notes	Korean won		Translation into U.S. dollar (Note 2)	
		2023	2022	2023	2022
Assets					
Current assets:					
Cash and cash equivalents	6,41,42,43	₩ 22,683,670	₩ 21,393,853	\$ 17,592,423	\$ 16,592,099
Short-term financial instruments	6,41,42	2,942,041	3,727,273	2,281,713	2,890,703
Trade receivables, net	6,7,41,43	13,879,388	14,334,532	10,764,222	11,117,211
Other receivables, net	6,7,43	3,060,312	3,559,791	2,373,439	2,760,812
Inventories, net	8,43	15,006,555	15,552,284	11,638,402	12,061,644
Short-term investment securities	6,9,41,43	186,838	240,621	144,903	186,615
Other current assets	6,7,14,22,23,41,42,43	5,728,716	5,589,702	4,442,932	4,335,119
Assets held for sale	38	1,347,102	595,523	1,044,751	461,861
Total current assets		64,834,622	64,993,579	50,282,785	50,406,064
Non-current assets:					
Long-term financial instruments	6,41,42	56,415	112,484	43,753	87,237
Long-term trade receivables, net	6,7,43	545,442	517,701	423,020	401,505
Long-term other receivables, net	6,7,43	809,912	380,964	628,131	295,458
Long-term investment securities	6,9,41,43	7,544,076	7,950,497	5,850,842	6,166,044
Investments in associates and joint ventures	10,11,41	26,537,507	27,457,005	20,581,284	21,294,404
Properties, plant and equipment, net	13,41	73,494,432	59,921,872	56,998,939	46,472,679
Right-of-use assets, net	14	5,176,931	5,437,414	4,014,992	4,217,011
Investment properties, net	15,41	3,093,905	1,866,106	2,399,492	1,447,267
Goodwill	16	6,845,928	7,475,558	5,309,390	5,797,703
Intangible assets, net	17	11,741,419	12,709,019	9,106,111	9,856,537
Defined benefit asset	21	518,616	660,282	402,215	512,085
Deferred tax assets	34	1,749,089	1,166,846	1,356,514	904,953
Other non-current assets	6,7,14,21,22,23,42,43	4,021,970	3,856,533	3,119,255	2,990,952
Total non-current assets		142,135,642	129,512,281	110,233,938	100,443,835
Total assets		₩ 206,970,264	₩ 194,505,860	\$ 160,516,723	\$ 150,849,899
Liabilities and equity					
Liabilities					
Current liabilities:					
Short-term borrowings	6,7,18,39,41,43	₩ 17,388,374	₩ 17,457,297	\$ 13,485,632	\$ 13,539,086
Trade payables	6,43	12,949,401	14,024,892	10,042,966	10,877,068
Other payables	6,43	9,731,378	7,204,577	7,547,214	5,587,542
Provisions	20	579,030	640,198	449,069	496,508
Current portion of long-term debt	6,18,39,40,41,43	13,019,290	11,373,120	10,097,169	8,820,475
Other current liabilities	6,7,14,22,23,43	11,381,670	12,285,360	8,827,106	9,527,966
Liabilities held for sale	38	304,148	67,760	235,883	52,552
Total current liabilities		65,353,291	63,053,204	50,685,039	48,901,197
Non-current liabilities:					
Bonds and long-term borrowings	6,18,39,40,41,43	48,570,229	45,641,745	37,668,861	35,397,662
Long-term other payables	6,19,39,40,43	1,342,164	1,513,207	1,040,921	1,173,575
Defined benefit liabilities	21	56,062	170,368	43,479	132,130
Provisions	20	1,226,618	866,826	951,309	672,271
Deferred tax liabilities	34	4,144,444	4,435,594	3,214,242	3,440,045
Other non-current liabilities	6,7,14,22,23,43	8,398,406	7,016,126	6,513,423	5,441,387
Total non-current liabilities		63,737,923	59,643,866	49,432,235	46,257,070
Total liabilities		129,091,214	122,697,070	100,117,274	95,158,267
Equity					
Equity attributable to owners of the parent:					
Share capital	1,24	16,143	16,143	12,520	12,520
Other paid-in capital	25,29	7,024,926	6,401,912	5,448,213	4,965,032
Retained earnings	26	13,668,066	14,918,613	10,600,330	11,570,198
Other components of equity	28	17,579	258,878	13,633	200,774
Equity attributable to owners of the Parent Company		20,726,714	21,595,546	16,074,696	16,748,524
Non-controlling interests		57,152,336	50,213,244	44,324,753	38,943,108
Total equity		77,879,050	71,808,790	60,399,449	55,691,632
Total liabilities and equity		₩ 206,970,264	₩ 194,505,860	\$ 160,516,723	\$ 150,849,899

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

SK Inc. and its subsidiaries
Consolidated statements of comprehensive income
for the years ended December 31, 2023 and 2022

(Korean won in millions and U.S. dollar in thousands, except for earnings per share)

	Notes	Korean won		Translation into U.S. dollar (Note 2)	
		2023	2022	2023	2022
Sales	4	₩ 131,237,878	₩ 132,079,354	\$ 101,782,130	\$ 102,434,740
Cost of sales	33	<u>118,444,894</u>	<u>116,435,597</u>	<u>91,860,473</u>	<u>90,302,154</u>
Gross profit		12,792,984	15,643,757	9,921,657	12,132,586
Other operating income	4	617,038	-	478,547	-
Selling and administrative expenses	30,33	<u>8,353,644</u>	<u>7,482,491</u>	<u>6,478,706</u>	<u>5,803,080</u>
Operating profit	4	5,056,378	8,161,266	3,921,498	6,329,506
Finance income	6,31	7,100,636	9,126,339	5,506,930	7,077,973
Finance costs	6,31	9,580,435	11,961,154	7,430,150	9,276,527
Gain on investments in associates and joint ventures, net	10,11	(2,359,480)	84,241	(1,829,905)	65,333
Other non-operating income	6,32	1,194,453	1,838,443	926,363	1,425,815
Other non-operating expenses	6,32	<u>2,089,737</u>	<u>1,349,122</u>	<u>1,620,705</u>	<u>1,046,318</u>
Profit (loss) from continuing operations before income tax expense	4	(678,185)	5,900,013	(525,969)	4,575,782
Income tax expense from continuing operations	34	619,123	2,375,596	480,164	1,842,404
Profit (loss) for the year from continuing operations	4	(1,297,308)	3,524,417	(1,006,133)	2,733,378
Gain from discontinued operations	37	890,921	441,759	690,958	342,608
Profit (loss) for the year		₩ (406,387)	₩ 3,966,176	\$ (315,175)	\$ 3,075,986
attributable to:					
Owners of the Parent Company		(776,798)	1,098,683	(602,449)	852,089
Non-controlling interests		370,411	2,867,493	287,274	2,223,897
Other comprehensive income (loss):					
Items that will not be reclassified subsequently to profit or loss (net of tax):					
Remeasurements of the net defined benefit plans		(196,845)	258,742	(152,664)	200,669
Net loss on valuation of financial assets at FVOCI		(607,992)	(2,076,572)	(471,531)	(1,610,495)
Items that are or may be reclassified subsequently to profit or loss (net of tax):					
Equity adjustments of investments in associates and joint ventures		89,648	238,715	69,527	185,136
Net gain (loss) on valuation of derivative financial instruments		(70,628)	148,993	(54,776)	115,552
Net gain on translation of foreign operations		<u>583,189</u>	<u>840,265</u>	<u>452,295</u>	<u>651,671</u>
		<u>(202,628)</u>	<u>(589,857)</u>	<u>(157,149)</u>	<u>(457,467)</u>
Total comprehensive income (loss) for the year		₩ (609,015)	₩ 3,376,319	\$ (472,324)	\$ 2,618,519
attributable to:					
Owners of the Parent Company		(1,113,428)	852,490	(863,524)	661,152
Non-controlling interests		504,413	2,523,829	391,200	1,957,367
Earnings per share (Korean won and U.S. dollar):	35				
Basic earnings per share		₩ (13,941)	₩ 19,432	\$ (11)	\$ 15
Preferred earnings per share		(13,941)	19,482	(11)	15
Diluted earnings per share		(13,958)	19,303	(11)	15
Basic earnings per share from continuing operations		(18,669)	16,309	(14)	13
Preferred earnings per share from continuing operations		(18,719)	16,309	(15)	13
Diluted earnings per share from continuing operations		(18,682)	16,187	(14)	13

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

SK Inc. and its subsidiaries
Consolidated statements of changes in equity
for the years ended December 31, 2023 and 2022

(Korean won in millions)

	Share capital	Other paid-in capital	Retained earnings	Other components of equity	Equity attributable to owners of the Parent Company	Non-controlling interests	Total equity
As of January 1, 2022	₩ 16,143	₩ 6,445,296	₩ 14,061,050	₩ 721,262	₩ 21,243,751	₩ 44,308,900	₩ 65,552,651
Total comprehensive income:							
Profit for the year	-	-	1,098,683	-	1,098,683	2,867,493	3,966,176
Remeasurements of the net defined benefit plans	-	-	117,959	-	117,959	140,783	258,742
Net gain (loss) on valuation of financial assets measured at FVOCI	-	-	98,232	(1,233,039)	(1,134,807)	(941,765)	(2,076,572)
Equity adjustment arising from investments in equity-accounted investees	-	-	-	129,027	129,027	109,688	238,715
Net gain (loss) on valuation of derivative financial instruments	-	-	-	47,986	47,986	101,007	148,993
Net gain on translation of foreign operations	-	-	-	593,642	593,642	246,623	840,265
Transaction with share holders recognized directly to equity:							
Dividends	-	-	(453,321)	-	(453,321)	(1,244,522)	(1,697,843)
Stock-based payment	-	31,799	-	-	31,799	132,442	164,241
Equity transactions within consolidated entities	-	(69,684)	-	-	(69,684)	3,059,966	2,990,282
Changes in the scope of consolidation	-	-	-	-	-	1,433,037	1,433,037
Others	-	(5,499)	(3,990)	-	(9,489)	(408)	(9,897)
As of December 31, 2022	₩ 16,143	₩ 6,401,912	₩ 14,918,613	₩ 258,878	₩ 21,595,546	₩ 50,213,244	₩ 71,808,790
As of January 1, 2023	₩ 16,143	₩ 6,401,912	₩ 14,918,613	₩ 258,878	₩ 21,595,546	₩ 50,213,244	₩ 71,808,790
Total comprehensive income:							
Loss for the year	-	-	(776,798)	-	(776,798)	370,411	(406,387)
Remeasurements of the net defined benefit plans	-	-	(104,915)	-	(104,915)	(91,930)	(196,845)
Net gain (loss) on valuation of financial assets measured at FVOCI	-	-	9,584	(599,823)	(590,239)	(17,753)	(607,992)
Equity adjustment arising from investments in equity-accounted investees	-	-	-	57,370	57,370	32,278	89,648
Net gain (loss) on valuation of derivative financial instruments	-	-	-	(17,639)	(17,639)	(52,989)	(70,628)
Net gain on translation of foreign operations	-	-	-	318,793	318,793	264,396	583,189
Transaction with share holders recognized directly to equity:							
Dividends	-	-	(278,764)	-	(278,764)	(1,343,666)	(1,622,430)
Stock-based payment	-	27,714	-	-	27,714	71,873	99,587
Retirement of treasury shares	-	100,681	(100,681)	-	-	-	-
Equity transactions within consolidated entities	-	485,612	-	-	485,612	6,350,360	6,835,972
Changes in the scope of consolidation	-	-	-	-	-	1,357,065	1,357,065
Others	-	9,007	1,027	-	10,034	(953)	9,081
As of December 31, 2023	₩ 16,143	₩ 7,024,926	₩ 13,668,066	₩ 17,579	₩ 20,726,714	₩ 57,152,336	₩ 77,879,050

(Continued)

SK Inc. and its subsidiaries
Consolidated statements of changes in equity
for the years ended December 31, 2023 and 2022(cont'd)
(U.S.dollar in thousands)

	Share capital	Other paid-in capital	Retained earnings	Other components of equity	Equity attributable to owners of the Parent Company	Non-controlling interests	Total equity
As of January 1, 2022	\$ 12,520	\$ 4,998,678	\$ 10,905,111	\$ 559,378	\$ 16,475,687	\$ 34,363,968	\$ 50,839,655
Total comprehensive income:							
Profit for the year	-	-	852,089	-	852,089	2,223,897	3,075,986
Remeasurements of the net defined benefit plans	-	-	91,484	-	91,484	109,185	200,669
Net gain (loss) on valuation of financial assets measured at FVOCI	-	-	76,184	(956,289)	(880,105)	(730,390)	(1,610,495)
Equity adjustment arising from investments in equity-accounted investees	-	-	-	100,067	100,067	85,069	185,136
Net gain (loss) on valuation of derivative financial instruments	-	-	-	37,216	37,216	78,336	115,552
Net gain on translation of foreign operations	-	-	-	460,402	460,402	191,269	651,671
Transaction with share holders recognized directly to equity:							
Dividends	-	-	(351,575)	-	(351,575)	(965,195)	(1,316,770)
Stock-based payment	-	24,662	-	-	24,662	102,716	127,378
Equity transactions within consolidated entities	-	(54,044)	-	-	(54,044)	2,373,170	2,319,126
Changes in the scope of consolidation	-	-	-	-	-	1,111,398	1,111,398
Others	-	(4,264)	(3,095)	-	(7,359)	(315)	(7,674)
As of December 31, 2022	\$ 12,520	\$ 4,965,032	\$ 11,570,198	\$ 200,774	\$ 16,748,524	\$ 38,943,108	\$ 55,691,632
As of January 1, 2023	\$ 12,520	\$ 4,965,032	\$ 11,570,198	\$ 200,774	\$ 16,748,524	\$ 38,943,108	\$ 55,691,632
Total comprehensive income:							
Loss for the year	-	-	(602,449)	-	(602,449)	287,274	(315,175)
Remeasurements of the net defined benefit plans	-	-	(81,367)	-	(81,367)	(71,297)	(152,664)
Net gain (loss) on valuation of financial assets measured at FVOCI	-	-	7,433	(465,196)	(457,763)	(13,768)	(471,531)
Equity adjustment arising from investments in equity-accounted investees	-	-	-	44,494	44,494	25,033	69,527
Net gain (loss) on valuation of derivative financial instruments	-	-	-	(13,680)	(13,680)	(41,096)	(54,776)
Net gain on translation of foreign operations	-	-	-	247,241	247,241	205,054	452,295
Transaction with share holders recognized directly to equity:							
Dividends	-	-	(216,197)	-	(216,197)	(1,042,086)	(1,258,283)
Stock-based payment	-	21,494	-	-	21,494	55,741	77,235
Retirement of treasury shares	-	78,084	(78,084)	-	-	-	-
Equity transactions within consolidated entities	-	376,619	-	-	376,619	4,925,050	5,301,669
Changes in the scope of consolidation	-	-	-	-	-	1,052,478	1,052,478
Others	-	6,984	796	-	7,780	(738)	7,042
As of December 31, 2023	\$ 12,520	\$ 5,448,213	\$ 10,600,330	\$ 13,633	\$ 16,074,696	\$ 44,324,753	\$ 60,399,449

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

SK Inc. and its subsidiaries
Consolidated statements of cash flows
for the years ended December 31, 2023 and 2022
(Korean won in millions and U.S. dollar in thousands)

	Notes	Korean won		Translation into U.S. dollar (Note 2)	
		2023	2022	2023	2022
Cash flows from operating activities:					
Profit (loss) for the year		₩ (406,387)	₩ 3,966,176	\$ (315,175)	\$ 3,075,986
Non-cash adjustments	39	14,489,408	13,725,523	11,237,326	10,644,891
Working capital adjustments	39	1,382,759	(6,422,242)	1,072,405	(4,980,799)
Interest received		789,244	438,070	612,102	339,747
Interest paid		(3,308,600)	(2,141,140)	(2,566,000)	(1,660,571)
Dividends received		389,034	581,958	301,717	451,340
Income tax paid		(1,981,576)	(2,470,596)	(1,536,820)	(1,916,082)
Net cash provided by operating activities		11,353,882	7,677,749	8,805,555	5,954,512
Cash flows from investing activities:					
Decrease in short-term financial instruments, net		955,651	2,477,742	741,159	1,921,624
Increase in long-term financial instruments, net		(67,445)	(405,234)	(52,307)	(314,281)
Decrease in long-term financial instruments, net		98,028	359,429	76,026	278,757
Decrease in short-term loans, net		(147,029)	(418,962)	(114,029)	(324,928)
Increase (decrease) in long-term loans, net		(259,706)	455,160	(201,416)	353,001
Decrease in short-term investment securities, net		69,618	162,282	53,993	125,859
Proceeds from disposal of long-term investment securities		498,149	944,715	386,342	732,678
Proceeds from disposal of investments in associates and joint ventures		164,379	354,631	127,485	275,036
Proceeds from disposal of property, plant and equipment		196,083	1,358,039	152,073	1,053,233
Proceeds from disposal of intangible assets		61,288	30,294	47,532	23,495
Proceeds from disposal of assets held for sale		554,696	1,353,321	430,197	1,049,574
Acquisition of long-term investment securities		(1,035,256)	(1,534,340)	(802,897)	(1,189,964)
Acquisition of investments in associates and joint ventures		(1,635,434)	(2,018,959)	(1,268,368)	(1,565,813)
Acquisition of property, plant and equipment		(18,915,215)	(14,000,065)	(14,669,781)	(10,857,814)
Acquisition of intangible assets		(541,252)	(612,179)	(419,770)	(474,778)
Decrease in cash from changes in the scope of consolidation, net		(748,636)	(2,342,767)	(580,608)	(1,816,944)
Others, net		(875,731)	(1,122,241)	(679,178)	(870,358)
Net cash used in investing activities		(21,627,812)	(14,959,134)	(16,773,547)	(11,601,623)
Cash flows from financing activities:					
Increase (decrease) in short-term borrowings, net		(1,143,705)	10,426,397	(887,006)	8,086,239
Increase in bonds and borrowings		20,088,196	14,379,806	15,579,491	11,152,324
Decrease in bonds and borrowings		(12,833,855)	(9,178,991)	(9,953,354)	(7,118,808)
Decrease in long-term other payables		(424,561)	(407,780)	(329,270)	(316,256)
Decrease in lease liabilities		(1,265,361)	(1,099,618)	(981,356)	(852,814)
Payment of dividends		(1,673,986)	(1,708,407)	(1,298,267)	(1,324,963)
Cash inflows from consolidated capital transaction		8,492,578	3,684,636	6,586,457	2,857,636
Others, net		284,675	(83,307)	220,780	(64,608)
Net cash provided by financing activities		11,523,981	16,012,736	8,937,475	12,418,750
Net increase in cash and cash equivalents		1,250,051	8,731,351	969,483	6,771,639
Net foreign exchange effects		78,941	366,453	61,223	284,204
Cash and cash equivalents included in assets held for sale		(39,175)	(21,506)	(30,382)	(16,679)
Cash and cash equivalents at the beginning of the year		21,393,853	12,317,555	16,592,099	9,552,935
Cash and cash equivalents at the end of the year		₩ 22,683,670	₩ 21,393,853	\$ 17,592,423	\$ 16,592,099

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

SK Inc. and its subsidiaries
Notes to the consolidated financial statements
December 31, 2023 and 2022

1. Corporate information

(1) Parent Company

SK Inc. (the “Company” or “Parent Company”) was established on April 13, 1991 as the parent company of KIFRS 1110 and has been engaged in providing systems integration, software design and development, information processing and consulting services, and is headquartered at 26, Jong-ro, Jongno-gu, Seoul. The Company’s ordinary shares have been listed on the Korea Exchange since November 11, 2009.

Upon the acquisition of SK Inc. by SK C&C Co., Ltd. effective on August 1, 2015, the Company added the investment business to its existing operations for the purpose of holding the securities of its subsidiaries. Furthermore, the Company changed its name to its current form as of the acquisition date.

As of December 31, 2023, the issued capital of the Company amounts to ₩16,143 million (including ₩113 million of preferred shares). Major shareholders and their equity ownership are Tae-won Chey, National Pension Service and Ki-won Choi each holding 17.73%, 7.04%, and 6.58%, respectively, as of December 31, 2023.

(2) Consolidated subsidiaries

The Company and its subsidiaries (collectively, the “Group”) are engaged in petroleum refining, telecommunications, wholesale and retail, chemicals, construction and other industries. Subsidiaries whose accounts are included in the consolidated financial statements as of December 31, 2023 and 2022 are as follows:

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership(*1)	
				December 31, 2023	December 31, 2022
SK Innovation Co., Ltd. (*2)	Korea	Resource development	SK Inc.	34.45%	33.77%
SK Energy Co., Ltd.	Korea	Crude oil refining and sales	SK Innovation Co., Ltd.	100.00%	100.00%
Netruck Co., Ltd.	Korea	Gas station operation	SK Energy Co., Ltd.	100.00%	100.00%
Jeju United FC Corporation	Korea	Sports association sponsoring	SK Energy Co., Ltd.	100.00%	100.00%
Happy Didim Co., Ltd.	Korea	Service	SK Energy Co., Ltd.	100.00%	100.00%
Green & Co. Asia Ltd.	Myanmar	Manufacturing	SK Energy Co., Ltd.	80.00%	80.00%
SK Energy Hong Kong Co., Ltd.	Hong Kong	Investment	SK Energy Co., Ltd.	100.00%	100.00%
SK Energy Road Investment Co., Ltd.	Cayman	Investment	SK Energy Co., Ltd.	100.00%	100.00%
SK Energy Road Investment (HK) Co., Ltd.	Hong Kong	Investment	SK Energy Road Investment Co., Ltd.	100.00%	100.00%
SK Asphalt (Shanghai) Co., Ltd.	China	The sale of asphalt	SK Energy Road Investment (HK) Co., Ltd.	100.00%	100.00%
goodsFLOW Co., Ltd.	Korea	The information and communication and transportation industry	SK Energy Co., Ltd.	100.00%	41.00%
SK Geo Centric Co., Ltd.	Korea	Chemicals manufacturing and sales	SK Innovation Co., Ltd.	100.00%	100.00%
SK Geo Centric (Beijing) Holding Co., Ltd.	China	Investment	SK Geo Centric Co., Ltd.	100.00%	100.00%
SK Geo Centric China, Ltd.	Hong Kong	Investment	SK Geo Centric Co., Ltd.	100.00%	100.00%
Sino-Korea Green New Material (JiangSu) Ltd.	China	Petrochemicals manufacture and sales	SK Geo Centric China, Ltd.	60.00%	100.00%
SK Geo Centric International Trading (Shanghai) Co., Ltd.	China	Petrochemicals sales	SK Geo Centric China, Ltd.	100.00%	100.00%
SK Geo Centric International Trading (Guangzhou) Co., Ltd.	China	Petrochemicals sales	SK Geo Centric China, Ltd.	100.00%	100.00%
SK GC Americas, Inc.	USA	Petrochemicals sales	SK Geo Centric Co., Ltd.	100.00%	100.00%
SK Primacor Americas LLC	USA	Petrochemicals manufacture and sales	SK GC Americas, Inc.	100.00%	100.00%
SK Primacor Europe, S.L.U.	Spain	Petrochemicals manufacture and sales	SK GC Americas, Inc.	100.00%	100.00%
SK Saran Americas LLC	USA	Petrochemicals manufacture and sales	SK GC Americas, Inc.	100.00%	100.00%
SK Geo Centric Brazil LTDA	Brazil	Petrochemicals sales	SK GC Americas, Inc.	100.00%	100.00%
SK Geo Centric Japan Co., Ltd.	Japan	Petrochemicals sales	SK Geo Centric Co., Ltd.	100.00%	100.00%
SK Geo Centric Singapore Pte. Ltd.	Singapore	Petrochemicals sales	SK Geo Centric Co., Ltd.	100.00%	100.00%
SK Geo Centric Investment Hong Kong Ltd.	Hong Kong	Investment	SK Geo Centric Co., Ltd.	100.00%	100.00%
Ningbo SK Performance Rubber Co., Ltd.	China	Manufacturing	SK Geo Centric Investment Hong Kong Ltd.	80.00%	80.00%
Happymonium Co., Ltd.	Korea	Service	SK Geo Centric Co., Ltd.	100.00%	100.00%
SK Functional Polymer, S.A.S	France	Petrochemicals manufacture and sales	SK Geo Centric Co., Ltd.	100.00%	100.00%
Green & Connect Capital, Inc.	USA	Investment	SK Geo Centric Co., Ltd.	100.00%	100.00%
ONEPOL Co., Ltd.	Korea	Petrochemicals manufacture and sales	SK Geo Centric Co., Ltd.	100.00%	100.00%
SK Geo Centric High Performance Product (Zhejiang) Co., Ltd.	China	Petrochemicals manufacture and sales	SK Geo Centric Co., Ltd.	100.00%	-
SK Incheon Petrochem Co., Ltd.	Korea	Chemicals manufacturing and sales	SK Innovation Co., Ltd.	100.00%	100.00%
SK Trading International Co., Ltd.	Korea	Trading business	SK Innovation Co., Ltd.	100.00%	100.00%
SK Energy International Pte. Ltd.	Singapore	Trading business	SK Trading International Co., Ltd.	100.00%	100.00%
SK Energy Europe, Ltd.	UK	Trading business	SK Energy International Pte. Ltd.	100.00%	100.00%
SK Energy Americas, Inc.	USA	Trading business	SK Energy International Pte. Ltd.	100.00%	100.00%
SK Terminal B.V.	Netherlands	Investment	SK Energy International Pte. Ltd.	100.00%	100.00%
SK Enmove Co., Ltd.	Korea	Lubricants oil manufacturing and sales	SK Innovation Co., Ltd.	60.00%	60.00%
Yubase Manufacturing Asia Corporation	Korea	Lubricants oil processing	SK Enmove Co., Ltd.	70.00%	70.00%

SK Inc. and its subsidiaries
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(2) Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership(*1)	
				December 31, 2023	December 31, 2022
SK Enmove (Tianjin) Co., Ltd. (formerly, SK Energy Lubricants (Tianjin) Co., Ltd.)	China	Lubricants oil manufacturing and sales	SK Enmove Co., Ltd.	100.00%	100.00%
SK Enmove Americas, Inc. (formerly, SK Lubricants Americas, Inc.)	USA	Lubricants oil sales	SK Enmove Co., Ltd.	100.00%	100.00%
SK Enmove Europe B.V. (formerly, SK Lubricants Europe B.V.)	Netherlands	Lubricants oil sales	SK Enmove Co., Ltd.	100.00%	100.00%
SK Enmove Japan Co., Ltd. (formerly, SK Lubricants Japan Co., Ltd.)	Japan	Lubricants oil sales	SK Enmove Co., Ltd.	100.00%	100.00%
SK Enmove India Pvt. Ltd.	India	Lubricants oil sales	SK Enmove Co., Ltd.	100.00%	100.00%
Iberian Lube Base Oils Company, S.A.	Spain	Lubricants oil manufacturing and sales	SK Enmove Co., Ltd.	70.00%	70.00%
SK Enmove Russia LLC (formerly, SK Lubricants Russia LLC.)	Russia	Lubricants oil sales	SK Enmove Co., Ltd.	100.00%	100.00%
SK ie technology Co., Ltd.	Korea	Manufacture of Separators for secondary Cells	SK Innovation Co., Ltd.	61.20%	61.20%
SK Hi-tech Battery Materials(Jiang Su) Co., Ltd.	China	Manufacture of Separators for secondary Cells	SK ie technology Co., Ltd.	100.00%	100.00%
SK Hi-tech Battery Materials Poland Sp. Zo.o.	Poland	Manufacture of Separators for secondary Cells	SK ie technology Co., Ltd.	100.00%	100.00%
SK Innovation Insurance (Bermuda), Ltd.	Bermuda	Insurance	SK Innovation Co., Ltd.	100.00%	100.00%
SK USA, Inc.	USA	Management consulting	SK Innovation Co., Ltd.	100.00%	100.00%
Happy Kium Co., Ltd.	Korea	Service	SK Innovation Co., Ltd.	100.00%	100.00%
SK On Co., Ltd.	Korea	Lithium battery manufacturing	SK Innovation Co., Ltd.	89.52%	96.54%
SK On Hungary Kft.	Hungary	Lithium battery manufacturing	SK On Co., Ltd.	100.00%	100.00%
SK On(Jiangsu) Co., Ltd.	China	Lithium battery manufacturing	SK On Co., Ltd.	70.04%	70.04%
SK On(Yancheng) Co., Ltd.	China	Lithium battery manufacturing	SK On Co., Ltd.	100.00%	100.00%
SK Battery America, Inc.	USA	Lithium battery manufacturing	SK On Co., Ltd.	100.00%	100.00%
BlueOval SK, LLC (*2)	USA	Lithium battery manufacturing	SK Battery America, Inc.	50.00%	50.00%
SK Battery Manufacturing Kft.	Hungary	Lithium battery manufacturing	SK On Co., Ltd.	100.00%	100.00%
SK On (Shanghai) Co., Ltd.	China	Lithium battery sales	SK On Co., Ltd.	100.00%	100.00%
SK Mobile Energy Co., Ltd.	Korea	Lithium battery manufacturing	SK On Co., Ltd.	100.00%	100.00%
Yancheng Yandu District M Energy Consulting Limited Company	China	Service / manufacturing service	SK Mobile Energy Co., Ltd.	100.00%	100.00%
Mobile Energy Battery America, LLC	USA	Service / manufacturing service	SK Mobile Energy Co., Ltd.	100.00%	100.00%
Happy Mideum Co., Ltd.	Korea	Service	SK On Co., Ltd.	100.00%	100.00%
SK on Certification Center (Jiangsu) Co., Ltd.	China	Lithium cell certification	SK On Co., Ltd.	100.00%	100.00%
Route on Delaware, Inc.	USA	Storage battery manufacturing	SK On Co., Ltd.	100.00%	-
Route on Quebec Ltd.	Canada	Storage battery manufacturing	SK On Co., Ltd.	100.00%	-
Voltcycle On LLC	Hungary	Battery reuse/recycle service	SK On Co., Ltd.	100.00%	-
SK Earthon Co., Ltd.	Korea	Oil development	SK Innovation Co., Ltd.	100.00%	100.00%
SK Earthon Australia Pty Ltd.	Australia	Exploration and injection of carbon dioxide storage	SK Earthon Co., Ltd.	100.00%	-
SK Innovation America, Inc.	USA	Investment	SK Innovation Co., Ltd.	100.00%	100.00%
IPC First Securitization Specialty Company (*3)	Korea	Issuance and redemption of floating securities	Person	0.00%	-
Grove Energy Capital IV, LLC	USA	Investment	SK Innovation America, Inc.	100.00%	100.00%
SK innovation outpost Corporation	USA	Management consulting	SK Innovation Co., Ltd.	100.00%	-
SK Telecom Co., Ltd. (*2)	Korea	Mobile telecommunications	SK Inc.	30.01%	30.01%
SK Telink Co., Ltd.	Korea	International call and MVNO business	SK Telecom Co., Ltd.	100.00%	100.00%
SK Broadband Co., Ltd.	Korea	Wire communications	SK Telecom Co., Ltd.	74.38%	74.38%
Home&Service Co., Ltd.	Korea	Information and communication facilities management business	SK Broadband Co., Ltd.	100.00%	100.00%
Media S Co., Ltd.	Korea	Broadcasting program production	SK Broadband Co., Ltd.	100.00%	100.00%
SK Stoa Co., Ltd.	Korea	Other resale communication business	SK Telecom Co., Ltd.	100.00%	100.00%
PS&Marketing Corp	Korea	Resale communication business	SK Telecom Co., Ltd.	100.00%	100.00%
SK M & Service Co., Ltd.	Korea	Providing databases and online information	PS&Marketing Corp	100.00%	100.00%
Service Ace Co., Ltd.	Korea	Call center and telemarketing business	SK Telecom Co., Ltd.	100.00%	100.00%
Service Top Co., Ltd.	Korea	Call center and telemarketing business	SK Telecom Co., Ltd.	100.00%	100.00%
SK O&S Co., Ltd.	Korea	Maintenance management	SK Telecom Co., Ltd.	100.00%	100.00%
SK Communications Co., Ltd.	Korea	Internet portal service	SK Telecom Co., Ltd.	100.00%	100.00%
Quantum Innovation Private Equity Joint Venture	Korea	Investment	SK Telecom Co., Ltd.	59.90%	59.90%
Panasia Semiconductor Materials, LLC	Korea	Investment	Quantum Innovation Private Equity Joint Venture	66.42%	66.42%
SK Telecom China Holdings Co., Ltd.	China	Holding company	SK Telecom Co., Ltd.	100.00%	100.00%
SK Global Healthcare Business Group, Ltd.	Hong Kong	Investment	SK Telecom Co., Ltd.	100.00%	100.00%
SK Telecom Americas, Inc.	USA	Management consulting	SK Telecom Co., Ltd.	100.00%	100.00%
Global AI Platform Corporation	USA	Other(AI)	SK Telecom Americas, Inc.	100.00%	-
Global AI Platform Corporation Korea Co., Ltd.	Korea	Other(AI)	SK Telecom Americas, Inc.	100.00%	-
YTK Investment, Ltd.	Cayman	Investment	SK Telecom Co., Ltd.	100.00%	100.00%
Atlas Investment, Ltd.	Cayman	Investment	SK Telecom Co., Ltd.	100.00%	100.00%
SK Telecom Innovation Fund, L.P.	USA	Investment	Atlas Investment, Ltd.	100.00%	100.00%
SK Telecom China Fund I L.P.	Cayman	Investment	Atlas Investment, Ltd.	100.00%	100.00%
SK Telecom Japan Inc.	Japan	Management consulting and information gathering	SK Telecom Co., Ltd.	66.00%	100.00%
SK Planet Japan, K. K.	Japan	Digital contents sourcing and presenting	SK Telecom Japan Inc.	79.78%	79.78%
Happy Hanool Co., Ltd.	Korea	Service	SK Telecom Co., Ltd.	100.00%	100.00%
SK MENA Investment B.V.	Netherlands	Investment	SK Telecom Co., Ltd.	100.00%	100.00%
SK Latin Americas Investment S.A.	Spain	Investment	SK Telecom Co., Ltd.	100.00%	100.00%
Freedom Circle Capital, Inc	USA	Investment	SK Latin Americas Investment S.A.	100.00%	100.00%
Montague ESG Capital, LLC	USA	Investment	Freedom Circle Capital, Inc	100.00%	100.00%
SK Technology Innovation Company	Cayman	Research and development	SK Telecom Co., Ltd.	96.88%	96.88%
Sapeon Inc.	USA	Non-memory and others Electronic Integrated circuit manufacturing	SK Telecom Co., Ltd.	75.01%	75.01%
SAPEON Korea Inc.	Korea	Non-memory and others Electronic Integrated circuit manufacturing	Sapeon Inc.	100.00%	100.00%
SK Square Co., Ltd. (*2)	Korea	Investment	SK Inc.	30.55%	30.01%
Onestore Co., Ltd. (*2)	Korea	Telecommunication service	SK Square Co., Ltd.	46.44%	47.49%
Rokeu Media Co., Ltd.	Korea	Publication and telemarketing	One store Co., Ltd.	100.00%	100.00%
Onestore Global Pte. Ltd.	Singapore	Internet Information Mediation Service	One store Co., Ltd.	100.00%	100.00%
Infracommunications Co., Ltd.	Korea	Service management	One store Co., Ltd.	100.00%	100.00%
One Store International Holding B.V.	Netherlands	Internet Information Mediation Service	One store Co., Ltd.	100.00%	-

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(2) Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership(*1)	
				December 31, 2023	December 31, 2022
11street Co., Ltd. (*4)	Korea	E-commerce	SK Square Co., Ltd.	98.10%	98.10%
11street China Co., Ltd.	China	Managing Director Agency Service	11street Co., Ltd.	100.00%	-
SK Planet Co., Ltd.	Korea	Telecommunication service and system software development and supplying	SK Square Co., Ltd.	86.26%	98.65%
SK Planet Global Holdings Pte. Ltd.	Singapore	Investment	SK Planet Co., Ltd.	100.00%	100.00%
SK Planet, Inc.	USA	Mobile Solutions presenting	SK Planet Co., Ltd.	100.00%	100.00%
SCODYS Pte. Ltd.	Singapore	Virtual currency creation and presenting	SK Planet, Inc.	100.00%	100.00%
SK Square Americas, Inc	USA	Investment	SK Square Co., Ltd.	100.00%	100.00%
Dreamus Company Co., Ltd. (*2,5)	Korea	Video and audio equipment manufacturing	SK Square Co., Ltd.	51.44%	51.44%
Iriver Enterprise Ltd.	Hong Kong	Chinese subsidiary management	Dreamus Company Co., Ltd.	100.00%	100.00%
Iriver China Co., Ltd.	China	MP3,4 production and sales	Iriver Enterprise, Ltd.	100.00%	100.00%
Dongguan iriver Electronics Co., Ltd.	China	Electronic book production and sales	Iriver Enterprise, Ltd.	100.00%	100.00%
Life Design Company Inc.	Japan	Japan goods sales	Dreamus Company Co., Ltd.	100.00%	100.00%
Studio Dolphin Co., Ltd.	Korea	Publishing	Dreamus Company Co., Ltd.	100.00%	100.00%
Id Quantique SA	Switzerland	Quantum information and communication business	SK Square Co., Ltd.	74.76%	64.40%
Id Quantique Ltd.	Korea	Quantum information and communication business	Id Quantique SA	100.00%	100.00%
ID Quantique Limited, UK	UK	Quantum information and communication business	Id Quantique SA	100.00%	100.00%
ID Quantique Inc, USA	USA	Quantum information and communication business	Id Quantique SA	100.00%	100.00%
ID Quantique Europe GmbH	Austria	Quantum information and communication business	Id Quantique SA	100.00%	100.00%
Alice und Bob Privatstiftung	Austria	System software development and supplying	Id Quantique SA	100.00%	100.00%
FSK L&S Co., Ltd.	Korea	Cargo transport shipment and logistics consulting project	SK Square Co., Ltd.	60.00%	60.00%
FSK L&S(Shanghai) Co., Ltd.	China	Transportation industry	FSK L&S Co., Ltd.	100.00%	100.00%
FSK L&S Hungary Co., Ltd.	Hungary	Transportation industry	FSK L&S Co., Ltd.	100.00%	100.00%
FSK L&S Vietnam Co., Ltd.	Vietnam	Transportation industry	FSK L&S Co., Ltd.	100.00%	100.00%
FSK L&S(Jiangsu) Co., Ltd.	China	Transportation industry	FSK L&S Co., Ltd.	100.00%	100.00%
FSK L&S (America) Co., Ltd. (formerly, FSK L&S USA, Inc.)	USA	International freight forwarding industry	FSK L&S Co., Ltd.	100.00%	100.00%
Incross Co., Ltd. (*2)	Korea	Media agency	SK Square Co., Ltd.	36.06%	36.06%
Mindknock Co., Ltd.	Korea	Software development	Incross Co., Ltd.	100.00%	100.00%
Solution Co., Ltd.	Korea	Software development and presenting	Incross Co., Ltd.	100.00%	100.00%
Tmap Mobility Co., Ltd. (*6)	Korea	Information and communication industry	SK Square Co., Ltd.	62.45%	62.45%
YLP Co., Ltd.	Korea	Cargo transport shipment business	Tmap Mobility Co., Ltd.	100.00%	100.00%
Good service Co., Ltd.	Korea	Driving agency service	Tmap Mobility Co., Ltd.	100.00%	100.00%
Seoul Airbus Co., Ltd.	Korea	Transportation industry	Tmap Mobility Co., Ltd.	100.00%	100.00%
LOGISOFT. CO., LTD.	Korea	Software development and presenting	Tmap Mobility Co., Ltd.	100.00%	100.00%
TGC Square Pte. Ltd. (*2,7)	Singapore	Investment	SK Square Co., Ltd.	100.00%	-
SK Networks Co., Ltd. (*2)	Korea	Distribution and trading business	SK Inc.	41.20%	39.14%
SK Networks Service Co., Ltd.	Korea	Equipment repair service	SK Networks Co., Ltd.	100.00%	86.50%
SK Magic Co., Ltd.	Korea	Household appliances manufacturing, sales and rent	SK Networks Co., Ltd.	100.00%	100.00%
SK Magic Service Co., Ltd.	Korea	House appliances repair and others	SK Magic Co., Ltd.	100.00%	100.00%
SK Magic Vietnam Company Limited	Vietnam	Household appliances sales and rent	SK Magic Co., Ltd.	100.00%	100.00%
SK Magic Retails Malaysia Sdn. Bhd.	Malaysia	Household appliances sales and rent	SK Magic Co., Ltd.	100.00%	100.00%
SK Rent-a-Car Co., Ltd.	Korea	Car rental	SK Networks Co., Ltd.	95.48%	72.95%
SK Rent-a-Car Service Co., Ltd.	Korea	Business support services	SK Rent-a-Car Co., Ltd.	100.00%	100.00%
SK Networks (Shanghai) Co., Ltd.	China	Trading business	SK Networks Co., Ltd.	100.00%	100.00%
POSK (Pinghu) Steel Processing Center Co., Ltd.	China	Steel processing and sales	SK Networks Co., Ltd.	80.00%	80.00%
SK Networks Japan Co., Ltd.	Japan	Trading business	SK Networks Co., Ltd.	100.00%	100.00%
SK Networks Deutschland GmbH	Germany	Trading business	SK Networks Co., Ltd.	100.00%	100.00%
SK BRASIL LTDA	Brazil	Trading business	SK Networks Co., Ltd.	100.00%	100.00%
SK Networks America, Inc.	USA	Trading business	SK Networks Co., Ltd.	100.00%	100.00%
Networks Tejarat Pars	Iran	Trading business	SK Networks Co., Ltd.	100.00%	100.00%
MINTIT Co., Ltd.	Korea	Wholesale and commodity brokerage	SK Networks Co., Ltd.	100.00%	100.00%
MINTIT VINA	Vietnam	Manufacturing and sales business	MINTIT Co., Ltd.	100.00%	100.00%
Hico Capital LLC	USA	Investment	SK Networks Co., Ltd.	100.00%	100.00%
SK Networks Hong Kong Ltd.	Hong Kong	Trading business	SK Networks Co., Ltd.	100.00%	100.00%
SK Networks (Xiamen) Steel Processing Center Co., Ltd.	China	Steel processing and sales	SK Networks Hong Kong Ltd.	100.00%	100.00%
SK Networks Resources Australia (Wyong) Pty Ltd. (*8)	Australia	Resource development	SK Networks Co., Ltd.	100.00%	100.00%
SK Networks Resources Pty Ltd. (*8)	Australia	Resource development	SK Networks Co., Ltd.	100.00%	100.00%
SK Networks (China) Holdings Co., Ltd. (*8)	China	Holding company	SK Networks Co., Ltd.	100.00%	100.00%
Shenyang SK Bus Terminal Co., Ltd. (*8)	China	Transportation industry	SK Networks (China) Holdings Co., Ltd.	75.00%	75.00%
SK Networks (Dandong) Energy Co., Ltd. (*8)	China	Petroleum sales	SK Networks (China) Holdings Co., Ltd.	100.00%	100.00%
Cartini Co., Ltd.	Korea	E-commerce retail business	SK Networks Co., Ltd.	100.00%	100.00%
En-core Co.,Ltd.	Korea	Service and wholesale and retail	SK Networks Co., Ltd.	88.47%	-
SKC Co., Ltd. (*2)	Korea	Petrochemicals manufacturing	SK Inc.	40.64%	40.64%
SK Enpulse Co., Ltd.	Korea	Manufacturing and sales of semiconductor parts, materials and others	SKC Co., Ltd.	96.49%	100.00%
Enpulse Taiwan Co., Ltd.(formerly, Solmics Taiwan Co., Ltd.)	Taiwan	Sales of semiconductor parts, materials and others	SK Enpulse Co., Ltd.	100.00%	100.00%
Enpulse Shanghai Co., Ltd.(formerly, Solmics Shanghai Co., Ltd.)	China	Sales of semiconductor parts, materials and others	SK Enpulse Co., Ltd.	100.00%	100.00%
SKC Solmics Hong kong Co., Ltd.	Hong Kong	SPC	SK Enpulse Co., Ltd.	100.00%	100.00%
SKC Semiconductor Materials (Wuxi) Co., Ltd.	China	Manufacturing and Sales of semiconductor parts, materials and others	SKC Solmics Hong kong Co., Ltd.	100.00%	100.00%
SKC-ENF Electronic Materials Ltd.	Hong Kong	SPC	SK Enpulse Co., Ltd.	75.10%	75.10%
SKC (Nantong) Semiconductor Materials Technology Co.,Ltd.	China	Manufacturing of synthetic resins	SKC-ENF Electronic Materials Ltd.	100.00%	100.00%

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(2) Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership ⁽¹⁾	
				December 31, 2023	December 31, 2022
SE (JIANGSU) Electronic Materials Co., Ltd.	China	Manufacturing of synthetic resins	SKC-ENF Electronic Materials Ltd.	100.00%	100.00%
Techdream Co., Ltd.	Hong Kong	Semiconductor component	SK Enpulse Co., Ltd.	100.00%	100.00%
Enpulse America Corporation(formerly, SK Telesys Corp.)	USA	Telecommunication equipment sales	SK Enpulse Co., Ltd.	100.00%	100.00%
SKC PU Specialty Co., Ltd.	Hong Kong	SPC	SKC Co., Ltd.	100.00%	100.00%
SKC (Nantong) PU Specialty Co., Ltd.	China	PU Jounce Bumper manufacturing and sales	SKC PU Specialty Co., Ltd.	100.00%	100.00%
SK PIC Global Co., Ltd.	Korea	PG and PO manufacturing and sales	SKC Co., Ltd.	51.00%	51.00%
SKCFTH Co., Ltd.	Korea	Manufacturing of battery foil and others	SKC Co., Ltd.	100.00%	100.00%
SK Nexilis Co., Ltd.	Korea	Manufacturing of battery foil and others	SKCFTH Co., Ltd.	100.00%	100.00%
Nexilis Management Malaysia Sdn. Bhd.	Malaysia	SPC	SK Nexilis Co., Ltd.	100.00%	100.00%
SK Nexilis Malaysia Sdn. Bhd.	Malaysia	Manufacturing of battery foil	Nexilis Management Malaysia Sdn. Bhd.	100.00%	100.00%
SK Nexilis Poland Sp.z o.o.	Poland	Manufacturing of battery foil	SK Nexilis Co., Ltd.	100.00%	100.00%
NEXILIS MANAGEMENT EUROPE B.V.	Netherlands	SPC	SK Nexilis Co., Ltd.	100.00%	0.00%
SK TBMGEOSTONE Co., Ltd.	Korea	Manufacturing of biodegradable LIMEX	SKC Co., Ltd.	51.00%	51.00%
Allnewone Co., Ltd.	Korea	Research and development of waste recycling	SKC Co., Ltd.	100.00%	100.00%
Ecovance Co., Ltd.	Korea	Manufacturing of biodegradable plastic materials and others	SKC Co., Ltd.	68.10%	73.19%
Ecovance Vietnam Company Limited	Vietnam	Manufacturing of biodegradable plastic materials and others	Ecovance Co., Ltd.	100.00%	-
Ultimus Co., Ltd.	Korea	Secondary battery material	SKC Co., Ltd.	51.00%	-
SK Pucore Co., Ltd.	Korea	Manufacturing and sales of Polyol	SKC Co., Ltd.	100.00%	100.00%
WOORI FINE CHEM CO., LTD.	Korea	Other chemicals and chemical products	SKC Co., Ltd.	100.00%	100.00%
SK Pucore Europe sp. zo.o.	Poland	Manufacturing and sales of Polyol	SK pucore Co., Ltd.	100.00%	100.00%
SK Pucore USA Inc.	USA	Manufacturing and sales of Polyol	SK pucore Co., Ltd.	100.00%	100.00%
SK Pucore Mexico, S. de R.L. de C.V.	Mexico	Manufacturing and sales of Polyol	SK pucore Co., Ltd.	100.00%	100.00%
SK Pucore India Pvt. Ltd.	India	Manufacturing and sales of Polyol	SK pucore Co., Ltd.	100.00%	100.00%
SK Pucore RUS LLC	Russia	Manufacturing and sales of Polyol	SK pucore Co., Ltd.	100.00%	100.00%
NEX Investment Limited	UK	SPC	SKC Co., Ltd.	80.10%	100.00%
NEX UK Holdings Limited	UK	SPC	NEX Investment Limited	51.00%	51.00%
Absolics Inc.	USA	Manufacture of semiconductor glass substrates	SKC Co., Ltd.	70.05%	80.58%
ISC Co., Ltd. (*2)	Korea	Manufacturing	SKC Co., Ltd.	45.03%	-
ISC International, Inc.	USA	Brokerage	ISC Co., Ltd.	80.00%	-
ISC Vina Manufacturing Company Limited	Vietnam	Manufacturing	ISC Co., Ltd.	100.00%	-
ISC Japan R&D Center	Japan	Manufacturing	ISC Co., Ltd.	100.00%	-
ITMTC Co.,Ltd.	Korea	Manufacturing	ISC Co., Ltd.	100.00%	-
Smatech Inc.	Japan	Manufacturing	ISC Co., Ltd.	70.42%	-
Prowell Co., Ltd.	Korea	Manufacturing	ISC Co., Ltd.	99.33%	-
ISCM CO., Ltd.	Korea	Manufacturing	ISC Co., Ltd.	100.00%	-
SK E&S Co., Ltd.	Korea	City gas business and power generation	SK Inc.	90.00%	90.00%
Kangwon City Gas Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%	100.00%
Yeongnam Energy Service Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%	100.00%
Ko-one Energy Service Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%	100.00%
Narae Energy Service Co., Ltd.	Korea	Integrated energy service	SK E&S Co., Ltd.	100.00%	100.00%
Busan City Gas Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%	100.00%
Jeonbuk Energy Service Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%	100.00%
Chonnam City Gas Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%	100.00%
Chungcheong Energy Service Co., Ltd.	Korea	City gas business	SK E&S Co., Ltd.	100.00%	100.00%
Paju Energy Service Co., Ltd.	Korea	Energy business	SK E&S Co., Ltd.	51.00%	51.00%
Yeosu Energy Service Co., Ltd.	Korea	Energy business	SK E&S Co., Ltd.	100.00%	100.00%
SK E&S Hong Kong Co., Ltd.	Hong Kong	City gas business	SK E&S Co., Ltd., Busan City Gas Co., Ltd.	100.00%	100.00%
SK E&S Australia Pty. Ltd.	Australia	Resource development	SK E&S Co., Ltd.	100.00%	100.00%
SK E&S Americas, Inc.	USA	Holding company	SK E&S Co., Ltd.	100.00%	100.00%
Boryeong BlueHy Co., Ltd.	Korea	Industrial gas manufacturing industry	SK E&S Co., Ltd.	100.00%	-
Energy Solution Holdings Inc.	USA	Investment	SK E&S Americas, Inc.	100.00%	100.00%
LNG Americas, Inc.	USA	LNG business	SK E&S Americas, Inc.	100.00%	100.00%
LAI CCS, LLC	USA	Carbon Collection and Storage-Related Investment Projects	LNG Americas, Inc.	100.00%	100.00%
DewBlaine Energy, LLC	USA	Resource development	LNG Americas, Inc.	100.00%	100.00%
Passkey, Inc.	USA	New regeneration business	SK E&S Americas, Inc.	100.00%	100.00%
Mobility Solution I Inc.	USA	Holding Company	Passkey, Inc.	92.15%	91.37%
Mobility Solution II Inc.	USA	Holding Company	Mobility Solution I Inc.	100.00%	100.00%
EverCharge, Inc.	USA	Software development	Mobility Solution II Inc.	100.00%	100.00%
EverCharge Services, LLC	USA	Electricity business and other electric wire installation business	EverCharge, Inc.	100.00%	100.00%
Pnes Investments, LLC	USA	Investment	Passkey, Inc.	100.00%	100.00%
Rnes Holdings, LLC	USA	Renewable / electric power business	Passkey, Inc.	100.00%	100.00%
Grid Solution, LLC	USA	New regeneration business	Rnes Holdings, LLC	85.31%	82.64%
ArkN, LLC	USA	Energy solution	Rnes Holdings, LLC	100.00%	-
Ark1, LLC	USA	Energy solution	ArkN, LLC	100.00%	-
Key Capture Energy, LLC	USA	Energy solution	Grid Solution, LLC	98.24%	97.90%
KCE Global Holdings, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%	100.00%
KCE PF Holdings 2021, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%	100.00%
KCE LAND Holdings, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%	100.00%
KCE NY 1, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%	100.00%
KCE NY 2, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%	100.00%
KCE NY 3, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%	100.00%
KCE NY 5, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%	100.00%
KCE NY 6, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%	100.00%
KCE NY 8, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%	100.00%
KCE NY 10, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%	100.00%
KCE NY 11, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%	100.00%
KCE NY 14, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%	100.00%
KCE NY 18, LLC	USA	Energy solution	Key Capture Energy, LLC	100.00%	100.00%

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(2) Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership(*1)	
				December 31, 2023	December 31, 2022
Grid Solution II, LLC	USA	Energy solution	Rnes Holdings, LLC	100.00%	100.00%
Prism Energy International Pte. Ltd.	Singapore	LNG business	SK E&S Co., Ltd.	100.00%	100.00%
Fajar Energy International Pte. Ltd.	Singapore	LNG business	Prism Energy International Pte. Ltd.	100.00%	100.00%
Prism Energy International Hong Kong, Ltd.	Hong Kong	LNG business	Prism Energy International Pte. Ltd.	100.00%	100.00%
PT Prism Nusantara International	Indonesia	LNG business	SK E&S Co., Ltd.	100.00%	100.00%
Prism Energy International China Limited	China	LNG business	SK E&S Co., Ltd.	100.00%	100.00%
Prism Energy International Zhoushan Limited	China	LNG business	Prism Energy International China Limited	100.00%	100.00%
SK E&S Dominicana S.R.L	Dominica	LNG business	SK E&S Co., Ltd.	100.00%	100.00%
Hae-Ssal Solar Power Co., Ltd.	Korea	New regeneration business	SK E&S Co., Ltd.	100.00%	100.00%
Prism DLNG Pte. Ltd.	Singapore	LNG business	Prism Energy International Pte. Ltd.	100.00%	100.00%
Prism Darwin Pipeline Pty. Ltd.	Australia	LNG business	Prism DLNG Pte. Ltd.	100.00%	100.00%
BU12 Australia Pty. Ltd.	Australia	LNG business	SK E&S Co., Ltd.	100.00%	100.00%
BU13 Australia Pty. Ltd.	Australia	LNG business	SK E&S Co., Ltd.	100.00%	100.00%
Ariulhaengbok Solar Co., Ltd.	Korea	New regeneration business	SK E&S Co., Ltd.	100.00%	100.00%
Busan Jungkwan Energy Co., Ltd.	Korea	Integrated energy service	SK E&S Co., Ltd.	100.00%	100.00%
IGE Co., Ltd.	Korea	Hydrogen business	SK E&S Co., Ltd.	100.00%	100.00%
Dangjin Haengbok Solar Co., Ltd.	Korea	New regeneration business	SK E&S Co., Ltd.	100.00%	100.00%
Busaho haengboknum solar Co., Ltd.	Korea	New regeneration business	SK E&S Co., Ltd.	70.00%	70.00%
NEW RENEWABLE ENERGY NO.1 Joint Stock Company	Vietnam	New regeneration business	SK E&S Co., Ltd.	99.99%	99.99%
SK Ecoplant Co., Ltd. (*2)	Korea	Construction	SK Inc.	44.48%	44.48%
Seosuwon Development Company (*2)	Korea	Real estate development	SK Ecoplant Co., Ltd.	19.90%	19.90%
SKEC Nanjing Co., Ltd.	China	Construction	SK Ecoplant Co., Ltd.	100.00%	100.00%
Changzhou SKY New Energy Co., Ltd.	China	Construction	SKEC Nanjing Co., Ltd.	100.00%	100.00%
Jiangsu Sky New Energy Co., Ltd.	China	Investment	SKEC Nanjing Co., Ltd.	100.00%	-
SKEC (Thai), Ltd.	Thailand	Construction	SK Ecoplant Co., Ltd.	100.00%	100.00%
Thai Woo Ree Engineering Co., Ltd.	Thailand	Construction	SKEC (Thai), Ltd.	99.77%	99.77%
SKEC Anadolu, LLC	Turkey	Construction	SK Ecoplant Co., Ltd.	100.00%	100.00%
SK Ecoplant Americas Corporation (formerly, SK E&C Betek Corporation)	USA	Fuel cell and construction	SK Ecoplant Co., Ltd.	100.00%	100.00%
Mesa Verde RE Ventures, LLC	USA	Real estate development	SK Ecoplant Americas Corporation	100.00%	100.00%
BT FC LLC	USA	Construction	SK Ecoplant Americas Corporation	100.00%	100.00%
Sunlake Co., Ltd.	Canada	Construction	SK Ecoplant Co., Ltd.	100.00%	100.00%
SKEC Consultores Ecuador, S.A.	Ecuador	Construction	Sunlake Co., Ltd.	100.00%	100.00%
SK HOLDCO PTE. LTD.	Singapore	Investment	SK Ecoplant Co., Ltd.	63.51%	63.51%
Silvertown Investco Limited.	UK	Investment	SK Ecoplant Co., Ltd.	100.00%	100.00%
Seongju Tech Co., Ltd.	Korea	Disposal of waste	SK Ecoplant Co., Ltd.	100.00%	100.00%
Environment Management Corporation Co., Ltd.	Korea	Operation of sewage treatment plant	SK Ecoplant Co., Ltd.	100.00%	100.00%
Samwon ENT Co., Ltd.	Korea	Disposal of waste	Environment Management Corporation Co., Ltd.	100.00%	100.00%
YS TEC Co., Ltd.	Korea	Waste incineration	Environment Management Corporation Co., Ltd.	100.00%	100.00%
Seonam Environment Energy Co., Ltd.	Korea	Waste incineration	Environment Management Corporation Co., Ltd.	100.00%	100.00%
Honam Environmental Energy Co., Ltd.	Korea	Waste incineration	Environment Management Corporation Co., Ltd.	100.00%	100.00%
Green Hwasun Inc.	Korea	Operation of sewage treatment plant	Environment Management Corporation Co., Ltd.	100.00%	100.00%
Green Sunchang Co., Ltd.	Korea	Operation of sewage treatment plant	Environment Management Corporation Co., Ltd.	100.00%	100.00%
Gyeongsan Clean Waterway Co., Ltd.	Korea	Operation of sewage treatment plant	Environment Management Corporation Co., Ltd.	100.00%	100.00%
Dalsung Clean Waterway Co., Ltd.	Korea	Operation of sewage treatment plant	Environment Management Corporation Co., Ltd.	100.00%	100.00%
Goksung Environment Co., Ltd.	Korea	Operation of sewage treatment plant	Environment Management Corporation Co., Ltd.	100.00%	100.00%
Chungchong Environment Energy Corporation	Korea	Waste incineration and disposal	Environment Management Corporation Co., Ltd.	100.00%	100.00%
Gyeonggi Environment Energy Co., Ltd.	Korea	Waste incineration and renewable energy	Environment Management Corporation Co., Ltd.	100.00%	100.00%
Gyeongbuk Environment Energy Co., Ltd.	Korea	Waste incineration and renewable energy	Environment Management Corporation Co., Ltd.	100.00%	100.00%
Gyeongin Environment Energy Company	Korea	Waste incineration and renewable energy	Environment Management Corporation Co., Ltd.	100.00%	100.00%
RenewOne Co., Ltd. (formerly, Daewon Green Energy Co., Ltd.)	Korea	Disposal of waste	SK Ecoplant Co., Ltd.	100.00%	100.00%
Renewcon Daewon Co., Ltd. (formerly, Daewon Hi-Tech Co., Ltd.)	Korea	Construction waste collection and transportation	RenewOne Co., Ltd.	100.00%	100.00%
Renewlogis Co., Ltd. (formerly, Emedione Logis Co., Ltd.)	Korea	Designated waste collection and transportation	RenewOne Co., Ltd.	100.00%	100.00%
Renewenergy Chungnam Co., Ltd.	Korea	Interim medical waste disposal	RenewOne Co., Ltd.	100.00%	-
Renewenergy Saehan Co., Ltd.	Korea	Non-designated waste disposal	RenewOne Co., Ltd.	100.00%	-
Renewenergy Jeonnam Co., Ltd.	Korea	Designated waste disposal	RenewOne Co., Ltd.	100.00%	-
Renewenergy Metro Co., Ltd.	Korea	Designated waste disposal	RenewOne Co., Ltd.	100.00%	-
Renewenergy Green Co., Ltd.	Korea	Designated waste disposal	RenewOne Co., Ltd.	100.00%	-
Renewenergy Daewon Co., Ltd.	Korea	Designated waste disposal	RenewOne Co., Ltd.	100.00%	-
Renewland Cheongju Co., Ltd.	Korea	Non-designated waste disposal	RenewOne Co., Ltd.	100.00%	-
KS Investment B.V.	Netherlands	Investment	SK Ecoplant Co., Ltd.	72.51%	72.51%
DongNam Offshore Windfarm Co. Ltd	Korea	Power generation	SK Ecoplant Co., Ltd.	100.00%	100.00%
Gangdong Green Complex Co., Ltd.	Korea	Disposal of waste	SK Ecoplant Co., Ltd.	87.00%	87.00%
AP Development Co., Ltd.	Korea	Solar power generation	SK Ecoplant Co., Ltd.	100.00%	100.00%
DY Indus Co., Ltd.	Korea	Synthetic resins and other plastics material manufacturing industry	SK Ecoplant Co., Ltd.	100.00%	100.00%
DY Polymer Co., Ltd.	Korea	Synthetic resins and other plastics material manufacturing industry	SK Ecoplant Co., Ltd.	100.00%	100.00%
ECOPLANT HOLDING MALAYSIA SDN. BHD.	Malaysia	Holding company	SK Ecoplant Co., Ltd.	100.00%	100.00%
Eco Frontier (Singapore) Pte. Ltd.	Singapore	Investment	SK Ecoplant Co., Ltd.	78.63%	78.63%
Changwon SG Energy Co., Ltd	Korea	Power generation	SK Ecoplant Co., Ltd.	65.10%	-
Renewenergy Chungbuk Co., Ltd. (formerly, Clenko. Co., Ltd.)	Korea	Disposal of waste and others	SK Ecoplant Co., Ltd.	96.27%	-
Tes-Envirocorp Pte. Ltd.	Singapore	E-waste processing industry	Eco Frontier (Singapore) Pte. Ltd.	97.14%	97.11%
Tes-Amm (H.K.) Limited	Hong Kong	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	100.00%	100.00%
Tes-Amm (Singapore) Pte. Ltd.	Singapore	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	100.00%	100.00%
Tes-Amm Europe Holdings Ltd.	UK	Investment	Tes-Amm (Singapore) Pte. Ltd.	100.00%	100.00%
Tes Total Environmental Solution Ab	Sweden	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%	100.00%
Tes-Amm Italia Srl	Italy	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%	100.00%
Tes-Amm UK Ltd	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%	100.00%

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(2) Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership ⁽¹⁾	
				December 31, 2023	December 31, 2022
Tes-Amm Espana Asset Recovery And Recycling, S.L.	Spain	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%	100.00%
Tes-Amm SAS	France	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%	100.00%
Tes-Amm Central Europe GmbH	Germany	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%	100.00%
Vsl Support Limited	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%	100.00%
Technology Supplies International Ltd.	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%	100.00%
Goldberg Enterprises Ltd.	UK	E-waste processing industry	Technology Supplies International Ltd.	100.00%	100.00%
Tes Consumer Solutions Ltd.	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%	100.00%
Integrations Et Services	France	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%	100.00%
Tes-Amm (Europe) Ltd.	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%	100.00%
Redeem UK Limited	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%	100.00%
Redeem Holdings Limited	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%	100.00%
Custom Controllers UK Limited	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%	100.00%
Envirofone Limited	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%	100.00%
Cash For Tech Ltd.	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%	100.00%
Stock Must Go Limited	UK	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%	100.00%
TES Netherlands B.V.	Netherlands	E-waste processing industry	Tes-Amm Europe Holdings Ltd.	100.00%	-
Tes China Holdings Pte. Ltd.	Singapore	Investment	Tes-Amm (Singapore) Pte. Ltd.	100.00%	100.00%
Tes-Amm Corporation (China) Ltd.	China	E-waste processing industry	Tes China Holdings Pte. Ltd.	100.00%	100.00%
Shanghai Tes-Amm Xin New Materials Co., Ltd.	China	E-waste processing industry	Tes-Amm Corporation (China) Ltd.	100.00%	-
Tes-Amm (Beijing) Co., Ltd.	China	E-waste processing industry	Tes-Amm Corporation (China) Ltd.	80.00%	80.00%
Tes-Amm (Suzhou) E-Waste Solutions Co., Ltd.	China	E-waste processing industry	Tes-Amm Corporation (China) Ltd.	100.00%	100.00%
Tes-Amm (Guangzhou) Co., Ltd.	China	E-waste processing industry	Tes-Amm Corporation (China) Ltd.	100.00%	100.00%
Shanghai Tes-Amm Waste Products Recycle Co., Ltd.	China	E-waste processing industry	Tes-Amm Corporation (China) Ltd.	100.00%	100.00%
Shanghai Taixiang Network Technology Co., Ltd.	China	E-waste processing industry	Shanghai Tes-Amm Waste Products Recycle Co., Ltd.	100.00%	100.00%
Tes-Amm Australia Pty Ltd.	Australia	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	100.00%	100.00%
Tes Sustainable Battery Solutions (Australia) Pty Ltd.	Australia	E-waste processing industry	Tes-Amm Australia Pty Ltd.	100.00%	100.00%
Tes-Amm New Zealand Limited	New Zealand	E-waste processing industry	Tes-Amm Australia Pty Ltd.	100.00%	100.00%
Sustainable Product Stewards Pty Ltd.	Australia	E-waste processing industry	Tes-Amm Australia Pty Ltd.	80.00%	80.00%
Tes-Amm Japan K.K.	Japan	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	80.00%	80.00%
Advanced Datacom (Australia) Pty Ltd.	Australia	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	100.00%	100.00%
Green Technology Management Pty Ltd.	Australia	E-waste processing industry	Advanced Datacom (Australia) Pty Ltd.	100.00%	100.00%
Tes-Amm (Malaysia) Sdn. Bhd.	Malaysia	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	100.00%	100.00%
Tes-Amm (Taiwan) Co., Ltd.	Taiwan	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	70.00%	70.00%
Total Environmental Solutions Co., Ltd.	Thailand	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	98.00%	98.00%
Tes-Amm (Cambodia) Co., Ltd.	Cambodia	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	100.00%	100.00%
Pt. Tes-Amm Indonesia	Indonesia	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	100.00%	66.90%
Tes USA, Inc.	USA	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	100.00%	100.00%
Genplus Pte. Ltd.	Singapore	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	60.17%	60.17%
Tes Energy Solutions Pte. Ltd.	Singapore	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	100.00%	100.00%
Tes Ess Pte. Ltd.	Singapore	E-waste processing industry	Tes Energy Solutions Pte. Ltd.	100.00%	100.00%
Tes B Pte. Ltd.	Singapore	E-waste processing industry	Tes Energy Solutions Pte. Ltd.	100.00%	100.00%
Tes Sustainable Battery Solutions B.V.	Netherlands	E-waste processing industry	Tes Energy Solutions Pte. Ltd.	100.00%	100.00%
Tes SBS (US) Holdings LLC	USA	Investment	Tes Sustainable Battery Solutions B.V.	100.00%	-
Tes Sustainable Battery Solutions GmbH	Germany	E-waste processing industry	Tes Energy Solutions Pte. Ltd.	100.00%	100.00%
Tes Sustainable Battery Solutions Limited Liability Company	Hungary	E-waste processing industry	Tes Energy Solutions Pte. Ltd.	100.00%	100.00%
Tes Sustainable Battery Solutions Nordics AB	Sweden	Non-designated waste disposal business	Tes Energy Solutions Pte. Ltd.	100.00%	-
Tes Sustainable Battery Solutions France	France	E-waste processing industry	Tes Energy Solutions Pte. Ltd.	90.00%	90.00%
Tes Sustainability Products Pte. Ltd.	Singapore	E-waste processing industry	Tes-Envirocorp Pte. Ltd.	100.00%	100.00%
Tes C Pte. Ltd.	Singapore	E-waste processing industry	SK Sustainability Products Pte. Ltd.	100.00%	100.00%
SK Oceanplant Co., Ltd. (*2)	Korea	Steel pipe manufacturing	SK Ecoplant Co., Ltd.	37.60%	30.61%
SAM KANG S&C Co., Ltd.	Korea	Shipbuilding industry	SK oceanplant Co.,Ltd.	96.60%	95.70%
Econovation, LLC	USA	Holding company	SK Ecoplant Co., Ltd.	100.00%	-
Topsun Co., Ltd. (*2)	Korea	Solar modules, battery manufacturing industry	Person	19.69%	-
Wind Energy Co., Ltd.	Korea	Construction of wind power facilities industry	Topsun Co., Ltd.	100.00%	-
Gold Co., Ltd.	Korea	Renewable energy-related industry	Topsun Co., Ltd.	100.00%	-
Neujinmok Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%	-
Janggam Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%	-
Go E Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%	-
Chopo Sunlight Co., Ltd.	Korea	A solar power plant	Topsun Co., Ltd.	100.00%	-
Top Operation	Korea	Construction of wind power facilities industry	Topsun Co., Ltd.	100.00%	-
TS Energy 24Ho Co., Ltd.	Korea	Construction of wind power facilities industry	Topsun Co., Ltd.	100.00%	-
TS Energy 3Ho Co., Ltd.	Korea	Wind power generation	Topsun Co., Ltd.	100.00%	-
TS Energy 9Ho Co., Ltd.	Korea	Solar power industry	Topsun Co., Ltd.	100.00%	-
Hamgumi Sunlight Co., Ltd.	Korea	Construction of solar power plant industry	Topsun Co., Ltd.	100.00%	-
Geom Bawi Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%	-
Nickel Co., Ltd.	Korea	Renewable energy industry	Topsun Co., Ltd.	100.00%	-
KUMO ENERGY Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	50.10%	-
Solar Ocean Co., Ltd.	Korea	Solar power	Topsun Co., Ltd.	65.00%	-
Mungyeong Solar Pam Co., Ltd.	Korea	Solar power generation industry	Topsun Co., Ltd.	100.00%	-
TS Energy 5Ho Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%	-
TOPSUN2 SOLAR CO., Ltd.	Korea	Solar power industry	Topsun Co., Ltd.	100.00%	-
TS Energy 15Ho Co., Ltd.	Korea	Solar power industry	Topsun Co., Ltd.	100.00%	-
Eodeumi Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%	-
Baekya Energy Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%	-
Duryu Energy Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%	-
Seongso Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%	-
Shinchu Energy Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%	-
Soak Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%	-
Sangjeong Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%	-
Juseok Co., Ltd.	Korea	Renewable energy industry	Topsun Co., Ltd.	100.00%	-
Silver Ltd.	Korea	Renewable energy industry	Topsun Co., Ltd.	100.00%	-
Eneman Energy Co., Ltd.	Korea	Renewable energy industry	Topsun Co., Ltd.	100.00%	-
Cast Iron Ltd.	Korea	Renewable energy industry	Topsun Co., Ltd.	100.00%	-
CBK Energy Co., Ltd.	Korea	Renewable energy industry	Topsun Co., Ltd.	100.00%	-
Signal Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%	-
TS Energy Co., Ltd.	Korea	Solar power industry	Topsun Co., Ltd.	100.00%	-
TS Energy 2Ho Co., Ltd.	Korea	Construction of wind power facilities industry	Topsun Co., Ltd.	100.00%	-

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(2) Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership ⁽¹⁾	
				December 31, 2023	December 31, 2022
TS Energy 6Ho Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%	-
TS Energy 10Ho Co., Ltd.	Korea	Solar power industry	Topsun Co., Ltd.	100.00%	-
TS Energy 17Ho Co., Ltd.	Korea	Construction of wind power facilities industry	Topsun Co., Ltd.	100.00%	-
TS Energy 20Ho Co., Ltd.	Korea	Construction of wind power facilities industry	Topsun Co., Ltd.	100.00%	-
TS Energy 21Ho Co., Ltd.	Korea	Construction of wind power facilities industry	Topsun Co., Ltd.	100.00%	-
TS Energy 29Ho Co., Ltd.	Korea	Construction of wind power facilities industry	Topsun Co., Ltd.	100.00%	-
TS Energy 30Ho Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%	-
Sodu Energy Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%	-
Gaewha Energy Co., Ltd.	Korea	Construction of wind power facilities industry	Topsun Co., Ltd.	100.00%	-
Dongmae Solar Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%	-
Gaedo Energy Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%	-
Bongri Energy Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%	-
Bunmugol Energy Co., Ltd.	Korea	Solar power construction industry	Topsun Co., Ltd.	100.00%	-
Naru Sunlight Co., Ltd.	Korea	Solar power industry	Topsun Co., Ltd.	100.00%	-
Nari Sunlight Co., Ltd.	Korea	Solar power industry	Topsun Co., Ltd.	100.00%	-
Chopo Energy Co., Ltd.	Korea	Construction	Topsun Co., Ltd.	100.00%	-
SK ecoengineering Co., Ltd.	Korea	Construction industry and others	SK Ecoplant Co., Ltd.	52.65%	-
Ecoengineering Canada Ltd.	Canada	Construction	SK ecoengineering Co., Ltd.	100.00%	-
Soltzn N Pte. Ltd.	Singapore	Investment	SK Ecoplant Co., Ltd.	100.00%	-
SK Specialty Co., Ltd.	Korea	Special gas manufacturing and sales	SK Inc.	100.00%	100.00%
SK Specialty Japan Co., Ltd.	Japan	Special gas sales	SK Specialty Co., Ltd.	95.00%	95.00%
SK Specialty Taiwan Co., Ltd.	Taiwan	Special gas sales	SK Specialty Co., Ltd.	100.00%	100.00%
SK Specialty Jiangsu Co., Ltd.	China	Special gas manufacturing and sales	SK Specialty Co., Ltd.	100.00%	100.00%
SK Specialty (Xian) Co., Ltd.	China	Trading business and warehouse operation	SK Specialty Co., Ltd.	100.00%	100.00%
SK Specialty(Shanghai) Co., Ltd.	China	Special gas sales	SK Specialty Co., Ltd.	100.00%	100.00%
Happy Companion Co., Ltd.	Korea	Cleaning and laundry service	SK Specialty Co., Ltd.	100.00%	100.00%
SK Materials Japan, Inc.	Japan	Investment	SK Specialty Co., Ltd.	100.00%	-
SK Tri Chem Co., Ltd.	Korea	Manufacturing and sales of precursors and others	SK Inc.	65.00%	65.00%
SK Resonac Co., Ltd.	Korea	Sales of raw chemical materials and chemical products related to semiconductor	SK Inc.	51.00%	51.00%
SK Materials Airplus Inc.	Korea	Industrial gas sales	SK Inc.	100.00%	100.00%
SK Materials Performance Co., Ltd.	Korea	Semiconductor materials manufacturing and selling	SK Inc.	100.00%	100.00%
SK Materials JNC Co., Ltd.	Korea	Manufacturing of organic light emitting diode material	SK Inc.	51.00%	51.00%
SK JNC Japan Co., Ltd.	Japan	Manufacturing of organic light emitting diode material	SK Materials JNC Co., Ltd.	100.00%	100.00%
SK Materials Group14 Co., Ltd.	Korea	Manufacturing	SK Inc.	75.00%	75.00%
SK Materials Group14 (Shanghai) Co., Ltd.	China	Sales of primary batteries and storage batteries	SK Materials Group14 Co., Ltd.	100.00%	100.00%
SK Siltron Co., Ltd.	Korea	Silicon wafer for electronic industry manufacturing and sales	SK Inc.	51.00%	51.00%
SK Siltron America, Inc.	USA	Silicon wafer for electronic industry manufacturing and sales	SK Siltron Co., Ltd.	100.00%	100.00%
SK Siltron Japan, Inc.	Japan	Silicon wafer for electronic industry manufacturing and sales	SK Siltron Co., Ltd.	100.00%	100.00%
SK Siltron Shanghai Co., Ltd.	China	Silicon wafer for electronic industry manufacturing and sales	SK Siltron Co., Ltd.	100.00%	100.00%
SK Siltron USA, Inc.	USA	Investment	SK Siltron Co., Ltd.	100.00%	100.00%
SK Siltron CSS, LLC	USA	Silicon wafer for electronic industry manufacturing and sales	SK Siltron USA, Inc.	100.00%	100.00%
SK Siltron CSS Korea Co., Ltd.	Korea	Wholesale and retail trade	SK Siltron CSS, LLC	100.00%	100.00%
Happyfilling Co., Ltd.	Korea	Service	SK Siltron Co., Ltd.	100.00%	100.00%
Teraon Co., Ltd.	Korea	Manufacturing and service	SK Siltron Co., Ltd.	80.40%	80.40%
SK Biopharmaceuticals Co., Ltd.	Korea	Medicine and life science	SK Inc.	64.02%	64.02%
SK Life Science, Inc.	USA	Life science	SK Biopharmaceuticals Co., Ltd.	100.00%	100.00%
SK Bio-Pharma Tech (Shanghai) Co., Ltd.	China	Life science	SK Biopharmaceuticals Co., Ltd.	100.00%	100.00%
SK Life Science Labs, Inc.	USA	Development of new drugs	SK Biopharmaceuticals Co., Ltd.	100.00%	-
(formerly, ProteoVant Sciences, Inc.)					
SK S.E.Asia Pte. Ltd.	Singapore	Investment	SK Inc.	100.00%	100.00%
Essencore Limited	Hong Kong	Manufacturing and distribution of semiconductor modules	SK S.E.Asia Pte. Ltd.	100.00%	100.00%
Essencore (ShenZhen) Limited	China	Consulting for computer	Essencore Limited	100.00%	100.00%
Essencore Pte. Ltd.	Singapore	Manufacturing and distribution of semiconductor modules	Essencore Limited	100.00%	-
SK China Company, Ltd.	Hong Kong	Consulting and investment	SK Inc.	88.13%	88.13%
SK Property Investment Management Co., Ltd.	Hong Kong	Real estate investment	SK China Company, Ltd.	100.00%	100.00%
SK Industrial Development China Co., Ltd.	Hong Kong	Investment	SK China Company, Ltd.	100.00%	100.00%
Shanghai SKY Real Estate Development Co., Ltd.	China	Real estate investment	SK Industrial Development China Co., Ltd.	100.00%	100.00%
Beijing Lizhi Weixin Technology Co., Ltd.	China	Investment	SK China Company, Ltd.	100.00%	100.00%
SK China Investment Management Co., Ltd.	Hong Kong	Real estate investment	SK China Company, Ltd.	100.00%	100.00%
SK Networks (Liaoning) Logistics Co., Ltd.	China	Logistics	SK China Investment Management Co., Ltd.	100.00%	100.00%
SK International Agro-Products Logistics Development Co., Ltd.	Hong Kong	Agriculture product logistics	SK China Investment Management Co., Ltd.	100.00%	100.00%
SK Jinzhou International Agro-Sideline Products Park Co., Ltd. (formerly, SK International Agro-Sideline Products Park Co., Ltd.)	China	Agriculture product logistics	SK International Agro-Products Logistics Development Co., Ltd.	100.00%	100.00%
SK Jinzhou real estate development Co., Ltd.	China	Real estate Development and others	SK Jinzhou International Agro-Sideline Products Park Co., Ltd.	100.00%	-
SK Auto Service Hong Kong Co., Ltd.	Hong Kong	Holding company	SK China Company, Ltd.	100.00%	100.00%
Skyline Auto Financial Leasing Co., Ltd.	Hong Kong	Investment	SK Auto Service Hong Kong Co., Ltd.	100.00%	100.00%
Tianjin SK Car Rental Co., Ltd. (formerly, SK Financial Leasing Co., Ltd.)	China	Financial lease	SK Auto Service Hong Kong Co., Ltd.	100.00%	100.00%
SK China (Beijing) Co., Ltd.	China	Consulting	SK China Company, Ltd.	100.00%	100.00%
SKY Property Management Ltd.	Virgin Island	Investment	SK China Company, Ltd.	100.00%	100.00%
SK China Real Estate Co., Ltd.	Hong Kong	Real estate investment	SKY Property Management Ltd.	100.00%	100.00%

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(2) Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership ⁽¹⁾	
				December 31, 2023	December 31, 2022
Hua Lei Holdings Pte. Ltd.	Singapore	Investment	SKY Property Management Ltd.	100.00%	-
SKY Investment Co., Ltd.	China	Real estate management	SK China Company, Ltd.	100.00%	100.00%
SKY (Zhuohai Hengqin) Technology Co., Ltd.	China	Investment	SK China Company, Ltd.	100.00%	100.00%
SK C&C Beijing Co., Ltd.	China	Consulting for computer system integration and others	SK Inc.	100.00%	100.00%
SK C&C Chengdu Co., Ltd.	China	Consulting for computer system integration and others	SK C&C Beijing Co., Ltd.	100.00%	100.00%
SK C&C India Pvt. Ltd.	India	Consulting for computer system integration and others	SK Inc.	100.00%	100.00%
SK C&C USA, Inc.	USA	Consulting for computer system integration and others	SK Inc.	100.00%	100.00%
GigaX Europe kft.	Hungary	IT Service	SK C&C USA, Inc.	100.00%	-
S&G Technology	Saudi Arabia	Consulting for computer system integration and others	SK Inc.	51.00%	51.00%
Saturn Agriculture Investment Co., Ltd.	Hong Kong	Investment	SK Inc.	81.00%	81.00%
SK Investment Management Co., Ltd.	Hong Kong	Investment	SK Inc.	100.00%	100.00%
SK Mobility Investments Company Limited	Hong Kong	Investment	SK Investment Management Co., Ltd.	100.00%	100.00%
SK Semiconductor Investments Co., Ltd.	Hong Kong	Investment	SK Investment Management Co., Ltd.	100.00%	100.00%
Gemini Partners Pte. Ltd.	Singapore	Consulting	SK Inc., SK Innovation Co., Ltd., SK Telecom Co., Ltd., and SK E&S Co., Ltd.	80.00%	80.00%
Solaris Partners Pte. Ltd.	Singapore	Consulting	Gemini Partners Pte. Ltd.	100.00%	100.00%
Solaris GEIF Investment	USA	Investment	Solaris Partners Pte. Ltd.	100.00%	100.00%
SK GI Management	Cayman	Investment	SK Inc.	100.00%	100.00%
Plutus Capital NY, Inc.	USA	Investment	SK Inc.	100.00%	100.00%
Hudson Energy NY, LLC	USA	Investment	Plutus Capital NY, Inc.	50.13%	50.13%
Hudson Energy NY II, LLC	USA	Investment	Plutus Capital NY, Inc.	50.01%	50.01%
Hudson Energy NY III, LLC	USA	Investment	Plutus Capital NY, Inc.	50.50%	50.50%
Grove Energy Capital LLC	USA	Investment	Plutus Capital NY, Inc., Pnes Investments, LLC	100.00%	100.00%
Grove Energy Capital II, LLC	USA	Investment	Plutus Capital NY, Inc.	50.10%	50.10%
Grove Energy Capital III, LLC	USA	Investment	Plutus Capital NY, Inc.	61.24%	61.24%
Atlas NY, LLC	USA	Investment	Plutus Capital NY, Inc.	50.50%	50.50%
SK South East Asia Investment Pte. Ltd.	Singapore	Investment	SK Inc., SK Innovation Co., Ltd., SK Telecom Co., Ltd. and SK E&S Co., Ltd.	80.00%	80.00%
SK Investment Vina I Pte. Ltd.	Singapore	Investment	SK South East Asia Investment Pte. Ltd.	50.01%	50.01%
SK Investment Vina II Pte. Ltd.	Singapore	Investment	SK South East Asia Investment Pte. Ltd.	50.01%	50.01%
SK Investment Vina III Pte. Ltd.	Singapore	Investment	SK South East Asia Investment Pte. Ltd.	100.00%	100.00%
MSN Investment Pte. Ltd.	Singapore	Investment	SK Investment Vina III Pte. Ltd.	100.00%	100.00%
Imexpharm Corporation	Vietnam	Pharmaceutical manufacturing	SK Investment Vina III Pte. Ltd.	64.79%	64.92%
Linh Nam Ventures JSC	Vietnam	Investment	SK Investment Vina III Pte. Ltd.	100.00%	100.00%
Lien Khuong International JSC	Vietnam	Investment	SK Investment Vina III Pte. Ltd.	100.00%	100.00%
Dong Kinh Capital JSC	Vietnam	Investment	SK Investment Vina III Pte. Ltd.	100.00%	100.00%
Lac Son Investment JSC	Vietnam	Investment	SK Investment Vina III Pte. Ltd.	100.00%	100.00%
KBA Investment Joint Stock Company	Vietnam	Investment	Lac Son Investment JSC	100.00%	100.00%
Cong Thang Alpha JSC	Vietnam	Investment	SK Investment Vina III Pte. Ltd.	100.00%	100.00%
Eastern Vision Investment JSC	Vietnam	Investment	SK Investment Vina III Pte. Ltd.	100.00%	100.00%
Truong Luu Chi Invest JSC	Vietnam	Investment	SK Investment Vina III Pte. Ltd.	100.00%	100.00%
An Nam Phu Investment JSC	Vietnam	Investment	SK Investment Vina III Pte. Ltd.	100.00%	100.00%
Zion Son Kim JSC	Vietnam	Investment	SK Investment Vina III Pte. Ltd.	100.00%	100.00%
Sunrise Kim Investment Joint Stock Company	Vietnam	Investment	Zion Son Kim JSC	100.00%	100.00%
SK Investment Vina V Pte. Ltd.	Singapore	Investment	SK South East Asia Investment Pte. Ltd.	100.00%	100.00%
SK Investment Vina VI Pte. Ltd.	Singapore	Investment	SK South East Asia Investment Pte. Ltd.	100.00%	100.00%
SK Investment Vina IV Pte. Ltd.	Singapore	Investment	SK South East Asia Investment Pte. Ltd.	100.00%	100.00%
SK Malaysia Investment I Pte. Ltd.	Singapore	Investment	SK South East Asia Investment Pte. Ltd.	100.00%	100.00%
SK Pharmteco Inc.	USA	Investment	SK Inc.	100.00%	100.00%
SK Biotech Co., Ltd.	Korea	Drug medicine	SK Pharmteco Inc.	100.00%	100.00%
SK BIOTEK IRELAND LIMITED	Ireland	Pharmaceutical manufacturing	SK Pharmteco Inc.	100.00%	100.00%
Crest Acquisition LLC	USA	Investment	SK Pharmteco Inc.	100.00%	100.00%
Center For Breakthrough Medicines Holdings, LLC	USA	Medicine manufacturing	Crest Acquisition LLC	58.30%	-
Center For Breakthrough Medicines, LLC	USA	Medicine manufacturing	Center For Breakthrough Medicines Holdings, LLC	100.00%	-
Yposkesi, SAS	France	Medicine manufacturing	Crest Acquisition LLC	70.07%	70.07%
Abrasax Investment Inc.	USA	Investment	SK Pharmteco Inc.	100.00%	100.00%
Fine Chemicals Holdings Corp.	USA	Investment	Abrasax Investment Inc.	100.00%	100.00%
AMPAC Fine Chemicals, LLC	USA	Drug medicine	Fine Chemicals Holdings Corp.	100.00%	100.00%
AMPAC Fine Chemicals Texas, LLC	USA	Drug medicine	AMPAC Fine Chemicals, LLC	100.00%	100.00%
AMPAC Fine Chemicals Virginia, LLC	USA	Drug medicine	AMPAC Fine Chemicals, LLC	100.00%	100.00%
Golden Pearl EV Solutions Limited	Hong Kong	Investment	SK Inc.	100.00%	100.00%
Socar Mobility Malaysia, Sdn. Bhd.	Malaysia	Car sharing service	SK Inc.	66.19%	66.27%
Future Mobility Solutions Sdn. Bhd.	Malaysia	Online brokerage services for car rental	Socar Mobility Malaysia, Sdn. Bhd.	100.00%	100.00%
PT Future Mobility Solutions	Indonesia	Online brokerage services for car rental	Socar Mobility Malaysia, Sdn. Bhd.	100.00%	100.00%
Einstein Cayman Limited	Cayman	Investment	SK Inc.	100.00%	100.00%
I Cube Capital Inc.	USA	Investment	SK Inc.	100.00%	100.00%
I Cube Capital Hong Kong 1. LP Limited	Hong Kong	Investment	I Cube Capital Inc.	100.00%	100.00%
Tellus Investment Partners, Inc.	USA	Investment	SK Inc.	100.00%	100.00%
Primero Protein LLC	USA	Investment	Tellus Investment Partners, Inc.	67.26%	67.55%
Terra LLC	USA	Investment	Tellus Investment Partners, Inc.	82.70%	100.00%
Terra Investment Partners II, LLC	USA	Investment	Tellus Investment Partners, Inc.	100.00%	100.00%
Castanea Biosciences Inc.	USA	Investment	SK Inc.	100.00%	100.00%
SK Forest Co., Ltd.	Korea	Landscaping and planting business	SK Inc.	100.00%	100.00%
SKF&NHIS TIMOR HOLDINGS Ltd.	Korea	Greenhouse gas (carbon emission rights) sales business and others	SK Forest Co., Ltd.	100.00%	-
Hweechan Co., Ltd.	Korea	Condo, resort operation	SK Inc.	100.00%	100.00%
SK Pinx Co., Ltd.	Korea	Golf club operating	Hweechan Co., Ltd.	100.00%	100.00%
SK REIT Co., Ltd. (*2)	Korea	Real estate developing and trading	SK Inc.	32.41%	42.99%
Clean Energy REIT Co., Ltd.	Korea	Real estate developing and trading	SK REIT Co., Ltd.	100.00%	100.00%
Total Value 1 REIT Co., Ltd.	Korea	Real estate developing and trading	SK REIT Co., Ltd.	100.00%	100.00%
SK REITs Management Co., Ltd.	Korea	Real estate developing and trading	SK Inc.	100.00%	100.00%

SK Inc. and its subsidiaries
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(2) Consolidated subsidiaries (cont'd)

Subsidiaries	Domicile	Principal business activity	The largest shareholders	Equity ownership(*1)	
				December 31, 2023	December 31, 2022
Clean Industrial REITs Co., Ltd.	Korea	Real estate developing and trading	SK REITs Management Co., Ltd.	80.15%	-
SK Japan Investment Inc.	Japan	Investment	SK Inc.	100.00%	100.00%
SK Signet Inc. (*9)	Korea	Electric vehicle charger manufacturing and selling	SK Inc.	0.00%	0.00%
SK Signet America Inc.	USA	Electric vehicle charger maintenance and technical support	SK Signet Inc.	100.00%	100.00%
SK SIGNET MANUFACTURING TEXAS LLC.	USA	Motor, generator and electrical conversion equipment manufacturing industry	SK Signet America Inc.	100.00%	100.00%
Auxo Capital Inc.	USA	Investment	SK Inc.	100.00%	100.00%
SK Global Development Advisors LLC	USA	Investment	Auxo Capital Inc.	100.00%	100.00%
Auxo Capital Managers LLC	USA	Investment	Auxo Capital Inc.	91.03%	91.03%
Tellus (HONG KONG) Investment Co., Ltd.	Hong Kong	Investment	SK Inc.	100.00%	100.00%
Digital Center Capital Inc.	USA	Investment	SK Inc.	100.00%	100.00%
Martis Capital, LLC	USA	Investment	Digital Center Capital Inc.	100.00%	100.00%
Tillandsia, Inc.	USA	Investment	SK Inc.	100.00%	100.00%
Energy Solution Group, Inc.	USA	Investment	SK Inc., SK Energy Co., Ltd.	100.00%	100.00%
Atom Power, Inc. (*10)	USA	Electric Vehicle Charging Station Operation	Energy Solution Group, Inc.	9.59%	63.70%
Atom Oonline LLC	USA	Electric Vehicle Charging Station Operation	Atom Power, Inc.	100.00%	-
Atom Power Group LLC	USA	Electric Vehicle Charging Station Operation	Atom Power, Inc.	100.00%	-
Atom Solid State Technologies	USA	Electric Vehicle Charging Station Operation	Atom Power, Inc.	100.00%	-
Atom Technology LLC	USA	Electric Vehicle Charging Station Operation	Atom Power, Inc.	100.00%	-
Skyline Mobility, Inc.	USA	E-Bike battery pack and others	Energy Solution Group, Inc.	100.00%	-
Halio, Inc.	USA	Discolored glass manufacturing	SK Inc.	81.66%	-
Kinestral Technology Taiwan Inc.	Taiwan	Discolored glass manufacturing	Halio, Inc.	96.00%	-
SK powertech Co., Ltd.	Korea	Semiconductor	SK Inc.	98.59%	98.59%
Chamaedorea, Inc.	USA	Investment	SK Inc.	100.00%	-
Areca, Inc.	USA	Investment	SK Inc.	100.00%	-
Ackerton Partners Co., Ltd.	Korea	IT Service	SK Inc.	100.00%	-
Ackerton Technology Service Co., Ltd.	Korea	Computer Programming and IT Operation	Ackerton Partners Co., Ltd.	50.00%	-
Evertch Enterprise Co., Ltd.	Korea	Manufacturing	SK Inc.	98.20%	-
8 Rivers Capital, LLC	USA	Investment	SK Inc.	51.57%	-
Zero Degrees International, Inc.	USA	Investment	8 Rivers Capital, LLC	100.00%	-
Zero Degrees Rosella Pty. Ltd.	Australia	R&D	Zero Degrees International, Inc.	100.00%	-
Zero Degrees Whitetail 1, Ltd.	UK	Investment	Zero Degrees International, Inc.	100.00%	-
Zero Degrees Whitetail Dev. Ltd.	UK	Investment	Zero Degrees Whitetail 1, Ltd.	100.00%	-
Zero Degrees Crossbill Dev. Ltd.	UK	Investment	Zero Degrees Whitetail 1, Ltd.	100.00%	-
Crossbill Clean Energy Ltd.	UK	Renewable industry	Zero Degrees Crossbill Dev. Ltd.	100.00%	-
8 Rivers Europe Ltd.	UK	Office support services	Zero Degrees International, Inc.	100.00%	-
Zero Degrees, LLC	USA	Investment	8 Rivers Capital, LLC	100.00%	-
Meadowlark Company C, LLC	USA	Investment	Zero Degrees, LLC	100.00%	-
Meadowlark Holdings, LLC	USA	Investment	Zero Degrees, LLC	100.00%	-
Meadowlark Energy HoldCo, LLC	USA	Investment	Meadowlark Holdings, LLC	100.00%	-
Meadowlark Energy, LLC	USA	Renewable industry	Meadowlark Energy HoldCo, LLC	100.00%	-
Coyote Company C, LLC	USA	Investment	Zero Degrees, LLC	100.00%	-
Coyote Power Holdings, LLC	USA	Investment	Zero Degrees, LLC	100.00%	-
Coyote Clean Power, LLC	USA	Renewable industry	Coyote Power Holdings, LLC	100.00%	-
Broadwing Company C, LLC	USA	Investment	Zero Degrees, LLC	100.00%	-
Broadwing Holdings, LLC	USA	Investment	Zero Degrees, LLC	100.00%	-
ParkIntuit, LLC	USA	Office support services	8 Rivers Capital, LLC	100.00%	-
8 Rivers Services, LLC	USA	Office support services	8 Rivers Capital, LLC	100.00%	-
NPEH, LLC	USA	Investment	8 Rivers Capital, LLC	91.40%	-
Comorant Clean Energy, LLC	USA	Renewable industry	8 Rivers Capital, LLC	100.00%	-

(*1) The equity ownership is based on ordinary shares and includes indirect investments held by the consolidated subsidiaries.

(*2) SK Innovation Co., Ltd. and 15 other companies are included in the consolidated financial statements as the Group is able to exercise de facto control. The remaining voting rights of SK Innovation Co., Ltd. and 15 other companies are widely dispersed, so it is determined that the Group has voting rights to exercise de facto control.

(*3) The consolidated entity determined that it had de facto control over the subsidiary, taking into account the holding of decision-making rights on the issuance and redemption of asset backed securities and exposure to variable profits.

(*4) Although the Group's equity interests for common stock in 11Street Co., Ltd. is 98.10%, as the preferred stocks with voting rights are issued, the equity interests with voting rights are 80.26%.

(*5) Dreamus Company Co., Ltd. has a 51.44% stake in common shares, but the preferred shares with voting rights are issued, and the share with voting rights is 41.78%.

(*6) Tmap Mobility Co., Ltd. has a 62.45% stake in common shares, but the preferred shares with voting rights are issued, and the share with voting rights is 60.09%.

(*7) TGC Square Pte. Ltd. has a 100.00% stake in common shares, but the preferred shares with voting rights are issued, and the share with voting rights is 34.90%.

(*8) The assets and liabilities of SK Networks Resources Australia (Wyong) Pty Ltd. and 4 other companies are classified as assets and liabilities held for sale (See Note 38).

(*9) SK Signet Inc. has a 0.00% stake in common shares, but the preferred shares with voting rights are issued, and the share with voting rights is 51.46%.

(*10) Atom Power, Inc. has a 9.59% stake in common shares, but the preferred shares with voting rights are issued, and the share with voting rights is 70.13%.

SK Inc. and its subsidiaries
Notes to the consolidated financial statements
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(3) Changes in consolidated subsidiaries

1) Changes in the consolidated subsidiaries for the year ended December 31, 2023 are as follows:

December 31, 2022	Inclusion	Exclusion	December 31, 2023
572	195	51	716

2) For the year ended December 31, 2023, subsidiaries newly included in consolidation are as follows:

Subsidiaries	Reasons for changes	
SK Geo Centric High Performance Product (Zhejiang) Co., Ltd.	Establishment (78 companies)	
Route on Delaware, Inc.		
Route on Quebec Ltd.		
Voltcycle On LLC		
SK Earthon Australia Pty Ltd.		
SK innovation outpost Corporation		
IPC First Securitization Specialty Company		
Global AI Platform Corporation		
Global AI Platform Corporation Korea Co., Ltd.		
SK Shieldus Hungary Kft		
One Store International Holding B.V.		
TGC Square Pte. Ltd.		
11street China Co., Ltd.		
Ecovance Vietnam Company Limited		
Ultimus Co., Ltd.		
Boryeong BlueHy Co., Ltd.		
ArkN, LLC		
Ark1, LLC		
KCE NY 30, LLC and 33 others		
Jiangsu Sky New Energy Co., Ltd.		
Renewenergy Chungnam Co., Ltd.		
Renewenergy Saehan Co., Ltd.		
Renewenergy Jeonnam Co., Ltd.		
Renewenergy Metro Co., Ltd.		
Renewenergy Green Co., Ltd.		
Renewenergy Daewon Co., Ltd.		
Renewland Cheongju Co., Ltd.		
Changwon SG Energy Co., Ltd		
TES Netherlands B.V.		
Shanghai Tes-Amm Xin New Materials Co., Ltd.		
TES SBS (US) Holdings LLC		
Econovation, LLC		
Chopo Energy co., Ltd.		
SK Materials Japan, Inc.		
Essencore Pte. Ltd.		
SK Jinzhou real estate development Co., Ltd.		
GigaX Europe kft.		
SKF&NHIS TIMOR HOLDINGS Ltd.		
Skyline Mobility, Inc.		
Chamaedorea, Inc.		
Areca, Inc.		
Clean Industrial REITs Co., Ltd.		
Ackerton Partners Co., Ltd.		
Ackerton Technology Service Co., Ltd.		
Cormorant Clean Energy, LLC		
Korea Security Holdings Co., Ltd.		Acquisition and others (117 companies)
En-core Co.,Ltd.		
ISC Co., Ltd.		
ISC International, Inc.		
ISC VINA MANUFACTURING COMPANY LIMITED		
ISC JAPAN R&D Center		
ITMTC Co.,Ltd.		
SMATECH INC.		
Prowell Co., Ltd.		

SK Inc. and its subsidiaries
Notes to the consolidated financial statements
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(3) Changes in consolidated subsidiaries (cont'd)

Subsidiaries	Reasons for changes
ISCM Co., Ltd.	Acquisition and others (117 companies)
Renewenergy Chungbuk Co.,Ltd. (formerly, Clenko. Co., Ltd.)	
TES Sustainable Battery Solutions Nordics AB	
Topsun Co., Ltd. and 68 others	
SK ecoengineering Co., Ltd.	
Ecoengineering Canada Ltd.	
SOLTNZ N PTE. LTD.	
SK Life Science Labs, Inc.	
Center For Breakthrough Medicines Holdings, LLC	
Center For Breakthrough Medicines, LLC	
Hua Lei Holdings Pte. Ltd.	
Atom Oneline LLC	
Atom Power Group LLC	
Atom Solid State Technologies	
Atom Technology LLC	
Halio, Inc.	
Kinestral Technology Taiwan Inc.	
Evertch Enterprise Co., Ltd.	
8 Rivers Capital, LLC and 21 others	

3) For the year ended December 31, 2023, subsidiaries excluded from consolidation are as follows:

Subsidiaries	Reasons for changes	
SK Telesys. Co., Ltd.	Consolidated entities (11 companies)	
goodsPOST Co., Ltd.		
SK Materials Renewtech Co., Ltd.		
SK BIOTEK USA, Inc.		
DDS Co., Ltd.		
Saehan Environment Co., Ltd.		
E-MEDI One Co., Ltd.		
City Environment Co., Ltd.		
Green Environment Technology Co., Ltd.		
JA Green Co., Ltd.		
Goseong Holdings Ltd.		
TES-AMM Korea Inc.		A partial disposal of shares (3 companies)
Korea Security Holdings Co., Ltd.		
SHINAN JEUNGDO SOLAR POWER CO., LTD		
KCE TX 20, LLC		Liquidation (17 companies)
Tes-Amm Middle East Fze		
Lotus Fund, L.P.		
8 Rivers Advisors, LLC		
BLUE DRAGON ENERGY Co., Ltd.		Disposal (20 companies)
PC Off Corporation		
TS Energy No. 18 Co., Ltd.		
Seosan Topsun Solar Co., Ltd		
Topsun Geum-o Energy Co., Ltd		
Yangjipol Solar Co., Ltd.		
Future Energy Taecheon Co., Ltd.		
KCE NY 33, LLC		
KCE CT 6, LLC		
SK Networks Trading Malaysia Sdn Bhd		
KCE NY 12, LLC		
KCE MD 1, LLC		
Wonderland NY, LLC		
Saok Solar Co., Ltd.		
Namhae Sunlight Co., Ltd.		
Guldeung Solar Co., Ltd.		
Toptech Energy Co., Ltd.		
T & Dochon Energy Co., Ltd.		
T & Huimang Energy Co., Ltd.		

SK Inc. and its subsidiaries
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(3) Changes in consolidated subsidiaries (cont'd)

Subsidiaries	Reasons for changes
T & Mirae Energy Co., Ltd.	Disposal
Toptech Huimang Energy Co., Ltd.	(20 companies)
Toptech Mirae Energy Co., Ltd.	
Toptech Dochon Energy Co., Ltd.	
Hanvit Energy Co., Ltd.	
Songgo Solar Co., Ltd.	
Hwatae Energy Co., Ltd.	
Yeondo Sunlight Co., Ltd.	
goodsCORE Co., Ltd.	
SK Shieldus Co., Ltd.	
Infosec Information Technology(wuxi) Co., Ltd.	
CAPSTEC Co., Ltd.	
SK Shieldus America, Inc.	
SK Shieldus Hungary Kft	

(4) Condensed financial information of significant consolidated subsidiaries

Details of condensed financial information of the significant subsidiaries as of and for the year ended December 31, 2023 and 2022 are as follows (Korean won in millions):

Subsidiary	December 31, 2023					
	Assets	Liabilities	Equity	Sales	Net income (loss)	
SK Innovation Co., Ltd.	₩ 21,362,775	₩ 3,143,065	₩ 18,219,710	₩ 2,489,429	₩ 1,110,484	
SK Energy Co., Ltd.	19,264,330	14,651,533	4,612,797	43,495,908	158,117	
SK Energy Europe, Ltd.	294,644	188,963	105,681	4,718,727	14,729	
SK Energy International Pte., Ltd.	4,634,066	3,743,415	890,651	37,092,769	102,572	
SK Energy Americas, Inc.	761,749	685,545	76,204	5,386,994	(18,511)	
SK Geo Centric Co., Ltd.	6,677,300	3,628,627	3,048,673	11,337,260	40,765	
SK Geo Centric International Trading (Shanghai) Co., Ltd.	161,932	135,429	26,503	1,716,255	2,941	
BlueOval SK, LLC	10,302,759	1,918,595	8,384,164	-	(68,346)	
SK Enmove Co., Ltd.	3,669,535	2,116,465	1,553,070	4,974,701	715,108	
SK Enmove Americas, Inc. (formerly, SK Lubricants Americas, Inc.)	549,634	462,936	86,698	1,153,655	1,542	
SK Enmove Europe B.V. (formerly, SK Lubricants Europe B.V.)	269,655	245,990	23,665	1,224,342	3,407	
SK ie technology Co., Ltd.	2,460,180	448,078	2,012,102	319,929	(39,994)	
SK Hi-tech Battery Materials Poland Sp. Zo.o.	2,263,480	903,105	1,360,375	155,000	78,176	
SK On Co., Ltd.	16,144,260	8,641,156	7,503,104	8,469,679	(846,764)	
SK On(Jiangsu) Co., Ltd.	2,435,984	1,343,467	1,092,517	3,503,721	80,089	
SK Battery America, Inc.	10,057,258	6,004,822	4,052,436	2,916,995	(68,693)	
SK On Hungary Kft.	5,753,302	3,870,080	1,883,222	1,491,567	49,157	
SK Battery Manufacturing Kft.	2,100,652	1,656,016	444,636	1,699,911	239	
SK Incheon Petrochem Co., Ltd.	5,723,199	4,117,863	1,605,336	10,116,535	(72,042)	
SK Trading International Co., Ltd.	2,244,957	1,570,853	674,104	17,496,071	445,619	
SK Ecoplant Co., Ltd.	8,968,373	6,880,082	2,088,291	4,601,862	(185,789)	
SK ecoengineering Co., Ltd.	906,849	620,302	286,547	2,056,323	53,384	
SKC Co., Ltd.	3,031,204	1,229,831	1,801,373	83,049	(5,508)	
SK E&S Co., Ltd.	10,051,434	4,313,913	5,737,521	1,119,656	879,535	
Ko-one Energy Service Co., Ltd.	793,784	440,032	353,752	1,463,263	26,049	
Busan City Gas Co., Ltd.	1,032,610	470,950	561,660	1,263,385	438,803	
Paju Energy Service Co., Ltd.	1,871,344	948,207	923,137	1,955,548	306,033	
Narae Energy Service Co., Ltd.	1,344,523	650,131	694,392	1,028,698	145,228	
Prism Energy International Pte. Ltd.	1,881,729	1,015,058	866,671	3,181,442	278,043	

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(4) Condensed financial information of significant consolidated subsidiaries (cont'd)

December 31, 2023					
Subsidiary	Assets	Liabilities	Equity	Sales	Net income (loss)
SK E&S Americas, Inc.	₩ 4,149,185	₩ 6,565	₩ 4,142,620	₩ 6,384	₩ 1,364
Passkey, Inc.	2,738,816	68,033	2,670,783	-	(51,158)
SK Siltron Co., Ltd. (*1)	5,451,563	3,498,153	1,953,410	2,025,590	233,991
SK REIT Co., Ltd. (*1)	4,295,627	2,974,227	1,321,400	145,892	25,987
SK China Company, Ltd.	3,193,845	47,052	3,146,793	-	54,178
SK South East Asia Investment Pte. Ltd.	3,250,359	518,597	2,731,762	109,263	(68,562)
SK Pharmteco Inc.	2,106,581	463,286	1,643,295	41,358	9,071
SK Specialty Co., Ltd. (*1)	1,337,945	907,501	430,444	681,745	82,755
SK Networks Co., Ltd.	4,643,837	2,747,291	1,896,546	6,088,582	28,773
SK Rent-a-Car Co., Ltd.	3,530,016	3,003,724	526,292	1,403,801	23,440
SK Telecom Co., Ltd.	24,910,787	14,474,696	10,436,091	12,589,220	1,059,748
SK Broadband Co., Ltd.	6,442,611	3,323,156	3,119,455	4,281,932	213,905
PS&Marketing Corp.	451,831	224,324	227,507	1,353,321	4,681
SK Square Co., Ltd.	7,361,687	566,004	6,795,683	177,597	(314,171)

(*1) The subsidiary's financial information is consolidated financial information.

December 31, 2022					
Subsidiary	Assets	Liabilities	Equity	Sales	Net income (loss)
SK Innovation Co., Ltd.	₩ 19,550,743	₩ 3,581,308	₩ 15,969,435	₩ 1,983,534	₩ 453,183
SK Energy Co., Ltd.	17,946,956	12,588,896	5,358,060	50,193,922	1,446,893
SK Geo Centric Co., Ltd.	6,710,464	3,681,355	3,029,109	11,667,977	(11,543)
SK Geo Centric International Trading (Shanghai) Co., Ltd.	178,740	120,115	58,625	1,592,377	(3,438)
SK Incheon Petrochem Co., Ltd.	5,970,686	4,402,396	1,568,290	8,966,225	(47,727)
SK Trading International Co., Ltd.	2,283,154	1,254,121	1,029,033	20,238,514	409,413
SK Energy International Pte. Ltd.	3,568,052	2,770,718	797,334	37,713,631	128,640
SK Energy Europe, Ltd.	239,223	149,652	89,571	5,372,956	100
SK Energy America, Inc.	527,239	434,370	92,869	8,385,314	3,629
SK Enmove Co., Ltd.	3,585,958	2,132,151	1,453,807	5,464,042	685,558
SK Lubricants Americas, Inc.	568,223	484,507	83,716	1,339,035	1,967
SK Lubricants Europe B.V.	322,338	302,387	19,951	1,181,950	3,234
Iberian Lube Base Oils Company, S.A.	708,956	330,383	378,573	1,220,411	36,498
SK ie technology Co., Ltd.	2,521,924	468,508	2,053,416	310,749	(114,686)
SK On Co., Ltd.	11,253,370	5,881,285	5,372,085	5,943,132	(400,342)
SK On Hungary Kft.	4,634,485	2,826,508	1,807,977	1,242,271	18,757
SK On(Jiangsu) Co., Ltd.	2,693,716	1,676,456	1,017,260	2,097,599	61,396
SK Battery America, Inc.	5,610,814	4,113,903	1,496,911	962,364	(460,884)
BlueOval SK, LLC	2,177,390	435,192	1,742,198	-	(9,648)
SK Battery Manufacturing Kft.	2,137,287	1,679,087	458,200	443,040	(319,344)
SK Telecom Co., Ltd.	26,432,121	16,048,739	10,383,382	12,414,588	869,490
SK Broadband Co., Ltd.	6,227,700	3,117,165	3,110,535	4,162,093	212,816
PS&Marketing Corp.	390,693	165,402	225,291	1,376,400	3,856
SK Square Co., Ltd.	7,494,079	139,076	7,355,003	591,185	433,138
SK Shieldus Co., Ltd.	3,362,490	2,903,096	459,394	1,792,829	57,491
SK Networks Co., Ltd.	5,027,336	3,029,076	1,998,260	6,612,595	6,090
SK Magic Co., Ltd.	1,344,768	921,294	423,474	1,027,378	45,546
SK Rent-a-Car Co., Ltd.	3,332,708	2,814,181	518,527	1,247,544	21,214
SKC Co., Ltd.	3,258,252	1,415,444	1,842,808	111,742	118,429
SK PIC Global Co., Ltd.	716,696	382,350	334,346	1,237,700	92,469
SK E&S Co., Ltd.	10,272,033	4,742,112	5,529,921	1,273,710	752,334
Yeongnam Energy Service Co., Ltd.	579,263	349,706	229,557	1,032,798	25,827

SK Inc. and its subsidiaries
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(4) Condensed financial information of significant consolidated subsidiaries (cont'd)

December 31, 2022						
Subsidiary	Assets	Liabilities	Equity	Sales	Net income (loss)	
Ko-one Energy Service Co., Ltd.	₩ 977,410	₩ 628,018	₩ 349,392	₩ 1,459,473	₩ 18,823	
Narae Energy Service Co., Ltd.	1,490,568	938,314	552,254	1,099,251	51,390	
Busan City Gas Co., Ltd.	1,153,564	593,926	559,638	1,324,929	14,845	
Paju Energy Service Co., Ltd.	1,981,156	1,142,415	838,741	1,607,108	235,735	
SK E&S Americas, Inc.	3,689,318	4,982	3,684,336	-	(12,014)	
Passkey, Inc.	2,508,844	68,660	2,440,184	-	(51,754)	
Prism Energy International Pte. Ltd.	2,153,248	1,411,107	742,141	3,393,005	176,504	
SK Ecoplant Co., Ltd.	9,362,346	6,995,591	2,366,755	6,191,350	338,863	
SK Siltron Co., Ltd.	4,628,109	2,922,081	1,706,028	2,354,681	374,462	
SK China Company, Ltd.	3,112,275	48,546	3,063,729	-	6,559	
SK South East Asia Investment Pte. Ltd.	3,185,832	487,200	2,698,632	72,658	(27,050)	
SK REIT Co., Ltd. (*1)	3,127,367	2,158,647	968,720	29,006	3,733	

(*1) The subsidiary's financial information is consolidated financial information.

(5) Disclosure of significant non-controlling interests in subsidiaries

Information about significant non-controlling interests in subsidiaries as of and for the year ended December 31, 2023 and 2022 is as follows (Korean won in millions):

December 31, 2023							
	SK Innovation Co., Ltd.	SK Telecom Co., Ltd.	SK Square Co., Ltd.	SK Networks Co., Ltd.	SKC Co., Ltd.	SK E&S Co., Ltd.	SK Ecoplant Co., Ltd.
Percentage of the non-controlling ownership	64.05%	69.13%	68.65%	51.21%	54.74%	10.00%	57.10%
Current assets	₩ 33,279,589	₩ 6,585,602	₩ 2,288,523	₩ 2,371,454	₩ 2,081,260	₩ 4,381,402	₩ 6,201,789
Non-Current assets	47,555,924	23,533,625	15,681,485	6,738,905	4,951,062	13,856,341	8,714,237
Current liabilities	29,399,179	6,993,980	1,380,605	3,908,393	1,845,576	4,046,081	6,827,346
Non-current liabilities	21,416,367	10,896,848	772,886	3,046,125	2,662,322	6,683,669	3,659,464
Net assets	30,019,968	12,228,399	15,816,517	2,155,841	2,524,424	7,507,993	4,429,216
Book value of the non-controlling interests	20,868,225	7,417,369	10,968,447	1,091,230	1,897,591	5,155,680	3,648,718
Sales	77,288,486	17,608,511	2,276,508	9,133,867	1,570,752	11,167,183	8,925,073
Net income(loss)	554,894	1,145,937	(1,314,834)	5,459	(326,360)	1,086,377	(33,646)
Other comprehensive net income(loss)	99,446	(23,967)	41,812	(40,923)	77,250	(221,667)	(77,768)
Total comprehensive income(loss)	654,340	1,121,970	(1,273,022)	(35,464)	(249,110)	864,710	(111,414)
Net income of the non-controlling interests	497,311	733,771	(952,204)	1,449	(198,370)	394,907	24,869
Total comprehensive income(loss) of the non-controlling interests	536,932	711,262	(924,323)	(19,675)	(153,688)	399,674	(20,459)
Net cash flows from operating activities	5,367,896	4,947,205	265,749	127,469	(234,742)	853,925	(731,943)
Net cash flows from investing activities	(11,244,233)	(3,352,905)	284,320	(113,151)	(987,482)	(1,401,828)	(926,902)
Net cash flows from financing activities	9,490,447	(2,020,990)	(281,085)	(33,154)	661,875	(204,896)	1,357,211
Net increase (decrease) in cash and cash equivalents	3,614,110	(426,690)	268,984	(18,836)	(560,349)	(752,799)	(301,634)
Dividends paid to the non-controlling interests	(313,926)	(573,069)	(38,024)	(16,110)	(40,053)	(301,660)	(42,177)

The aforementioned condensed financial information is consolidated financial information of each subsidiary and non-controlling interests include hybrid bonds.

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(5) Disclosure of significant non-controlling interests in subsidiaries (cont'd)

	December 31, 2022						
	SK Innovation Co., Ltd.	SK Telecom Co., Ltd.	SK Square Co., Ltd.	SK Networks Co., Ltd.	SKC Co., Ltd.	SK E&S Co., Ltd.	SK Ecoplant Co., Ltd.
Percentage of the non-controlling ownership	63.47%	69.88%	69.97%	55.59%	54.71%	10.00%	57.10%
Current assets	₩ 31,966,676	₩ 7,219,196	₩ 2,864,776	₩ 2,703,209	₩ 2,526,145	₩ 5,430,260	₩ 5,767,404
Non-Current assets	35,252,248	24,089,066	19,295,807	6,796,050	3,866,948	13,035,368	7,554,159
Current liabilities	27,557,210	8,046,541	1,819,530	3,567,813	1,870,886	5,360,347	6,113,330
Non-current liabilities	16,419,403	11,106,525	3,177,853	3,480,734	2,280,356	6,409,479	3,465,786
Net assets	23,242,311	12,155,196	17,163,200	2,450,712	2,241,851	6,695,802	3,742,447
Book value of the non-controlling interests	14,885,064	7,528,972	12,059,941	1,426,490	1,466,731	4,312,758	3,018,707
Sales	78,056,939	17,304,973	4,510,691	9,666,446	3,138,910	11,248,956	7,550,863
Net income	1,895,179	947,831	256,107	90,765	(24,637)	969,969	637,962
Other comprehensive net income	170,742	(306,226)	(482,031)	(5,542)	24,889	(300,057)	81,963
Total comprehensive income	2,065,921	641,605	(225,924)	85,223	252	669,912	719,925
Net income of the non-controlling interests	1,336,087	603,500	94,649	48,124	7,401	414,612	359,716
Total comprehensive income of the non-controlling interests	1,344,754	358,343	(320,220)	45,241	26,623	437,083	397,721
Net cash flows from operating activities	406,557	5,159,317	342,357	(317,353)	(147,159)	2,263,072	(75,584)
Net cash flows from investing activities	(5,123,323)	(2,807,795)	(57,802)	(706,359)	(249,038)	(1,912,805)	(1,790,238)
Net cash flows from financing activities	10,507,173	(1,349,882)	68,664	6,863	875,545	576,428	2,409,517
Net increase (decrease) in cash and cash equivalents	5,790,407	1,001,640	353,219	(1,016,849)	479,348	926,695	543,695
Dividends paid to the non-controlling interests	(217,497)	(646,485)	(8,203)	(14,583)	(96,035)	(183,699)	(11,608)

The aforementioned condensed financial information is consolidated financial information of each subsidiary and non-controlling interests include hybrid bonds.

2. Summary of basis of preparation and material accounting policy information

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

The accompanying consolidated financial statements are stated in Korean won, the currency of the country in which the Company is incorporated and operates. The translation of Korean won amounts into U.S. dollar amounts is included solely for the convenience of readers of the financial statements and has been made at the rate of ₩1,289.40 to USD 1.00, the basic exchange rate in the Seoul Money Brokerage Service for cable transfers in Korean won on the last business day of the year ended December 31, 2023. Such translations into U.S. dollar should not be construed as representations that the Korean won amounts could be converted into U.S. dollar at that or any other rate.

(1) Basis of preparation

The Group has prepared the consolidated financial statements in accordance with K-IFRS.

The material accounting policies used for the preparation of the accompanying consolidated financial statements as of and for the year ended December 31, 2023, are the same as the accounting policies adopted for the preparation of consolidated financial statements as of and for the year ended December 31, 2022, except for adoption of new and revised KIFRSs applied in the current period, which are summarized below.

The accompanying consolidated financial statements have been prepared on a historical cost basis, except for certain non-current assets and financial instruments that are measured at fair value. Historical cost is based on the fair values of the consideration given.

The accompanying consolidated financial statements were approved at the Company's Board of Directors meeting on February 7, 2024.

The principal accounting policies are set out below:

1) New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2023.

Amendments to K-IFRS No. 1001 *Presentation of Financial Statements*

The amendments require disclosure of material accounting policy information instead of a significant accounting policies, and explain the meaning of material accounting policy information. On the other hand, the application of this amendment has no significant impact on the financial position or management performance of the group.

The amendments required disclosure of the carrying amount and associated gains or losses of a financial liability if all or part of a financial instrument whose exercise price is subject to changes in the issuer's share price is classified as a financial liability. On the other hand, the application of this amendment has no significant impact on the financial position or management performance of the group.

Amendments to K-IFRS No. 1008 *Accounting Policies, Changes in Accounting Estimates and Errors*

The amendments made clear in K-IFRS No. 1008 how to define an accounting estimate as the amount of money in the financial statements affected by measurement uncertainty and distinguish it from changes in accounting policy. On the other hand, the application of this amendment has no significant impact on the financial position or management performance of the group.

Amendments to K-IFRS No. 1012 *Income Taxes*

The amendments were amended to address the practical diversity of recognition of deferred tax assets and liabilities for transactions in which temporary differences to be added and deducted at the same amount occur. The amendments add the requirements to the proviso to paragraphs 15 and 24 of K-IFRS No. 1012(Exception for Initial Recognition of deferred tax) to require recognition of deferred tax assets and liabilities if there is a temporary difference in the same amount to be added and subtracted. On the other hand, the application of this amendment has no significant impact on the financial position or management performance of the group.

1) New and amended standards and interpretations (cont'd)

Amendments to K-IFRS No. 1012 *Income Taxes*

The amendments were introduced in accordance with the enforcement of Pillar 2 Model Rules aimed at reforming international taxes for multinational entities. They include obligatory provisions that temporarily exempt the deferred tax accounting treatment for the global minimum tax resulting from the enactment of the legislation. Additionally, they require the disclosure of exposure information regarding Pillar 2 Model Rules. On the other hand, the application of this amendment has no significant impact on the financial position or management performance of the group.

2) Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below.

Amendments to K-IFRS No. 1001 *Presentation of Financial Statements*

The amendments only affect the presentation of current and non-current liabilities in the statement of financial position, clarifying that the classification of current and non-current liabilities is based on the entity's rights existing at the end of the reporting period and highlighting that the entity's expectation of deferring the settlement of the liabilities. At the end of the reporting period, if the borrowing arrangement is in compliance, the right is explained and the definition is clarified by transferring cash, equity instruments, or other assets or services to the counterparty. The Group plans to apply the standard for annual reporting period beginning on or after January 1, 2024, with early application permitted.

Amendments to K-IFRS No. 1001 *Presentation of Financial Statements*

This amendment requires the disclosure of important information to users of financial statements, such as the impact on accounting policies and financial statements related to the direct holding of virtual assets, holding on behalf of customers, or issuing virtual assets. The Group plans to apply the standard for annual reporting period beginning on or after January 1, 2024, with early application permitted.

Amendments to K-IFRS No. 1007 *Cash flow statement* and K-IFRS No. 1107 *Financial Instruments: Disclosure*

The amendment requires users of financial statements to disclose information about supplier financial agreements so that users can assess the impact of supplier financial agreements on the entity's debt, cash flows and liquidity risk exposure when applying them. The Group plans to apply the standard for annual reporting period beginning on or after January 1, 2024, with early application permitted.

Amendments to K-IFRS No. 1116 *Lease*

The amendment clarified that the lease or revised lease fees should be calculated in a manner that does not recognize the gains or losses related to the right to use held by the seller-less user when subsequently measuring lease liabilities arising from sales fleece. The Group plans to apply the standard for annual reporting period beginning on or after January 1, 2024, with early application permitted.

The Group is currently assessing the impact the above-listed amendments will have on the consolidated financial statements.

(2) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where the Group 1) has the power over the investee, 2) is exposed, or has rights, to variable returns from its involvement with the investee, and 3) has the ability to use its power to affect its returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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

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

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary. Profit or loss and each component of OCI are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup transactions and related assets and 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 Company.

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 OCI and accumulated in equity, the amounts previously recognized in OCI and accumulated in equity are accounted for as if the Company had directly disposed of the relevant assets (i.e., reclassified to profit or loss or transferred directly to retained earnings).

(3) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

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

In a business combination achieved in stages, the Group remeasures its entire previously held interests in the acquiree at fair value, and any gain or loss from the remeasurement is recognized in profit or loss or, if appropriate, in other comprehensive income. Changes in the carrying amount of previously held interests in the acquiree that are recognized in other comprehensive income recognized in the same manner as if those interests were disposed of directly.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Meanwhile, the assets acquired and liabilities assumed in a combination between entities or businesses under common control are recognized at their carrying amounts in the consolidated financial statements of the ultimate controlling party. The Group adjusts the difference between the consideration transferred and the carrying amount of the net assets acquired to other contributed capital.

(4) Functional currencies and foreign currencies

The individual financial statements of each entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Korean won, which is the functional currency of the entity and the presentation currency for the consolidated financial statements.

In preparing the consolidated financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates 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.

(4) Functional currencies and foreign currencies (cont'd)

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), which are recognized initially in OCI and reclassified from equity to profit or loss on disposal or partial disposal of the net investment

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Korean won using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in OCI and accumulated in equity. On the disposal of a foreign operation, all of the accumulated exchange differences in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

(5) Cash and cash equivalents

Cash and cash equivalents include cash, bank balances and short-term highly liquid investments with an original maturity of three months or less.

(6) Financial assets

1) Measurement

Financial assets are initially measured at fair value, and transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets measured at fair value through profit or loss) are added to the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognized immediately in profit or loss.

2) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables and lease receivables, the Group applies the simplified approach, which requires expected lifetime credit losses to be recognized from initial recognition of the receivables.

3) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized or derecognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

If a transfer does not result in derecognition because the Group has retained substantially all the risks and rewards of ownership of the transferred asset, the Group continues to recognize the transferred asset in its entirety and recognizes a financial liability for the consideration received.

4) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(7) Inventories

Inventories are measured at the lower of cost and net realizable value. Cost of inventories, except for materials in in-transit and work in progress (specific identification), are measured under the gross average method, moving average method or first-in first-out method and consists of the purchase price, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price for inventories, less all estimated costs of completion and costs necessary to make the sale.

(8) Investments in associates and joint ventures

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

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

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with KIFRS 1105, *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, an investment in an associate or a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and OCI of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate or a joint venture recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment.

When the Group transacts with its associate or a joint venture, profits and losses resulting from the transactions with the associate or joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

(9) Interests in joint operations

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

(9) Interests in joint operations (cont'd)

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the KIFRSs applicable to the particular assets, liabilities, revenues and expenses. When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognized in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognize its share of the gains and losses until it resells those assets to a third party.

(10) Property, plant and equipment

The Group does not depreciate land. Depreciation expense is computed using the straight-line method based on the estimated useful lives of the assets as follows:

Description	Useful lives (years)	Description	Useful lives (years)
Buildings	10 ~ 60	Machinery and equipment	3 ~ 40
Structures	4 ~ 50	Vehicles	1 ~ 20
Operating lease assets	3 ~ 5	Others	2 ~ 40

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

(11) Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are reported at cost, less accumulated depreciation and accumulated impairment losses.

The Group does not depreciate land. Depreciation expense is computed using the straight-line method based on the estimated useful lives of the assets as follows:

Description	Useful lives (years)	Description	Useful lives (years)
Buildings	10 ~ 60	Structures	4 ~ 50

(12) Goodwill

Goodwill resulting from an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit ("CGU") to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

(13) Intangible assets

Intangible assets are measured initially at cost and, subsequently, are carried at cost, less accumulated amortization and accumulated impairment losses. The cost of intangible asset acquired in a business combination, separately from goodwill, is its fair value at the acquisition date and shall be carried at its cost less any accumulated amortization and any accumulated impairment losses.

Amortization of development cost, industrial property rights and other intangible assets is calculated on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The residual value is zero. Development cost for petroleum resource is amortized by the unit of production method based on the amount of proved reserves.

However, intangible assets with indefinite useful lives such as membership and brand-related assets are not amortized as there is no foreseeable limit to the period over which the asset is expected to use.

Description	Useful lives (years)	Description	Useful lives (years)
Development costs	3 ~ 10	Developed technology	5 ~ 14
Customer-related assets	3 ~ 30	Others	2 ~ 50
Right to use facilities	10, 20	Frequency usage rights	5 ~ 10
Industrial property rights	5 ~ 10		

The useful lives of intangible assets are assessed as either finite or indefinite. 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 annual reporting period. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually.

The Group accounts for expenditures with high probability of future economic benefits related to the acquisition costs of assets, exploration and evaluation, and development activities as intangible assets.

1) Expenditures for exploration and evaluation

Expenditures for exploration and evaluation in petroleum and gas fields, such as acquiring exploration rights, conducting geographical, geological, geochemical, and geophysical research, drilling for exploration purposes, and evaluating the technical feasibility and commercialization potential of economic extraction, are being capitalized. Additionally, expenditures incurred during the development phase, including the construction of overall facilities for production and drilling for oil wells, are also being capitalized. Impairment testing is performed when the carrying amount of the intangible asset exceeds the estimated recoverable amounts, or when a sign indicating such circumstances is found.

2) Oil-producing fields

Oil-producing fields refer to fields permitted to be developed as having reserves with economic benefits. The cost of oil-producing fields includes the costs directly attributable to purchase and construction, other expenditures required for production, and the estimated costs of provision for restoration. The Group amortizes oil-producing fields by the unit of production method based on the amount of proved reserves.

(14) Government grants

Government grants related to assets are presented in the statement of financial position by deducting the grant from the carrying amount of the asset. The related grant is recognized in profit or loss over the life of a depreciable asset as a reduced depreciation expense.

Government grants related to income are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

(15) Leases

1) The Group as a lessee

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

A. Right-of use assets

The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Depreciation of right-of-use asset is computed using the straight-line method based on the shorter of the lease term and the estimated useful lives of the assets as follows:

Description	Useful lives (years)	Description	Useful lives (years)
Land and buildings	1 ~ 60	Tank	1 ~ 10
Ships and vessels	10 ~ 20	Vehicles	1 ~ 5
Others	1 ~ 10		

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

B. Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

1) The Group as a lessee (cont'd)

C. Short-term lease and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of land, buildings, vehicles and others (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below \$5,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

2) The Group as a lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is using the effective interest rate method on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

(16) Non-current assets held for sale and discontinued operation

The Group classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale or distribution rather than through continuing use and is indicated as a separate current item in the statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss and other comprehensive income. Additional disclosures are provided in Note 37. All other notes to the financial statements include amounts for continuing operations, unless otherwise mentioned.

(17) Financial liabilities and equity instruments

1) Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL.

2) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer 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 terms of debt instruments.

Financial guarantee contract liabilities are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of the loss allowance determined in accordance with K-IFRS No. 1109 (see (6) financial assets above); and
- The amount recognized initially less, where appropriate, cumulative amortization recognized in accordance with the revenue recognition policies set out above

3) Derecognition of financial liabilities

Financial liabilities are removed from the statement of financial position when it is extinguished; for example, when the obligation specified in the contract is discharged or cancelled or expired or when the terms of an existing financial liability are substantially modified. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

4) 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 as the proceeds are received, net of direct issue costs.

5) Compound instruments

The component parts of compound instruments (convertible bonds) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

(18) Retirement benefit costs

Contributions to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period.

(19) Share-based payment arrangements

The Group operates a variety of stock-based compensation schemes, including stock options, Stock Grant, and Performance Shared Units.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognized for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in profit or loss for the year.

(20) Provision

1) Provision for warranties

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

2) Provision for installment of handset subsidies

The Group provides lump-sum handset subsidies to customers who agree to use the Group's service for a predetermined service period and the subsidies are charged to commission expense as the related payments are made. When customers agree to use the Group's service for a predetermined service period and purchase handsets on an installment basis, the subsidies are paid every month over the installment period and the Group estimates a provision for handset subsidies to be paid, which is recognized as commissions expense at the time telecommunication service contracts are made.

3) Provision for service/construction warranties

If the Group has an obligation to repair the product after selling the product or providing the service, the Group estimates the warranty expense based on the repair period and the past experience rate.

4) Provision for restoration

Provision for restoration of contaminated area is recognized in the related costs in accordance with published environmental policy and appropriate legal requirements of the Group.

5) Provision for onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

6) Accounting treatment related to the emission rights cap and trade scheme

The Group accounts for greenhouse gas emission rights and emission liabilities arising under the *Act on the Allocation and Transaction of Greenhouse Gas Emission Rights* as follows.

A. Greenhouse gas emission rights

Greenhouse gas emission rights consist of emission rights allocated free of charge by the government and emission rights purchased for free. The free allocation emission right is measured and recognized as zero, and the purchase emission right is recognized as the acquisition cost by adding other normally incurred costs directly related to the acquisition cost. The Group classifies the greenhouse gas emission rights held to fulfill the obligations stipulated in the relevant system as intangible assets, measures the total amount of damage deducted from the cost, and classifies the portion to be submitted to the government within one year from the end of the reporting period. Greenhouse gas emission rights held to obtain short-term trading gains are classified as floating assets and measured at fair value at the end of each reporting period, and changes in fair value are recognized in profit or loss. Greenhouse gas emission rights are removed when they are no longer available for submission or sale to the government, or when future economic benefits are no longer expected.

B. Emission liabilities

Emission liabilities are the current obligation to emit greenhouse gases and submit emission rights to the government, and are recognized when resources are likely to be leaked to fulfill the obligation and the amount required to fulfill the obligation can be reliably estimated. Emission liabilities are measured by adding the carrying amount of emission rights held for the relevant performance year to be submitted to the government and the expenditure expected to take to fulfill the obligations for emissions exceeding the amount of emission rights held. Emission liabilities are removed when submitted to the government.

(21) Derivative financial instruments

The Group enters into foreign exchange forward contracts, interest swaps, currency swaps, and so forth to manage its exposure to foreign exchange rate risk and foreign currency risk. 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.

1) Fair value hedges

The fair value change on qualifying hedging instruments is recognized in profit or loss except when the hedging instrument hedges an equity instrument designated at FVOCI in which case it is recognized in other comprehensive income.

The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in profit or loss. For debt instruments measured at FVOCI, the carrying amount is not adjusted as it is already at fair value, but the hedging gain or loss is recognized in profit or loss instead of other comprehensive income. When the hedged item is an equity instrument designated at FVOCI, the hedging gain or loss remains in other comprehensive income to match that of the hedging instrument.

Where hedging gains or losses are recognized in profit or loss, they are recognized in the same line as the hedged item.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortized to profit or loss from that date.

2) Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognized in other comprehensive income limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognized in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in cash flow hedge reserve is reclassified immediately to profit or loss.

(22) Revenue recognition

The Group has applied KIFRS 1115 *Revenue from Contracts with Customers*. The Group operates oil refining, telecommunications, wholesale and retail businesses, chemical products, and construction. When control of a good or service is transferred to the customer, the Group recognizes revenue considering the variable consideration, such as return and discount, from the fair value of the consideration to which it expects to be entitled in exchange for the good or service.

1) Sale of goods

Revenue from the sale of goods is generally recognized at the time when control of the goods is transferred to the customer, i.e. at the time of delivery of the goods.

2) Rendering of services

The Group provides services such as construction contracts and system construction services. For construction contracts and system construction services, revenue is recognized over time at the rate of progress under the input method because the Group has no alternative use for completing the obligation for the assets created by the Group that have completed the performance so far, and because the Group has a enforceable right to payment for the completed performance.

In the case of providing other services, the Group is obliged to provide the customer with the related services during the contract period, so the transaction price allocated to the performance obligation is recognized as revenue over the period where the services are provided.

3) Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognized is the net amount of commission made by the Group.

4) Rental income and others

Rental income from investment property is recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease. Rental income from subleased property is recognized as other income.

5) Contract assets and liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs its performance obligations under the contract.

(23) Finance income and costs

The finance income and costs of the Group are composed of the following.

- Interest income (cost)
- Foreign exchange gains and losses on financial assets and financial liabilities
- Net profit or loss on financial assets measured at fair value through profit or loss and others

Interest income and cost were recognized using the effective interest rate method.

(24) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in OCI or directly in equity, in which case, the current and deferred tax are also recognized in OCI or directly in equity.

(25) Changes in accounting policies

The Group classified the pharmaceutical non-development settlement as non-operating income (other income) up to the previous year, but classified the pharmaceutical non-development settlement as sales in order to increase comparability with the same industry from the current year. The comparatively displayed consolidated financial statements were restated after the account classification of pharmaceutical non-development settlement funds was applied retroactively.

Due to changes in accounting policies, the amount of adjustments recognized for each individual item in the consolidated financial statements is as follows.

1) Consolidated statement of comprehensive income (loss) (Korean won in millions):

	December 31, 2022				
	Before the adjustment	Discontinued Income and cost adjustment(*1)	Adjustment	After the adjustment	
Sales	₩ 134,551,641	₩ (2,764,204)	₩ 291,917	₩ 132,079,354	
Gross profit	15,099,019	252,821	291,917	15,643,757	
Operating profit	8,004,710	(135,361)	291,917	8,161,266	
Other non-operating income	2,136,555	(6,195)	(291,917)	1,838,443	

(*1) The Group retroactively revised the effect of discontinued profits and losses as it classified SK Square Co., Ltd.'s security business and SKC Co., Ltd.'s industrial materials business as discontinued business during the current period. (See note 37)

2) There are no amendments to the prior period's consolidated statement of financial position, the consolidated statement of change in equity, and the consolidated statement of cash flows due to the restatement of the financial statements.

3. Significant accounting judgments, estimates and assumptions

When preparing the consolidated financial statements, management is required to make judgments, estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses. Actual results may be different from those 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 following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(1) Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication of impairment of its non-financial assets. If any indication exists, or annually, intangible assets with indefinite useful lives including brand contract-related asset are tested for impairment. Other non-financial assets are tested for impairment when there is an indication that the carrying amount of an asset is not recoverable. In assessing value in use, management estimates future cash flows of the assets or CGU and determines an appropriate discount rate to calculate the present value of the estimated future cash flows.

(2) Valuation of financial instruments

Subsequent to initial recognition, investment securities and others are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss or OCI. Where the fair value of financial assets and financial liabilities recorded in the consolidated statements of financial position cannot be derived from active markets, the Group uses valuation techniques that require the management's judgments on the expected future cash flows and discount rates.

(3) Bad debt allowance for trade receivables, loans and other receivables

The Group estimates a bad debt allowance for trade receivables, loans and other receivables, based on the aging of receivables and past experience of bad debt, as well as observable changes in economic and industrial conditions that correlate with default on receivables.

(4) Measurement and useful lives of tangible and intangible assets

If the Group acquires property, plant and equipment or intangible assets from business combination, it is required to estimate the fair value of these assets at the acquisition date. For estimating the useful lives of tangible and intangible assets, significant management judgment is required.

(5) Defined benefit plan

The Group's defined benefit liabilities 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 post-retirement benefits, such as discount rates, rates of expected future salary increases and mortality rates. Significant estimation uncertainty is likely to persist in making such assumptions due to the long-term nature of post-retirement benefit plan.

(6) Deferred tax assets

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.

4. Operating segments

(1) Overview of operating segments

The Group makes decisions on resources to be allocated to business segments and divides the business segments based on the internal reports which the chief operating decision maker periodically reviews to evaluate the performances of the sales segments. Details of segment operations of each segment are as follows:

Operating segments	Business
SK Innovation Co., Ltd.	Petroleum refining, chemical, lubricating oil, battery and resources development
SK Telecom Co., Ltd.	Wireless and wired telecommunication
SK Square Co., Ltd.	Semiconductor and New ICT
SK Networks Co., Ltd.	Information communication, rental and trade
SKC Co., Ltd.	Chemical, Electronic Materials and mobility material
SK E&S Co., Ltd.	Gas and energy
SK Ecoplant Co., Ltd.	Construction and eco-friendly business
Others	IT services, special gas manufacturing and sale, medicine and life science and others

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4. Operating segments (cont'd)

(2) Details of financial information for each operating segment as of and for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	As of and for the year ended December 31, 2023				
	SK Innovation Co., Ltd.	SK Telecom Co., Ltd.	SK Square Co., Ltd.	SK Networks Co., Ltd.	SKC Co., Ltd.
Sales and other operating income	₩ 77,905,524	₩ 17,608,511	₩ 2,276,508	₩ 9,133,867	₩ 1,570,752
Internal sales	(512,052)	(261,560)	(462,528)	(1,159,520)	(275,447)
Net sales and other operating income	77,393,472	17,346,951	1,813,980	7,974,347	1,295,305
Net Income	554,894	1,145,937	(1,314,834)	5,459	(326,360)
Total assets	80,835,513	30,119,227	17,970,008	9,110,359	7,032,322
Total liabilities	50,815,546	17,890,828	2,153,491	6,954,518	4,507,898
Depreciation	1,821,317	2,899,346	99,800	781,040	134,212
Amortization	208,772	851,449	43,691	36,647	38,403

	As of and for the year ended December 31, 2023				
	SK E&S Co., Ltd.	SK Ecoplant Co., Ltd.	Others	Consolidation adjustments(*1)	Total
Sales and other operating income	₩ 11,167,183	₩ 8,925,073	₩ 10,875,910	₩ (7,608,412)	₩ 131,854,916
Internal sales	(449,388)	(14,441)	(4,473,476)	7,608,412	-
Net sales and other operating income	10,717,795	8,910,632	6,402,434	-	131,854,916
Net Income	1,086,377	(33,646)	(73,459)	(1,450,755)	(406,387)
Total assets	18,237,743	14,916,026	63,732,030	(34,982,964)	206,970,264
Total liabilities	10,729,750	10,486,810	26,394,187	(841,814)	129,091,214
Depreciation	507,266	137,702	803,642	47,584	7,231,909
Amortization	23,770	139,537	153,024	260,759	1,756,052

	As of and for the year ended December 31, 2022				
	SK Innovation Co., Ltd.	SK Telecom Co., Ltd.	SK Square Co., Ltd.	SK Networks Co., Ltd.	SKC Co., Ltd.
Sales and other operating income	₩ 78,056,939	₩ 17,304,973	₩ 2,735,179	₩ 9,426,160	₩ 2,390,504
Internal sales	(782,450)	(265,617)	(1,163,391)	(1,134,909)	(383,362)
Net sales and other operating income	77,274,489	17,039,356	1,571,788	8,291,251	2,007,142
Net Income	1,895,179	947,831	197,785	108,662	5,459
Total assets	67,218,924	31,308,262	22,160,583	9,499,259	6,393,093
Total liabilities	43,976,613	19,153,066	4,997,383	7,048,547	4,151,242
Depreciation	1,616,098	2,897,333	282,317	822,989	208,837
Amortization	176,827	858,036	92,179	29,467	43,268

	As of and for the year ended December 31, 2022				
	SK E&S Co., Ltd.	SK Ecoplant Co., Ltd.	Others	Consolidation adjustments(*1)	Total
Sales and other operating income	₩ 11,540,873	₩ 7,550,863	₩ 10,407,110	₩ (7,333,247)	₩ 132,079,354
Internal sales	(332,334)	(42,771)	(3,228,413)	7,333,247	-
Net sales and other operating income	11,208,539	7,508,092	7,178,697	-	132,079,354
Net Income	969,969	637,962	296,357	(1,093,028)	3,966,176
Total assets	18,465,628	13,321,563	59,224,052	(33,085,504)	194,505,860
Total liabilities	11,769,826	9,579,116	22,958,192	(936,915)	122,697,070
Depreciation	494,326	97,282	711,613	(81,957)	7,048,838
Amortization	19,782	71,171	136,808	307,269	1,734,807

(*1) Consolidation adjustments of the Parent Company, excluding consolidation adjustments of each subsidiary.

Except for transactions with related parties mentioned in Note 36, there are no customers accounting for 10% or more of the consolidated sales of the Group for the year ended December 31, 2023.

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4. Operating segments (cont'd)

(3) Details of financial information by geographical location as of and for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	As of and for the year ended December 31, 2023						
	Korea	Asia	Europe	North America	Ohters	Consolidation adjustments	Total
Total sales and other operating income	₩ 159,440,510	₩ 51,032,943	₩ 11,347,077	₩ 12,333,174	88,932	₩ (102,387,720)	₩ 131,854,916
Operating profit (loss)	7,738,192	744,611	159,614	(256,461)	20,660	(3,350,238)	5,056,378
Profit (loss) from continuing operating before income tax expense	5,411,557	688,196	207,813	(1,431,060)	29,848	(5,584,539)	(678,185)
Profit (loss) for the year from continuing operations	4,225,662	529,313	177,697	(1,423,875)	13,759	(4,819,864)	(1,297,308)
Total assets	217,296,921	28,406,268	14,361,640	48,774,315	2,692,835	(104,561,715)	206,970,264
Total liabilities	110,327,522	11,486,098	7,803,015	14,178,694	721,491	(15,425,606)	129,091,214

	As of and for the year ended December 31, 2022						
	Korea	Asia	Europe	North America	Ohters	Consolidation adjustments	Total
Total sales and other operating income	₩ 165,074,024	₩ 49,416,935	₩ 10,780,191	₩ 13,106,892	₩ 518,022	₩ (106,816,710)	₩ 132,079,354
Operating profit (loss)	10,057,193	729,501	(162,686)	(347,562)	347,992	(2,463,172)	8,161,266
Profit (loss) from continuing operating before income tax expense	9,070,468	668,628	(237,035)	(787,652)	320,263	(3,134,659)	5,900,013
Profit (loss) for the year from continuing operations	6,774,361	531,892	(262,761)	(793,527)	169,154	(2,894,702)	3,524,417
Total assets	210,994,375	24,206,636	11,495,289	30,670,758	2,517,256	(85,378,454)	194,505,860
Total liabilities	108,453,159	9,869,269	6,666,421	8,544,935	984,261	(11,820,975)	122,697,070

(4) Details of financial information by revenue from contracts with customers for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	As of and for the year ended December 31, 2023				
	SK Innovation Co., Ltd.	SK Telecom Co., Ltd.	SK Square Co., Ltd.	SK Networks Co., Ltd.	SKC Co., Ltd.
1. Sales and other operating income	₩ 77,905,524	₩ 17,608,511	₩ 2,276,508	₩ 9,133,867	₩ 1,570,752
2. Revenue from contracts with customers	76,887,848	17,608,511	2,276,508	7,520,622	1,567,226
Categories:					
Service sales	328,481	15,964,093	1,347,533	654,348	-
Finished goods sales	71,987,636	-	57,402	64,453	1,471,900
Merchandise sales	3,445,646	1,087,093	514,352	6,787,902	63,446
Other sales	1,126,085	557,325	357,221	13,919	31,880
	<u>76,887,848</u>	<u>17,608,511</u>	<u>2,276,508</u>	<u>7,520,622</u>	<u>1,567,226</u>
Timing of revenue recognition:					
Recognition at a point in time	76,559,367	1,546,998	1,010,250	6,866,274	1,560,290
Recognition over a period of time	328,481	16,061,513	1,266,258	654,348	6,936
	<u>76,887,848</u>	<u>17,608,511</u>	<u>2,276,508</u>	<u>7,520,622</u>	<u>1,567,226</u>
3. Revenue from other sources	400,638	-	-	1,613,245	3,526
4. Other operating income (*1)	617,038	-	-	-	-

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4. Operating segments (cont'd)

	As of and for the year ended December 31, 2023				
	SK E&S Co., Ltd.	SK Ecoplant Co., Ltd.	Others	Consolidation adjustments	Total
1. Sales and other operating income	₩ 11,167,183	₩ 8,925,073	₩ 10,875,910	₩ (7,608,412)	₩ 131,854,916
2. Revenue from contracts with customers	11,163,727	8,861,291	11,179,878	(6,095,829)	130,969,782
Categories:					
Service sales	42,623	8,315,450	5,564,815	(3,274,084)	28,943,259
Finished goods sales	5,004,610	-	5,149,742	(1,193,447)	82,542,296
Merchandise sales	5,890,560	480,087	342,574	(1,530,683)	17,080,977
Other sales	225,934	65,754	122,747	(97,615)	2,403,250
	<u>11,163,727</u>	<u>8,861,291</u>	<u>11,179,878</u>	<u>(6,095,829)</u>	<u>130,969,782</u>
Timing of revenue recognition:					
Recognition at a point in time	1,004,162	416,305	5,767,680	7,295,198	102,026,524
Recognition over a period of time	10,159,565	8,444,986	5,412,198	(13,391,027)	28,943,258
	<u>11,163,727</u>	<u>8,861,291</u>	<u>11,179,878</u>	<u>(6,095,829)</u>	<u>130,969,782</u>
3. Revenue from other sources	3,456	63,782	(303,968)	(1,512,583)	268,096
4. Other operating income (*1)	-	-	-	-	617,038

(*1) SK Innovation Co., Ltd., a subsidiary, is subject to tax credits for battery cells and modules produced and sold in the U.S. under the Advanced Manufacturing Production Tax Credit System of the U.S. Inflation Reduction Act, which takes effect on January 1, 2023. Companies subject to the Advanced Manufacturing Production Tax Credit can choose to directly receive the remaining amount after deducting the amount of tax credit under the law or when the amount of tax paid exists (hereinafter referred to as the "cash receipt method"), and the amount is expected to be received as of the current year as SK Innovation Co., Ltd. chooses the cash receipt method.

	As of and for the year ended December 31, 2022				
	SK Innovation Co., Ltd.	SK Telecom Co., Ltd.	SK Square Co., Ltd.	SK Networks Co., Ltd.	SKC Co., Ltd.
1. Sales and other operating income	₩ 78,056,939	₩ 17,304,973	₩ 2,735,179	₩ 9,426,160	₩ 2,390,504
2. Revenue from contracts with customers	78,026,053	17,304,973	2,370,553	7,537,061	2,390,504
Categories:					
Service sales	338,059	15,804,666	1,793,920	429,220	-
Finished goods sales	73,253,661	2,472	42,703	148,504	1,995,181
Merchandise sales	2,464,407	1,035,502	299,208	6,955,469	380,747
Other sales	1,969,926	462,333	234,722	3,868	14,576
	<u>78,026,053</u>	<u>17,304,973</u>	<u>2,370,553</u>	<u>7,537,061</u>	<u>2,390,504</u>
Timing of revenue recognition:					
Recognition at a point in time	77,687,994	1,500,307	576,633	7,107,841	2,390,504
Recognition over a period of time	338,059	15,804,666	1,793,920	429,220	-
	<u>78,026,053</u>	<u>17,304,973</u>	<u>2,370,553</u>	<u>7,537,061</u>	<u>2,390,504</u>
3. Revenue from other sources	30,886	-	364,626	1,889,099	-

	As of and for the year ended December 31, 2022				
	SK E&S Co., Ltd.	SK Ecoplant Co., Ltd.	Others	Consolidation adjustments	Total
1. Sales and other operating income	₩ 11,540,873	₩ 7,550,863	₩ 10,407,110	₩ (7,333,247)	₩ 132,079,354
2. Revenue from contracts with customers	11,534,124	7,500,320	9,209,115	(5,838,708)	130,033,995
Categories:					
Service sales	-	7,162,281	2,957,385	(2,650,033)	25,835,498
Finished goods sales	5,017,567	242,611	5,148,564	(1,540,754)	84,310,509
Merchandise sales	6,321,234	63,265	1,046,295	(1,549,339)	17,016,788
Other sales	195,323	32,163	56,871	(98,582)	2,871,200
	<u>11,534,124</u>	<u>7,500,320</u>	<u>9,209,115</u>	<u>(5,838,708)</u>	<u>130,033,995</u>
Timing of revenue recognition:					
Recognition at a point in time	1,714,082	338,039	6,251,730	(3,188,675)	94,378,455
Recognition over a period of time	9,820,042	7,162,281	2,957,385	(2,650,033)	35,655,540
	<u>11,534,124</u>	<u>7,500,320</u>	<u>9,209,115</u>	<u>(5,838,708)</u>	<u>130,033,995</u>
3. Revenue from other sources	6,749	50,543	1,197,995	(1,494,539)	2,045,359

5. Acquisitions and disposals of subsidiaries and non-controlling interests

(1) Acquisitions of significant subsidiaries

Significant acquisitions of subsidiaries for the year ended December 31, 2023 are listed in Note 45.

(2) Other significant equity transactions

1) Paid-in capital increase of BlueOval SK, LLC

BlueOval SK, LLC, a subsidiary of the Group, conducted a paid-in capital increase during the current term. As a result, the controlling stake of the consolidated entity increased by ₩250,784 million, and the non-controlling interest increased by ₩3,266,709 million.

2) Convertible preferred shares issued by SK On Co., Ltd.

SK On Co., Ltd., a subsidiary company, issued 3rd party allocation convertible preferred stocks during the current term. As a result, the controlling stake of the consolidated entity increased by ₩123,726 million, and the non-controlling interest increased by ₩1,611,662 million.

3) Paid-in capital increase of SK Innovation co., Ltd.

SK Innovation co., Ltd., a subsidiary of the Group, conducted a paid-in capital increase during the current term. As a result, the controlling stake of the consolidated entity decreased by ₩115,223 million, and the non-controlling interest increased by ₩858,364 million.

4) Redeemable convertible preferred shares issued by SK E&S Co., Ltd.

SK E&S Co., Ltd., a subsidiary company, issued non-voting convertible preferred stocks during the current term. As a result, the non-controlling interest in the consolidated entity increased by ₩730,922 million.

5) Paid-in capital increase of SK REIT Co., Ltd.

SK REIT Co., Ltd., a subsidiary of the Group, conducted a paid-in capital increase during the current term. As a result, the controlling stake of the consolidated entity decreased by ₩16,529 million, and the non-controlling interest increased by ₩301,164 million.

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6. Financial instruments

(1) Financial assets

Details of financial assets as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023				
	Financial assets measured at FVTPL	Financial assets measured at FVOCI	Financial assets measured at amortized cost	Financial assets designated as hedging instruments	Total
Current assets:					
Cash and cash equivalents	₩ 5,280,674	₩ -	₩ 17,402,996	₩ -	₩ 22,683,670
Short-term financial instruments	530,313	-	2,411,728	-	2,942,041
Trade receivables (*1)	173,105	215,669	12,448,218	-	12,836,992
Other receivables (*2)	144,629	-	2,250,870	-	2,395,499
Short-term loans	-	-	246,555	-	246,555
Accrued income	-	-	117,323	-	117,323
Short-term investment securities	186,793	-	45	-	186,838
Guarantee deposits	-	-	507,630	-	507,630
Derivative financial assets	140,650	-	-	149,654	290,304
Lease receivables	-	-	23,892	-	23,892
	<u>₩ 6,456,164</u>	<u>₩ 215,669</u>	<u>₩ 35,409,257</u>	<u>₩ 149,654</u>	<u>₩ 42,230,744</u>
Non-current assets:					
Long-term financial instruments	₩ 6,161	₩ -	₩ 50,254	₩ -	₩ 56,415
Long-term trade receivables	-	-	545,442	-	545,442
Long-term other receivables	129,316	-	680,596	-	809,912
Long-term loans	-	-	673,027	-	673,027
Long-term accrued income	-	-	32,462	-	32,462
Long-term investment securities	1,728,974	5,814,238	864	-	7,544,076
Long-term guarantee deposits	-	-	615,445	-	615,445
Derivative financial assets	1,005,219	-	-	253,732	1,258,951
Lease receivables	-	-	43,385	-	43,385
	<u>₩ 2,869,670</u>	<u>₩ 5,814,238</u>	<u>₩ 2,641,475</u>	<u>₩ 253,732</u>	<u>₩ 11,579,115</u>
	<u>₩ 9,325,834</u>	<u>₩ 6,029,907</u>	<u>₩ 38,050,732</u>	<u>₩ 403,386</u>	<u>₩ 53,809,859</u>

(*1) Contract assets (unbilled receivables) amounting to ₩1,042,396 million as of December 31, 2023 are not included in the financial assets.

(*2) Employees and tax related amounts are excluded.

SK Inc. and its subsidiaries
Notes to the consolidated financial statements
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(1) Financial assets (cont'd)

	December 31, 2022				
	Financial assets measured at FVTPL	Financial assets measured at FVOCI	Financial assets measured at amortized cost	Financial assets designated as hedging instruments	Total
Current assets:					
Cash and cash equivalents	₩ 3,782,673	₩ -	₩ 17,611,180	₩ -	₩ 21,393,853
Short-term financial instruments	2,240,613	-	1,486,660	-	3,727,273
Trade receivables (*1)	45,369	-	13,138,018	-	13,183,387
Other receivables (*2)	162,617	-	3,397,174	-	3,559,791
Short-term loans	-	-	132,368	-	132,368
Accrued income	-	-	117,013	-	117,013
Short-term investment securities	230,576	-	10,045	-	240,621
Guarantee deposits	-	-	469,258	-	469,258
Derivative financial assets	210,773	-	-	229,353	440,126
Lease receivables	-	-	27,745	-	27,745
	<u>₩ 6,672,621</u>	<u>₩ -</u>	<u>₩ 36,389,461</u>	<u>₩ 229,353</u>	<u>₩ 43,291,435</u>
Non-current assets:					
Long-term financial instruments	₩ 24,580	₩ -	₩ 87,904	₩ -	₩ 112,484
Long-term trade receivables	-	-	517,701	-	517,701
Long-term other receivables	170,052	-	210,912	-	380,964
Long-term loans	-	-	408,954	-	408,954
Long-term investment securities	1,976,650	5,972,901	946	-	7,950,497
Long-term guarantee deposits	-	-	692,386	-	692,386
Derivative financial assets	852,842	-	-	333,817	1,186,659
Lease receivables	-	-	59,316	-	59,316
	<u>₩ 3,024,124</u>	<u>₩ 5,972,901</u>	<u>₩ 1,978,119</u>	<u>₩ 333,817</u>	<u>₩ 11,308,961</u>
	<u>₩ 9,696,745</u>	<u>₩ 5,972,901</u>	<u>₩ 38,367,580</u>	<u>₩ 563,170</u>	<u>₩ 54,600,396</u>

(*1) Contract assets (unbilled receivables) amounting to ₩1,151,145 million as of December 31, 2022 are not included in the financial assets.

(*2) Employees and tax-related amounts are excluded.

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Notes to the consolidated financial statements
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(2) Financial liabilities

Details of financial liabilities as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023				Total
	Financial liabilities measured at FVTPL	Financial liabilities measured at amortized cost	Financial liabilities designated as hedging instruments	Other financial liabilities	
Current liabilities:					
Short-term borrowings	₩ -	₩ 17,388,374	₩ -	₩ -	₩ 17,388,374
Trade payables	175,970	12,773,431	-	-	12,949,401
Other payables (*1)	16,291	9,369,697	-	-	9,385,988
Current portion of long-term debt	-	13,019,290	-	-	13,019,290
Accrued expenses (*1)	-	3,034,689	-	-	3,034,689
Dividends payable	-	983	-	-	983
Leasehold deposits received	-	1,086,643	-	-	1,086,643
Derivative financial liabilities	349,785	-	19,115	-	368,900
Lease liabilities	-	-	-	1,239,548	1,239,548
Finance guarantee liabilities	-	-	-	10,048	10,048
Financial liabilities at fair value through profit or loss	25,085	-	-	-	25,085
	<u>₩ 567,131</u>	<u>₩ 56,673,107</u>	<u>₩ 19,115</u>	<u>₩ 1,249,596</u>	<u>₩ 58,508,949</u>
Non-current liabilities:					
Bonds and long-term borrowings	₩ -	₩ 48,570,229	₩ -	₩ -	₩ 48,570,229
Long-term other payables (*1)	111,175	1,228,159	-	-	1,339,334
Long-term accrued expenses	-	21,078	-	-	21,078
Leasehold deposits received	-	391,159	-	-	391,159
Derivative financial liabilities	1,086,698	-	164,074	-	1,250,772
Long-term lease liabilities	-	-	-	3,989,530	3,989,530
Financial guarantee liabilities	-	-	-	18,514	18,514
Financial liabilities at fair value through profit or loss	457,319	-	-	-	457,319
	<u>₩ 1,655,192</u>	<u>₩ 50,210,625</u>	<u>₩ 164,074</u>	<u>₩ 4,008,044</u>	<u>₩ 56,037,935</u>
	<u>₩ 2,222,323</u>	<u>₩ 106,883,732</u>	<u>₩ 183,189</u>	<u>₩ 5,257,640</u>	<u>₩ 114,546,884</u>

(*1) Employees and tax related amounts are excluded.

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(2) Financial liabilities (cont'd)

	December 31, 2022				
	Financial liabilities measured at FVTPL	Financial liabilities measured at amortized cost	Financial liabilities designated as hedging instruments	Other financial liabilities	Total
Current liabilities:					
Short-term borrowings	₩ -	₩ 17,457,297	₩ -	₩ -	₩ 17,457,297
Trade payables	-	14,024,892	-	-	14,024,892
Other payables (*1)	79,304	7,125,273	-	-	7,204,577
Current portion of long-term debt	-	11,373,120	-	-	11,373,120
Accrued expenses (*1)	-	4,822,306	-	-	4,822,306
Leasehold deposits received	-	167,538	-	-	167,538
Derivative financial liabilities	165,617	-	42,577	-	208,194
Lease liabilities	-	-	-	1,286,208	1,286,208
Finance guarantee liabilities	-	-	-	1,508	1,508
Financial liabilities at fair value through profit or loss	57,218	-	-	-	57,218
	₩ 302,139	₩ 54,970,426	₩ 42,577	₩ 1,287,716	₩ 56,602,858
Non-current liabilities:					
Bonds and long-term borrowings	₩ -	₩ 45,641,745	₩ -	₩ -	₩ 45,641,745
Long-term other payables	161,550	1,351,657	-	-	1,513,207
Long-term accrued expenses	43,070	17,467	-	-	60,537
Leasehold deposits received	-	432,615	-	-	432,615
Derivative financial liabilities	813,861	-	4,558	-	818,419
Long-term lease liabilities	-	-	-	4,220,239	4,220,239
Financial guarantee liabilities	-	-	-	23,400	23,400
Financial liabilities at fair value through profit or loss	91,355	-	-	-	91,355
	₩ 1,109,836	₩ 47,443,484	₩ 4,558	₩ 4,243,639	₩ 52,801,517
	₩ 1,411,975	₩ 102,413,910	₩ 47,135	₩ 5,531,355	₩ 109,404,375

(*1) Employees and tax related amounts are excluded.

(3) Gain and loss by category of financial instruments

Details of gain and loss by category of financial instruments for the years ended in December 31, 2023 and 2022 are as follows (Korean won in millions):

Financial assets:	December 31, 2023				
	Financial assets measured at FVTPL	Financial assets measured at FVOCI	Financial assets measured at amortized cost	Financial assets designated as hedging instruments	Total
Profit or loss:					
Interest income(expense)	₩ 272,697	₩ (8,916)	₩ 609,247	₩ -	₩ 873,028
Gain (loss) on derivatives	2,274,527	-	-	225,191	2,499,718
Gain (loss) on foreign currency	(3,774)	8,257	187,556	(113)	191,926
Others	(70,346)	64,050	(15,941)	-	(22,237)
	₩ 2,473,104	₩ 63,391	₩ 780,862	₩ 225,078	₩ 3,542,435
Other comprehensive income (loss):					
Gain (loss) on investment securities	₩ -	₩ (607,992)	₩ -	₩ -	₩ (607,992)
Gain (loss) on derivatives	-	-	-	(60,261)	(60,261)
	₩ -	₩ (607,992)	₩ -	₩ (60,261)	₩ (668,253)
	₩ 2,473,104	₩ (544,601)	₩ 780,862	₩ 164,817	₩ 2,874,182

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(3) Gain and loss by category of financial instruments (cont'd)

Financial liabilities:		December 31, 2023			
	Financial liabilities measured at FVTPL	Financial liabilities measured at amortized cost	Financial liabilities designated as hedging instruments	Others	Total
Profit or loss:					
Interest income(expense)	₩ -	₩ (2,964,735)	₩ -	₩ (241,143)	₩ (3,205,878)
Gain (loss) on derivatives	(2,080,682)	-	(390,380)	-	(2,471,062)
Gain (loss) on foreign currency	(911)	(359,258)	-	12,742	(347,427)
Others	77,904	(75,792)	-	(15)	2,097
	<u>₩ (2,003,689)</u>	<u>₩ (3,399,785)</u>	<u>₩ (390,380)</u>	<u>₩ (228,416)</u>	<u>₩ (6,022,270)</u>
Other comprehensive income (loss):					
Gain (loss) on investment securities	₩ -	₩ -	₩ -	₩ -	₩ -
Gain (Loss) on derivatives	-	-	(10,367)	-	(10,367)
	<u>₩ -</u>	<u>₩ -</u>	<u>₩ (10,367)</u>	<u>₩ -</u>	<u>₩ (10,367)</u>
	<u>₩ (2,003,689)</u>	<u>₩ (3,399,785)</u>	<u>₩ (400,747)</u>	<u>₩ (228,416)</u>	<u>₩ (6,032,637)</u>
Financial assets:		December 31, 2022			
	Financial assets measured at FVTPL	Financial assets measured at FVOCI	Financial assets measured at amortized cost	Financial assets designated as hedging instruments	Total
Profit or loss:					
Interest income(expense)	₩ 184,589	₩ 126	₩ 285,143	₩ -	₩ 469,858
Gain (loss) on derivatives	3,782,541	-	-	13,356	3,795,897
Gain (loss) on foreign currency	(2,229)	(49)	553,787	-	551,509
Others	(810,834)	32,671	183,483	-	(594,680)
	<u>₩ 3,154,067</u>	<u>₩ 32,748</u>	<u>₩ 1,022,413</u>	<u>₩ 13,356</u>	<u>₩ 4,222,584</u>
Other comprehensive income (loss):					
Gain (loss) on investment securities	₩ -	₩ (2,076,572)	₩ -	₩ -	₩ (2,076,572)
Gain (loss) on derivatives	-	-	-	24,459	24,459
	<u>₩ -</u>	<u>₩ (2,076,572)</u>	<u>₩ -</u>	<u>₩ 24,459</u>	<u>₩ (2,052,113)</u>
	<u>₩ 3,154,067</u>	<u>₩ (2,043,824)</u>	<u>₩ 1,022,413</u>	<u>₩ 37,815</u>	<u>₩ 2,170,471</u>
Financial liabilities:		December 31, 2022			
	Financial liabilities measured at FVTPL	Financial liabilities measured at amortized cost	Financial liabilities designated as hedging instruments	Others	Total
Profit or loss:					
Interest income(expense)	₩ -	₩ (1,900,422)	₩ -	₩ (144,838)	₩ (2,045,260)
Gain (loss) on derivatives	(3,661,837)	-	(317,070)	-	(3,978,907)
Gain (loss) on foreign currency	(14)	(934,385)	-	-	(934,399)
Others	29,041	-	-	-	29,041
	<u>₩ (3,632,810)</u>	<u>₩ (2,834,807)</u>	<u>₩ (317,070)</u>	<u>₩ (144,838)</u>	<u>₩ (6,929,525)</u>
Other comprehensive income (loss):					
Gain (loss) on investment securities	₩ -	₩ -	₩ -	₩ -	₩ -
Gain (loss) on derivatives	-	-	124,534	-	124,534
	<u>₩ -</u>	<u>₩ -</u>	<u>₩ 124,534</u>	<u>₩ -</u>	<u>₩ 124,534</u>
	<u>₩ (3,632,810)</u>	<u>₩ (2,834,807)</u>	<u>₩ (192,536)</u>	<u>₩ (144,838)</u>	<u>₩ (6,804,991)</u>

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(4) Fair values of financial instruments by hierarchy level

1) Fair values and book values of financial instruments that are not measured at fair value as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023		December 31, 2022	
	Book value	Fair value	Book value	Fair value
Bonds	₩ 37,422,779	₩ 36,512,427	₩ 35,862,966	₩ 34,930,988
Borrowings	41,555,114	40,002,644	38,609,196	38,086,905

The fair value of bonds and borrowings was measured as the present value of the contractually determined stream of future cash flows discounted at the market interest rate (1.17% ~ 6.95%) regarding residual market risks. As the book values of other financial assets and other financial liabilities are reasonable approximations to fair values, the fair values have not been disclosed.

2) The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique. The level of hierarchy of fair value is as follows:

Classification	Significance of input variables
Level 1	Quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2	Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3	Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Details of fair values of financial instruments by hierarchy level as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023				
	Book value	Level 1	Level 2	Level 3	Total
Financial assets:					
Financial assets measured at FVTPL	₩ 8,179,965	₩ 329,190	₩ 6,091,093	₩ 1,759,682	₩ 8,179,965
Financial assets measured at FVOCI	6,029,907	2,693,803	29,828	3,306,276	6,029,907
Derivative financial assets	1,549,255	613	620,798	927,844	1,549,255
	₩ 15,759,127	₩ 3,023,606	₩ 6,741,719	₩ 5,993,802	₩ 15,759,127
Financial liabilities:					
Financial liabilities measured at FVTPL	₩ 785,840	₩ -	₩ 177,200	₩ 608,640	₩ 785,840
Derivative financial liabilities	1,619,672	-	526,228	1,093,444	1,619,672
	₩ 2,405,512	₩ -	₩ 703,428	₩ 1,702,084	₩ 2,405,512
	December 31, 2022				
	Book value	Level 1	Level 2	Level 3	Total
Financial assets:					
Financial assets measured at FVTPL	₩ 8,633,130	₩ 430,499	₩ 6,380,535	₩ 1,822,096	₩ 8,633,130
Financial assets measured at FVOCI	5,972,901	2,853,745	-	3,119,156	5,972,901
Derivative financial assets	1,626,785	861	878,318	747,606	1,626,785
	₩ 16,232,816	₩ 3,285,105	₩ 7,258,853	₩ 5,688,858	₩ 16,232,816
Financial liabilities:					
Financial liabilities measured at FVTPL	₩ 432,497	₩ -	₩ -	₩ 432,497	₩ 432,497
Derivative financial liabilities	1,026,613	-	228,490	798,123	1,026,613
	₩ 1,459,110	₩ -	₩ 228,490	₩ 1,230,620	₩ 1,459,110

The consolidated entity continuously reevaluates the classification at the end of each reporting period for financial instruments recognised as fair value (based on the lowest level of significant input across the measurements) to determine whether there is movement between levels.

On the other hand, there was no significant shift in the fair value hierarchy level for the years ended December 31, 2023 and 2022.

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(4) Fair values of financial instruments by hierarchy level (cont'd)

3) Changes in Level 3 financial assets for the years ended December 31, 2023 and 2022 are as follows
(Korean won in millions):

		December 31, 2023						
		Beginning balance	Profit or loss	Other comprehensive loss	Acquisitions	Disposals	Others	Ending Balance
Financial assets:								
Financial assets measured at FVTPL	₩	1,822,096	₩ (110,323)	₩ -	₩ 832,604	₩ (212,366)	₩ (572,329)	₩ 1,759,682
Financial assets measured at FVOCI		3,119,156	-	(21,989)	126,688	(962,590)	1,045,011	3,306,276
	₩	<u>4,941,252</u>	<u>₩ (110,323)</u>	<u>₩ (21,989)</u>	<u>₩ 959,292</u>	<u>₩ (1,174,956)</u>	<u>₩ 472,682</u>	<u>₩ 5,065,958</u>
Financial liabilities:								
Financial liabilities measured at FVTPL	₩	432,497	₩ (47,663)	₩ -	₩ -	₩ -	₩ 223,806	₩ 608,640
		December 31, 2022						
		Beginning balance	Profit or loss	Other comprehensive profit	Acquisitions	Disposals	Others	Ending Balance
Financial assets:								
Financial assets measured at FVTPL	₩	1,667,091	₩ 64,016	₩ -	₩ 605,832	₩ (238,441)	₩ (276,402)	₩ 1,822,096
Financial assets measured at FVOCI		2,564,789	-	209,897	516,286	(212,721)	40,905	3,119,156
	₩	<u>4,231,880</u>	<u>₩ 64,016</u>	<u>₩ 209,897</u>	<u>₩ 1,122,118</u>	<u>₩ (451,162)</u>	<u>₩ (235,497)</u>	<u>₩ 4,941,252</u>
Financial liabilities:								
Financial liabilities measured at FVTPL	₩	621,225	₩ (21,544)	₩ -	₩ -	₩ (12,752)	₩ (154,432)	₩ 432,497

(5) Valuation techniques and inputs

The description of financial instruments using fair value measurements, which is classified as Level 2 or Level 3 by the Group, and the valuation techniques and inputs used to measure the fair value of those financial instruments as of December 31, 2023 and 2022 are as follows:

1) Currency forward and currency swap

The fair value of the currency forward and the currency swap was measured in principle based on the forward exchange rate disclosed in the market as of December 31, 2023 for the period consistent with the remaining period of the currency swap. In case the forward exchange rate for a period consistent with the remaining period of the currency forward and the currency swap is not disclosed in the market, the forward exchange was measured by estimating the forward exchange rate for a period similar to the remaining period of the currency swap by applying interpolation to each period. The discount rate used to measure the fair value of the currency forward and the currency swap was determined using the yield curve derived from the rate quoted in the market as of December 31, 2023.

2) Commodity swap

In principle, the fair value of the commodity swap was measured on the basis of the spot transaction price disclosed in the market as of December 31, 2023 for the period consistent with the remaining period of the spot swap being measured. In addition, the discount rate used to measure the fair value of the spot swap was determined using the yield curve derived from the rate quoted in the market as of December 31, 2023.

(5) Valuation techniques and inputs (cont'd)

3) Interest rate swap

The fair value of the interest rate swap was measured, in principle, based on the interest rate swap rate disclosed in the market as of December 31, 2023 for the period corresponding to the remaining period of the interest rate swap being measured. If the interest rate swap for a period corresponding to the remaining period of the interest rate swap being measured is not disclosed in the market, the interest rate swap rate was measured by estimating the interest rate swap rate for a period similar to the remaining period of the interest rate swap by applying interpolation for each period.

4) Debt securities

The fair value of debt securities is measured by discounting the future cash flows of debt securities by applying the market interest rate applied to companies with similar creditworthiness as the issuer of debt securities.

5) Unlisted stocks

The fair value of unlisted stocks is measured using the cash flow discount model and the market approach, and the future cash flow discount model partially uses assumptions about sales growth, pre-tax operating margin, weighted average capital cost, etc., or assumptions that are not based on observable market prices or ratios to estimate future cash flows. The weighted average capital cost used to discount future cash flows was calculated by applying the Capital Asset Pricing Model (CAPM). The market approach was calculated by applying the past transaction case value to a third party on the most recent date as of the financial statement date. The consolidated entity classified the fair value measurements of unlisted stocks as level 3 in the fair value hierarchy, judging that the aforementioned major assumptions and estimates have a significant impact on the fair value of unlisted stocks.

6) Convertible debt securities

The fair value of convertible debt securities was measured by adding the fair value of the ordinary bond component that does not include conversion rights and the fair value of the conversion right, which is an embedded derivative (purchase call option). The fair value of the non-convertible general bond component was measured by discounting the future cash flows of the bond using the market interest rate applied to entities with similar creditworthiness as the issuer of the convertible bond, and the fair value of the conversion right was measured using an option pricing model. Stock price volatility, a significant input used to measure the fair value of conversion rights, was estimated based on past stock price changes. The Group considered that the fair value of the right to convert was a significant proportion of the total fair value of the convertible debt securities and classified the fair value measurement of the entire convertible debt securities into Level 3 of the fair value hierarchy.

7) Contingent consideration

The fair value of the contingent consideration is estimated by the net profit before subtracting interest and corporate tax by scenarios, and based on these estimates, the Group measures the present value of the expected future receivables weighted on the probability of each scenario.

8) Total return swap agreement

The fair value of the total return swap agreement is based on Monte-Carlo Simulation. It generates the discrete path of the future interest rate, estimates the point of time when the buyout option is exercised, calculates the present value, and repeatedly executes it to calculate the fair value as the average value of the calculated value. On the other hand, unlisted shares subject to the purchase option were measured in accordance with the fair value assessment method of unlisted stocks, and the fair value measurement of inter-share contracts was classified as Level 3 in the fair value hierarchy as the main assumptions and estimates used to assess the fair value of unlisted stocks were considered to have a significant effect on their fair value.

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(6) Valuation techniques and inputs used for major financial instruments classified as Level 3

The valuation techniques and input variables used for major financial instruments classified as Level 3 are as follows (Korean won in millions):

December 31, 2023						
	Valuation		Valuation amount	Level 3 techniques	inputs	Input variations
SK Shipping Co., Ltd.	Assets	₩	175,831	DCF model	Permanent growth rate WACC	0.00% 8.52%
Group14 Technologies, Inc.	Assets	₩	335,538	Market approach	Transaction price case	-
Total return swap agreement	Liabilities	₩	250,903	Monte-Carlo simulation	Term structure of interest rate WACC	3.90% ~ 4.04% 17.08%
Drag-along right	Liabilities	₩	427,626	Binary model	Asset value Per share Volatility	₩ 55,000 30.00%
Blackstone Energy Partners III	Assets	₩	131,570	Asset approach	Net asset value	-
Rev Renewables, LLC	Assets	₩	403,582	DCF model	Permanent growth rate WACC	0.00% ~ 2.00% 7.50% ~ 15.00%
Summit Carbon Holdings, LLC	Assets	₩	137,644	Actual transaction price	-	-
December 31, 2022						
	Valuation		Valuation amount	Level 3 techniques	inputs	Input variations
SK Shipping Co., Ltd.	Assets	₩	179,500	DCF model	Permanent growth rate WACC	0.00% 8.17%
Total return swap agreement	Liabilities	₩	235,125	Monte-Carlo simulation	Term structure of interest rate WACC	4.74% ~ 5.58% 8.17%
Drag-along right	Liabilities	₩	140,462	Binary model	Asset value Per share Volatility	₩ 55,000 30.00%
Blackstone Energy Partners III	Assets	₩	81,795	Asset approach	Net asset value	-
Rev Renewables, LLC	Assets	₩	395,398	DCF model	Permanent growth rate WACC	0.00% ~ 2.00% 7.50% ~ 15.00%
Summit Carbon Holdings, LLC	Assets	₩	116,990	Actual transaction price	-	-

If the permanent growth rate increases (decreases), the fair value will increase (decrease) and if the weighted average cost of capital increases (decreases), the fair value will decrease (increase). There is no change in valuation techniques used to measure fair value of financial instruments classified as Level 2 and Level 3 as of December 31, 2023 and 2022.

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7. Trade and other receivables

(1) Details of trade and other receivables as of December 31, 2023 and 2022 are as follows
(Korean won in millions):

	December 31, 2023			December 31, 2022		
	Gross amount	Allowance for doubtful accounts	Carrying amount	Gross amount	Allowance for doubtful accounts	Carrying amount
Trade receivables (*1)	₩ 14,362,437	₩ (483,049)	₩ 13,879,388	₩ 15,100,049	₩ (765,517)	₩ 14,334,532
Short-term loans	324,564	(78,009)	246,555	210,134	(77,766)	132,368
Other receivables	3,166,781	(106,469)	3,060,312	3,704,533	(144,742)	3,559,791
Accrued income	118,727	(1,404)	117,323	130,741	(13,728)	117,013
Short-term guarantee deposits	508,439	(809)	507,630	470,027	(769)	469,258
Short-term Lease receivables	23,892	-	23,892	27,745	-	27,745
Long-term trade receivables	589,171	(43,729)	545,442	548,695	(30,994)	517,701
Long-term loans	960,487	(287,460)	673,027	801,566	(392,612)	408,954
Long-term other receivables	830,235	(20,323)	809,912	401,733	(20,769)	380,964
Long-term accrued income	32,462	-	32,462	-	-	-
Long-term guarantee deposits	617,484	(2,039)	615,445	694,750	(2,364)	692,386
Long-term lease receivables	43,385	-	43,385	59,316	-	59,316
	<u>₩ 21,578,064</u>	<u>₩ (1,023,291)</u>	<u>₩ 20,554,773</u>	<u>₩ 22,149,289</u>	<u>₩ (1,449,261)</u>	<u>₩ 20,700,028</u>

(*1) Includes the net investment amount of the finance lease provided by the Group as a manufacturer or seller.

(2) Details of contract assets and liabilities related to the contract with the customer as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023	December 31, 2022
Contract assets: (*1)		
Construction business	₩ 988,478	₩ 988,901
Telecommunication business	129,771	132,221
Others	294,712	241,677
	<u>₩ 1,412,961</u>	<u>₩ 1,362,799</u>
Contract liabilities: (*2)		
Construction business	₩ 1,123,313	₩ 1,201,904
Telecommunication business	212,493	233,922
City gas business	283,275	268,898
Others	1,220,323	1,101,977
	<u>₩ 2,839,404</u>	<u>₩ 2,806,701</u>

(*1) Contract assets are included in trade receivables and other assets.

(*2) Contract liabilities are included in trade payables, advances received and other liabilities. The amount recognized as revenue in the current period in relation to the contract liabilities in the end of the prior period is ₩1,150,505 million.

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8. Inventories

(1) Details of inventories as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023			December 31, 2022		
	Acquisition	Valuation allowance	Book value	Acquisition	Valuation allowance	Book value
Merchandise	₩ 1,483,797	₩ (73,429)	₩ 1,410,368	₩ 1,472,655	₩ (41,180)	₩ 1,431,475
Finished goods	4,978,286	(324,487)	4,653,799	4,669,223	(421,219)	4,248,004
Semifinished goods and work in progress	1,803,927	(131,952)	1,671,975	2,156,940	(337,549)	1,819,391
Raw materials and sub-materials	3,397,528	(165,039)	3,232,489	3,809,625	(232,547)	3,577,078
Materials in transit	3,079,113	-	3,079,113	3,791,181	-	3,791,181
Supplies	943,308	(5,839)	937,469	668,966	(3,343)	665,623
Uncompleted contracts	17,326	-	17,326	16,765	-	16,765
Others	5,169	(1,153)	4,016	3,920	(1,153)	2,767
	₩ 15,708,454	₩ (701,899)	₩ 15,006,555	₩ 16,589,275	₩ (1,036,991)	₩ 15,552,284

(2) Details of profit or loss recognized for the years ended December 31, 2023 and 2022 with regards to Inventories are as follows (Korean won in millions):

	December 31, 2023	December 31, 2022
(Reversal of) Loss on valuation of inventories	₩ (335,092)	₩ 637,025

9. Investment securities

(1) Details of investment securities as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023			
	Equity instruments		Bond instruments	
	Listed Stocks	Unlisted Stocks	Listed debt securities	Unlisted debt securities
Current assets				
Financial assets measured at FVTPL	₩ -	₩ -	₩ -	₩ 186,793
Financial assets measured at FVOCI (*1)	-	-	-	-
Financial assets measured at amortized cost	-	-	-	45
	₩ -	₩ -	₩ -	₩ 186,838
Non-current assets				
Financial assets measured at FVTPL	₩ 329,190	₩ 93,151	₩ -	₩ 1,306,633
Financial assets measured at FVOCI (*1)	2,693,803	3,120,434	-	1
Financial assets measured at amortized cost	-	-	-	864
	₩ 3,022,993	₩ 3,213,585	₩ -	₩ 1,307,498
	₩ 3,022,993	₩ 3,213,585	₩ -	₩ 1,494,336

SK Inc. and its subsidiaries
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9. Investment securities (cont'd)

	December 31, 2022							
	Equity instruments				Bond instruments			
	Listed Stocks		Unlisted stocks		Listed debt securities		Unlisted debt securities	
Current assets								
Financial assets measured at FVTPL	₩	-	₩	-	₩	-	₩	230,576
Financial assets measured at FVOCI (*1)		-		-		-		-
Financial assets measured at amortized cost		-		-		-		10,045
	₩	-	₩	-	₩	-	₩	240,621
Non-current assets								
Financial assets measured at FVTPL	₩	430,499	₩	145,087	₩	-	₩	1,401,065
Financial assets measured at FVOCI (*1)		2,853,745		3,118,493		-		662
Financial assets measured at amortized cost		-		-		-		946
	₩	3,284,244	₩	3,263,580	₩	-	₩	1,402,673
	₩	3,284,244	₩	3,263,580	₩	-	₩	1,643,294

(*1) The Group has applied the irrevocable option to designate the equity instruments held for strategic investment, not for held-for-trading purpose, at the date of initial application, as items measured at FVOCI.

(2) Details of the fair value of investments in major equity instruments designated as Financial assets measured at FVOCI as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023		December 31, 2022	
Plug power, Inc.	₩	318,930	₩	861,678
China Gas Holdings Limited		91,103		134,814
Net Power, Inc.		462,383		-
Joby Aviation, Inc.		128,940		-
KRAFTON, Inc.		210,172		182,381
Kakao Corp.		587,445		574,463
Hana Financial Group Inc.		374,583		362,931

(3) Changes in Financial assets measured at FVOCI for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023		December 31, 2022	
Beginning balance	₩	5,972,901	₩	7,572,640
Acquisitions		454,340		1,025,574
Disposals		(159,141)		(617,266)
Profit of loss		-		-
Other comprehensive income (loss)		(627,028)		(2,324,360)
Change in the scope of consolidation		(35,867)		(59,275)
Others		209,033		375,588
Ending balance	₩	5,814,238	₩	5,972,901

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10. Investments in joint ventures

(1) Details of investments in joint ventures as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	Domicile	Principal Business activity	December 31, 2023		December 31, 2022		Fiscal year-end month
			Ownership percentage (%)	Book value	Ownership percentage (%)	Book value	
Sinopec-SK (Wuhan) Petrochemical Co., Ltd.	China	Chemical product manufacturing	35.0	₩ 901,241	35.0	₩ 965,874	12
Beijing BESK Technology Co., Ltd.	China	Battery manufacturing	49.0	263,870	49.0	251,247	12
Lunar Energy, Inc.	USA	Power Management Services	43.5	97,817	43.7	129,964	12
ZETA CAYMAN Limited	Cayman	Overseas investment	50.0	153,906	50.0	140,229	12
Ignis Therapeutics	Cayman	Pharmaceutical manufacturing	41.0	93,293	46.9	90,858	12
Eurasia Tunnel	Turkey	construction	50.0	466,996	50.0	409,162	12
Parkingcloud Corp.	Korea	Business support service	44.5	155,569	47.0	157,625	12
BORYEONG LNG TERMINAL CO.,LTD.	Korea	Energy	50.0	172,398	50.0	164,059	12
SABIC SK Nexlene Company Pte. Ltd.	Singapore	Investment	50.0	228,782	50.0	189,585	12
Korea Security Holdings Co., Ltd. (*1)	Korea	Holding company	32.0	887,398	-	-	12
Zhejiang SK energy Baoying Group Co., Ltd.	China	Asphalt business	49.0	102,943	49.0	103,443	12
HSAGP ENERGY LLC	USA	Investment	50.0	831,600	-	-	12
Other				473,265		393,667	12
				₩ 4,829,078		₩2,995,713	

(*1) Due to the sale of some shares held by the subsidiary during the current period, resulting in loss of control, the remaining shares were reclassified as investments in joint ventures.

All joint arrangements that the Group has joint control over are structured by a separate entity. The parties that have joint control with respect to the joint agreements hold the rights to the net assets of the agreements and accordingly, they are classified as joint ventures.

(2) Changes in carrying amount of investments in joint ventures for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023									
	Beginning balance	Acquisition	Disposals	Equity in earnings of investment in associates (loss)	Changes in equity adjustment	Dividends	Impairment	Others(*1)	Ending balance	
Sinopec-SK (Wuhan) Petrochemical Co., Ltd.	₩ 965,874	₩ -	₩ -	₩ (62,565)	₩ (2,068)	₩ -	₩ -	₩ -	₩ 901,241	
Beijing BESK Technology Co., Ltd.	251,247	-	-	13,531	(908)	-	-	-	263,870	
Lunar Energy, Inc.	129,964	-	-	(41,235)	6,395	-	-	2,693	97,817	
ZETA CAYMAN Limited	140,229	992	-	(989)	11,368	-	-	2,306	153,906	
Ignis Therapeutics	90,858	-	-	(11,535)	1,854	-	-	12,116	93,293	
Eurasia Tunnel	409,162	-	-	48,234	4,210	-	-	5,390	466,996	
Parkingcloud Corp.	157,625	-	(7,946)	(2,534)	8,424	-	-	-	155,569	
BORYEONG LNG TERMINAL CO.,LTD.	164,059	-	-	18,328	11	(10,000)	-	-	172,398	
SABIC SK Nexlene Company Pte. Ltd.	189,585	-	-	52,532	(459)	(12,876)	-	-	228,782	
Korea Security Holdings Co., Ltd.	-	891,954	-	(5,238)	682	-	-	-	887,398	
Zhejiang SK energy Baoying Group Co., Ltd.	103,443	-	-	3,590	(451)	(3,639)	-	-	102,943	
HSAGP ENERGY LLC	-	848,452	-	748	-	-	-	(17,600)	831,600	
Other	393,667	105,075	(2,063)	(24,950)	951	(13,782)	(996)	15,363	473,265	
	₩ 2,995,713	₩ 1,846,473	₩ (10,009)	₩ (12,083)	₩ 30,009	₩ (40,297)	₩ (996)	₩ 20,268	₩ 4,829,078	

(*1) Others include the effects of changes in scope of consolidation, net foreign currency differences and others.

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10. Investments in joint ventures (cont'd)

	December 31, 2022								
	Beginning balance	Acquisition	Disposals	Equity in earnings of investment in associates (loss)	Changes in equity adjustment	Dividends	Others(*1)	Ending balance	
Sinopec-SK (Wuhan) Petrochemical Co., Ltd.	₩ 1,140,152	₩ -	₩ -	₩ (88,380)	₩ (22,489)	₩ (63,409)	₩ -	₩ 965,874	
SK pucore Co., Ltd.	397,417	-	-	-	-	-	(397,417)	-	
Beijing BESK Technology Co., Ltd.	261,564	-	-	(3,184)	(7,133)	-	-	251,247	
Lunar Energy, Inc.	73,042	90,325	-	(44,252)	-	-	10,849	129,964	
ZETA CAYMAN Limited	108,562	982	-	(979)	24,644	-	7,020	140,229	
Ignis Therapeutics	93,980	-	-	(14,927)	11,548	-	257	90,858	
Eurasia Tunnel	323,192	-	-	38,272	25,627	-	22,071	409,162	
Parkingcloud Corp.	160,038	-	(201)	(2,449)	237	-	-	157,625	
BORYEONG LNG TERMINAL CO.,LTD.	146,686	-	-	17,233	140	-	-	164,059	
SABIC SK Nextlene Company Pte. Ltd.	125,952	-	-	68,848	(5,215)	-	-	189,585	
Other	180,813	341,281	(9,420)	(75,054)	3,183	(3,380)	59,687	497,110	
	₩ 3,011,398	₩ 432,588	₩ (9,621)	₩ (104,872)	₩ 30,542	₩ (66,789)	₩ (297,533)	₩ 2,995,713	

(*1) Others include the effects of changes in scope of consolidation, net foreign currency differences and others.

(3) Details of reconciliation from net assets of significant investments in joint ventures to book value of investments in joint ventures as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023					
	Net assets	Equity ownership(%)	Net assets attributable to the ownership interests	Cost-book value differentials	Intercompany transactions and others	Book value
Sinopec-SK (Wuhan) Petrochemical Co., Ltd.	₩ 2,360,425	35.0	₩ 826,149	₩ 75,092	₩ -	₩ 901,241
Beijing BESK Technology Co., Ltd.	536,179	49.0	262,728	1,289	(147)	263,870
Lunar Energy, Inc.	362,800	43.5	157,818	-	(60,001)	97,817
ZETA CAYMAN Limited	307,812	50.0	153,906	-	-	153,906
Ignis Therapeutics (*1)	358,810	41.0	136,352	23,770	(66,829)	93,293
Eurasia Tunnel	913,371	50.0	456,686	-	10,310	466,996
Parkingcloud Corp	134,427	44.5	59,813	95,756	-	155,569
Boryeong LNG Terminal Co., Ltd.	320,243	50.0	160,122	28,736	(16,460)	172,398
Sabic SK Nextlene Company Pte. Ltd.	525,211	50.0	262,606	-	(33,824)	228,782
Korea Security Holdings Co., Ltd.	(303,740)	32.0	(97,197)	984,595	-	887,398
Zhejiang SK energy Baoying Group Co., Ltd.	193,457	49.0	94,794	8,149	-	102,943
HSAGP ENERGY LLC	1,663,200	50.0	831,600	-	-	831,600

(*1) The net assets of the joint venture are multiplied by the share ratio after excluding related equity adjustment in the employee stock ownership plan.

	December 31, 2022					
	Net assets	Equity ownership(%)	Net assets attributable to the ownership interests	Cost-book value differentials	Intercompany transactions and others	Book value
Sinopec-SK (Wuhan) Petrochemical Co., Ltd.	₩ 2,544,380	35.0	₩ 890,533	₩ 75,341	₩ -	₩ 965,874
Beijing BESK Technology Co., Ltd.	533,054	49.0	261,197	1,289	(11,239)	251,247
Lunar Energy, Inc.	289,758	43.7	126,624	3,340	-	129,964
ZETA CAYMAN Limited	280,458	50.0	140,229	-	-	140,229
Ignis Therapeutics (*1)	303,533	46.9	134,120	26,732	(69,994)	90,858
Eurasia Tunnel	798,345	50.0	399,172	17,209	(7,219)	409,162
Parkingcloud Corp	117,314	47.0	55,183	102,442	-	157,625
Boryeong LNG Terminal Co., Ltd.	304,092	50.0	152,046	28,736	(16,723)	164,059
Sabic SK Nextlene Company Pte. Ltd.	451,105	50.0	225,553	-	(35,968)	189,585

(*1) The net assets of the joint venture are multiplied by the share ratio after excluding related equity adjustment in the employee stock ownership trust system.

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10. Investments in joint ventures (cont'd)

(4) Condensed financial information's of significant investments in joint ventures as of December 31, 2023 and 2022 are as follows (Korean won in millions).

	December 31, 2023						
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Sales	Net income (loss)	Total comprehensive income (loss)
Sinopec-SK (Wuhan) Petrochemical Co., Ltd.	₩ 863,233	₩ 4,199,064	₩ 1,044,873	₩ 1,656,999	₩10,864,951	₩ (178,756)	₩ (25,446)
Beijing BESK Technology Co., Ltd.	372,520	404,167	191,994	48,514	852,404	7,341	7,341
Lunar Energy, Inc.	225,646	158,978	14,660	7,164	3,404	(105,197)	(104,871)
ZETA CAYMAN Limited	1,745	306,556	489	-	-	(1,978)	(1,978)
Ignis Therapeutics	168,544	196,956	5,708	982	-	(35,811)	(36,243)
Eurasia Tunnel	303,210	1,614,454	190,620	813,673	17,096	93,508	96,902
Parkingcloud Corp	121,766	67,284	35,410	19,212	83,976	(2,306)	(2,306)
Boryeong LNG Terminal Co., Ltd.	172,082	1,491,254	100,172	1,242,920	242,854	36,131	36,152
SABIC SK Nexlene Company Pte. Ltd.	418,680	520,367	147,318	266,518	655,464	100,684	93,076
Korea Security Holdings Co., Ltd.	594,756	5,147,138	531,301	2,544,556	888,094	(16,101)	(25,446)
Zhejiang SK energy Baoying Group Co., Ltd.	511,826	84,192	380,872	4,826	1,084,696	7,172	7,089
HSAGP ENERGY LLC	509,989	1,199,646	-	46,435	-	1,496	1,496

	December 31, 2022						
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Sales	Net income (loss)	Total comprehensive income (loss)
Sinopec-SK (Wuhan) Petrochemical Co., Ltd.	₩ 1,048,968	₩ 4,451,906	₩ 1,540,089	₩ 1,416,405	₩ 11,083,635	₩ (252,483)	₩ (252,483)
Beijing BESK Technology Co., Ltd.	487,154	443,638	378,291	19,447	827,742	8,687	8,687
Lunar Energy, Inc.	198,449	149,805	19,264	39,232	3,327	(102,237)	(102,237)
ZETA CAYMAN Limited	1,708	279,230	480	-	-	(1,959)	47,330
Ignis Therapeutics	106,965	198,852	1,743	541	-	(56,711)	(56,922)
Eurasia Tunnel	264,318	1,589,750	174,843	880,880	10,974	65,914	117,589
Parkingcloud Corp	128,999	72,295	44,696	39,284	74,957	(2,091)	(2,091)
Boryeong LNG Terminal Co., Ltd.	161,482	1,528,879	144,413	1,241,856	347,528	33,913	34,194
SABIC SK Nexlene Company Pte. Ltd.	378,172	489,856	119,137	297,786	648,468	134,917	103,955

11. Investments in associates

(1) Details of investments in associates as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023				December 31, 2022		Fiscal year-end month
	Domicile	Principal Business activity	Ownership percentage (%)	Book value	Ownership percentage (%)	Book value	
SK hynix Inc. (*1)	Koera	Semiconductor	20.1	₩ 11,694,067	20.1	₩13,876,478	12
Vingroup Joint Stock Company (*2)	Vietnam	Holding company	6.1	549,217	6.1	668,735	12
Eureka Midstream Holdings	USA	Resource development	40.0	549,070	40.0	558,039	12
VCM Services And Trading Development Joint Stock Company (*2)	Vietnam	Investment	15.8	489,055	15.8	495,372	12
Masan Group Corporation (*2)	Vietnam	Holding company(F&B, Livestock, Mining, Banking)	9.2	419,226	9.3	382,546	12
SK ecoengineering Co., Ltd. (*3)	Koera	Civil Engineering Construction	-	-	49.9	508,121	12
Darwin LNG Pty Ltd.	Australia	Wholesale, import and export of LNG gas and other	25.0	473,791	25.0	458,916	12
Center For Breakthrough Medicines Holdings, LLC (*3)	USA	Pharmaceutical manufacturing	-	-	44.0	387,739	12
Shenzhen Lonian Wason Holdings Group. Co., Ltd.	China	Battery Material manufacturing	-	-	29.5	468,993	12
The CrownX Corporation (*2)	Vietnam	Holding company	4.9	380,736	4.9	390,667	12
FR BR Aggregator	USA	Resource development	39.0	164,973	39.0	286,327	12
Huizhou EVE United Energy Co., Ltd.	China	Battery Manufacturing	49.0	514,635	49.0	430,301	12
Peru LNG Company, LLC	USA	LNG	20.0	279,825	20.0	291,151	12
Daehan Oil Pipeline Corporation	Korea	Pipeline transportation	41.0	327,897	41.0	325,794	12

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11. Investments in associates (cont'd)

	Domicile	Principal Business activity	December 31, 2023		December 31, 2022		Fiscal year-end month
			Ownership percentage (%)	Book value	Ownership percentage (%)	Book value	
NHIP II Bison Holdings, LLC	USA	Resource development	24.4	₩ 307,089	24.4	₩ 301,753	12
Yemen LNG Company Ltd. (*2, 4)	Bermuda	LNG	6.9	-	6.9	-	12
Canakkale Highway And Bridge	Turkey	Construction	25.0	333,655	25.0	339,811	12
Korea IT Fund (*5)	Korea	Investment	63.3	336,404	63.3	324,860	12
SK Life Sciences Labs, Inc. (*3)	USA	Pharmaceutical	-	-	40.0	205,760	12
Joyvio (*2)	China	Investment	13.3	195,987	14.0	219,137	12
Content Wavve Corp.	Korea	Broadcasting	40.5	118,459	39.3	139,931	12
Best Oil Company Ltd.	Myanmar	Oil product trading and distribution	35.0	150,945	35.0	135,364	9
TBM Co., Ltd. (*2)	Japan	Manufacturing	13.4	94,637	13.5	124,336	12
ENN (Zhoushan) LNG Co., Ltd. (*2)	China	Energy	10.0	146,415	10.0	136,268	12
8 Rivers Capital LLC (*3)	USA	Investment	-	-	12.5	124,296	12
XE-PIAN XE-NAMNOY POWER COMPANY LIMITED.	Laos	Hydropower generation	26.0	149,761	26.0	149,956	12
BLOOMENERGY CORPORATION (*2)	USA	Other power generation	10.5	579,440	-	-	12
TERRAPOWER, LLC (*2)	USA	Small nuclear reactor	11.7	284,753	7.4	154,461	12
Londian Wason New Energy Tech. Inc.	Cayman	EV charger manufacturing	29.6	474,388	-	-	12
CENVIRO SDN. BHD.	Malaysia	Recycling and recovery	30.0	135,427	30.0	134,521	12
Goseong Green Power Co., Ltd. (*2)	Korea	Thermal power generation	10.0	117,674	10.0	119,025	12
ChangZhou BTR New Material Technology CO.,LTD.	China	New energy	25.0	107,487	25.8	83,264	12
Nexeon	UK	Investment	21.3	106,024	22.3	112,711	12
Amogy Inc. (*2)	USA	Fuel cell	15.3	101,966	-	-	12
Other				2,125,426		2,126,657	
				₩ 21,708,429		₩24,461,292	

- (*1) Equity ownership includes indirect investments held by the consolidated subsidiaries.
(*2) The Group retains significant influence on the associate despite having less than 20% equity interests.
(*3) It has been consolidated during the year December 31, 2023..
(*4) Impairment losses on investments in associates were fully recognized as there was an indication of impairment prior to the current period.
(*5) These companies were not included as consolidated subsidiaries as the Group does not have control over more than half of the voting rights by agreements.

(2) Changes in carrying amount of investments in associates for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023								
	Beginning balance	Acquisition	Disposals	Equity in earnings of investment in associates (loss)	Changes in equity adjustment	Dividends	Impairment	Others(*1)	Ending balance
SK hynix Inc.	₩ 13,876,478	₩ 5,468	₩ (2,163)	₩ (2,030,769)	₩ 20,374	₩ (175,320)	₩ -	₩ -	₩ 11,694,068
Vingroup Joint Stock Company	668,735	-	-	(884)	35,860	-	(153,064)	(1,430)	549,217
Eureka Midstream Holdings	558,039	-	-	15,426	-	(34,358)	-	9,964	549,071
VCM Services And Trading Development Joint Stock Company	495,373	-	-	(7,320)	(7,298)	-	-	8,300	489,055
Masan Group Corporation	382,546	-	(1,670)	(16,303)	51,132	-	-	3,522	419,227
SK ecoengineering Co., Ltd.	508,121	-	-	(12,705)	8,102	-	-	(503,518)	-
Darwin LNG Pty Ltd.	458,916	-	-	(2,238)	9,083	-	-	8,030	473,791
Center For Breakthrough Medicines Holdings, LLC	387,739	195,812	(54,089)	(72,041)	-	-	-	(457,421)	-

SK Inc. and its subsidiaries
Notes to the consolidated financial statements
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11. Investments in associates (cont'd)

	December 31, 2023									
	Beginning balance	Acquisition	Disposals	Equity in earnings of investment in associates (loss)	Changes in equity adjustment	Dividends	Impairment	Others(*1)	Ending balance	
Shenzhen Londian Wason Holdings Group. Co., Ltd.	₩ 468,993	₩ -	₩ -	₩ (3,948)	₩ -	₩ -	₩ -	₩ (465,045)	₩ -	
The CrownX Corporation	390,667	-	-	4,021	1,971	-	(21,104)	5,181	380,736	
FR BR Aggregator	286,327	48,953	-	(176,869)	-	-	-	6,562	164,973	
Huizhou EVE United Energy Co., Ltd.	430,301	-	-	86,844	(2,510)	-	-	-	514,635	
Peru LNG Company, LLC	291,151	-	(11,857)	(4,869)	5,400	-	-	-	279,825	
Daehan Oil Pipeline Corporation	325,794	-	-	17,711	(296)	(15,312)	-	-	327,897	
NHIP II Bison Holdings, LLC	301,753	-	-	(87)	-	-	-	5,422	307,088	
Canakkale Highway And Bridge	339,811	-	-	(1,227)	(4,929)	-	-	-	333,655	
Korea IT Fund	324,860	-	-	10,343	3,366	(2,165)	-	-	336,404	
SK Life Sciences Labs, Inc.	205,760	-	(157,519)	(5,057)	5,963	(7,844)	-	(41,303)	-	
Joyvio	219,137	-	-	3,058	(30,364)	-	-	4,156	195,987	
Content Wavve Corp.	139,931	24,760	-	(46,511)	(213)	-	-	491	118,458	
Best Oil Company Limited	135,364	-	-	12,824	1,661	-	-	1,096	150,945	
TBM Co., Ltd.	124,336	-	-	(5,426)	-	-	(19,597)	(4,677)	94,636	
ENN (Zhoushan) LNG Co., Ltd.	136,268	-	-	9,285	(1,418)	-	-	2,280	146,415	
8 Rivers Capital LLC	124,297	272,903	-	(2,536)	(35,283)	-	-	(359,381)	-	
XE-PIAN XE-NAMNOY POWER COMPANY LIMITED.	149,956	-	-	(1,898)	1,702	-	-	-	149,760	
BLOOMENERGY CORPORATION	-	-	-	(2,782)	(1,235)	-	-	583,457	579,440	
TERRAPOWER, LLC	154,461	163,176	-	(33,993)	-	-	-	1,109	284,753	
Londian Wason New Energy Tech. Inc.	-	15,961	-	-	-	-	-	458,427	474,388	
CENVIRO SDN. BHD.	134,521	-	-	4,108	9	-	-	(3,211)	135,427	
Goseong Green Power Co., Ltd.	119,025	-	-	(1,319)	(32)	-	-	-	117,674	
ChangZhou BTR New Material Technology CO.,LTD.	83,264	3,380	(2,997)	21,150	2,690	-	-	-	107,487	
Nexeon	112,711	-	(5,184)	(5,747)	(38)	-	-	4,281	106,023	
Amogy Inc.	-	65,420	-	(7,683)	614	-	-	43,615	101,966	
Other	2,126,657	407,940	(58,380)	(89,957)	62,459	(58,862)	(123,004)	(141,425)	2,125,428	
	₩ 24,461,292	₩ 1,203,773	₩ (293,859)	₩ (2,347,399)	₩ 126,770	₩ (293,861)	₩ (316,769)	₩ (831,518)	₩ 21,708,429	

(*1) Others include the effects of changes in scope of consolidation, net foreign currency differences and others.

	December 31, 2022									
	Beginning balance	Acquisition	Disposals	Equity in earnings of investment in associates (loss)	Changes in equity adjustment	Dividends	Impairment	Others(*1)	Ending balance	
SK hynix Inc.	₩ 13,746,931	₩ -	₩ -	₩ 363,823	₩ 122,037	₩ (356,483)	₩ -	₩ 170	₩ 13,876,478	
Vingroup Joint Stock Company	984,778	-	-	(37,374)	(31,801)	-	(320,701)	73,833	668,735	
Eureka Midstream Holdings	523,829	-	-	18,699	-	(20,671)	-	36,182	558,039	
VCM Services And Trading Development Joint Stock Company	454,794	-	-	12,037	(3,566)	-	-	32,107	495,372	
Masan Group Corporation	419,935	-	-	(11,417)	(51,072)	(5,819)	-	30,919	382,546	
SK ecoengineering Co., Ltd.	-	-	-	23,917	(3,658)	-	-	487,862	508,121	
Darwin LNG Pty Ltd.	438,090	-	-	(2,541)	-	(3,882)	-	27,249	458,916	
Center For Breakthrough Medicines Holdings, LLC	237,277	193,001	-	(56,304)	-	-	-	13,765	387,739	
Shenzhen Londian Wason Holdings Group. Co., Ltd.	443,661	-	(285)	(5,100)	-	-	-	30,717	468,993	
The CrownX Corporation	361,163	-	-	744	(1,617)	-	-	30,377	390,667	

SK Inc. and its subsidiaries
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11. Investments in associates (cont'd)

	December 31, 2022									
	Beginning balance	Acquisition	Disposals	Equity in earnings of investment in associates (loss)	Changes in equity adjustment	Dividends	Impairment	Others(*1)	Ending balance	
FR BR Aggregator	₩ 301,159	₩ -	₩ -	₩ (36,165)	₩ -	₩ (1,431)	₩ -	₩ 22,764	₩ 286,327	
Huizhou EVE United Energy Co., Ltd.	430,164	-	-	13,802	(13,665)	-	-	-	430,301	
Peru LNG Company, LLC	258,037	-	-	15,613	17,501	-	-	-	291,151	
Daehan Oil Pipeline Corporation	317,050	-	-	17,002	1,490	(9,748)	-	-	325,794	
NHIP II Bison Holdings, LLC	265,634	-	-	27,173	-	(9,037)	-	17,983	301,753	
Hana Card Co., Ltd.	349,866	-	(368,389)	17,749	774	-	-	-	-	
Canakkale Highway And Bridge	276,853	18,241	-	(42,741)	87,458	-	-	-	339,811	
Korea IT Fund	339,976	-	-	4,753	(7,459)	(12,410)	-	-	324,860	
ProteoVant Sciences, Inc.	212,874	-	-	(29,248)	22,134	-	-	-	205,760	
Joyvio	240,006	-	-	(14,324)	(23,833)	-	-	17,288	219,137	
Content Wavve Corp.	141,142	32,059	-	(33,301)	31	-	-	-	139,931	
Best Oil Company Limited	132,430	-	-	17,158	(18,859)	-	-	4,635	135,364	
TBM Co., Ltd.	138,602	-	-	(4,028)	1	-	-	(10,239)	124,336	
ENN (Zhoushan) LNG Co., Ltd.	130,473	-	-	7,467	(10,737)	-	-	9,065	136,268	
8 Rivers Capital LLC	-	129,195	-	(2,481)	-	-	-	(2,418)	124,296	
Other	1,894,323	1,376,599	(41,972)	(75,800)	19,596	(65,875)	(54,446)	(171,828)	2,880,597	
	₩ 23,039,047	₩ 1,749,095	₩ (410,646)	₩ 189,113	₩ 104,755	₩ (485,356)	₩ (375,147)	₩ 650,431	₩ 24,461,292	

(*1) Others include the effects of changes in scope of consolidation, net foreign currency differences and others.

(3) Details of unrecognized changes in equity due to the suspension of equity method application in investments in associates as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	Unrecognized equity method loss		Unrecognized equity method capital changes	
	December 31, 2023	Accumulated	December 31, 2023	Accumulated
Gunpo Mixed Use Development PFV Company	₩ 1,626	₩ 6,614	₩ -	₩ -
Daehan 4 New Stay REIT Co., Ltd.	8,782	11,511	-	-
Chuncheon Fuel Battery Co., Ltd.	25	25	-	-
Yongin General Industrial Complex Co., Ltd.	(6,652)	-	-	-
InterVest New Growth Fund	216	716	-	-
CHUNGJU BIJEU KOEO CITY CO., LTD.	182	196	-	-
HAEUNDAE MARINEWON PFV CO., LTD.	18,224	22,033	-	-
Chuncheon Clean Water Load Co., Ltd.	9	18	-	-
Pohang New Water Road Co., Ltd.	109	366	-	-
Gangneung Sacheon Fuelcell Co., Ltd.	(646)	838	-	-
BARR Operation and Maintenance. LLP	91	91	-	-
Sonori corp	2	222	-	-
Invites healthcare Co., Ltd.	7,844	7,844	1,179	1,179
U-land Co., Ltd.	-	1,011	-	-
Daehan Kanggun BcN Co., Ltd.	-	4,176	-	-
Yemen LNG Company Ltd.	16,507	74,518	6,132	19,268
	₩ 46,319	₩ 130,179	₩ 7,311	₩ 20,447

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11. Investments in associates (cont'd)

	Unrecognized equity method loss		Unrecognized equity method capital changes	
	December 31, 2022	Accumulated	December 31, 2022	Accumulated
Gunpo Mixed Use Development PFV Company	₩ 3,237	₩ 4,988	₩ -	₩ -
Daehan 4 New Stay REIT Co., Ltd.	2,729	2,729	-	-
YONGIN General Industrial Complex Co.,Ltd	(296)	6,652	-	-
InterVest New Growth Fund	(1)	500	-	-
CHUNGJU BIJEU KOEO CITY CO., LTD.	14	14	-	-
HAEUNDAE MARINEWON PFV CO.,LTD.	3,809	3,809	-	-
Chuncheon Clean Water Load Co., Ltd	9	9	-	-
Pohang New Water Road Co., Ltd	257	257	-	-
Gangneung Sacheon Fuelcell Co., Ltd.	561	1,484	-	-
U-land Co.Ltd.	-	1,011	-	-
Daehan Kanggun BcN Co., Ltd.	-	4,176	-	-
Yemen LNG Company Ltd.	11,817	58,011	10,858	13,135
Korea Consortium Kazakh B.V.	-	175,694	(1,350)	(23,837)
Wave City Development co., Ltd	152	8,695	-	-
	₩ 22,288	₩ 268,029	₩ 9,508	₩ (10,702)

(4) Details of reconciliation from net assets of associates controlled entities to book value of investments in associates controlled entities as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023					Book value
	Net assets(*1)	Ownership percentage (%)	The Group's interest in net asset	Investment difference	Internal transaction	
SK hynix Inc. (*2)	₩ 53,500,990	20.1	₩ 11,358,260	₩ 590,700	₩ (254,892)	₩ 11,694,068
Vingroup Joint Stock Company	6,536,436	6.1	398,723	150,494	-	549,217
Eureka Midstream Holdings	736,820	40.0	294,728	254,342	-	549,070
VCM Services And Trading Development Joint Stock Company	234,847	15.8	37,106	451,949	-	489,055
Masan Group Corporation	1,424,862	9.2	131,087	288,140	-	419,227
Darwin LNG Pty Ltd.	206,684	25.0	51,671	422,120	-	473,791
The CrownX Corporation	1,440,807	4.9	70,600	310,136	-	380,736
FR BR Aggregator	423,008	39.0	164,973	-	-	164,973
Huizhou EVE United Energy Co., Ltd.	1,057,996	49.0	518,418	-	(3,783)	514,635
Peru LNG Company, LLC	1,400,477	20.0	280,095	-	(270)	279,825
Daehan Oil Pipeline Corporation	763,494	41.0	313,045	22,878	(8,026)	327,897
NHIP II Bison Holdings, LLC	1,258,451	24.4	307,062	27	-	307,089
Canakkale Highway And Bridge	1,334,621	25.0	333,655	-	-	333,655
Korea IT Fund	531,163	63.3	336,404	-	-	336,404
Joyvio	1,025,216	13.3	136,354	59,633	-	195,987
Content Wavve Corp	(37,967)	40.5	(15,384)	133,386	457	118,459
Best Oil Company Limited	279,451	35.0	97,808	52,766	371	150,945
TBM Co., Ltd.	69,300	13.4	9,286	-	85,351	94,637
ENN (Zhoushan) LNG Co., Ltd.	697,454	10.0	69,745	76,670	-	146,415
XE-PIAN XE-NAMNOY POWER COMPANY LIMITED.	469,397	26.0	122,043	-	27,717	149,760
BLOOMENERGY CORPORATION	625,196	10.5	65,521	152,166	361,753	579,440
TERRAPOWER, LLC	762,414	11.7	89,202	195,551	-	284,753
Londian Wason New Energy Tech. Inc.	686,062	29.6	203,074	-	271,314	474,388
CENVIRO SDN. BHD.	145,889	30.0	43,767	91,414	246	135,427
Goseong Green Power Co., Ltd.	999,091	10.0	99,909	8,652	9,113	117,674
ChangZhou BTR New Material Technology CO.,LTD.	429,649	25.0	107,434	813	(760)	107,487
Nexxon	145,213	21.3	30,896	68,819	6,309	106,024
Amogy Inc.	375,191	15.3	57,404	44,405	157	101,966

(*1) Net assets are the amount excluding the amount of non-controlling interests of the associates company.

(*2) The equity ownership presented is the ownership in respect to the number of shares issued by the investee, and the effective equity ratio of 21.23% was applied to the equity method valuation.

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11. Investments in associates (cont'd)

	December 31, 2022					
	Net assets	Ownership percentage (%)	The Group's interest in net asset	Investment difference	Internal transaction	Book value
SK hynix Inc.	₩ 63,277,078	20.1	₩ 13,444,064	₩ 641,849	₩ (209,435)	₩ 13,876,478
Vingroup Joint Stock Company	6,489,239	6.1	404,929	263,806	-	668,735
Eureka Midstream Holdings	752,416	40.0	300,967	257,072	-	558,039
VCM Services And Trading Development Joint Stock Company	199,194	15.8	31,372	464,000	-	495,372
Masan Group Corporation	465,598	9.3	43,115	339,431	-	382,546
SK ecoengineering Co., Ltd.	269,083	49.9	134,542	413,393	(39,814)	508,121
Darwin LNG Pty Ltd.	143,544	25.0	35,886	423,030	-	458,916
Center For Breakthrough Medicines Holdings, LLC	259,681	44.0	114,276	273,463	-	387,739
Shenzhen Londian Wason Holdings Group. Co., Ltd.	977,982	29.5	288,831	180,162	-	468,993
The CrownX Corporation	947,209	4.9	46,224	344,443	-	390,667
FR BR Aggregator	734,705	39.0	286,315	12	-	286,327
Huizhou EVE United Energy Co., Ltd.	956,225	49.0	468,550	-	(38,249)	430,301
Peru LNG Company, LLC	1,458,093	20.0	291,619	-	(468)	291,151
Daehan Oil Pipeline Corporation	758,444	41.0	310,974	22,878	(8,058)	325,794
NHIP II Bison Holdings, LLC	1,237,201	24.4	301,753	-	-	301,753
Canakkale Highway And Bridge	1,366,773	25.0	341,694	-	(1,883)	339,811
Korea IT Fund	512,936	63.3	324,860	-	-	324,860
ProteoVant Sciences, Inc.	130,201	40.0	52,080	153,680	-	205,760
Joyvio	1,210,064	14.0	169,409	49,728	-	219,137
Content Wavve Corp	52,013	39.3	20,426	118,438	1,067	139,931
Best Oil Company Limited	239,469	35.0	83,814	51,655	(105)	135,364
TBM Co., Ltd.	103,084	13.5	13,906	110,430	-	124,336
ENN (Zhoushan) LNG Co., Ltd.	606,408	10.0	60,641	75,627	-	136,268
8 Rivers Capital LLC	109,889	12.5	13,736	110,560	-	124,296

(5) Condensed financial information's of significant investments in associates as of December 31, 2023 and 2022 are as follows (Korean won in millions).

	December 31, 2023						
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Sales	Net income(loss)	Total comprehensive income(loss)
SK hynix Inc.	₩ 30,468,100	₩ 69,862,065	₩ 21,007,810	₩ 25,818,602	₩ 32,765,719	₩ (9,137,547)	₩ (9,037,495)
Vingroup Joint Stock Company	15,855,021	17,415,586	18,341,942	7,111,323	7,354,991	85,290	85,290
Eureka Midstream Holdings	39,638	1,128,867	16,896	414,789	156,512	56,744	56,744
VCM Services And Trading Development Joint Stock Company	621,162	366,986	478,157	274,800	1,227,567	(29,194)	(29,194)
Masan Group Corporation	2,545,389	5,172,475	2,874,328	2,818,041	3,159,587	74,153	74,153
Darwin LNG Pty Ltd.	282,422	197,152	71,593	201,297	528,760	24,606	24,606
The CrownX Corporation	1,975,141	1,170,962	1,174,755	498,808	2,285,358	199,851	199,851
Huizhou EVE United Energy Co., Ltd.	930,568	549,276	346,766	75,082	1,588,340	105,933	105,933
Peru LNG Company, LLC	595,524	2,332,892	422,923	1,105,016	1,928,728	(35,961)	(35,961)
Daehan Oil Pipeline Corporation	102,683	968,680	39,836	268,033	199,961	43,119	43,119
Canakkale Highway And Bridge	499,588	4,040,471	182,060	3,015,430	134,828	(4,907)	(93,164)
Korea IT Fund	128,344	402,819	-	-	33,017	16,330	21,646
Joyvio	1,861,938	2,318,831	1,886,539	922,348	3,895,525	(33,940)	(48,583)
Content Wavve Corp	116,305	192,968	91,478	230,848	333,908	(105,347)	(105,754)
Best Oil Company Ltd.	613,670	181,730	504,125	11,824	1,931,312	40,288	40,288
TBM Co., Ltd.	64,820	52,685	6,591	41,614	43,971	(35,884)	(35,884)
ENN (Zhoushan) LNG Co., Ltd.	420,965	1,120,605	651,481	192,635	256,612	94,403	94,403
XE-PIAN XE-NAMNOY POWER COMPANY LIMITED.	210,678	1,159,432	829,678	71,035	171,978	(3,536)	(4,381)
BLOOMENERGY CORPORATION	2,169,379	868,248	595,350	1,817,082	552,841	(26,534)	(26,208)
TERRAPOWER, LLC	725,063	168,773	82,951	48,471	661	(293,353)	(293,353)
Londian Wason New Energy Tech. Inc.	1,596,268	1,152,390	1,563,113	499,484	1,323,264	24,137	24,137
CENVIRO SDN. BHD.	62,500	160,509	36,830	40,291	75,300	12,348	12,064
Goseong Green Power Co., Ltd.	1,112,832	4,259,607	414,198	3,959,149	1,580,545	(14,763)	(14,763)
ChangZhou BTR New Material Technology CO.,LTD.	437,250	220,789	169,711	58,679	1,346,242	84,381	84,381
Nexeon	110,593	42,973	5,103	3,251	7,691	(22)	(10)
Amogy Inc.	165,632	293,198	7,240	76,400	-	(50,063)	(50,063)

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11. Investments in associates (cont'd)

	December 31, 2022						
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Sales	Net income(loss)	Total comprehensive income(loss)
SK hynix Inc.	₩ 28,733,332	₩ 75,138,180	₩ 19,843,696	₩ 20,737,274	₩ 44,621,568	₩ 2,241,669	₩ 2,822,168
Vingroup Joint Stock Company	14,618,350	16,248,802	15,924,823	7,659,905	5,593,943	109,198	109,198
Eureka Midstream Holdings	51,274	1,096,191	20,280	374,769	154,969	66,980	66,980
VCM Services And Trading Development Joint Stock Company	785,788	251,464	481,588	289,654	1,618,231	109,145	109,145
Masan Group Corporation	2,560,127	5,029,982	3,507,731	2,114,985	4,198,026	261,967	261,967
SK ecoengineering Co., Ltd.	1,192,631	83,995	989,387	18,156	2,892,268	127,238	127,238
Darwin LNG Pty Ltd.	285,324	63,694	205,474	-	2,021,118	48,386	48,386
Center For Breakthrough Medicines Holdings, LLC	169,851	186,874	62,127	34,917	13,056	(129,493)	(129,493)
Shenzhen Londian Wason Holdings Group Co., Ltd.	1,563,343	1,237,403	1,612,610	219,018	1,420,958	131,043	131,043
The CrownX Corporation	1,884,716	1,009,467	1,053,390	539,329	3,097,779	214,372	214,372
FR BR Aggregator	6,883	1,318,106	5,743	584,541	-	(44,828)	(88,147)
Huizhou EVE United Energy Co., Ltd.	944,371	599,242	523,374	64,014	1,712,660	80,321	80,321
Peru LNG Company, LLC	476,876	2,382,639	415,674	985,748	4,098,999	92,297	92,297
Daehan Oil Pipeline Corporation	151,735	904,373	41,197	256,467	186,499	40,317	43,960
Canakkale Highway And Bridge	684,919	3,905,363	208,245	3,015,264	139,721	(141,423)	189,471
Korea IT Fund	98,132	414,804	-	-	19,916	7,505	(4,274)
ProteoVant Sciences, Inc.	160,800	13,558	23,017	21,140	1,823	(19,865)	(19,865)
Joyvio	1,931,127	2,446,666	1,517,277	1,302,636	3,852,012	(106,121)	(99,065)
Content Wavve Corp	169,533	223,778	127,585	214,486	273,528	(226,165)	(226,165)
Best Oil Company Ltd.	519,493	177,530	444,921	12,633	1,503,786	56,751	56,751
TBM Co., Ltd.	105,028	56,211	11,984	46,171	54,403	(25,997)	(25,997)
ENN (Zhoushan) LNG Co., Ltd.	77,697	996,070	81,255	386,104	202,576	76,684	76,684
8 Rivers Capital LLC	108,078	16,167	1,981	12,375	5,828	(19,846)	(19,846)

(6) Details of fair value of investments in associates as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023	December 31, 2022
SK hynix Inc.	₩ 20,673,150	₩ 10,957,500
Vingroup Joint Stock Company	549,216	668,735
Masan Group Corporation	470,073	658,621
BLOOMENERGY CORPORATION	448,297	-
Loop Industries, Inc.	22,980	14,324

12. Investments in joint operations

Details of joint operations as of December 31, 2023 and 2022 are as follows:

Company name	Ownership percentage		Main business location	Date of financial statements	Nature of joint arrangement activities, etc.
	December 31, 2023	December 31, 2022			
Ulsan Aromatics Co., Ltd.	50%	50%	Korea	December 31	(*1,2)
PT. Patra SK	65%	65%	Indonesia	December 31	(*1,3)
HSS JV	30%	30%	Kuwait	December 31	(*1,4)
HDGSK JV	25%	25%	Iraq	December 31	(*1,5)
TPSK JV	50%	50%	Vietnam	December 31	(*1,6)
BUILD KING - SK ECOPLANT JV(East)	40%	40%	Hong kong	December 31	(*1,7)
BUILD KING - SK ECOPLANT JV(West)	49%	49%	Hong kong	December 31	(*1,8)
BIG ALMATY RING ROAD (BAKAD) PROJECT	33%	33%	Kazakhstan	December 31	(*1,9)
RIVERLINKX CJV	20%	20%	UK	December 31	(*1,10)
Sotra Link Construction JV	30%	30%	Norway	December 31	(*1,11)
China state construction eng. Corp & SK ecoplant co.,ltd JV	43%	43%	UAE	December 31	(*1,12)

(*1) The Group classified activities subject to the joint arrangement with the entities above as a joint operation, considering facts and circumstances that the contractual agreement is designed to provide outputs to relevant parties of the agreement, despite the terms of the agreement that grant the parties neither any rights to the assets nor any obligations to the liabilities in relation to the agreement.

(*2) The entity was established as a joint venture with ENEOS Corporation on March 30, 2012 and is engaged in manufacturing of aromatic compounds.

(*3) The entity was established as a joint venture with PT Pertamina Patra Niaga on November 19, 2006 and is engaged in lubricant oil manufacturing and sales activities.

(*4) The entity was established as joint contract implementation purposes with Hyundai engineering & construction Co., Ltd. and Eiffage on December, 2015 and is engaged in Construction activities on the Al-Zour Refinery Project site.

(*5) The entity was established as joint contract implementation purposes with Hyundai engineering & construction Co., Ltd. and GS Engineering & Construction Corp. on November, 2013 and is engaged in Construction activities on the Karbala Refinery Project site.

(*6) The entity was established as joint contract implementation purposes with Technip Energies on February, 2018 and is engaged in Construction activities on the LSPC Project site.

(*7) The entity was established as joint contract implementation purposes with Build King on June, 2017 and is engaged in Construction activities on the Yau Ma Tei East site.

(*8) The entity was established as joint contract implementation purposes with Build King on october, 2017 and is engaged in Construction activities on the Yau Ma Tei West site.

(*9) The entity was established as joint contract implementation purposes with Alarko, Makyol on March, 2019 and is engaged in Construction activities on the Almaty Ring Road site.

(*10) The entity was established as joint contract implementation purposes with Ferrovial, BAM on February, 2020 and is engaged in Construction activities on the Silvertown Tunnel site.

(*11) The entity was established as joint contract implementation purposes with FCC, Webuild on November, 2020 and is engaged in Construction activities on the Rv.555 Sotra Connection site.

(*12) The entity was established as joint contract implementation purposes with CSCEC on June, 2019 and is engaged in Construction activities on the Etihad Rail Stage2 Pkg.A site.

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13. Property, plant and equipment

(1) Details of property, plant and equipment as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023			
	Acquisition Cost	Depreciation	Impairment	Book value
Land	₩ 9,758,681	₩ -	₩ (14,976)	₩ 9,743,705
Buildings	9,504,809	(1,384,907)	(51,887)	8,068,015
Structures	3,240,861	(1,009,572)	(19,599)	2,211,690
Machinery and equipment	42,843,382	(20,590,235)	(184,290)	22,068,857
Vehicles	304,688	(137,354)	(2,276)	165,058
Operating lease asset	3,489,747	(905,169)	(3,968)	2,580,610
Others	10,029,092	(3,776,180)	(351,112)	5,901,800
Construction-in-progress	22,754,697	-	-	22,754,697
	<u>₩ 101,925,957</u>	<u>₩ (27,803,417)</u>	<u>₩ (628,108)</u>	<u>₩ 73,494,432</u>

	December 31, 2022			
	Acquisition Cost	Depreciation	Impairment	Book value
Land	₩ 9,330,357	₩ -	₩ (13,413)	₩ 9,316,944
Buildings	7,796,341	(1,130,434)	(56,253)	6,609,654
Structures	2,754,225	(827,824)	(19,726)	1,906,675
Machinery and equipment	39,929,482	(18,861,875)	(194,445)	20,873,162
Vehicles	290,073	(112,427)	(58)	177,588
Operating lease asset	3,178,796	(789,072)	(2,131)	2,387,593
Others	9,062,854	(3,435,897)	(346,114)	5,280,843
Construction-in-progress	13,369,413	-	-	13,369,413
	<u>₩ 85,711,541</u>	<u>₩ (25,157,529)</u>	<u>₩ (632,140)</u>	<u>₩ 59,921,872</u>

(2) Changes in property, plant and equipment for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023								Ending balance
	Beginning balance	Acquisition	Disposals	Depreciation	Consolidation	Impairment	Transfers	Others(*1)	
Land	₩ 9,316,944	₩ 57,948	₩ (57,018)	₩ -	₩ 159,299	₩ -	₩ 351,243	₩ (84,711)	₩ 9,743,705
Buildings	6,609,655	52,141	(15,427)	(295,928)	94,294	-	1,737,358	(114,078)	8,068,015
Structures	1,906,675	32,264	(4,630)	(158,459)	41,959	-	416,734	(22,853)	2,211,690
Machinery and equipment	20,873,162	737,714	(37,314)	(4,223,149)	86,573	(33,743)	5,205,912	(540,298)	22,068,857
Vehicles	177,588	16,523	(5,748)	(29,290)	151	(2,269)	11,176	(3,073)	165,058
Operating lease asset	2,387,593	1,028,086	(18,765)	(523,470)	-	(5,329)	(286,751)	(754)	2,580,610
Others	5,280,842	1,526,665	(24,966)	(780,109)	44,493	(2,751)	10,942	(153,316)	5,901,800
Construction-in-progress	13,369,413	17,372,135	(11,785)	-	185,954	(62,465)	(8,388,577)	290,022	22,754,697
	<u>₩ 59,921,872</u>	<u>₩ 20,823,476</u>	<u>₩ (175,653)</u>	<u>₩ (6,010,405)</u>	<u>₩ 612,723</u>	<u>₩ (106,557)</u>	<u>₩ (941,963)</u>	<u>₩ (629,061)</u>	<u>₩ 73,494,432</u>

(*1) Others include the effects of changes in scope of consolidation, net foreign currency differences and others.

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13. Property, plant and equipment (cont'd)

	December 31, 2022								Ending balance
	Beginning balance	Acquisition	Disposals	Depreciation	Consolidation	Impairment	Transfers	Others(*1)	
Land	₩ 9,294,248	₩ 23,740	₩ (88,773)	₩ -	₩ 288,833	₩ (85)	₩ 103,343	₩ (304,362)	₩ 9,316,944
Buildings	6,003,660	26,541	(59,115)	(268,357)	58,773	(13,340)	752,594	108,899	6,609,655
Structures	1,986,791	22,125	(84,125)	(143,925)	58,310	(2,639)	76,556	(6,418)	1,906,675
Machinery and equipment	20,845,521	731,183	(342,637)	(4,167,360)	51,304	(50,239)	4,432,593	(627,203)	20,873,162
Vehicles	180,594	10,359	(5,138)	(32,098)	7,569	(586)	1,231	15,657	177,588
Operating lease asset	1,942,319	1,120,857	(21,241)	(463,811)	-	(8,690)	(181,792)	(49)	2,387,593
Others	4,447,472	1,706,473	(20,123)	(832,711)	175,836	(10,278)	(184,881)	(946)	5,280,842
Construction-in-progress	6,693,136	12,237,936	(196,397)	-	58,987	(211)	(5,638,585)	214,547	13,369,413
	<u>₩51,393,741</u>	<u>₩ 15,879,214</u>	<u>₩ (817,549)</u>	<u>₩ (5,908,262)</u>	<u>₩ 699,612</u>	<u>₩ (86,068)</u>	<u>₩ (638,941)</u>	<u>₩ (599,875)</u>	<u>₩59,921,872</u>

(*1) Others include the effects of changes in scope of consolidation, net foreign currency differences and others.

(3) Capitalized borrowing costs and capitalization rates for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023	December 31, 2022
Borrowing costs capitalized	₩ 292,401	₩ 117,951
Capitalization interest rate	1.0% ~ 8.0%	1.3% ~ 6.7%

14. Right-of-use assets and lease liabilities

(1) Details of right-of-use assets as of December 31, 2023 and December 31, 2022 are as follows (Korean won in millions):

	December 31, 2023			
	Acquisition Cost	Depreciation	Impairment	Book value
Land and buildings	₩ 4,179,799	₩ (1,526,917)	₩ (4,686)	₩ 2,648,196
Tanks	377,362	(233,567)	-	143,795
Ships	1,859,744	(531,945)	-	1,327,799
Vehicles	1,207,666	(559,835)	(3,649)	644,182
Others	662,360	(249,248)	(153)	412,959
	<u>₩ 8,286,931</u>	<u>₩ (3,101,512)</u>	<u>₩ (8,488)</u>	<u>₩ 5,176,931</u>

	December 31, 2022			
	Acquisition Cost	Depreciation	Impairment	Book value
Land and buildings	₩ 3,704,459	₩ (1,181,221)	₩ (3,832)	₩ 2,519,406
Tanks	386,163	(229,760)	-	156,403
Ships	1,821,677	(386,130)	-	1,435,547
Vehicles	1,630,200	(683,169)	(128)	946,903
Others	569,684	(190,473)	(56)	379,155
	<u>₩ 8,112,183</u>	<u>₩ (2,670,753)</u>	<u>₩ (4,016)</u>	<u>₩ 5,437,414</u>

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14. Right-of-use assets and lease liabilities (cont'd)

(2) Changes in right-of-use assets for the year ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023					
	Beginning Balance	Increase	Decrease	Depreciation	Others (*1)	Ending balance
Land and buildings	₩ 2,519,406	₩ 856,374	₩ (87,426)	₩ (654,542)	₩ 14,384	₩ 2,648,196
Tanks	156,403	54,532	(174)	(66,941)	(25)	143,795
Ships	1,435,547	37,102	-	(144,417)	(433)	1,327,799
Vehicles	946,903	241,960	(295,575)	(207,523)	(41,583)	644,182
Others	379,155	201,375	(50,034)	(105,557)	(11,980)	412,959
	₩ 5,437,414	₩ 1,391,343	₩ (433,209)	₩ (1,178,980)	₩ (39,637)	₩ 5,176,931

(*1) Others include the effects of changes in scope of consolidation, net foreign currency differences and others.

	December 31, 2022					
	Beginning Balance	Increase	Decrease	Depreciation	Others (*1)	Ending balance
Land and buildings	₩ 2,200,309	₩ 1,061,576	₩ (183,099)	₩ (591,142)	₩ 31,762	₩ 2,519,406
Tanks	172,618	35,425	(64)	(64,883)	13,307	156,403
Ships	1,234,191	256,799	-	(116,990)	61,547	1,435,547
Vehicles	1,167,310	311,272	(271,900)	(260,776)	997	946,903
Others	259,888	185,252	(34,558)	(89,075)	57,648	379,155
	₩ 5,034,316	₩ 1,850,324	₩ (489,621)	₩ (1,122,866)	₩ 165,261	₩ 5,437,414

(*1) Others include the effects of changes in scope of consolidation, net foreign currency differences and others.

(3) Details of lease-related income and expenses from lease contracts where the consolidated entity is a lease user as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023	December 31, 2022
Depreciation of Right-of-use Assets	₩ 1,178,980	₩ 1,122,866
Interest cost on Lease Liabilities	215,537	146,290
Short-term Lease-Related Costs	191,649	317,851
Low-value underlying asset lease-related costs	14,439	20,525
Costs related to variable lease payments not included in the measurement of lease liabilities	213,370	282,466
	₩ 1,813,975	₩ 1,889,998

(4) Details of total cash out flows due to leases as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023	December 31, 2022
Total cash out flows from leases	₩ 1,900,356	₩ 1,866,750

(5) The present value of the total lease investments and minimum lease payments for finance leases as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023						
	Less than 1 year	1 ~ 2 years	2 ~ 3 years	3 ~ 4 years	4 ~ 5 years	More than 5 years	Total
Total investment in the lease	₩ 309,991	₩ 250,330	₩ 193,035	₩ 138,075	₩ 70,487	₩ 46,105	₩ 1,008,023
Present value of minimum lease payments	284,293	232,184	180,937	130,785	66,624	40,082	934,905

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14. Right-of-use assets and lease liabilities (cont'd)

	December 31, 2022							Total
	Less than 1 year	1 ~ 2 years	2 ~ 3 years	3 ~ 4 years	4 ~ 5 years	More than 5 years		
Total investment in the lease	₩ 270,429	₩ 236,265	₩ 188,335	₩ 129,215	₩ 72,690	₩ 46,860	₩ 943,794	
Present value of minimum lease payments	253,899	226,589	178,408	122,109	67,892	39,617	888,514	

(6) Details of adjustments for undiscounted lease payments related to finance leases and net investments in finance leases as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023	December 31, 2022
Undiscounted finance lease payments to be received	₩ 1,008,023	₩ 943,794
Unrealized financial income related to finance lease receivables	73,118	55,280
Net investment in finance leases	934,905	888,514

15. Investment properties

(1) Details of investment properties as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023	December 31, 2022
Acquisition cost	₩ 3,323,282	₩ 2,046,637
Accumulated depreciation	(225,130)	(176,274)
Accumulated impairment loss	(4,247)	(4,257)
	₩ 3,093,905	₩ 1,866,106

(2) Changes in investment properties for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023							Ending balance
	Beginning balance	Acquisition	Disposals	Depreciation	Impairment	Transfers	Others(*1)	
Land	₩ 1,121,125	₩ 63,529	₩ (28,498)	₩ -	₩ -	₩ 59,183	₩ 25,701	₩ 1,241,040
Buildings	739,922	1,148,536	(19,588)	(39,976)	(400)	55,402	(42,511)	1,841,385
Structures	5,059	1,226	-	(125)	-	(5,024)	(95)	1,041
right-of-use assets	-	-	-	(2,423)	-	473	12,389	10,439
	₩ 1,866,106	₩ 1,213,291	₩ (48,086)	₩ (42,524)	₩ (400)	₩ 110,034	₩ (4,516)	₩ 3,093,905

(*1) Others include the effects of changes in scope of consolidation, net foreign currency differences and others.

	December 31, 2022							Ending balance
	Beginning balance	Acquisition	Disposals	Depreciation	Impairment	Transfers	Others(*1)	
Land	₩ 544,584	₩ 892,851	₩ (4,846)	₩ -	₩ -	₩ 42,311	₩ (353,775)	₩ 1,121,125
Buildings	417,545	329,385	(1,304)	(17,562)	(81)	74,747	(62,808)	739,922
Structures	4,999	5	-	(148)	-	701	(498)	5,059
	₩ 967,128	₩ 1,222,241	₩ (6,150)	₩ (17,710)	₩ (81)	₩ 117,759	₩ (417,081)	₩ 1,866,106

(*1) Others include the effects of changes in scope of consolidation, net foreign currency differences and others.

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15. Investment properties (cont'd)

(3) Details of income and expenses related to investment properties for the year ended December 31, 2023 are as follows (Korean won in millions):

	December 31, 2023	
Rental income	₩	171,205
Expenses directly related to rental income		(13,742)
Expenses directly non-related to rental income		(33,325)
	₩	<u>124,138</u>

(4) The fair value of investment properties is ₩4,088,971 million and ₩2,186,332 million as of December 31, 2023 and 2022, respectively.

16. Goodwill

(1) Changes in goodwill for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023						
	Beginning balance	Acquisition	Consolidation	Impairment	Transfers	Others(*1)	Ending balance
Goodwill	₩ 7,475,558	₩ 1,909	₩ 1,197,279	₩ (448,684)	₩ -	₩ (1,380,134)	₩ 6,845,928

(*1) Others include net translation differences, retroactive adjustment amount of identifiable net assets in accordance with past business combination.

	December 31, 2022						
	Beginning balance	Acquisition	Consolidation	Impairment	Transfers	Others(*1)	Ending balance
Goodwill	₩ 5,618,511	₩ 9,708	₩ 1,724,875	₩ (85,429)	₩ -	₩ 207,893	₩ 7,475,558

(*1) Others include net translation differences, retroactive adjustment amount of identifiable net assets in accordance with past business combination.

(2) Impairment testing of goodwill

1) Goodwill of each operating segment for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023	December 31, 2022
SK Inc. and others	₩ 1,700,536	₩ 1,484,802
Group of SK Innovation Co., Ltd.	319,817	308,030
Group of SK Telecom Co., Ltd.	407,655	407,655
Group of SK Square Co., Ltd.	229,541	1,419,319
Group of SK E&S Co., Ltd.	55,914	262,908
Group of SK Networks Co., Ltd.	493,364	442,860
Group of SKC Co., Ltd.	955,492	871,782
Group of SK Ecoplant Co., Ltd.	<u>2,683,609</u>	<u>2,278,202</u>
	<u>₩ 6,845,928</u>	<u>₩ 7,475,558</u>

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16. Goodwill (cont'd)

2) Significant assumptions to estimate the recoverable amounts reflected the management's expectation of future trend considered with external and internal (historical) information. Significant assumptions used in impairment testing of goodwill for the year ended December 31, 2023 are as follows:

	Recoverable amount	Growth rate (*1)	Discount rate (*2)
SK Inc. and others	Value in use	1.0% ~ 3.0%	11.0% ~ 20.0%
Group of SK Innovation Co., Ltd.	Value in use	0.0% ~ 2.3%	9.0% ~ 14.5%
Group of SK Telecom Co., Ltd.	Value in use	1.0%	5.4% ~ 6.2%
Group of SK Square Co., Ltd.	Value in use	1.0%	12.1% ~ 17.9%
Group of SK E&S Co., Ltd.	Value in use	3.0%	7.4% ~ 22.5%
Group of SK Networks Co., Ltd.	Value in use	1.0%	9.3% ~ 14.3%
Group of SKC Co., Ltd.	Value in use	1.0%	11.8% ~ 14.6%
Group of SK Ecoplant Co., Ltd.	Value in use	1.0%	7.7% ~ 12.4%

(*1) Future cash flows for additional periods after the estimated period are estimated using a fixed growth rate.

(*2) The discount rate used to determine the recoverable amount of each operating segment is based on the weighted-average cost of capital.

17. Intangible assets

(1) Details of intangible assets for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023			
	Acquisition cost	Accumulated amortization	Accumulated impairment loss	Carrying amount
Frequency usage rights	₩ 3,564,907	₩ (1,958,301)	₩ -	₩ 1,606,606
Industrial property rights	278,088	(68,474)	(18,794)	190,820
Development costs	621,607	(299,021)	(81,515)	241,071
Facility usage rights	173,337	(145,579)	-	27,758
Customer-related assets	4,032,954	(1,534,433)	(37,098)	2,461,423
Development costs for petroleum resource	2,738,481	(1,125,099)	(130,759)	1,482,623
Membership	421,259	-	(46,502)	374,757
Brand-related assets	2,288,941	-	-	2,288,941
Developed technology	1,067,221	(111,396)	-	955,825
Others	8,024,590	(5,844,645)	(68,350)	2,111,595
	<u>₩ 23,211,385</u>	<u>₩ (11,086,948)</u>	<u>₩ (383,018)</u>	<u>₩ 11,741,419</u>

	December 31, 2022			
	Acquisition cost	Accumulated amortization	Accumulated impairment loss	Carrying amount
Frequency usage rights	₩ 3,767,592	₩ (1,499,158)	₩ (186,000)	₩ 2,082,434
Industrial property rights	264,334	(55,936)	(13,586)	194,812
Development costs	592,323	(322,749)	(17,260)	252,314
Facility usage rights	219,155	(185,804)	-	33,351
Customer-related assets	4,586,570	(1,600,660)	-	2,985,910
Development costs for petroleum resource	2,464,105	(1,033,570)	(129,874)	1,300,661
Membership	393,280	-	(40,124)	353,156
Brand-related assets	2,681,683	-	-	2,681,683
Developed technology	956,634	(80,070)	-	876,564
Others	7,414,067	(5,408,302)	(57,631)	1,948,134
	<u>₩ 23,339,743</u>	<u>₩ (10,186,249)</u>	<u>₩ (444,475)</u>	<u>₩ 12,709,019</u>

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17. Intangible assets (cont'd)

(2) Changes in intangible assets for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023									
	Beginning balance	Acquisition	Disposals	Amortization	Consolidation	Impairment	Tranfers	Others(*3)	Ending balance	
Frequency usage rights	₩ 2,082,434	₩ -	₩ -	₩ (475,828)	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 1,606,606
Industrial property rights	194,812	12,473	(523)	(11,549)	154	(5,371)	2,553	(1,729)		190,820
Development costs	252,314	56,673	(486)	(48,459)	15,921	(37,327)	14,983	(12,548)		241,071
Facility usage rights	33,351	1,884	(16)	(4,848)	-	-	981	(3,594)		27,758
Customer-related assets	2,985,910	2,576	(2,359)	(267,196)	319,421	(37,559)	-	(539,370)		2,461,423
Development costs for petroleum resource	1,300,661	226,189	-	(91,529)	-	(886)	43,372	4,816		1,482,623
Membership (*1)	353,156	45,565	(22,481)	-	3,363	(602)	76	(4,320)		374,757
Brand-related assets (*1)	2,681,683	-	-	-	-	-	-	(392,742)		2,288,941
Developed technology	876,564	-	-	(183,760)	283,395	-	-	(20,374)		955,825
Others (*2)	1,948,134	183,295	(20,570)	(672,883)	110,079	(16,352)	572,568	7,324		2,111,595
	₩ 12,709,019	₩ 528,655	₩ (46,435)	₩ (1,756,052)	₩ 732,333	₩ (98,097)	₩ 634,533	₩ (962,537)		₩ 11,741,419

(*1) Membership and brand-related assets are classified as intangible assets with infinite useful lives and are not amortized.

(*2) Other intangible assets recognized through business combination, software, usable and profitable donation assets and others.

(*3) This includes net translation differences, Excluding scope of Consolidation and others.

	December 31, 2022									
	Beginning balance	Acquisition	Disposals	Amortization	Consolidation	Impairment	Tranfers	Others(*3)	Ending balance	
Frequency usage rights	₩ 2,559,690	₩ -	₩ -	₩ (477,256)	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 2,082,434
Industrial property rights	122,489	18,688	(2,157)	(12,858)	127,708	(12,492)	-	(46,566)		194,812
Development costs	292,091	52,106	(915)	(77,924)	-	(7,974)	6,544	(11,614)		252,314
Facility usage rights	51,727	2,176	(2)	(6,836)	2,274	(5,095)	260	(11,153)		33,351
Customer-related assets	2,915,524	1,540	(239)	(293,536)	346,584	-	-	16,037		2,985,910
Development costs for petroleum resource	1,134,207	201,943	-	(74,847)	-	(46,450)	82,144	3,664		1,300,661
Membership (*1)	308,690	54,139	(15,000)	-	3,682	(115)	-	1,760		353,156
Brand-related assets (*1)	2,634,144	-	-	-	27,243	(6,306)	-	26,602		2,681,683
Developed technology	870,417	-	-	(174,695)	131,033	-	-	49,809		876,564
Others (*2)	1,792,911	254,752	(11,230)	(616,855)	152,514	(27,031)	-	403,073		1,948,134
	₩ 12,681,890	₩ 585,344	₩ (29,543)	₩ (1,734,807)	₩ 791,038	₩ (105,463)	₩ 88,948	₩ 431,612		₩ 12,709,019

(*1) Membership and brand-related assets are classified as intangible assets with infinite useful lives and are not amortized.

(*2) Other intangible assets recognized through business combination, software, usable and profitable donation assets and others.

(*3) This includes net translation differences, Excluding scope of Consolidation and others.

17. Intangible assets (cont'd)

(3) Impairment testing of brand-related assets

The Group has estimated the recoverable amount of brand-related assets with indefinite useful lives for the impairment test. Significant assumptions to estimate the recoverable amounts reflected the management's expectation of future trend considered with external and internal (historical) information.

Significant assumptions used in impairment testing of brand-related assets as of December 31, 2023 are as follows:

Value in use	<u>Growth rate (*1)</u>	<u>Discount rate (*2)</u>
	1.0%	9.6% ~ 16.6%

(*1) Future cash flows for additional periods after the estimated period are estimated using a fixed growth rate.

(*2) The discount rate was estimated by adding risk premium to weighted average cost of capital.

As a result of impairment test of brand-related assets, the carrying amount does not exceed the recoverable amount, so there is no impairment loss recognized during the year ended December 31, 2023.

(4) Research and development expenditures recognized as expenses for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Research and development costs expensed as incurred	₩ 657,589	₩ 645,824

(5) Details of Significant individual intangible assets as of December 31, 2023 and 2022 are as follows (Korean won in millions):

December 31, 2023	Amount	Remaining amortization period
Frequency usage rights	₩ 109,789	30 Months
	308,534	36 Months
	364,250	36 Months
	231,879	36 Months
	592,154	59 Months
December 31, 2022	Amount	Remaining amortization period
Frequency usage rights	₩ 153,704	42 Months
	414,317	48 Months
	485,670	48 Months
	311,381	48 Months
	712,594	71 Months
	4,766	5 Months

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18. Bonds and borrowings

(1) Details of bonds and borrowings as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023		December 31, 2022	
	Current	Non-current	Current	Non-current
Short-term borrowings (*1)	₩ 17,388,374	₩ -	₩ 17,457,297	₩ -
Bonds and long-term borrowings:				
Bonds	8,113,947	29,308,832	8,119,008	27,743,958
Long-term borrowings (*1)	<u>4,905,343</u>	<u>19,261,397</u>	<u>3,254,112</u>	<u>17,897,787</u>
	<u>13,019,290</u>	<u>48,570,229</u>	<u>11,373,120</u>	<u>45,641,745</u>
	<u>₩ 30,407,664</u>	<u>₩ 48,570,229</u>	<u>₩ 28,830,417</u>	<u>₩ 45,641,745</u>

(*1) It includes borrowings collateralized for trade receivables of ₩113,351 million and ₩98,947 million as of December 31, 2023 and 2022, respectively, which were transferred but not derecognized.

(2) Details of bonds payable as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023		December 31, 2022	
	₩		₩	
SK Inc.		7,300,000		6,915,000
SK Innovation Co., Ltd.		1,050,000		1,293,650
SK Energy Co., Ltd.		3,030,000		3,310,000
SK Geo Centric Co., Ltd.		1,650,000		1,810,000
SK Incheon Petrochem Co., Ltd.		1,817,000		2,037,000
SK Enmove Co., Ltd.		920,000		920,000
SK Battery America, Inc.		2,063,040		1,267,300
SK On Co., Ltd.		1,146,820		700,000
SK Earthon Co., Ltd.		150,000		150,000
IPC First Securitization Specialty Company		180,000		-
SK Telecom Co., Ltd.		6,744,471		7,005,760
SK Broadband Co., Ltd.		1,606,820		1,380,190
SK Shieldus Co., Ltd.		-		297,823
SK Networks Co., Ltd.		1,210,000		1,110,000
SK Magic Co., Ltd.		610,000		453,000
SK Rent-a-Car Co., Ltd.		920,000		725,000
SKC Co., Ltd.		145,000		192,400
SK Enpulse Co., Ltd.		10,000		-
ISC Co., Ltd.		20,000		-
SK PIC Global Co., Ltd.		30,000		-
SK Telesys Co., Ltd.		-		10,000
SK E&S Co., Ltd.		2,200,000		1,580,000
Paju Energy Service Co., Ltd.		610,000		680,000
Narae Energy Service Co., Ltd.		250,000		370,000
Yeosu Energy Service Co., Ltd.		200,000		200,000
Ige Co., Ltd.		130,000		130,000
SK Ecoplant Co., Ltd.		1,474,000		1,550,000
Topsun Co., Ltd.		4,245		-
SK Oceanplant Co., Ltd.		50,000		55,000
SK Specialty Co., Ltd.		580,000		460,000
SK Materials Airplus Incorporated.		40,000		100,000
SK Siltron Co., Ltd.		869,000		741,000
Teraon Co., Ltd.		10		10
SK Signet Inc.		-		500
SK REITs Co., Ltd.		468,100		429,000
8 Rivers Capital LLC		4,835		-
		37,483,341		35,872,633
Addition (less) : premium (discount) on bonds		(60,562)		(9,667)
Less: current portion		<u>(8,113,947)</u>		<u>(8,119,008)</u>
	₩	<u>29,308,832</u>	₩	<u>27,743,958</u>

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18. Bonds and borrowings (cont'd)

(3) Details of long-term borrowings as of December 31, 2023 and 2022 are as follows (Korean won in millions):

Description	Financial institution	Issuing currency	Interest rate	December 31, 2023	December 31, 2022
General	Korea Development Bank and others	KRW	1.00% ~ 7.74%	₩ 7,925,789	₩ 8,256,466
Fund for facility	Korea Development Bank and others	KRW	1.32% ~ 7.33%	8,326,877	5,811,463
Foreign borrowings	Standard Chartered Bank and others	USD and Others	0.75% ~ 8.00%	6,200,145	5,429,201
Fund for mine exploration	Korea Energy Agency (*1)	USD	0.00% ~ 1.80%	104,284	75,416
Fund for operation	Korea Development Bank and others	KRW	-	-	19,520
Takeover	Korea Development Bank and others	USD	SOFR + 2.0%	180,516	177,422
Takeover	Mizuho Bank and others	EUR	EURIBOR(3M)+1.60%	229,681	217,543
Repayment-exemptable loan	KentuckyEconomicDevelopment Finance Authority (*2)	USD	-	322,350	285,143
Others	MD Prime 1st Co., Ltd. and others	KRW	3M CD+1.8%, 4.95%	1,007,818	1,007,818
				₩ 24,297,460	₩ 21,279,992
Addition (less): premium (discount)				(130,720)	(128,093)
Less: current portion				(4,905,343)	(3,254,112)
				₩ 19,261,397	₩ 17,897,787

(*1) As of December 31, 2023 and December 31, 2022, the Group holds a loan amounting to ₩ 57,560 million and ₩ 67,655 million from Korea Energy Agency for the purpose of oil exploration and development in which there is no repayment obligation in case for failure in exploration.

(*2) The amount received by the subsidiary BlueOval SK, LLC from the local government will extinguish the obligation to repay when the employment and wage levels required by period are achieved.

Long-term borrowings presented above are to be repaid either in installments or all at once at maturity. Financial instruments and other assets of the Group are pledged as detailed in Note 41.

(4) Among the financial liabilities, the book value and related gains and losses related to the convertible or underwriting rights (or financial liabilities, including) of major financial instruments subject to the adjustment of the exercise price in response to changes in the issuer's stock price are as follows.

1) Details of major financial liabilities subject to adjustment of the exercise price according to changes in the issuer's stock price as of December 31, 2023 and 2022 are as follows. (Korean won in millions):

	December 31, 2023	December 31, 2022	Book value at the time of initial recognition
SK Oceanplant Co., Ltd 8th Unguaranteed Convertible Bond	₩ 34,721	₩ 31,436	₩ 30,409
Conversion preferred stock of SK Signet Co., Ltd	₩ 25,085	₩ 40,372	₩ 11,450

2) The valuation gains and losses of major financial liabilities subject to the adjustment of the exercise price in accordance with the change in the issuer's stock price for the years ended December 31, 2023 and 2022 and gains and losses before reflecting related gains and losses, are as follows. (Korean won in millions):

	December 31, 2023	December 31, 2022
Profit before income tax expense from continuing operations (A)	₩ (678,185)	₩ 5,900,013
Valuation income(expense) (B)	22,031	7,345
Profit before income tax expense from continuing operations before reflecting valuation Income(expense) ((A)-(B))	(700,216)	5,892,668

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19. Long-term other payables

Details of long-term other payables as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023			
	Nominal value	Discount on long-term other payables		Long-term other payables
		Current portion		
Frequency usage rights	₩ 1,290,225	₩ (29,772)	₩ (367,770)	₩ 892,683
Others	531,789	(82,308)	-	449,481
	<u>₩ 1,822,014</u>	<u>₩ (112,080)</u>	<u>₩ (367,770)</u>	<u>₩ 1,342,164</u>
	December 31, 2022			
	Nominal value	Discount on long-term other payables		Long-term other payables
		Current portion		
Frequency usage rights	₩ 1,690,470	₩ (52,129)	₩ (398,874)	₩ 1,239,467
Others	273,740	-	-	273,740
	<u>₩ 1,964,210</u>	<u>₩ (52,129)</u>	<u>₩ (398,874)</u>	<u>₩ 1,513,207</u>

20. Provisions

Changes in the provisions for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023							
	Beginning balance	Increase	Use	Reversal	Others(*1)	Ending balance	Current	Non-current
Provision for sale warranties	₩ 215,191	₩ 285,482	₩ (78,404)	₩ (37,095)	₩ 2,856	₩ 388,030	₩ 49,236	₩ 338,794
Provision for service / construction warranties	95,848	21,082	(15,932)	-	1,417	102,415	102,415	-
Provision for restoration	705,171	93,652	(2,892)	(20,377)	17,007	792,561	96,113	696,448
Provision for onerous contracts	282,239	48,282	(30,297)	(104,231)	(9,418)	186,575	149,287	37,288
Emission provisions	8,467	9,710	(5,347)	(4,761)	(250)	7,819	7,819	-
Litigation provisions	18,542	35,695	(12,637)	(6,416)	1,709	36,893	36,610	283
Other provisions	181,566	350,782	(213,396)	(28,000)	403	291,355	137,550	153,805
	<u>₩ 1,507,024</u>	<u>₩ 844,685</u>	<u>₩ (358,905)</u>	<u>₩ (200,880)</u>	<u>₩ 13,724</u>	<u>₩ 1,805,648</u>	<u>₩ 579,030</u>	<u>₩ 1,226,618</u>

(*1) Others include the effects of changes in scope of consolidation, net foreign currency differences and others.

	December 31, 2022							
	Beginning balance	Increase	Use	Reversal	Others(*1)	Ending balance	Current	Non-current
Provision for sale warranties	₩ 131,417	₩ 113,371	₩ (26,610)	₩ (518)	₩ (2,469)	₩ 215,191	₩ 44,093	₩ 171,098
Provision for service / construction warranties	99,366	18,492	(21,255)	(988)	233	95,848	95,848	-
Provision for restoration	581,157	111,851	(8,825)	(6,909)	27,897	705,171	138,526	566,645
Provision for onerous contracts	256,190	106,513	(27,741)	(54,840)	2,117	282,239	235,530	46,709
Emission provisions	18,402	8,904	(14,471)	(4,317)	(51)	8,467	8,467	-
Litigation provisions	40,652	18,764	(37,176)	(3,454)	(244)	18,542	16,941	1,601
Other provisions	109,317	338,708	(231,751)	(28,002)	(6,706)	181,566	100,793	80,773
	<u>₩ 1,236,501</u>	<u>₩ 716,603</u>	<u>₩ (367,829)</u>	<u>₩ (99,028)</u>	<u>₩ 20,777</u>	<u>₩ 1,507,024</u>	<u>₩ 640,198</u>	<u>₩ 866,826</u>

(*1) Others include the effects of changes in scope of consolidation, net foreign currency differences and others.

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21. Retirement benefit plan

(1) Expenses related to the defined contribution type retirement benefit system for the years ended December 31, 2023 and 2022 are ₩ 47,045 million and ₩ 59,337 million, respectively.

(2) Details of defined benefit liabilities as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Present value of defined benefit obligation	₩ 3,749,577	₩ 3,418,566
Fair value of plan assets	(4,212,131)	(3,908,480)
Defined benefit asset (*1)	(518,616)	(660,282)
Defined benefit liability	56,062	170,368

(*1) Since the Group has neither an enforceable legal right to use any excess reserves of a plan in the Group for a settlement of defined benefit obligations of another plan nor an intention to settle such obligations likewise, the asset above may not be set off.

(3) Changes in the defined benefit liabilities for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	<u>December 31, 2023</u>		
	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Total</u>
Beginning balance	₩ 3,418,566	₩ (3,908,480)	₩ (489,914)
Current service cost	423,583	-	423,583
Past Service cost	(10,103)	-	(10,103)
Loss(profit) due to balance accounts	(256)	-	(256)
Net interest cost (income)	172,515	(200,463)	(27,948)
Remeasurements:			
Return on plan assets (excluding amounts included in net interest expenses)	-	18,752	18,752
Actuarial loss from changes in demographic assumptions	(25,482)	-	(25,482)
Actuarial gain from changes in financial assumptions	207,357	-	207,357
Actuarial gain from experience adjustments	55,940	-	55,940
Contributions by employer directly to plan assets	487	(401,933)	(401,446)
Benefit payments	(427,389)	347,849	(79,540)
Consolidations	78,541	(85,662)	(7,121)
Effects of change in foreign exchange rates	3,530	(2,354)	1,176
Others	(147,712)	20,160	(127,552)
Ending balance	<u>₩ 3,749,577</u>	<u>₩ (4,212,131)</u>	<u>₩ (462,554)</u>

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21. Retirement benefit plan (cont'd)

	December 31, 2022		
	Present value of defined benefit obligation	Fair value of plan assets	Total
Beginning balance	₩ 3,609,349	₩ (3,381,561)	₩ 227,788
Current service cost	446,510	-	446,510
Past Service cost	31	-	31
Loss(profit) due to balance accounts	(7,556)	1,072	(6,484)
Net interest cost (income)	114,756	(109,849)	4,907
Remeasurements:			
Return on plan assets (excluding amounts included in net interest expenses)	-	59,001	59,001
Actuarial loss from changes in demographic assumptions	(49,284)	-	(49,284)
Actuarial gain from changes in financial assumptions	445,725	-	445,725
Actuarial loss from experience adjustments	(793,437)	-	(793,437)
Contributions by employer directly to plan assets	-	(840,984)	(840,984)
Benefit payments	(355,317)	323,722	(31,595)
Consolidations	29,730	(27,223)	2,507
Effects of change in foreign exchange rates	6,665	3,687	10,352
Others	(28,606)	63,655	35,049
Ending balance	<u>₩ 3,418,566</u>	<u>₩ (3,908,480)</u>	<u>₩ (489,914)</u>

(4) Details of fair value of plan assets as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023	December 31, 2022
Cash and cash equivalents	₩ 1,649,843	₩ 1,286,170
Equity instruments	129,207	52,592
Debt instruments	832,523	662,916
Short-term financial instruments and others	1,600,558	1,906,802
	<u>₩ 4,212,131</u>	<u>₩ 3,908,480</u>

(5) The principal assumptions used in actuarial calculation as of December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Discount rate for defined benefit obligation	1.50% ~ 8.66%	2.30% ~ 6.17%
Expected rate of salary increase	1.00% ~ 6.86%	1.00% ~ 8.37%

The discount rate is calculated based on the market rate of return on blue-chip corporate bonds similar to the expected payment period of defined benefit obligations as of the end of the current term, and the future wage increase rate is calculated in consideration of the empirical promotion index of consolidated entities and the wage increase rate reflecting inflation and wage agreements.

(6) If each significant acceptable insurance assumption changes within the reasonable range that may occur, the impact on defined benefit obligations as of December 31, 2023 and 2022 are as follows. (Korean won in millions):

	Sensitivity level	December 31, 2023	
		Increase	Decrease
Discount rate for defined benefit obligation	0.5% point	₩ (125,588)	₩ 133,946
Expected rate of salary increase	0.5% point	130,143	(123,514)

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21. Retirement benefit plan (cont'd)

	Sensitivity level	December 31, 2022	
		Increase	Decrease
Discount rate for defined benefit obligation	0.5% point	₩ (128,807)	₩ 140,745
Expected rate of salary increase	0.5% point	137,482	(127,404)

The sensitivity analysis provides an approximation of the sensitivity to the assumptions used, although the variance of all cash flows expected to occur in the scheme is not taken into account.

22. Other assets and liabilities

(1) Details of other assets as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023		December 31, 2022	
Current assets :				
Short-term loans	₩	246,555	₩	132,368
Accrued income		117,323		117,013
Advanced payments		1,452,222		1,295,693
Prepaid expenses		2,865,728		2,788,339
Guarantee deposits		507,630		469,258
Derivative financial assets		290,304		440,126
Lease receivables		23,892		27,745
Other contract assets		111,638		150,887
Others		113,424		168,273
	₩	<u>5,728,716</u>	₩	<u>5,589,702</u>
Non-current assets :				
Long-term prepaid expenses	₩	1,217,004	₩	1,228,124
Long-term loans		673,027		408,954
Guarantee deposits		615,445		692,386
Derivative financial assets		1,258,951		1,186,659
Long-term lease receivables		43,385		59,316
Other long-term contract assets		57,228		62,654
Others		156,930		218,440
	₩	<u>4,021,970</u>	₩	<u>3,856,533</u>

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22. Other assets and liabilities (cont'd)

(2) Details of other liabilities as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023	December 31, 2022
Current liabilities :		
Accrued expenses	₩ 4,364,459	₩ 4,821,371
Dividends payable	983	935
Advances received	1,824,137	2,107,997
Unearned revenue	269,329	139,865
Withholdings	1,011,052	1,859,463
Leasehold deposits received	1,086,643	167,538
Income tax payable	903,539	1,239,007
Derivative financial liabilities	368,900	208,194
Lease liabilities	1,239,548	1,286,208
Finance guarantee liabilities	10,048	1,508
Financial liabilities at fair value through profit or loss	25,085	57,218
Other contract liabilities	240,815	269,543
Others	37,132	126,513
	<u>₩ 11,381,670</u>	<u>₩ 12,285,360</u>
Non-current liabilities :		
Long-term accrued expenses	₩ 21,078	₩ 60,537
Long-term unearned revenue	763,917	839,648
Leasehold deposits received	391,159	432,615
Derivative financial liabilities	1,250,772	818,419
Long-term lease liabilities	3,989,530	4,220,239
Financial guarantee liabilities	18,514	23,400
Financial liabilities at fair value through profit or loss	457,319	91,355
Other long-term contract liabilities	98,901	75,875
Others (*1)	1,407,216	454,038
	<u>₩ 8,398,406</u>	<u>₩ 7,016,126</u>

(*1) Includes long-term employee benefit liabilities amounting to ₩134,549 million and ₩137,793 million as of December 31, 2023 and 2022, respectively.

(3) Details of incremental costs of obtaining a contract as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023	December 31, 2022
Current incremental costs of obtaining a contract	₩ 1,882,296	₩ 1,888,182
Non-current incremental costs of obtaining a contract	1,022,813	996,180
	<u>₩ 2,905,109</u>	<u>₩ 2,884,362</u>

The Group pays fees to its dealers based on the performance of customer recruitment and contract renewal relating to mobile telephone services, etc., and among these fees, costs that would not have been incurred if there were no contracts with the customer is recognized as prepaid expenses. The asset is amortized on a straight-line basis over the estimated contract period with the related customer. On the other hand, the amount of incremental cost of obtaining a contract recognized as an asset which was expensed as commission expense and others in the consolidated statement of comprehensive income for the current period is ₩2,505,724 million.

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23. Derivative financial assets and liabilities

(1) Details of derivative financial assets and liabilities as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023			
	Assets		Liabilities	
	Current	Non-current	Current	Non-current
Firm contracts	₩ 12,050	₩ 21,028	₩ 3,022	₩ 76,674
Swap contracts	151,228	245,454	16,412	632,318
Forward contracts	76,012	51,551	325,013	11,274
Futures contracts	7,560	-	195	-
Options contracts	42,496	929,501	9,302	435,306
Embedded derivative	958	11,417	14,956	95,200
	₩ 290,304	₩ 1,258,951	₩ 368,900	₩ 1,250,772

	December 31, 2022			
	Assets		Liabilities	
	Current	Non-current	Current	Non-current
Firm contracts	₩ 6,733	₩ 25,896	₩ 24,565	₩ 111,274
Swap contracts	366,242	352,916	39,478	540,640
Forward contracts	56,498	50,711	123,052	1,226
Futures contracts	4,928	-	101	-
Options contracts	5,725	742,013	19,866	140,462
Embedded derivative	-	15,123	1,132	24,817
	₩ 440,126	₩ 1,186,659	₩ 208,194	₩ 818,419

(2) The Group has entered into derivatives (such as foreign exchange forwards, foreign exchange swap and interest swap) contracts in order to avoid exchange rate risk of foreign currency assets and liabilities and the interest rate risk associated with debts. In addition, The Group recognizes derivatives for various rights such as call options and put options granted under the agreement between shareholders. As of December 31, 2023, significant derivative financial instruments that the Group holds as a hedge or held-for-trading are as follows:

Segments	Purpose of transaction	Classification	Financial institutes
SK Inc. and others	Hedge of foreign currency exchange risk of foreign currency denominated contract and others	Foreign exchange forwards and total revenue swap agreement and other	KEB Hana Bank and others
SK Innovation Co., Ltd.	Cash flow hedge of forecasted sales of products and interest rate risk hedge for floating rate borrowings rates and others	Merchandise derivative and interest swaps and others	BOA, Credit Agricole and others
SK Telecom Co., Ltd.	Hedge of foreign currency exchange risk of foreign currency denominated bond, hedge of currency exchange, interest rate risk of floating rate foreign currency denominated bond and the risk of changes in market interest rates and others	Foreign exchange swaps and interest swaps and others	Korea Eximbank, CitiBank and others
SK Square Co., Ltd.	Purpose of sale	Conditional payment consideration, option and others	Odin9LLC, individual and others
SK Networks Co., Ltd.	Hedge of foreign currency exchange risk of foreign currency denominated debt and bond and others	Foreign exchange forwards and interest swaps and others	KEB Hana Bank, Kookmin Bank and others
SKC Co., Ltd.	Hedge of foreign currency exchange risk of foreign currency denominated debt and bond and others	Foreign exchange forwards and interest rate swaps	KEB Hana Bank, Woori Bank, Shinhan Bank and others
SK E&S Co., Ltd.	Hedge of foreign currency exchange risk of foreign currency denominated borrowings and hedge of interest rate of floating rate borrowings. Price change hedge of natural gas purchase contract	Foreign exchange forwards and interest rate swaps Merchandise swaps	Korea Development Bank Woori Bank, NH Bank, Kookmin Bank and others J.ARON&COMPANY(SINGAPORE) PTE and others
SK Ecoplant Co., Ltd.	Hedge of exchange rate fluctuations of foreign currency assets and liabilities, hedge of interest rate fluctuations such as loans and others	Foreign exchange forwards, Foreign exchange swaps	KEB Hana Bank, Woori Bank, Busan Bank, HSBC and others
SK Siltron Co., Ltd.	Exchange rate and interest rate fluctuation risk aversion of foreign currency borrowings with variable interest rates	Foreign exchange swap, interest rate swaps	Korea Development Bank, Korea Eximbank, NH Bank

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24. Issued capital

(1) Details of issued capital as of December 31, 2023 and 2022 are as follows (Korean won in millions, except for number of shares):

	December 31, 2023	
	Common stocks	Preferred stocks (No voting rights)
Number of shares authorized (in shares)	400,000,000	400,000,000
Par value per share (in won)	₩ 200	₩ 200
Number of shares issued (in shares)	73,198,329	566,135
Issued capital	₩ 16,030	₩ 113

The Group retired 6,000,000 shares of its treasury share (par value : ₩1,200 million) in 2015 and 951,000 shares of its treasury share (par value : ₩190 million) during the year ended December 31, 2023 by reducing retained earnings, which resulted in a difference between the total par value of ordinary shares and issued capital.

	December 31, 2022	
	Common stocks	Preferred stocks (No voting rights)
Number of shares authorized (in shares)	400,000,000	400,000,000
Par value per share (in won)	₩ 200	₩ 200
Number of shares issued (in shares)	74,149,329	566,135
Issued capital	₩ 16,030	₩ 113

(2) Changes in the total number of shares issued for the years ended December 31, 2023 and 2022 are as follows (In shares):

	December 31, 2023	
	Common stocks	Preferred stocks (No voting rights)
Beginning	74,149,329	566,135
Retirement of treasury shares	(951,000)	-
Ending	<u>73,198,329</u>	<u>566,135</u>

	December 31, 2022	
	Common stocks	Preferred stocks (No voting rights)
Beginning	74,149,329	566,135
Retirement of treasury shares	-	-
Ending	<u>74,149,329</u>	<u>566,135</u>

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25. Other paid-in capital

(1) Details of other paid-in capital as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023	December 31, 2022
Additional paid-in capital (*1)	₩ 6,609,167	₩ 6,609,167
Treasury shares (*2)	(1,960,078)	(2,009,083)
Other capital surplus	2,375,837	1,801,828
	<u>₩ 7,024,926</u>	<u>₩ 6,401,912</u>

(*1) During the year ended December 31, 2015, the Group repurchased treasury shares of ₩3,369,395 million from merger with the former SK Inc., which was recognized as a contra-equity account on additional paid-in capital.

(*2) As of December 31, 2023, treasury shares consist of those acquired to increase the enterprise value and to stabilize share price (7,311,175 ordinary shares) and those acquired from repurchase of shares from dissenting shareholders on business combination and shares arising from odd lot shares (11,023,237 ordinary shares and 1,787 preferred shares) during the year 2015.

(2) Details of treasury shares as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023	December 31, 2022
Number of treasury shares (in shares)	18,336,199	18,976,607
Acquisition amount	₩ 1,960,078	₩ 2,009,083

(3) Changes in treasury shares for the periods ended December 31, 2023 and 2022 are as follows (In shares):

	December 31, 2023	December 31, 2022
Beginning	18,976,607	18,060,349
Acquisition	338,026	951,202
Disposal	(27,434)	(34,944)
Retirement	(951,000)	-
Ending	<u>18,336,199</u>	<u>18,976,607</u>

26. Retained earnings

Details of retained earnings as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023	December 31, 2022
Legal reserve		
Earned surplus reserve (*1)	₩ 8,072	₩ 8,072
Voluntary reserve		
Reserve for business rationalization	11,122	11,122
Reserve for business improvement	51,775	51,775
Unappropriated retained earnings	<u>13,597,097</u>	<u>14,847,644</u>
	<u>₩ 13,668,066</u>	<u>₩ 14,918,613</u>

(*1) In accordance with the Korean Commercial Code, an amount equal to at least 10% of cash dividends is required to be appropriated as a legal reserve until the reserve equals 50% of issued capital. The legal reserve may not be used for purposes other than used to offset a deficit, if any, or be transferred to issued capital through approval at the general meeting of the shareholders.

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27. Dividends

(1) Details of dividends proposed for approval at the annual ordinary shareholders' meeting for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions, except for number of shares):

	For the years ended			
	December 31, 2023		December 31, 2022	
	Ordinary share	Preferred share (No voting rights)	Ordinary share	Preferred share (No voting rights)
Number of shares issued	73,198,329	566,135	74,149,329	566,135
Number of treasury shares	18,679,439	1,787	18,974,821	1,787
Number of shares	54,518,890	564,348	55,174,508	564,348
Dividend per share (Korean won)	₩ 3,500	₩ 3,550	₩ 3,500	₩ 3,550
Par value per share (Korean won)	200	200	200	200
Dividend rate per share	1,750%	1,775%	1,750%	1,775%
Dividends	₩ 190,816	₩ 2,003	₩ 193,112	₩ 2,003

(2) Details of Interim dividends proposed for approval at board of directors for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	For the years ended			
	December 31, 2023		December 31, 2022	
	Ordinary share	Preferred share (No voting rights)	Ordinary share	Preferred share (No voting rights)
Number of shares issued	73,198,329	566,135	74,149,329	566,135
Number of treasury shares	17,996,386	1,787	18,023,811	1,787
Number of shares	55,201,943	564,348	56,125,518	564,348
Dividend per share (Korean won)	₩ 1,500	₩ 1,500	₩ 1,500	₩ 1,500
Par value per share (Korean won)	200	200	200	200
Dividend rate per share	750%	750%	750%	750%
Dividends	₩ 82,802	₩ 847	₩ 84,188	₩ 847

28. Other components of equity

Details of other components of equity as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023	December 31, 2022
Net gain on valuation of financial assets measured at FVOCI	₩ (1,548,777)	₩ (948,954)
Equity adjustments of investments in associates and joint ventures	159,350	101,980
Net gain on valuation of derivative instruments	43,735	61,374
Net gain on translation of foreign operation	1,363,271	1,044,478
	₩ 17,579	₩ 258,878

29. Shared-based payment

Upon resolution by the shareholders and the Board of Directors, the Group established a stock option program that entitles key management personnel an option to purchase ordinary shares. The terms and conditions related to the grants of the stock options granted under the share option program are as follows:

(1) SK Inc.

- Cash-settled share-based payment

1) The terms and conditions related to the grants of the stock options granted under the share option program as of December 31, 2023 are as follows (Korean won):

	1-2(*1)	1-3	2-1	2-2
Grant date	2017-03-24	2017-03-24	2020-03-25	2020-03-25
Type of shares to be issued	Ordinary shares			
Grant method	Reissue of treasury shares, but if the stock option's exercise price is lower than the stock's real price (evaluated based on exercise date), the Company may settle the difference in cash or with treasury share equivalent to the difference amount.			
Number of shares (in shares)	41,430	41,431	142,692	71,346
Exercise price (Korean won) ₩	244,400	₩ 263,950	₩ 153,450	₩ 153,450
Contractual life of options	2020.03.25 ~2023.03.24	2021.03.25 ~2024.03.24	2023.03.26 ~2027.03.25	2023.03.26 ~2027.03.25
Vesting conditions	3 year service from the grant date	4 year service from the grant date	2 year service from the grant date	3 year service from the grant date
	1(*2,3)	2(*3)	1(*3)	2(*3)
Grant date	2018-03-29	2018-03-29	2020-03-31	2020-03-31
Type of shares to be issued	Ordinary shares			
Grant method	Reissue of treasury shares, but if the stock option's exercise price is lower than the stock's real price (evaluated based on exercise date), the Company may settle the difference in cash or with treasury share equivalent to the difference amount.			
Number of shares (in shares)	18,607	18,607	39,098	19,551
Exercise price (Korean won) ₩	100,884	₩ 108,959	₩ 89,204	₩ 89,204
Contractual life of options	2020.03.29 ~2023.03.28	2021.03.29 ~2024.03.28	2023.03.31 ~2027.03.30	2023.03.31 ~2027.03.30
Vesting conditions	2 year service from the grant date	3 year service from the grant date	2 year service from the grant date	3 year service from the grant date

(*1) All options granted in wave 1-2 were fully forfeited during the year ended December 31, 2023.

(*2) All options granted in wave 1 were fully exercised during the year ended December 31, 2023.

(*3) The stock options have been transferred from SK Materials Co., Ltd.(formerly)

2) Details of compensation cost as of December 31, 2023 and 2022, due to stock option program are as follows (Korean won in millions):

December 31, 2023				
Compensation costs recognized for the current period	Accumulated compensation costs recognized for the period	Residual compensation costs	Total compensation costs	Related liabilities
₩ (2,232)	₩ 16,517	₩ -	₩ 16,517	₩ 15,304
December 31, 2022				
Compensation costs recognized for the prior period	Accumulated compensation costs recognized for the period	Residual compensation costs	Total compensation costs	Related liabilities
₩ (6,999)	₩ 18,736	₩ 1,328	₩ 20,064	₩ 18,749

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29. Shared-based payment (cont'd)

3) Changes in stock options for the years ended December 31, 2023 and 2022 are as follows (Korean won):

	For the year ended December 31, 2023		For the year ended December 31, 2022	
	Stocks (in shares)	Weighted average exercise price	Stocks (in shares)	Weighted average exercise price
Beginning balance	392,762	₩ 160,508	434,191	₩ 166,785
Shares granted	-	-	-	-
Exercised	(18,607)	(100,884)	(41,429)	(226,290)
Extinguished	(41,430)	(244,400)	-	-
Ending balance	332,725	₩ 153,397	392,762	₩ 160,508
Stock Options available for exercise	291,294	137,673	309,902	135,464

4) The assumptions and variables used in option pricing model as of December 31, 2023 are as follows (Korean won):

Descriptions	December 31, 2023					
	1-3 The binomial model	2-1 The binomial model	2-2 The binomial model	2 The binomial model	1 The binomial model	2 The binomial model
Expected price(Closing price on the preceding day)	₩ 178,000	₩ 178,000	₩ 178,000	₩ 178,000	₩ 178,000	₩ 178,000
Risk-free interest rate	3.52%	3.14%	3.14%	3.52%	3.15%	3.15%
Expected option life	7 years	7 years	7 years	6 years	7 years	7 years
Expected volatility	25.40%	25.40%	25.40%	25.40%	25.40%	25.40%
Dividend yield	2.81%	2.81%	2.81%	2.81%	2.81%	2.81%
Exercise price	₩ 263,950	₩ 153,450	₩ 153,450	₩ 108,959	₩ 89,204	₩ 89,204
Fair value per share	₩ 4	₩ 41,167	₩ 41,167	₩ 69,041	₩ 88,796	₩ 88,796

- Equity-settled share-based payment

1) According to the resolution of the Board of Directors, the Group established a performance-based stock option program as part of compensation related to corporate value growth, granting performance-based stock compensation to major executives. The terms and conditions related to the grants of the stock options under the share option program are as follows:

Descriptions	December 31, 2023
Evaluation base date	December 5, 2023
Grant date	March 29, 2023
Types of shares to be issue	Ordinary shares
Grant method	Reissue of treasury shares, cash payment for specific reasons
Number of shares paid	Determined in consideration of the absolute stock price increase/decrease rate and the relative stock price increase/decrease rate (or corporate value increase/decrease rate) compared to the KOSPI200 for three years from the date of grant
Payment time	The final amount or amount of payment will be confirmed on the date of the regular shareholders' meeting in 2026, within one month after the date of resolution of the board of directors, on the premise of the approval of the agenda of the board of directors approving the payment
Vesting conditions	1 year service from January 1, 2023

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29. Shared-based payment (cont'd)

2) Details of compensation cost as of December 31, 2023, due to Equity-settled Share-based Payment are as follows (Korean won in millions):

December 31, 2023						
Compensation costs recognized for the current period		Accumulated compensation costs recognized for the period		Residual compensation costs		Total compensation costs
₩	4,721	₩	4,721	₩	-	₩ 4,721

3) The assumptions and variables used in the option pricing model for equity-settled share-based payment as of December 31, 2023 are as follows (Korean won):

Descriptions	December 31, 2023	
Option Pricing Model	The binomial model	
Initial grant amount(Korean won in millions)	₩	4,775
Weighted average stock price at the grant date	₩	171,980
Beta		1.19
Expected price(Closing price on the preceding day)	₩	168,500
Risk-free interest rate		3.49%
Expected option life		2.3years
Expected volatility		27.48%
Dividend yield		2.50%
Fair value per share	₩	126,799

In addition, the Group has entered into a Stock Grant that pays treasury stocks to employees for free apart from the above stock options. In the case of such Stock Grant, there is no requirement for vesting condition, and may not be transferred during the term of the stock. As of December 31, 2023, the recognized stock compensation costs related to the Stock Grant is ₩340 million.

(2) Subsidiaries of the Group established a stock option program that entitles key management personnel an option to purchase ordinary shares. Share-based compensation expenses recognized under the share option program as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023			
	Current	Accumulated	Remaining	Total
Group of SK Innovation Co., Ltd.	₩ 50,494	₩ 60,274	₩ 72,913	₩ 133,187
Group of SK Telecom Co., Ltd.	11,220	167,705	1,816	169,521
Group of SK Square Co., Ltd.	31,638	64,739	21,239	85,978
Group of SK Networks Co., Ltd.	3,853	6,760	1,447	8,207
Group of SKC Co., Ltd.	543	5,360	122	5,482
Group of SK Ecoplant Co., Ltd.	3,828	7,706	3,485	11,191
Others	11,164	35,677	15,840	51,517
	₩ 112,740	₩ 348,221	₩ 116,862	₩ 465,083

	December 31, 2022			
	Current(reversal)	Accumulated	Remaining	Total
Group of SK Innovation Co., Ltd.	₩ 3,329	₩ 7,533	₩ 2,239	₩ 9,772
Group of SK Telecom Co., Ltd.	78,600	155,579	40	155,619
Group of SK Square Co., Ltd.	29,606	45,787	42,016	87,803
Group of SK Networks Co., Ltd.	1,234	2,906	309	3,215
Group of SKC Co., Ltd.	(8,304)	4,817	1,638	6,455
Group of SK E&S Co., Ltd.	-	496	14	510
Group of SK Ecoplant Co., Ltd.	2,610	2,610	5,001	7,611
Others	1,278	3,897	6,739	10,636
	₩ 108,353	₩ 223,625	₩ 57,996	₩ 281,621

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30. Selling and administrative expenses

Details of selling and administrative expenses for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2023	December 31, 2022
Salaries	₩ 2,253,895	₩ 2,049,251
Provision for pension benefits	125,000	158,144
Employee welfare benefits	502,272	432,739
Travel	139,280	106,721
Bad debt expenses	20,628	58,206
Communications	15,493	12,898
Utilities	60,475	51,165
Taxes and dues	149,939	133,082
Supplies	60,782	63,096
Rents	215,713	195,822
Depreciation	579,968	555,980
Amortization	449,947	363,328
Repairs	33,837	26,427
Insurance	80,071	68,151
Advertising	661,115	747,577
Research and development	657,589	637,053
Education and examination	91,828	78,162
Outsourcing technology services	1,348,424	1,059,496
Transport	331,092	388,210
Others	576,296	296,983
	<u>₩ 8,353,644</u>	<u>₩ 7,482,491</u>

31. Finance income and costs

(1) Details of finance income for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2023	December 31, 2022
Finance income:		
Interest income	₩ 873,028	₩ 469,858
Gain on foreign currency transactions	2,701,549	3,375,217
Gain on foreign currency translation	659,625	975,713
Gain on transactions of derivatives	1,956,239	3,355,415
Gain on valuation of derivatives	468,978	668,842
Others	441,217	281,294
	<u>₩ 7,100,636</u>	<u>₩ 9,126,339</u>

(2) Details of finance costs for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2023	December 31, 2022
Finance costs:		
Interest expense	₩ 3,205,878	₩ 2,045,260
Loss on foreign currency transactions	3,052,772	4,073,108
Loss on foreign currency translation	463,904	653,246
Loss on transactions of derivatives	1,909,764	3,724,853
Loss on valuation of derivatives	486,797	337,454
Others	461,320	1,127,233
	<u>₩ 9,580,435</u>	<u>₩ 11,961,154</u>

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32. Other non-operating income and expenses

(1) Details of other non-operating income for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2023	December 31, 2022
Other non-operating income:		
Dividend income	₩ 80,007	₩ 49,175
Rental income	1,492	1,689
Gain on disposal of trade receivables	-	1,043
Gain on disposal of investments in associates and joint ventures	62,233	504,791
Gain on disposal of property, plant and equipment	167,130	581,818
Gain on disposal of intangible assets	21,047	80,513
Others	862,544	619,414
	<u>₩ 1,194,453</u>	<u>₩ 1,838,443</u>

(2) Details of other non-operating expenses for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2023	December 31, 2022
Other non-operating expenses:		
Loss on disposal of trade receivables	₩ 130,674	₩ 100,774
Loss on impairment of investments in associates and joint ventures	317,765	375,147
Loss on disposal of property, plant and equipment	38,556	70,030
Loss on impairment of property, plant and equipment	111,670	91,319
Loss on disposal of intangible assets	3,058	15,846
Loss on impairment of intangible assets	559,492	176,957
Donations	94,714	109,377
Others	833,808	409,672
	<u>₩ 2,089,737</u>	<u>₩ 1,349,122</u>

33. Expense classified based on nature of expense

Details of classification based on nature of expenses for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2023	December 31, 2022
Employee benefits	₩ 9,900,711	₩ 9,412,382
Depreciation and amortization	8,945,312	8,795,253
Network connection	706,716	730,106
Transport	917,716	1,176,538
Advertising	659,909	753,921
Lease payments and rents	545,509	597,283
Others	21,735,704	20,470,990
Use of raw materials and purchase of finished goods and merchandise	84,102,348	85,090,040
Changes in finished goods and semi-finished goods	(715,387)	(3,108,425)
Total (*1)	<u>₩ 126,798,538</u>	<u>₩ 123,918,088</u>

(*1)The sum of the cost of sales, selling and administrative expenses in the statement of comprehensive income.

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34. Income taxes

(1) Components of income tax expense for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2023	December 31, 2022
Current income tax	₩ 1,588,300	₩ 2,248,178
Adjustments in respect of current income tax of prior year	(45,692)	118,715
Origination and reversal of temporary difference	(949,280)	34,370
Income tax recognized directly to equity	(31,646)	121,595
Others	162,132	44,104
Income tax expense	₩ 723,814	₩ 2,566,962
Income tax expense from continuing operations	₩ 619,123	₩ 2,375,596
Income tax expense from discontinued operations	104,691	191,366

(2) Details of income tax recognized directly to equity for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2023	December 31, 2022
Remeasurement gain (loss) on defined benefit plan	₩ 59,722	₩ (78,576)
Net gain on valuation of financial instruments measured at FVOCI	19,036	249,071
Equity adjustments of investments in associates and joint ventures	(55,431)	(12,439)
Net gain(loss) on valuation of derivative instruments	17,803	(7,146)
Others	(72,776)	(29,315)
	₩ (31,646)	₩ 121,595

(3) Reconciliations of profit before income tax expense at the Korea statutory tax rate to income tax expense at the effective tax rate of the Group for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2023	December 31, 2022
Profit before income tax expense	₩ 317,426	₩ 6,533,138
Profit before income tax expense from continuing operations	(678,185)	5,900,013
Profit before income tax expense from discontinued operations	995,611	633,125
Applied tax rates (*1)	26.40%	27.50%
Income tax at statutory tax rate	83,801	1,796,613
Non-taxable income	(394,237)	(235,640)
Non-deductible expenses	316,122	214,140
Tax credit	(9,456)	9,565
Unrecognized deferred taxes	155,995	(31,551)
Others (*2)	571,589	813,835
Income tax expense	₩ 723,814	₩ 2,566,962
Income tax expense from continuing operations	₩ 619,123	₩ 2,375,596
Income tax expense from discontinued operations	104,691	191,366
Effective tax rate	227.30%	39.29%

(*1) The Group is subject to corporate income tax of Republic of Korea where the Parent Company is located. For the year ended December 31, 2023, the difference between the Korean tax burdens and the foreign tax burdens on foreign subsidiaries is included in others.

(*2) The effect of tax rate change is included.

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34. Income taxes (cont'd)

(4) Significant changes in deferred tax assets (liabilities) for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	For the year ended December 31, 2023					
	Beginning balance	Business combination	Recognized directly in profit or loss	Recognized directly in equity	Others	Ending balance
Temporary differences	₩(4,073,006)	₩ (173,402)	₩ 484,628	₩ (31,646)	₩ 101,589	₩ (3,691,837)
Tax loss carryforward	611,692	(10,797)	333,859	-	(1,071)	933,683
Tax credits carryforward	192,566	-	162,439	-	7,794	362,799
	<u>₩(3,268,748)</u>	<u>₩ (184,199)</u>	<u>₩ 980,926</u>	<u>₩ (31,646)</u>	<u>₩ 108,312</u>	<u>₩ (2,395,355)</u>
Deferred tax assets (*1)	₩ 1,166,846					₩ 1,749,089
Deferred tax liabilities (*1)	(4,435,594)					(4,144,444)

	For the year ended December 31, 2022					
	Beginning balance	Business combination	Recognized directly in profit or loss	Recognized directly in equity	Others	Ending balance
Temporary differences	₩(4,033,420)	₩ (126,992)	₩ 26,584	₩ 121,595	₩ (60,773)	₩ (4,073,006)
Tax loss carryforward	804,472	(17,131)	(177,347)	-	1,698	611,692
Tax credits carryforward	186,511	-	(5,202)	-	11,257	192,566
	<u>₩(3,042,437)</u>	<u>₩ (144,123)</u>	<u>₩ (155,965)</u>	<u>₩ 121,595</u>	<u>₩ (47,818)</u>	<u>₩ (3,268,748)</u>
Deferred tax assets (*1)	₩ 765,000					₩ 1,166,846
Deferred tax liabilities (*1)	(3,807,437)					(4,435,594)

(*1) The Group offsets tax assets and liabilities if, and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities related to income taxes are levied by the same tax authority.

(5) Temporary differences to be deducted, tax loss carryforward and tax credits carryforward that are not recognized as deferred tax assets as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023	December 31, 2022
Temporary differences to be deducted	₩ 6,044,813	₩ 6,975,910
Tax loss carryforward	1,995,597	3,080,982
Tax credits carryforward	13,922	46,110
	<u>₩ 8,054,332</u>	<u>₩ 10,103,002</u>

(6) The total amount of temporary differences related to subsidiaries, investment in branches and associates, joint ventures that are not recognized as deferred tax liabilities for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023	December 31, 2022
Subsidiaries, investment in associates and joint ventures	₩ 14,692,968	₩ 15,461,856

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34. Income taxes (cont'd)

(7) The expected expiration schedule of tax loss carryforward and tax credits carryforward for which deferred tax assets are not recognized as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	For the years ended			
	December 31, 2023		December 31, 2022	
	Tax loss carryforward	Tax credits carryforward	Tax loss carryforward	Tax credits carryforward
1 year or less	₩ 44,938	₩ -	₩ 60,333	₩ -
1 year ~ 2 years	34,154	-	170,607	-
2 years ~ 3 years	142,388	29	40,418	4,285
More than 3 years	1,774,117	13,893	2,809,624	41,825
	<u>₩ 1,995,597</u>	<u>₩ 13,922</u>	<u>₩ 3,080,982</u>	<u>₩ 46,110</u>

(8) Global minimum tax

In accordance with the global minimum tax law that comes into effect from 2024, a consolidated entity may be required to pay additional tax corresponding to the difference between the effective tax rates of the jurisdictions each subsidiary operates in and the minimum tax rate of 15%. As the global minimum tax will be effective in the Republic of Korea from January 1, 2024, there is no current tax effect for the year ended December 31, 2023. We are reviewing the impact of implementation the enforcement of the global minimum tax law may have on the financial statements, and it is not possible to reliably estimate the amount as of December 31, 2023.

35. Earnings (loss) per share

(1) Basic earnings (loss) per share

1) Basic earnings (loss) per share calculation details attribute to ordinary share owners of the parent for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions, except weighted-average number of ordinary share outstanding):

	For the years ended	
	December 31, 2023	December 31, 2022
Profit(loss) for the year from continuing operations attributable to owners of the parent	₩ (1,040,291)	₩ 922,094
Gain from discontinued operations attributable to owners of the parent	263,493	176,589
Less: preferred share dividends and residual profit (*1)	(7,867)	10,995
Profit(loss) for the year from continuing operations attributable to ordinary share owners of the parent	₩ (1,029,726)	₩ 912,890
Gain from discontinued operations attributable to ordinary share owners of the parent	260,796	174,798
Weighted-average number of ordinary share outstanding (*2)	<u>55,157,133</u>	<u>55,974,240</u>
Basic earnings(loss) per share from continuing operations attributable to ordinary share owners of the parent (in Korean won)	₩ (18,669)	₩ 16,309
Basic earnings per share from discontinued operations attributable to ordinary share owners of the parent (in Korean won)	4,728	3,123

(*1) Preferred stocks are entitled to receive 25% above (par value basis) the cash dividend rate for common stocks.

(*2) The weighted-average number of ordinary share outstanding is calculated by multiplying the number of shares issued by the portion of the reporting period those shares covered. The treasury shares held until the disposal date, after the date of acquisition, are excluded from the number of ordinary shares outstanding.

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35. Earnings (loss) per share (cont'd)

2) The basis of calculating weighted-average number of ordinary shares for the years ended December 31, 2023 and 2022 is as follows:

	For the years ended	
	December 31, 2023	December 31, 2022
Weighted-average number of issued shares outstanding	73,443,244	74,149,329
Adjustment: treasury shares	(18,286,111)	(18,175,089)
Weighted-average number of ordinary shares outstanding	<u>55,157,133</u>	<u>55,974,240</u>

3) Basic earnings (loss) per share calculation details attribute to preferred share owners of the parent for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions, except weighted-average number of preferred share outstanding):

	For the years ended	
	December 31, 2023	December 31, 2022
Preferred share dividends and residual profit	₩ (7,867)	₩ 10,995
Profit(loss) for the year from continuing operations attributable to preferred share owners of the parent	(10,564)	9,204
Gain from discontinued operations attributable to preferred share owners of the parent	2,697	1,791
Weighted-average number of preferred share outstanding	<u>564,348</u>	<u>564,348</u>
Basic earnings(loss) per share from continuing operations attributable to preferred share owners of the parent (in Korean won) (*1)	₩ (18,719)	₩ 16,309
Basic earnings per share from discontinued operations attributable to preferred share owners of the parent (in Korean won) (*1)	4,778	3,173

(*1) Earnings per share were calculated with respect to the preferred shares that meet the definition of a common stock as specified in the K-IFRS No. 1033 *Earnings per Share*, which has no such preferential rights for participating in dividends or undistributed earnings.

Preferred share has no potential equity instruments, so basic earnings per share and diluted earnings per share are the same.

(2) Diluted earnings (loss) per share

1) Diluted earnings (loss) per share calculation details attribute to ordinary share owners of the parent for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions, except weighted-average number of ordinary share outstanding):

	For the years ended	
	December 31, 2023	December 31, 2022
Profit(loss) for the year from continuing operations attributable to owners of the parent	₩ (1,040,291)	₩ 922,094
Gain from discontinued operations attributable to owners of the parent	263,493	176,589
Less: preferred share dividends and residual profit (*1)	(7,867)	10,995
Less: numerator adjustment of cash-settled stock option	1,643	4,901
Profit(loss) for the year from continuing operations attributable to ordinary share owners of the parent	₩ (1,031,370)	₩ 907,989
Gain from discontinued operations attributable to ordinary share owners of the parent	260,796	174,798
Weighted-average number of ordinary share outstanding	<u>55,207,834</u>	<u>56,092,595</u>
Diluted earnings(loss) per share from continuing operations attributable to ordinary share owners of the parent (in Korean won)	₩ (18,682)	₩ 16,187
Diluted earnings per share from discontinued operations attributable to ordinary share owners of the parent (in Korean won)	4,724	3,116

(*1) Preferred stocks are entitled to receive 25% above (par value basis) the cash dividend rate for common stocks.

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35. Earnings (loss) per share (cont'd)

2) The basis of calculating weighted-average number of diluted ordinary shares for the years ended December 31, 2023 and 2022 is as follows:

	For the years ended	
	December 31, 2023	December 31, 2022
Weighted-average number of issued shares outstanding	55,157,133	55,974,240
Adjustment: stock option	<u>50,701</u>	<u>118,355</u>
Weighted-average number of diluted ordinary shares outstanding	<u>55,207,834</u>	<u>56,092,595</u>

36. Transactions with related parties

Balances on transactions arising from intercompany transactions within the Group were eliminated in preparing the consolidated financial statements as of and for the years ended December 31, 2023 and 2022.

(1) Related parties of the Group as of December 31, 2023 are as follows:

	Company name
Investments in associates	SK Hynix Inc., FR BR Aggregator, Huizhou EVE United Energy Co., Ltd., Peru LNG Company, LLC, Daehan Oil Pipeline Corporation, NHIP II Bison Holdings, LLC, Yemen LNG Company Ltd., Canakkale Highway And Bridge, Korea IT Fund., Joyvio, Content Wavve Corp, BestOil Company Ltd., TBM Co., Ltd., ENN (Zhoushan) LNG Co., Ltd., XE-PIAN XE-NAMNOY POWER COMPANY LIMITED., BLOOMENERGY CORPORATION, TERRAPOWDER, LLC, etc.
Investments in joint ventures	Sinopec-SK (Wuhan) Petrochemical Co., Ltd., Beijing BESK Technology Co., Ltd., Lunar Energy, Inc., ZETA CAYMAN Limited, Ignis Therapeutics, Eurasia Tunnel, Parkingcloud Corp, Boryeong LNG Terminal Co., Ltd., SABIC SK Nexlene Company Pte. Ltd., Korea Security Holdings Co., Ltd., HSAGP ENERGY LLC, etc.
Other related parties (*1)	SK D&D Co., Ltd., Ulsan Aromatics Co., Ltd., SK Chemicals Co., Ltd., SK Gas Co., Ltd., SK Shieldus Co., Ltd., Ubins Co., Ltd., etc.

(*1) These companies are including companies that are not the related parties as defined in paragraph 9 of K-IFRS No. 1024. However, Large-Scale Business Group affiliates designated by the Korea Fair Trade Commission are classified as related parties in accordance with the decision of the Korean Securities and Futures Commission that those are related parties considering substance of the relationship as stipulated in paragraph 10 of K-IFRS No. 1024.

SK Inc. and its subsidiaries
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36. Transactions with related parties (cont'd)

(2) Details of significant transactions with the related parties for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	Company name	For the years ended December 31, 2023		
		Sales and others	Expenses and others	
Investments in associates and joint ventures	Daehan Oil Pipeline Corporation	₩ 16,782	₩ 69,841	
	SABIC SK Nexlene Company Pte. Ltd.	30,256	322,734	
	Best Oil Company Limited	1,184,870	3	
	Sinopec-SK(Wuhan) Petrochemical Co., Ltd.	1,189	721,253	
	ChangZhou BTR New Material Technology Co., Ltd.	636,111	952,755	
	Yemen LNG Company Ltd.	-	2	
	Huizhou EVE United Energy Co., Ltd.	95,532	1,295,661	
	Peru LNG Company, LLC	267,462	-	
	Asia Bitumen Trading Pte. Ltd.	15,685	16,856	
	Ignis Therapeutics	14,150	-	
	F&U Credit Information Co., Ltd.	4,023	50,918	
	SK Hynix Inc.	2,478,477	1,177,918	
	SKC Evonik Peroxide Korea Co., Ltd.	1,167	22,740	
	Boryeong LNG Terminal Co., Ltd.	15,578	123,476	
	Darwin LNG Pty Ltd.	60,905	-	
	Eurasia Tunnel	3,900	-	
	Xe-Pian Xe-Namnoy Power Company	4,703	-	
	Bloom SK Fuel Cell, LLC	1,364	49,519	
	Mastern No.93 Logispoint Gimpo PFV Co., Ltd.	130,419	-	
	Yongin Ilban Industry Danji Co., Ltd.	299,038	-	
	Godeok Clean Energy Co., Ltd.	108,234	1,619	
	Chuncheon Green Energy Inc.	40,677	-	
	Goseong Green Power Co., Ltd.	19,369	-	
	Songsan Green Energy Co.,Ltd.	732	-	
	DCK One Co., Ltd.	126,092	83	
	SMCore. Inc.	708	116,414	
	Others	401,623	158,499	
	Other related parties (*1)	SK D&D Co., Ltd.	6,652	1,246
		Ulsan Aromatics Co., Ltd.	270,191	103,690
		SK Chemicals Co., Ltd.	44,065	12,299
		SK Gas Co., Ltd.	340,645	293,279
SK Shieldus Co., Ltd.		43,961	157,729	
UNA Engineering Co., Ltd.		2,049	104,099	
Korea Nexlene Company		212,122	95	
Baic Electronics SK(Jiangsu) Technology Co., Ltd.		34,168	819,147	
Xinglu (HongKong) Ltd.		164,840	-	
SK Hynix Semiconductor (China) Ltd.		220,560	1,095	
SK Hynix semiconductor (Chongqing) Ltd.		25,549	-	
SK Hynix Semiconductor HK Ltd.		4	747,715	
Happynarae Co., Ltd.		21,240	423,513	
Others		737,855	449,790	
	<u>₩ 8,082,947</u>	<u>₩ 8,193,988</u>		

(*1) Although, not designated as related parties as defined in K-IFRS No. 1024, the entity belongs to the same conglomerate affiliates under *Monopoly Regulation and Fair Trade Act*.

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36. Transactions with related parties (cont'd)

	Company name	For the years ended December 31, 2022		
		Sales and others	Expenses and others	
Investments in associates and joint ventures	Daehan Oil Pipeline Corporation	₩ 11,374	₩ 66,430	
	SABIC SK Nexlene Company Pte. Ltd.	676	304,817	
	Best Oil Company Limited	889,876	1,332	
	Sinopec-SK(Wuhan) Petrochemical Co., Ltd.	64,655	739,852	
	ChangZhou BTR New Material Technology Co., Ltd.	141,085	460,618	
	Huizhou EVE United Energy Co., Ltd.	121,182	1,130,108	
	Peru LNG Company, LLC	547,507	-	
	Asia Bitumen Trading Pte. Ltd.	11,186	48,475	
	Ignis Therapeutics	11,413	-	
	F&U Credit Information Co., Ltd.	3,507	51,418	
	SK Hynix Inc.	4,894,369	530,900	
	SKC Evonik Peroxide Korea Co., Ltd.	1,124	57,563	
	Boryeong LNG Terminal Co., Ltd.	99,384	193,496	
	Darwin LNG Pty Ltd.	497,523	-	
	Eurasia Tunnel	3,227	-	
	Xe-Pian Xe-Namnoy Power Company	12,799	-	
	SK Ecoengineering Co., Ltd.	24,421	2,294,657	
	Daewon Green Energy Co., Ltd.	22,088	-	
	Bloom SK Fuel Cell, LLC	192	44,428	
	Yongin Iiban Industry Danji Co., Ltd.	35,343	-	
	Others	1,047,115	276,320	
	Other related parties (*1)	SK D&D Co., Ltd.	5,173	1,088
		Ulsan Aromatics Co., Ltd.	131,052	111,041
		SK Chemicals Co., Ltd.	66,265	16,684
		SK Gas Co., Ltd.	320,790	427,491
		UNA Engineering Co., Ltd.	813	100,986
		Korea Nexlene Company	234,743	74
Baic Electronics SK(Jiangsu) Technology Co., Ltd.		63,074	632,919	
Xinglu (HongKong) Ltd.		177,054	-	
SK Hynix Semiconductor (China) Ltd.		437,154	1,340	
SK Hynix semiconductor (Chongqing) Ltd.		36,741	-	
SK Hynix Semiconductor HK Ltd.		3	631,252	
SK Hynix System IC Co., Ltd.		12,354	-	
Happynarae Co., Ltd.		28,954	478,299	
Others		183,581	657,772	
	₩ 10,137,797	₩ 9,259,360		

(*1) Although, not designated as related parties as defined in K-IFRS No. 1024, the entity belongs to the same conglomerate affiliates under *Monopoly Regulation and Fair Trade Act*.

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36. Transactions with related parties (cont'd)

(3) Details of significant outstanding balances of receivables and payables with the related parties as of December 31, 2023 and 2022 are as follows (Korean won in millions):

		December 31, 2023		
Company name		Receivables and others (*1)	Payables and others	
Investments in associates and joint ventures	Daehan Oil Pipeline Corporation	₩ 99	₩ 2,633	
	SABIC SK Nexlene Company Pte. Ltd.	5,584	59,549	
	Sinopec-SK(Wuhan) Petrochemical Co., Ltd.	-	5,015	
	Best Oil Company Limited	126,494	7,321	
	ChangZhou BTR New Material Technology Co., Ltd.	42,243	141,717	
	Yemen LNG Company Ltd.	85,924	-	
	Peru LNG Company LLC	7,841	-	
	Huizhou EVE United Energy Co., Ltd.	40,350	177,551	
	Asia Bitumen Trading Pte. Ltd.	2,755	-	
	Ignis Therapeutics	-	14,466	
	F&U Credit Information Co., Ltd.	346	4,417	
	Wave City Development Co., Ltd.	2,355	-	
	SK Hynix Inc.	390,104	337,780	
	SKC Evonik Peroxide Korea Co., Ltd.	2	7,003	
	Boryeong LNG Terminal Co., Ltd	7,887	-	
	Darwin LNG Pty Ltd.	78,305	-	
	Eurasia Tunnel	32,274	-	
	Xe-Pian Xe-Namnoy Power Company	100,501	-	
	Yongin Ilban Industry Danji Co., Ltd.	1,155	82,808	
	Bloom SK Fuel Cell, LLC	6,211	25,684	
	Goseong Green Power Co., Ltd.	62,026	1,458	
	SK E&C JURONG Investment Singapore Pte. Ltd	74,375	-	
	Godeok Clean Energy Co., Ltd.	11,392	799	
	Chuncheon Green Energy Inc.	21,442	-	
	Songsan Green Energy Co.,Ltd.	-	34,949	
	DCK One Co., Ltd.	99	19,071	
	SMCore. Inc.	178	3,285	
	Others	123,342	303,782	
	Other related Parties (*2)	SK D&D Co., Ltd.	635	340
		Ulsan Aromatics Co., Ltd.	5,385	9,532
SK Chemicals Co., Ltd.		7,234	1,422	
SK Gas Co., Ltd.		28,147	142,550	
SK Shieldus Co., Ltd.		39,774	36,287	
UNA Engineering Co., Ltd.		363	10,811	
Korea Nexlene Company		24,365	498	
Baic Electronics SK(Jiangsu) Technology Co., Ltd.		9,053	99,148	
Xinglu (HongKong) Ltd.		11,833	-	
SK Hynix Semiconductor (China) Ltd.		33,694	241	
SK Hynix semiconductor (Chongqing) Ltd.		4,754	-	
SK Hynix Semiconductor HK Ltd.		-	139,326	
Happynarae Co., Ltd.		2,650	30,721	
Others		37,696	28,206	
	₩ 1,428,867	₩ 1,728,370		

(*1) The Group recognized bad debt expense and reversal of bad debt each amounting to ₩1,134 million and ₩(-)103,505 million for the years ended December 31, 2023 (for the years ended December 31, 2022: bad debt expense of ₩451 million, write-off and others of ₩(-)73,767 million). The Group recognized the allowance for doubtful accounts amounting to ₩172,219 million and ₩261,317 million as of December 31, 2023 and December 31, 2022, respectively.

(*2) Although, not designated as related parties as defined in K-IFRS No. 1024, the entity belongs to the same conglomerate affiliates under *Monopoly Regulation and the Fair Trade Act*.

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36. Transactions with related parties (cont'd)

		December 31, 2022	
Company name		Receivables and others (*1)	Payables and others
Investments in associates and joint ventures	Daehan Oil Pipeline Corporation	₩ 110	₩ 10,029
	SABIC SK Nexlene Company Pte. Ltd.	348	46,818
	Sinopec-SK(Wuhan) Petrochemical Co., Ltd.	-	8,042
	Best Oil Company Limited	204,549	49,856
	ChangZhou BTR New Material Technology Co., Ltd.	86,563	229,826
	Yemen LNG Company Ltd.	71,883	-
	Huizhou EVE United Energy Co., Ltd.	36,111	408,582
	Peru LNG Company LLC	8,579	-
	Ignis Therapeutics	12	33,142
	Korea Consortium Kazakh B.V. (*2)	119,215	-
	F&U Credit Information Co., Ltd.	81	5,682
	Wave City Development Co., Ltd.	2,355	-
	SK Hynix Inc.	1,781,976	84,075
	SKC Evonik Peroxide Korea Co., Ltd.	2	4,450
	Boryeong LNG Terminal Co., Ltd	4,139	15
	Darwin LNG Pty Ltd.	42,802	-
	Eurasia Tunnel	28,786	-
	Xe-Pian Xe-Namnoy Power Company	95,889	-
	Yongin Ilban Industry Danji Co., Ltd.	1,100	188,573
	Bloom SK Fuel Cell, LLC	-	5,317
	SK E&C JURONG Investment Singapore Pte. Ltd	74,375	-
	Godeok Clean Energy Co., Ltd.	-	62,136
	Chuncheon Green Energy Inc.	2	-
Others	150,272	414,080	
Other related Parties (*3)	Ulsan Aromatics Co., Ltd.	-	13,435
	SK Chemicals Co., Ltd.	5,066	872
	SK Gas Co., Ltd.	7,986	244,960
	UNA Engineering Co., Ltd.	26	21,190
	Korea Nexlene Company	26,361	268
	Baic Electronics SK(Jiangsu) Technology Co., Ltd.	18,858	146,986
	Xinglu (HongKong) Ltd.	38,162	-
	SK Hynix Semiconductor (China) Ltd.	44,823	280
	SK Hynix semiconductor (Chongqing) Ltd.	3,659	30
	SK Hynix Semiconductor HK Ltd.	2	30,587
	SK Hynix System IC Co., Ltd.	181	13
	Happynarae Co., Ltd.	12,420	61,828
	Others	16,266	20,640
	<u>₩ 2,882,959</u>	<u>₩ 2,091,712</u>	

(*1) The Group recognized bad debt expense and reversal of bad debt each amounting to ₩451 million and ₩(-)73,767 million for the years ended December 31, 2022 (for the years ended December 31, 2021: bad debt expense of ₩7,202 million, write-off and others of ₩15,880 million). The Group recognized the allowance for doubtful accounts amounting to ₩261,317 million and ₩334,633 million as of December 31, 2022 and December 31, 2021, respectively.

(*2) As of December 31, 2022 and 2021, the Group recognized loss allowances in full amount of corresponding receivables.

(*3) Although, not designated as related parties as defined in K-IFRS No. 1024, the entity belongs to the same conglomerate affiliates under *Monopoly Regulation and the Fair Trade Act*.

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36. Transactions with related parties (cont'd)

(4) Details of significant financial transactions with related-parties for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions and foreign currencies in thousands):

Company	Currency	December 31, 2023			December 31, 2022	
		Loans	Collection	Others (*1)	Loans	Collection
Yemen LNG Company Ltd.	KRW	12,873	-	-	6,581	-
Korea Consortium Kazakh B.V. (*2)	KRW	31,762	-	(143,232)	-	-
Peru LNG Company, LLC.	KRW	-	-	-	-	7,113
Zhejiang SK Baoying Group Co., Ltd.	KRW	-	(5,443)	-	5,443	-
Xe-Pian Xe-Namnoy Power Company	KRW	-	-	-	11,990	-
Bloom SK Fuel Cell, LLC	KRW	6,000	-	-	-	-
Gray Whale Offshore Wind Power No.1 Co., Ltd.	KRW	2,033	-	-	-	-
Gray Whale Offshore Wind Power No.2 Co., Ltd.	KRW	1,932	-	-	-	-
Gray Whale Offshore Wind Power No.3 Co., Ltd.	KRW	6,846	-	-	-	-
Komundo Offshore Wind Power Co., Ltd.	KRW	1,232	-	-	-	-
Maenggoldo Offshore Wind Power Co., Ltd.	KRW	1,872	-	-	-	-
KC MT Co., Ltd.	KRW	15,175	-	-	-	-
Haman Green Energy Co., Ltd.	KRW	2,921	-	-	-	-
Darwin LNG Pty Ltd.	KRW	61,702	-	-	-	-
SK Growth Opportunities Corporation	USD	-	-	-	5,240	-

(*1) The amount reduced due to reasons other than the collection of funds, such as write-off, is included.

(*2) Bankruptcy proceedings were terminated within the years ended December 31, 2023 and were excluded from related parties.

(5) There were additional capital contribution transactions for investments in associates and joint ventures for the years ended December 31, 2023 and 2022 (See Note 10, 11).

(6) Guarantees provided among the Group entities as of December 31, 2023 are as follows (Korean won in millions and foreign currencies in thousands):

Guarantor	Guarantee	Currency	Amount	Description of guarantee
SK Innovation Co., Ltd.	SK On Co., Ltd.	KRW	2,000,000	Guarantee of debt
	SK Battery America, Inc.	USD	1,220,000	Guarantee of debt
	SK On Hungary Kft.	USD	220,000	Guarantee of debt
	BlueOval SK, LLC	USD	125,000	Guarantee of debt
		USD	3,319,000	Performance guarantees for invest
	SK Battery Manufacturing Kft.	USD	500,000	Guarantee of debt
		HUF	34,194,000	Guarantee of local factory construction
SK Innovation Co., Ltd. and SK On Co., Ltd.	SK Earthon Co., Ltd.	USD	34,000	Guarantee of mandatory work load
	SK On Hungary Kft.	HUF	9,809,730	Guarantee of local factory construction
SK On Co., Ltd.	SK Battery America, Inc.	USD	2,630,000	Guarantee of loan related
	SK On Hungary Kft.	USD	2,560,000	Guarantee of loan related
	SK Battery Manufacturing Kft.	USD	1,050,000	Guarantee of loan related
	SK On Yancheng	CNY	4,300,000	Guarantee of loan related
SK ie technology Co., Ltd.	SK Hi-Tech Battery Materials(Jiang Su) Co., Ltd	CNY	480,000	Guarantee of debt
	SK hi-tech battery materials Poland sp. z o.o.	USD	696,000	Guarantee of debt
	SK Energy Europe	USD	135,000	Guarantee of PCG
SK Geo Centric Co., Ltd.	SK GC Americas, Inc.	USD	140,000	Guarantee of loan related
	SK Functional Polymer, S.A.S.	EUR	161,000	Guarantee of loan related
	Incross Co., Ltd.	KRW	22,084	Performance guarantees for contract
SK Square Co., Ltd. SK E&S Co., Ltd.	LNG Americas, Inc.	USD	378,000	Guarantee for derivative hedge and others
	Paju Energy Service Co., Ltd.	KRW	350,000	Guarantee of debt
	Narae Energy Service Co., Ltd.	KRW	250,000	Guarantee of debt
	Yeoju Energy Service Co., Ltd.	KRW	200,000	Guarantee of debt
	Prism Energy International Pte. Ltd.	USD	641,000	Guarantee for derivative hedge and others
	IGE Co., Ltd.	KRW	130,000	Guarantee of debt
	BU12 Australia Pty. Ltd.,	USD	318,476	Guarantee for BU gas field recovery cost
	BU13 Australia Pty. Ltd.			
	NEW RENEWABLE ENERGY NO.1 JOINT STOCKCOMPANY	USD	20,000	Guarantee of debt
	Grid Solution LLC	USD	60,000	Guarantee of LC

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36. Transactions with related parties (cont'd)

Guarantor	Guarantee	Currency	Amount	Description of guarantee
SK E&S Americas, Inc.	LNG Americas, Inc.	USD	39,342	Performance guarantee for contract and others
	GridSolutionII,LLC	USD	100,000	Performance guarantee for contract
	PassKey,Inc.	USD	52,313	Performance guarantee for contract
SK Ecoplant Co., Ltd.	SKEC Anadolu, LLC	EUR	30,666	Performance guarantee for contract and others
	Silvertown Investco Limited	GBP	10,671	Guarantee of financial obligation
	Sunlake Co., Ltd.	CAD	6,000	Guarantee of financial obligation
	SK Ecoplant Americas Corporation(formerly, BETEK)	USD	112,000	Guarantee of debt and others
	Environment Management Corporation Co., Ltd	KRW	30,970	Fund supplement agreement for loan agreement
	Samwon ENT Co., Ltd.	KRW	88,700	Conditional debt acquisition
	ECO FRONTIER (SINGAPORE) PTE. LTD.	USD	420,000	Guarantee of payment and others
	SK Ecoengineering Co., Ltd.	KRW	328,751	Joint liability joint debt
	KPE Green Energy Co.,Ltd. (formerly, Daewon Green Energy Co., Ltd.)	KRW	11,400	Guarantee of additional LTSA
Environment Management Corporation Co., Ltd	Honam Environment Energy Co., Ltd.	KRW	4,920	Guarantee of debt
	Gyeongsan Clean Water Way Co., Ltd.	KRW	8,200	Guarantee of debt and others
Topsun Co., Ltd.	Hamgumi Sunlight Co., Ltd.	KRW	3,405	Seoul Guarantee Insurance joint surety
	Mungyeong Solar Pam Co., Ltd.	KRW	5	Seoul Guarantee Insurance joint surety
	Solar Ocean Co., Ltd.	KRW	31	Seoul Guarantee Insurance joint surety
	Janggam Solar Co., Ltd.	KRW	2,595	Seoul Guarantee Insurance joint surety
	KUMO ENERGY CO.,LTD.	KRW	19	Seoul Guarantee Insurance joint surety
	TS Energy 2-Ho Co., Ltd.	KRW	445	Seoul Guarantee Insurance joint surety
	TS Energy 10Ho Co., Ltd.	KRW	6	Seoul Guarantee Insurance joint surety
SK Networks Co., Ltd.	SK Networks Hong Kong Ltd.	USD	87,000	Standing surety for investee
	SK Networks (Shanghai) Co., Ltd.	USD	12,000	Standing surety for investee
		CNY	54,000	Standing surety for investee
	SK Networks (Xiamen) Steel Processing Center Co., Ltd.	CNY	68,000	Standing surety for investee
SKC Co., Ltd.	SK ENPULSE Co., Ltd.	KRW	10,000	Guarantee of corporate bond
	Absolics Inc.	USD	162,000	Guarantee of payment
	SKC (Nantong) Semiconductor Materials Technology Co., Ltd.	USD	2,600	Guarantee of payment
SK ENPULSE Co., Ltd.	SKC (Nantong) Semiconductor Materials Technology Co., Ltd.	USD	23,400	Guarantee of payment
		CNY	97,200	Guarantee of payment
	SKC Semiconductor Materials (Wuxi) Co., Ltd.	USD	2,400	Guarantee of payment
		CNY	154,061	Guarantee of payment
SK Pucore Co., Ltd.	SK Pucore Mexico, S. de R.L. de C.V.	USD	10,500	Guarantee of payment
SK Specialty Co., Ltd.	SK specialty Jiangsu Co., Ltd.	CNY	58,800	Guarantee of debt
	SK specialty Taiwan Co., Ltd.	USD	2,000	Guarantee of debt
	SK specialty Japan Co., Ltd.	JPY	276,000	Guarantee of debt
	SK specialty (Xi'An) Co., Ltd.	USD	2,000	Guarantee of debt
SK Siltron Co., Ltd.	SK Siltron CSS, LLC	USD	173,000	Guarantee of debt
SK Pharmteco Inc.	Center For Breakthrough Medicines Holdings, LLC	USD	20,000	Performance guarantee for contract
SK Biotek Co., Ltd.	SK Biotek Ireland Limited	USD	30,000	Guarantee for credit limit
		EUR	10,000	Guarantee for EPA

(7) Compensation for key management personnel of the Group.

Key management personnel consists of registered executives who are responsible for the planning, operation and control of the Group's business activities. Details of compensation for them for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2023	December 31, 2022
Salaries	₩ 12,576	₩ 16,797
Provision for pension benefits	4,205	5,893
Share-based payment expenses	2,350	(4,295)
	₩ 19,131	₩ 18,395

37. Discontinued operations

(1) Details of discontinued operations

SK Networks Co., Ltd., a subsidiary of the Group, decided to discontinue operations with the sale of its resource business to clean up non-core businesses, strengthen its financial soundness and secure investment funds, before the prior period. In addition, the entity decided to discontinue operation along with the replacement of SK Magic's home appliance division scheduled to be sold during the current period.

SKC Co., Ltd., a subsidiary of the Group, in accordance with the decision of the Board of Directors made on June 8, 2022, split its industry material business division as of November 1, 2022, and sold it as of December 2, 2022, and sold Beijing SKpucore Inc. as of October 21, 2022.

SKC Co., Ltd., a subsidiary of the Group, decided to sell Wet Chemical and Cleaning Business in China on September 12, 2023 after approval by the board of directors to secure financial resources for growth investment to focus on high value-added material parts business. Accordingly, the profit and loss of SKC-ENF Electronic Materials Ltd. and SKC solmics Hong Kong Ltd. were classified as gain and loss from the discontinued operation.

SKC Co., Ltd., a subsidiary of the Group, decided to sell its Fine Ceramic division on October 30, 2023, to create synergy by strengthening corporate competitiveness and improving management efficiency, and classified related profits and losses as gain and loss from the discontinued operation.

SKC Co., Ltd., a subsidiary of the Group, has decided to transfer all of the shares in SK Pucore Co., Ltd. to Korea PU Holdings Co., Ltd. following the decision of the board of directors on October 12, 2023. The expected transfer date is February 29, 2024. In addition, according to the decision of the board of directors on October 12, 2023, SKC has decided to transfer all of the shares in SKC (Nantong) PU SPECIALTY CO., LTD. has decided to transfer all of the shares issued to Daejinhap Automotive Parts Limited. The expected transfer date is January 31, 2024.

SK Ecoplant Co., Ltd., a subsidiary of the Group, sold its entire stake in SK TNS Co., Ltd., a subsidiary of the Group, to Alchemist Capital Partners Korea Co., Ltd. on April 30, 2021 for the purpose of converting a portfolio focused on eco-friendly and new energy by the resolution of the board of directors on January 7, 2021. In addition, in accordance with the board's resolution on October 28, 2021, on February 1, 2022, K-Solutions Business Group, P-Solutions Business Group, Gas & Power Business Group, Battery Business Group and Industrial Business Group were divided into SK Eco Engineering Co., Ltd. After the split merger, 50.003% of the split successor company was sold to Eco Energy Holdings Co., Ltd. on February 16, 2022, and the profit and loss of the split business division was marked as discontinued operation.

SK Square Co., Ltd., a subsidiary of the Group, sold its security business due to a stock trading contract for its stake in Korea Security Holdings Co., Ltd. held during the current period.

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37. Discontinued operations (cont'd)

(2) Gains and losses from the discontinued operations for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	For the year ended December 31, 2023			
	Resource business and others in SK Networks Co., Ltd.	Industry material business and others in SKC Co., Ltd.	Security business in SK Square Co., Ltd.	Total
Revenue	₩ 236,805	₩ 725,430	₩ 977,484	₩ 1,939,719
Cost of sales	175,839	606,182	866,728	1,648,749
Selling and administrative expenses	108,472	95,259	-	203,731
Finance income	1,533	21,030	2,644	25,207
Finance costs	14,403	33,910	41,091	89,404
Other non-operating income	315	685	1,044,660	1,045,660
Other non-operating expenses	9,440	49,943	13,707	73,090
Recognized gains (losses) as a measure or disposition of assets or dispositional asset classes included in discontinued operations at net fair value	(69,501)	(38,149)	1,103,262	995,612
Income tax expense (benefit)	(13,568)	5,420	112,839	104,691
Profit (loss) for the period from discontinued operations	₩ (55,933)	₩ (43,569)	₩ 990,423	₩ 890,921
Attributable to:				
Owners of the Parent Company	₩ (27,292)	₩ (22,415)	₩ 310,503	₩ 260,796
Non-controlling interest	(28,641)	(21,154)	679,920	630,125

	For the year ended December 31, 2022				
	Resource business and others in SK Networks Co., Ltd.	Industry material business and others in SKC Co., Ltd.	K-solution Business Group, and others in SK Ecoplant Co., Ltd.	Security business in SK Square Co., Ltd.	Total
Revenue	₩ 316,026	₩ 1,770,397	₩ 1,062,168	₩ 1,776,412	₩ 4,925,003
Cost of sales	214,450	1,405,291	268,372	1,628,801	3,516,914
Selling and administrative expenses	89,173	272,119	-	-	361,292
Finance income	919	88,176	-	6,350	95,445
Finance costs	8,386	114,067	-	69,432	191,885
Other non-operating income	5,249	3,250	-	-	8,499
Other non-operating expenses	1,597	300,104	-	24,000	325,701
Recognized gains (losses) as a measure or disposition of assets or dispositional asset classes included in discontinued operations at net fair value	8,588	(229,788)	793,796	60,529	633,125
Income tax expense (benefit)	14,418	(17,066)	191,806	2,208	191,366
Profit (loss) for the period from discontinued operations	₩ (5,830)	₩ (212,722)	₩ 601,990	₩ 58,321	₩ 441,759
Attributable to:					
Owners of the Parent Company	₩ (2,589)	₩ (98,371)	₩ 258,245	₩ 17,513	₩ 174,798
Non-controlling interest	(3,241)	(114,351)	343,745	40,808	266,961

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37. Discontinued operations (cont'd)

(3) Details of cash flows relating to discontinued operations for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	For the year ended December 31, 2023		
	Resource	Industry material	
	business and others in SK Networks Co., Ltd.	business and others in SKC Co., Ltd.	Security business in SK Square Co., Ltd.
Cash flows from operating activities	₩ (27,453)	₩ 79,871	₩ 140,649
Cash flows from investing activities	6,846	(37,634)	158,591
Cash flows from financing activities	1,271	(37,379)	(73,926)
Increase (decrease) in cash and cash equivalents	₩ (19,336)	₩ 4,858	₩ 225,314

	For the year ended December 31, 2022			
	Resource	Industry	K-solution	Security
	business and others in SK Networks Co., Ltd.	material business and others in SKC Co., Ltd.	Business Group and others in SK Ecoplant Co., Ltd.	business in SK Square Co., Ltd.
Cash flows from operating activities	₩ 35,094	₩ (144,924)	₩ (82,652)	₩ 319,625
Cash flows from investing activities	(5,170)	1,181,036	444,905	(241,440)
Cash flows from financing activities	(20,874)	(110,724)	(78)	(56,072)
Increase in cash and cash equivalents	₩ 9,050	₩ 925,388	₩ 362,175	₩ 22,113

38. Assets and liabilities held for sale

(1) Summary of assets and liabilities held for sale

The Group decided to sell its entire stake in ESR Cayman Limited and classified related assets and liabilities as held-for-sale and measured them at the lower of their carrying amounts and fair value less costs to sell. Some of the shares were sold before the year ended December 31, 2022, and the remaining shares are also being reviewed for sale.

The Group decided to sell its entire stake in SOCAR, Inc. and classified related assets and liabilities as held-for-sale and measured them at the lower of their carrying amounts and fair value less costs to sell.

SK Networks Co., Ltd., a subsidiary of the Group, decided to sell the Home appliances business segment and classified related assets and liabilities as held-for-sale and measured them at the lower of their carrying amounts and fair value less costs to sell.

SKC Co., Ltd., a subsidiary of the Group, decided to sell Wet Chemical and Cleaning Business in China on September 12, 2023 after approval by the board of directors to secure financial resources for growth investment to focus on high value-added material parts business. Accordingly, assets and liabilities of SOLMICS HONGKONG CO., LTD and SKC-ENF Electronic Materials Ltd. were classified as held-for-sale and the business segments are expected to complete the sale before January 2024.

SKC Co., Ltd., a subsidiary of the Group, has decided to transfer all of the shares in SK Pucore Co., Ltd. to Korea PU Holdings Co., Ltd. following the decision of the board of directors on October 12, 2023. The expected transfer date is February 29, 2024.

In addition, according to the decision of the board of directors on October 12, 2023, SKC has decided to transfer all of the shares in SKC (Nantong) PU SPECIALTY CO., LTD. to Daejinhap Automotive Parts Limited. The expected transfer date is January 31, 2024.

SKC Co., Ltd., a subsidiary of the Group, decided to sell its Fine Ceramic division on October 30, 2023, to create synergy by strengthening corporate competitiveness and improving management efficiency, and classified related assets and liabilities as held-for-sale.

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38. Assets and liabilities held for sale (cont'd)

SK Square Co., Ltd., a subsidiary of the Group, decided to sell NanoEntek Inc. and GRAB GEO HOLDINGS PTE. LTD. held by its parent company to secure new investment resources following the approval of the Investment Deliberation Committee during the previous period, and all shares were reclassified as assets held for sale. Meanwhile, the sale of the investment shares was completed during the current period, and the profits related to the investment were recognized at ₩4,543 million and ₩3,511 million, respectively.

(2) Details of assets and liabilities held for sale as of December 31, 2023 and 2022 are as follows (Korean won in millions):

		December 31, 2023	
		Assets	Liabilities
Investment securities	ESR Cayman Limited	₩ 174,725	₩ -
	Digital Content Korea Investment Association	3,395	-
	Central Convergence Content Technology Investment Association	884	-
	P&I Cultural Innovation Investment Association	1,892	-
	Business segment		
	China business segment	72,766	20,680
	Resources business segment	18,872	7,590
	Home appliances business segment	75,941	1,531
	Semiconductor materials business segment	903,847	274,308
Associates	SOCAR, Inc.	90,436	-
	Daekyo Confident Content Korea Investment Association, and others	746	-
Others	Property, plant and equipment and others	3,598	39
		<u>₩ 1,347,102</u>	<u>₩ 304,148</u>
		December 31, 2022	
		Assets	Liabilities
Investment securities	ESR Cayman Limited	₩ 260,970	₩ -
	SKC (Jiangsu) High tech Plastics	18,778	-
	Digital Content Korea Investment Association, and others	5,315	-
Business segment	China business segment	74,772	12,693
	Resources business segment	55,028	26,067
Associates	Daekyo Confident Content Korea Investment Association, and others	1,062	-
	NanoEnTek Inc.	46,779	-
	Grab Geo Holdings Pte. Ltd	30,564	-
Property, plant and equipment	Land and Buildings in	102,255	29,000
	Suyeong-gu, Busan	<u>₩ 595,523</u>	<u>₩ 67,760</u>

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39. Cash flow information

(1) Details of non-cash adjustments for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2023	December 31, 2022
Provision for pension benefits	₩ 380,932	₩ 451,448
Depreciation	7,231,909	7,048,838
Amortization	1,756,052	1,734,807
Bad debt expenses	23,902	62,088
(Reversal of) Loss on valuation of inventories	(335,092)	637,025
Interest expenses	3,244,768	2,145,881
Loss on foreign currency translation	471,964	683,217
Loss on valuation of derivatives	487,115	338,092
Loss on disposal of trade receivables	130,805	100,820
Loss on impairment of investments in associates and joint ventures	317,765	375,147
Loss on disposal of property, plant and equipment	47,952	72,042
Loss on impairment of property, plant and equipment	88,778	94,240
Loss on disposal of intangible assets	3,316	5,941
Loss on impairment of intangible assets	555,004	176,957
Tax expense	723,814	2,566,962
Share of profit of equity-accounted investees, net	2,359,480	(84,667)
Interest income	(874,513)	(475,779)
Gain on foreign currency translation	(665,949)	(988,638)
Gain on valuation of derivatives	(469,929)	(681,118)
Dividend income	(80,007)	(51,928)
Gain on disposal of trade receivables	-	(1,043)
Gain on disposal of investments in associates and subsidiaries	(1,106,361)	(504,791)
Gain on disposal of property, plant and equipment	(163,708)	(581,887)
Gain on disposal of intangible assets	(21,091)	(80,528)
Gain on disposal of assets held for sale	(513,597)	(785,828)
Others	896,099	1,468,225
	<u>₩ 14,489,408</u>	<u>₩ 13,725,523</u>

(2) Details of working capital adjustments for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2023	December 31, 2022
Inventories	₩ 880,821	₩ (5,508,605)
Trade receivables	537,956	(2,951,317)
Other receivables	702,338	(928,900)
Trade payables	867,679	6,282,388
Other payables	(319,006)	(2,465,180)
Advances received	(324,217)	342,662
Retirement benefits	(497,064)	(384,814)
Plan assets	(116,620)	(448,848)
Others	(349,128)	(359,628)
	<u>₩ 1,382,759</u>	<u>₩ (6,422,242)</u>

(3) Significant non-cash transactions for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	For the years ended	
	December 31, 2023	December 31, 2022
Increase in other payables due to acquisition of property, plant and equipment and others	₩ 754,379	₩ 898,940

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39. Cash flow information (cont'd)

(4) Details of changes in liabilities arising from financing activities for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	For the year ended December 31, 2023				
	Beginning balance	Cash flows from financing activities	Non-cash transaction		Ending balance
			New lease	Others	
Short-term borrowings	₩ 17,457,297	₩ (1,143,705)	₩ -	₩ 1,074,782	₩ 17,388,374
Bonds and long-term borrowings	57,014,865	7,254,341	-	(2,679,687)	61,589,519
Lease liabilities	5,506,447	(1,265,361)	426,534	561,458	5,229,078
Dividends payable	935	(1,673,986)	-	1,674,034	983
	<u>₩ 79,979,544</u>	<u>₩ 3,171,289</u>	<u>₩ 426,534</u>	<u>₩ 630,587</u>	<u>₩ 84,207,954</u>

	For the year ended December 31, 2022				
	Beginning balance	Cash flows from financing activities	Non-cash transaction		Ending balance
			New lease	Others	
Short-term borrowings	₩ 7,657,381	₩ 10,426,397	₩ -	₩ (626,481)	₩ 17,457,297
Bonds payable and long-term borrowings	50,448,212	5,200,815	-	1,365,838	57,014,865
Lease liabilities	5,054,890	(1,099,618)	1,543,363	7,812	5,506,447
Dividends payable	887	(1,708,407)	-	1,708,455	935
	<u>₩ 63,161,370</u>	<u>₩ 12,819,187</u>	<u>₩ 1,543,363</u>	<u>₩ 2,455,624</u>	<u>₩ 79,979,544</u>

40. Commitments and contingencies

(1) Major commitments with financial institutions as of December 31, 2023 are as follows (Korean won in millions and foreign currencies in thousands):

Segments	Financial Institutions	Currency	Details of the Commitments	Commitments limit amount	Unused amount
SK Inc.	KEB Hana Bank, Kookmin Bank	KRW	Overdraft	25,000	25,000
		USD	Letter of Credit	14,000	14,000
	Shinhan Bank	KRW	Banker's Acceptance	120,000	120,000
	KEB Hana Bank and others	KRW	Secured loan of credit sales	50,930	45,430
	KEB Hana Bank, Shinhan Bank	USD	Guarantee of payment	17,000	17,000
	KEB Hana Bank and others	KRW	General loan	290,000	-
		USD		100,000	-
	Shinhan Bank and others	KRW	Limit loan	1,496,000	1,451,000
		USD		50,000	50,000
	SK Innovation Co., Ltd.	KEB Hana Bank and others	KRW	Trade-related commitments	425,700
USD				8,849,000	6,438,000
		CNY		2,640,000	1,434,000
		EUR		118,000	74,000
Shinhan Bank and others		KRW	Factoring and General loan	3,557,500	1,644,325
		USD		6,197,000	2,158,000
		CNY		4,280,000	1,418,000
		JPY		2,500,000	2,500,000
Shinhan Bank and others		EUR		50,000	50,000
		KRW	Facility loan	17,517	17,517
	USD		4,346,000	133,000	
	CNY		6,500,000	1,509,000	
SK Ecoplant Co., Ltd.	Shinhan Bank and others	USD	Forward exchange	274,000	274,000
		EUR		25,000	25,000
		KRW		30,228	30,228
	KEB Hana Bank and others	KRW	Overdraft	1,259,018	1,259,018
	Kookmin Bank and others	KRW	Limit loan	1,102,815	1,102,815
	KEB Hana Bank and others	KRW	Secured loan of credit sales	61,444	61,444

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40. Commitments and contingencies (cont'd)

Segments	Financial Institutions	Currency	Details of the Commitments	Commitments limit amount	Unused amount
SK E&S Co., Ltd.	KEB Hana Bank and others(*1)	KRW	Limit loan (*1)	2,080,071	526,228
		USD		1,511,855	445,041
SKC Co., Ltd.	KEB Hana Bank and others	KRW	Limit loan	3,499,200	744,373
		USD		252,500	150,237
	Shinhan Bank and others	USD	Guarantee of payment	93,000	50,842
	SF Train 1st	KRW	Asset Backed Loan	50,000	-
	KEB Hana Bank and others	KRW	Secured loan of credit sales	47,000	47,000
	Shinhan Bank and others	EUR	Letter of credit	11,726	-
		JPY		1,957,810	-
		KRW		5,000	5,000
		USD		50,200	50,200
		KRW	Overdraft	8,000	8,000
SK Networks Co., Ltd.	KEB Hana Bank, NH Bank	KRW	Overdraft	8,000	8,000
	Shinhan Bank and others	USD	Trade-related commitments	765,500	684,145
		KRW		90,000	90,000
	Shinhan Card and others	KRW	Operating Lease	1,027,798	599,653
SK Siltron Co., Ltd.	KEB Hana Bank and others	KRW	Limit loan	445,900	378,100
		USD		245,500	184,960
	Woori Bank and others	KRW	General loan	52,400	52,400
	Kookmin Card and others	KRW	Installment	889,111	256,104
	KEB Hana Bank and others	USD	Trade-related commitments	266,000	196,454
	Korea Development Bank and others	USD	Facility loan	450,000	-
		KRW		657,667	300,000
	Bank of China and others	USD	Limit loan	293,000	71,863
		KRW		153,000	103,000
		KRW	Secured loan of credit sales	39,000	39,000
	USD	Derivatives	17,250	17,250	

(*1) The amount of the derivatives contract within the limit is ₩501,500 million and USD 911,759 thousand.

(2) Guarantees provided for the Group as of December 31, 2023 are as follows (Korean won in millions and foreign currencies in thousands):

Guarantee	Guarantor	Currency	Amount	Description of guarantee
SK Inc.	Korea Software Financial Corporation	KRW	14,022	Performance guarantees for contract and others
	Seoul Guarantee Insurance	KRW	585,609	Performance guarantees for contract and others
Netruck Co., Ltd	Seoul Guarantee Insurance	KRW	4,232	Performance guarantees for contract and others
SK Incheon Petrochem Co., Ltd	KPIOCEANCONNECTPTE.LTD. and others	USD	27,000	Export letter of credit
Won Poll	Seoul Guarantee Insurance	KRW	776	Performance guarantees for contract and others
SKONHUNGARYKFT.	INGBANKHUNGARYBRANCH	HUF	51,491,587	Investment in Ivánca incentive guarantee
		EUR	1,200	Investment performance guarantees following the receipt of investment incentive
SK Telink Co., Ltd.	Seoul Guarantee Insurance	KRW	679	Performance guarantees for contract
SK Broadband Co., Ltd.	Seoul Guarantee Insurance	KRW	31,439	Guarantee of warranties contract
	Korea Content Financial Cooperative	KRW	43,400	Guarantee of warranties contract
SERVICE TOP CO.,LTD.	Seoul Guarantee Insurance	KRW	6	Payment of Debt for the Return of Disabled Assistive Technology Device (Subsidy)
Tmap Mobility Co., Ltd.	Seoul Guarantee Insurance	KRW	7,946	Performance guarantees for contract and others
SK M & Service Co., Ltd.	Seoul Guarantee Insurance	KRW	2,299	Guarantee of bid payment and others
	Shinhan Bank	KRW	1,000	Guarantee of Korean won
PS&Marketing Corp.	Seoul Guarantee Insurance	KRW	1,636	Performance guarantees
Service Ace Co., Ltd.	Seoul Guarantee Insurance	KRW	1	Guarantee of bid payment
Dreamus company Co., Ltd.	Seoul Guarantee Insurance	KRW	1,317	Performance guarantees for contract
One store Co., Ltd.	Seoul Guarantee Insurance	KRW	856	Guarantee for E-commerce and others
	KEB Hana Bank	KRW	100	Guarantees for prepayment method and payment of Korean won
Home&Service Co., Ltd.	Seoul Guarantee Insurance	KRW	4,398	Specific debt guarantee
SK Store Co., Ltd.	Kookmin Bank	KRW	1,280	Performance guarantees and others

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40. Commitments and contingencies (cont'd)

Guarantee	Guarantor	Currency	Amount	Description of guarantee
11street Co., Ltd.	Seoul Guarantee Insurance	KRW	19,940	Guarantee of deposit on lease and others
	KEB Hana Bank	KRW	27,000	Performance guarantees and others
FSK L&S Co., Ltd.	Seoul Guarantee Insurance	KRW	6,810	Performance guarantees for contract and others
SK Planet Co., Ltd.	Seoul Guarantee Insurance	KRW	12,828	Performance guarantees and others
	KEB Hana Bank	KRW	3,000	Performance guarantees and others
SK O&S Co., Ltd.	Seoul Guarantee Insurance	KRW	50,000	Performance guarantees for contract and others
SK Networks Co., Ltd.	Seoul Guarantee Insurance	KRW	7,748	Performance guarantees for contract and others
SK Networks Service Co., Ltd.	Seoul Guarantee Insurance	KRW	18,679	Performance guarantees for sales contract
	KEB Hana Bank	KRW	1,200	Performance guarantees for contract
SK Magic Co., Ltd.	Seoul Guarantee Insurance	KRW	17,218	Performance insurances for warranties and others
EN-CORE CO., LTD.	Seoul Guarantee Insurance	KRW	1,653	Performance guarantees
SK Rent-a-Car Co., Ltd.	Seoul Guarantee Insurance	KRW	11,805	Performance guarantees for contract
SK E&S Co., Ltd.	Seoul Guarantee Insurance	KRW	120,087	Performance guarantees for contract
	Kookmin Bank	USD	80,000	Guarantee of debt
	Shinhan Bank	KRW	61,086	Guarantee of debt
		USD	80,000	Guarantee of debt
	BNP Paribas	USD	71,000	PPA Bid Guarantee
Yeongnam Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	2,582	Guarantee of warranties and approval
Chonnam Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	157	Performance insurances for warranties and gas bill guarantee
Busan City Gas Co., Ltd.	Seoul Guarantee Insurance	KRW	10,302	Guarantee of seizure contract and others
Kangwon City Gas Co., Ltd.	Seoul Guarantee Insurance	KRW	139	Performance guarantees and Performance guarantees for approval
Jeonbuk Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	391	Performance guarantees for contract and warranties
Chungcheong Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	1,724	Performance insurances for warranties and others
Ko-one Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	2,692	Performance guarantees for contract
Paju Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	442	Performance guarantees for approval and others
Narae Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	4,269	Guarantee of license to use state property and others
Yeosu Energy Service Co., Ltd.	Seoul Guarantee Insurance	KRW	2,399	Performance guarantees for deposit on approval and others
Dangjin Haengbok Solar Co., Ltd.	Seoul Guarantee Insurance	KRW	3,211	Guarantee of payment of facility restoration and relocation work expenses
Busan Jungkwan Energy Co., Ltd.	Seoul Guarantee Insurance	KRW	33,776	Performance guarantees for contract and others
Prism Energy International Zhoushan Limited	KEB Hana Bank Beijing Branch	CNY	13,470	Guarantee of Terminal fee
BU12 Australia Pty. Ltd.	ANZ Bank	USD	318,476	BU gas field recovery cost
BU13 Australia Pty. Ltd.				
SK E&S Australia Pty. Ltd.	ANZ Bank	USD	219	Deposit on lease

SK Inc. and its subsidiaries
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40. Commitments and contingencies (cont'd)

Guarantee	Guarantor	Currency	Amount	Description of guarantee	
SK Ecoplant Co., Ltd.	HSBC and others	USD	376,759	Performance guarantees for overseas construction and others	
		VND	541,809,933	Performance guarantees for overseas construction and others	
		TRY	26,730	Performance guarantees for overseas construction and others	
		KWD	57,232	Performance guarantees for overseas construction and others	
		KZT	-	Performance guarantees for overseas construction and others	
		AED	94,988	Performance guarantees for overseas construction and others	
		QAR	92,854	Performance guarantees for overseas construction and others	
		THB	-	Performance guarantees for overseas construction and others	
		HKD	36,441	Performance guarantees for overseas construction and others	
		NOK	370,295	Performance guarantees for overseas construction and others	
		KEB Hana Bank	USD	117,324	Performance guarantees for overseas construction and others
			EUR	84,938	Performance guarantees for overseas construction and others
			GBP	18,900	Performance guarantees for overseas construction and others
	Korea Eximbank	USD	90,969	Performance guarantees for overseas construction and others	
		NOK	136,302	Performance guarantees for overseas construction and others	
		EUR	12	Performance guarantees for overseas construction and others	
	Korea Housing Guarantee Co., Ltd. Seoul Guarantee Insurance	KRW	5,533,782	Housing guarantees and others	
		KRW	327,745	Performance guarantees for domestic construction and others	
	Engineering Financial Cooperative Construction Guarantee Cooperative	KRW	968,645	Domestic construction contract	
		KRW	6,846,682	Performance guarantees for domestic construction and others	
Korea Trade Insurance Corporation	KRW	95,000	Insurance of overseas investment and others		
SK Oceanplant Co.,Ltd.	SAM KANG S&C Co., Ltd.	KRW	5,403	Performance guarantees for domestic construction and others	
		USD	2,470	PBOND	
	Industrial Bank of Korea Korea Defense Guarantee Cooperative and others	KRW	469,767	PBOND and APBOND	
		KRW	5,500	Guarantee of Korean won and others	
	Busan Bank	USD	851	PBOND	
		KRW	3,000	Guarantee of Korean won	
	Korea Development Bank Seoul Guarantee Insurance	KRW	383,830	Guarantee of payment and others	
		EUR	3,649	Guarantee of payment and others	
	Song Mu-seok	USD	21,667	Guarantee of payment and others	
		KRW	3,922	Borrowing and guarantee insurance-related joint guarantee	
	Korea Eximbank	USD	8,413	Performance guarantees for contract and others	
	Shinhan Bank	KRW	76,065	Guarantee of foreign currencies and others	
		USD	10,911	Guarantee of foreign currencies	
		EUR	1,658	Guarantee of foreign currencies	
	Machinery Financial Cooperative and others	KRW	48,672	Advance payment guarantee	
		KRW	416	Warrenties	
	Construction Guarantee Cooperative KEB Hana Bank	KRW	92,705	Guarantee of Korean won	
USD		22,697	PBOND		
Korea Trade Insurance Corporation Construction Guarantee Cooperative	USD	18,325	Guarantees for overseas sale		
	KRW	82,884	Payment Guarantee, Performance guarantees for construction		
SK Ecoengineering Co., Ltd.	Kookmin Bank	EUR	3,801	Guarantee of foreign currencies	
		USD	25,000	Guarantee of foreign currencies	
	Seoul Guarantee Insurance	USD	317	Performance guarantees for construction	
		KRW	1,120	Payment guarantee	
	Engineering Financial Cooperative Woori Bank	PLN	11,896	Performance guarantee	
		KRW	114,994	Performance guarantee	
	USD	13,500	Guarantee of foreign currencies		

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40. Commitments and contingencies (cont'd)

Guarantee	Guarantor	Currency	Amount	Description of guarantee
Environment Management Corporation Co., Ltd.	Construction Guarantee Cooperative	KRW	86,338	Performance guarantees for business, construction, warranties and others
	Seoul Guarantee Insurance	KRW	112,831	Performance guarantees for contract, payment, construction, advance payment and others
	Engineering Financial Cooperative	KRW	164,445	Guarantees for contract, advance payment, warranties and others
ECO FRONTIER (SINGAPORE) PTE. LTD.	BANKS	SGD	752	BANKERSGUARANTEE
Topsun Co.,Ltd.	Seoul Guarantee Insurance	KRW	56,324	Bid Contract Defect Payment Guarantee
	Koea credit guarantee fund	KRW	8,650	Guarantee of debt
	Electric contractors' financial cooperative	KRW	33,089	Bid Contract Defect Payment Guarantee
Renewone and others	Seoul Guarantee Insurance	KRW	37,736	Performance guarantees for contract and others
	Korea construction resource mutual aid association	KRW	1,095	Advance payment guarantee
DY INDUS CO.,LTD.	Seoul Guarantee Insurance	KRW	1,146	Abandoned Waste Disposal Performance Guarantee
DY POLRIMER CO.,LTD.	Seoul Guarantee Insurance	KRW	20	Guarantee of bid payment
SK Specialty Co., Ltd.	Seoul Guarantee Insurance	KRW	201	Performance guarantees and others
SK Signet Inc.	Seoul Guarantee Insurance	KRW	9,176	Performance guarantees for contract, payment, warranties and deposits
SK Pinx Co., Ltd.	Seoul Guarantee Insurance	KRW	245	Performance guarantees for sales contract
SK Tri Chem Co., Ltd.	Seoul Guarantee Insurance	KRW	915	Performance guarantees and others
ISC Co., LTD.	Seoul Guarantee Insurance	KRW	434	Performance guarantees for contract and others

(3) Guarantees provided to others as of December 31, 2023 are as follows (Korean won in millions and foreign currencies in thousands):

Guarantor	Guarantee	Currency	Amount	Description of guarantee
SK Innovation Co., Ltd.	Ford Motor Company and Ford's subsidiaries	USD	7,000,000	Performance guarantees for contract
	Terra Power, LLC	USD	151,000	Performance guarantees for invest
SK Geo Centric Co., Ltd.	SABIC SK Nexlene Company Pte. Ltd.	USD	180,000	RCF and others
Iberian Lube Base Oils S.A.	Puertos del Estado and others	EUR	1,141	Guarantee for installing facilities and others
Netruck Co., Ltd.	Korea Electric Power Corporation and others	KRW	52	Electricity Bill Payment Guarantee and others
SK Telink Co., Ltd.	IOT Wave Co., Ltd. and others	KRW	1,671	Performance guarantees for insurance and others
SK Communications Co., Ltd.	kakaopay Corp.	KRW	10	Protection of user funds from electronic financiers
	Purchaser or right holder of electronic payment method	KRW	300	Usage Contract
Dreamus Company Co., Ltd.	Youngkwang Precision Industry Co., Ltd. and others	KRW	242	Performance guarantees for contract
SK E&S Co., Ltd.	Boryeong LNG Terminal Co., Ltd.	KRW	310,000	Guarantee of debt
SK Ecoplant Co., Ltd.	SBC General Trading & Contracting Co. WLL and others	KWD	4,500	Performance guarantees for contract and others
	POSCO Eco & Challenge Co., Ltd.	KRW	705	Joint Subcontracting Joint Liability
	Hanyang Corporation	KRW	22,843	Joint Subcontracting Joint Liability
	Samsung C&T Corporation	KRW	1,505	Joint Subcontracting Joint Liability
	Daewoo Engineering & Construction Co., Ltd.	KRW	318	Joint Subcontracting Joint Liability
	Samco Construction Co., Ltd.	KRW	6,141	Joint Subcontracting Joint Liability
	Cheongju Hi Water Co., Ltd.	KRW	2,889	Joint Guarantee Debt
	EAST SEOUL UNDERPASS COMPANY	KRW	14,839	Joint Guarantee Debt
	Smartrail Co., Ltd.	KRW	42,861	Joint Guarantee Debt
	KC MT Co., Ltd.	KRW	5,203	Joint Guarantee Debt
	KT Corporation	KRW	2,145	LTSA Additional guarantee
	ChangwonEnerPark Co., Ltd.	KRW	6,441	LTSA Additional guarantee
	SE Greenenergy Co.,Ltd.	KRW	10,200	LTSA Additional guarantee
	Paju EcoEnergy Co., Ltd.	KRW	11,226	LTSA Additional guarantee

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40. Commitments and contingencies (cont'd)

Guarantor	Guarantee	Currency	Amount	Description of guarantee	
SK Ecoplant Co., Ltd.	Korea East-West Power Co., Ltd.	KRW	67,912	LTSA Additional guarantee	
	Korea Midland Power Co., Ltd.	KRW	8,315	LTSA Additional guarantee	
	Korea Western Power Co., Ltd.	KRW	80,873	LTSA Additional guarantee	
	Gangneung Sacheon Fuel Cell Co., Ltd.	KRW	16,000	LTSA Additional guarantee	
	Chuncheon Green Energy Inc.	KRW	23,756	LTSA Additional guarantee	
	Seokmun Green Energy Co., Ltd.	KRW	12,000	LTSA Additional guarantee	
	Korea Real Estate Investment & Trust Co., Ltd.	KRW	690,705	Housing guarantee	
	Asia Trust Co., Ltd.	KRW	738,263	Housing guarantee	
	HCM001, LLC	USD	159,210	Performance guarantee	
	HCS001, LLC	USD	171,997	Performance guarantee	
	QH Oil Investments LLC	USD	31,576	Guarantee of warranties	
	Topsun Co.,Ltd.	Natural Otupia	KRW	130	Seoul Guarantee Insurance Joint Guarantee
		Bodae Energy Co., Ltd.	KRW	23	Seoul Guarantee Insurance Joint Guarantee
		Sannari Solar Co., Ltd.	KRW	25	Seoul Guarantee Insurance Joint Guarantee
Songgo Energy Co., Ltd.		KRW	24	Seoul Guarantee Insurance Joint Guarantee	
Jang G Solar Co., Ltd.		KRW	24	Seoul Guarantee Insurance Joint Guarantee	
TOPSUN SOLAR NO.1		KRW	112	Seoul Guarantee Insurance Joint Guarantee	
TOPTECH ENERGY CO.,LTD.		KRW	13,200	Seoul Guarantee Insurance Joint Guarantee	
TS ENERGY NO.13 CO.,LTD.		KRW	9	Seoul Guarantee Insurance Joint Guarantee	
Environment Management Corporation Co., Ltd.		Dongbugwon Puleunmul co., LTD.	KRW	668	Guarantee of debt payment
		Yangyang Clean Water Road Co., Ltd.	KRW	231	Guarantee of debt payment
	YEONGJU SMC CO.,LTD.	KRW	867	Guarantee of debt payment	
	Pyeongtaek Ecopia Co.,Ltd.	KRW	7,771	Guarantee of debt payment	
	HONGSUNG Malgunmool Sarang CO.,LTD.	KRW	6,153	Guarantee of debt payment	
	Geochang Malgunmool Sarang Co.,Ltd.	KRW	1,586	Payment Guarantee Related to Affiliate Loan	
	Gyeongsan Pure Water Co. Ltd.	KRW	887	Payment Guarantee Related to Affiliate Loan	
	GYEONGSAN CLEAN ENERGY CO.,LTD	KRW	9,495	Payment Guarantee Related to Affiliate Loan	
	GYEONGSAN CLEAN ENERGY CO.,LTD	KRW	1,273	Performance guarantees for business	
	KIMHAE CLEAN WATER LOAD CO.,LTD.	KRW	1,952	Guarantee of debt payment	
	FUTURE ENVIRONMENTAL ENERGY CO.,LTD.	KRW	2,646	Payment Guarantee Related to Affiliate Loan	
	ASAN GREEN ENVIRONMENT CO., LTD.	KRW	2,489	Payment Guarantee Related to Affiliate Loan	
	Asanseo Seafood Gil Co., Ltd.	KRW	2,036	Payment Guarantee Related to Affiliate Loan	
	ULJIN CLEAN WATER LOAD CO.,LTD.	KRW	645	Payment Guarantee Related to Affiliate Loan	
	The 2nd Yangsan Echo Line Co., Ltd	KRW	4,230	Payment Guarantee Related to Affiliate Loan	
	Jinan Bio Energy Co., Ltd.	KRW	2,019	Payment Guarantee Related to Affiliate Loan	
		KRW	641	Performance guarantees for business	
	Jinju Echo Line Co.,Ltd.	KRW	11,195	Payment Guarantee Related to Affiliate Loan	
	CHEONAN CLEAN WATER LOAD CO.,LTD.	KRW	5,635	Payment Guarantee Related to Affiliate Loan	
	CHUNCHEON CLEAN WATER LOAD CO.,LTD.	KRW	2,405	Payment Guarantee Related to Affiliate Loan	
POHANG CLEAN WATER CO.,LTD.	KRW	10,469	Guarantee of debt payment		
POHANG NEW WATER ROAD CO.,LTD.	KRW	1,743	Payment Guarantee Related to Affiliate Loan		
Green Seobu Environment Co., Ltd.	KRW	1,748	Guarantee of debt payment		

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40. Commitments and contingencies (cont'd)

(4) PF contingencies

1) PF Summary table

As of December 31 2023, the consolidated entity provides credit enhancement of ₩984,665 million (₩321,181 million as of December 31, 2022) up to the limitation of a loan balance of ₩1,243,538 million (₩414,355 million as of December 31, 2022) in relation to PF, of which ₩783,889 million (₩134,618 million as of December 31, 2022) is for the consolidated entity alone and ₩200,776 million (₩186,594 million as of December 31, 2022) is for the consortium participation project.

There was no case that was recorded as a contingent liability at the end of previous term and converted into a provision during the current term.

Among these, we are providing credit enhancement of ₩170,350 million, based on the loan balance (₩165,100 million as of December 31, 2022), with a guarantee limit for related parties of ₩184,420 million (₩178,120 million as of December 31, 2022).

The details of the PF contingent liabilities related to maintenance work and other businesses are as follows (Korean won in millions):

Type	Contract		Guarantee Limit	Guarantee amount	Loan Balance 2023.12.31	Within 3 months	3 months ~ 6 months	6 months ~ 12 months
Maintenance Business	Main PF		₩ 47,867	₩ 47,867	₩ 39,889	₩ -	₩ -	₩ -
	Total		47,867	47,867	39,889	-	-	-
Other Business	Bridge Loan		212,800	212,800	194,000	100,000	-	94,000
	Main PF		709,500	709,500	550,000	-	-	-
	Total		922,300	922,300	744,000	100,000	-	94,000
Sole Business Total			₩ 970,167	₩ 970,167	₩ 783,889	₩ 100,000	₩ -	₩ 94,000
Maintenance Business	Main PF	Entire Group	₩ 170,584	₩ 168,214	₩ 132,270	₩ -	₩ 94,900	₩ 4,226
			168,371	166,002	130,426	-	94,900	4,226
	Total	Entire Group	170,584	168,214	132,270	-	94,900	4,226
			168,371	166,002	130,426	-	94,900	4,226
Other Business	Main PF	Entire Group	300,000	241,200	201,000	-	-	-
			105,000	84,420	70,350	-	-	-
	Total	Entire Group	300,000	241,200	201,000	-	-	-
			105,000	84,420	70,350	-	-	-
Consortium Total			470,584	409,415	333,270	-	94,900	4,226
			273,371	250,422	200,776	-	94,900	4,226
Grand Total			₩ 1,440,751	₩ 1,379,581	₩ 1,117,159	₩ 100,000	₩ 94,900	₩ 98,226
			₩ 1,243,538	₩ 1,220,588	₩ 984,665	₩ 100,000	₩ 94,900	₩ 98,226

Type	Contract		Guarantee Limit	Guarantee amount	Loan Balance 1 year~ 2 years	2 years ~ 3 years	Over 3 years	2022.12.31
Maintenance Business	Main PF		₩ 47,867	₩ 47,867	₩ -	₩ -	₩ 39,889	₩ 34,618
	Total		47,867	47,867	-	-	39,889	34,618
Other Business	Bridge Loan		212,800	212,800	-	-	-	100,000
	Main PF		709,500	709,500	220,000	-	330,000	-
	Total		922,300	922,300	220,000	-	330,000	100,000
Sole Business Total			₩ 970,167	₩ 970,167	₩ 220,000	₩ -	₩ 369,889	₩ 134,618
Maintenance Business	Main PF	Entire Group	₩ 170,584	₩ 168,214	₩ 4,311	₩ 15,368	₩ 13,465	₩ 123,308
			168,371	166,002	4,311	13,524	13,465	121,464
	Total	Entire Group	170,584	168,214	4,311	15,368	13,465	123,308
			168,371	166,002	4,311	13,524	13,465	121,464
Other Business	Main PF	Entire Group	300,000	241,200	201,000	-	-	186,000
			105,000	84,420	70,350	-	-	65,100
	Total	Entire Group	300,000	241,200	201,000	-	-	186,000
			105,000	84,420	70,350	-	-	65,100
Consortium Total			470,584	409,415	205,311	15,368	13,465	309,308
			273,371	250,422	74,661	13,524	13,465	186,564
Grand Total			₩ 1,440,751	₩ 1,379,581	₩ 425,311	₩ 15,368	₩ 383,354	₩ 443,926
			₩ 1,243,538	₩ 1,220,588	₩ 294,661	₩ 13,524	₩ 383,354	₩ 321,182

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40. Commitments and contingencies (cont'd)

2) Detailed statement of Real Estate Project Financing (Loan) Guarantee

As of the end of the current period, the details of the PF (loan) guarantees for 15 maintenance projects and other related projects are as follows. In some agreements related to PF guarantees, there are grounds for loss of the right to due time worth ₩984,665 million (₩321,182 million as of December 31, 2022) when situations such as the borrower's failure to pay the amount due according to the financial contract, occurrence of a default event to the constructor or the borrower, or decline in the credit rating of the constructor occur. (Korean won in millions):

Business Type	Location	Type	PF	Credit Enhancement Type	Limit	Rate(*)	Amount (Group)	Affiliated
Maintenance business	Seoul	Apartment	Main PF	Joint guarantee	₩ 12,786	100%	₩ 12,786	-
	Seoul	Apartment	Main PF	Joint guarantee	22,800	100%	22,800	-
	Seoul	Apartment	Main PF	Joint guarantee	12,281	100%	12,281	-
	Pusan	Apartment	Main PF	Joint guarantee	-	100%	-	-
Other business	Pusan	Business facilities	Bridge loan	Cash deficiency support	112,800	100%	112,800	-
	North Gyeongsang-do Daegu	Landfill	Main PF	Cash deficiency support	100,000	100%	100,000	Y
		Apartment	Main PF	Cash deficiency support	264,000	100%	264,000	-
	Daegu	Apartment	Main PF	Cash deficiency support and completion	445,500	100%	445,500	-
Sole business total					₩ 970,167		₩ 970,167	
Maintenance business	Ulsan	Apartment	Main PF	Joint guarantee	₩ 5,071	100%	₩ 5,071	-
	Gwangju	Apartment	Main PF	Joint guarantee	5,173	100%	5,173	-
	Daejeon	Apartment	Main PF	Joint guarantee	5,814	100%	5,814	-
	Seoul	Apartment	Main PF	Joint guarantee	17,520	100%	15,280	-
	Gyeonggi-do	Apartment	Main PF	Joint guarantee	3,162	30%	949	-
	Gyeonggi-do	Apartment	Main PF	Joint guarantee	10,344	100%	10,344	-
	Gyeonggi-do	Apartment	Main PF	Joint guarantee	123,500	100%	123,370	-
	Gyeonggi-do	Apartment	Main PF	Joint guarantee	-	100%	-	-
	Gyeonggi-do	Apartment	Main PF	Joint guarantee	300,000	35%	84,420	Y
Other business	Gyeonggi-do	Business facilities	Main PF	Cash deficiency support and completion				
Consortium total					₩ 470,584		₩ 250,421	
Grand Total					₩1,440,751		₩1,220,588	

Business Type	Location	Type	PF	Credit Enhancement Type	Loan Balance		Term	Maturity	Type	Responsibility for completion amount
					Current Term	Prior Term				
Maintenance business	Seoul	Apartment	Main PF	Joint guarantee	₩ 10,655	₩ 10,655	19.10 ~ 28.10	'28.10	Loan	₩ -
							28.10 ~ 27.02	'27.02	Loan	-
	Seoul	Apartment	Main PF	Joint guarantee	10,234	-	27.02 ~ 23.11	'28.02	Loan	-
							23.11 ~ 28.02	'23.01	Loan	-
Other business	Pusan	Business facilities	Bridge loan	Cash deficiency support	94,000	-	23.01 ~ 23.05	'24.11	ABL and ABSTB	-
							24.11 ~ 23.09	'24.02	ABCP	-
	North Gyeongsang-do Daegu	Landfill	Main PF	Cash deficiency support	100,000	100,000	23.09 ~ 24.02	'24.02	ABCP	-
							24.02 ~ 23.07	'25.07	ABSTB	-
	Daegu	Apartment	Main PF	Cash deficiency support	220,000	-	23.07 ~ 25.07	'25.07	ABSTB	-
							25.07 ~ 23.07	'27.07	Loan and ABCP	330,000
Sole business total					₩ 783,889	₩ 134,618	-	-	-	₩ 330,000

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40. Commitments and contingencies (cont'd)

Business Type	Location	Type	PF	Credit Enhancement Type	Loan Balance		Term	Maturity	Type	Responsibility for completion amount
					Current Term	Prior Term				
Maintenance business	Ulsan	Apartment	Main PF	Joint guarantee	₩ 4,226	₩ 4,226	20.06	'24.11	Loan	₩ -
	Gwangju	Apartment	Main PF	Joint guarantee	4,311	4,311	24.11 20.07	'25.08	Loan	-
	Daejeon	Apartment	Main PF	Joint guarantee	4,845	4,845	25.08 22.09	'27.07	Loan	-
	Seoul	Apartment	Main PF	Joint guarantee	12,734	11,876	27.07 21.12	'26.12	Loan	-
	Gyeonggi-do	Apartment	Main PF	Joint guarantee	790	790	26.12 22.03	'26.07	Loan	-
	Gyeonggi-do	Apartment	Main PF	Joint guarantee	8,620	8,620	26.07 22.11	'28.01	Loan	-
	Gyeonggi-do	Apartment	Main PF	Joint guarantee	94,900	82,600	28.01 23.04	'24.04	Loan, ABS, ABCP	-
	Gyeonggi-do	Apartment	Main PF	Joint guarantee	-	4,196	24.04 20.03	'23.10	Loan	-
Other business	Gyeonggi-do	Business facilities	Main PF	Cash deficiency Support and completion	70,350	65,100	23.10 22.10	'25.08	Loan	147,785
Consortium total					₩ 200,776	₩ 186,564				₩ 147,785
Grand Total					₩ 984,665	₩ 321,182				₩ 477,785

(*) For consortium-style projects or cases where the burden rate is 100%, there is no additional burden beyond the limit with parts procured or borrowed from each company, hence it was disclosed at 100%.

3) Real Estate PF liability agreement

As of December 31 2023 and 2022, the consolidated entity provides a conditional debt acceptance agreement in case of failure to fulfill the completion guarantee as follows in relation to maintenance business and other businesses. (Korean won in millions):

	For the year ended December 31, 2023				For the year ended December 31, 2022			
	Number	Contract Amount	Agreed Amount	Loan Balance	Number	Contract Amount	Agreed Amount	Loan Balance
Maintenance business	-	-	-	-	-	-	-	-
Maintenance business(Group)	-	-	-	-	-	-	-	-
Other business	26	₩ 5,029,473	₩ 6,143,121	₩ 3,955,095	29	₩ 5,453,605	₩ 6,656,500	₩ 4,127,630
Other business(Group)	26	5,029,473	6,076,106	3,892,370	29	5,453,605	6,487,000	4,047,098
Total	26	₩ 5,029,473	₩ 6,143,121	₩ 3,955,095	29	₩ 5,453,605	₩ 6,656,500	₩ 4,127,630
Total(Group)	26	₩ 5,029,473	₩ 6,076,106	₩ 3,892,370	29	₩ 5,453,605	₩ 6,487,000	₩ 4,047,098

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40. Commitments and contingencies (cont'd)

4) Real Estate PF's Guarantee of construction progress payment

As of December 31 2023, the consolidated entity has entered into an agreement to guarantee ₩113,790 million (₩67,218 million as of December 31, 2022) for the buyer's construction progress payment loans related to the renovation business. Furthermore, in relation to other businesses, it has made an agreement to guarantee ₩724,375 million (₩677,345 as of December 31, 2022) for the buyer's construction progress payment loans. (Korean won in millions):

	For the year ended December 31, 2023				For the year ended December 31, 2022			
	Number	Contract Amount	Agreed Amount	Loan Balance	Number	Contract Amount	Agreed Amount	Loan Balance
Maintenance business	10	₩ 471,280	₩ 411,643	₩ 203,031	9	₩ 569,705	₩ 323,824	₩ 109,962
Maintenance business(Group)	10	256,093	223,081	113,790	9	328,173	205,867	67,218
Other business	12	1,840,416	1,530,847	760,799	12	1,740,665	1,438,796	677,345
Other business(Group)	12	1,606,416	1,335,846	724,375	12	1,740,665	1,438,796	677,345
Total	22	₩ 2,311,696	₩1,942,490	₩ 963,830	21	₩ 2,310,370	₩ 1,762,620	₩ 787,307
Total(Group)	22	₩ 1,862,509	₩1,558,927	₩ 838,165	21	₩ 2,068,838	₩ 1,644,663	₩ 744,563

5) Real Estate PF's SOC guarantee loan

As of December 31 2023, the consolidated entity provides credit enhancement such as fulfillment and provision for the outstanding loan balance of ₩758,855 million (₩760,854 million as of December 31, 2022), up to a limit of the consolidated entity's share of ₩1,341,505 million (₩1,211,050 million as of December 31, 2022) in relation to borrowings, etc. of the SOC Corporation and the executor. Moreover, it is obliged to supplement funds in the event of a shortfall in the mandatory operating expenses of the SOC Corporation. (Korean won in millions):

	Number	For the year ended December 31, 2023			Number	For the year ended December 31, 2022		
		Contract Amount (Total)	Agreed Amount (Group)	Loan Balance (Group)		Contract Amount (Total)	Agreed Amount (Group)	Loan Balance (Group)
SOC	14	₩ 4,872,113	1,341,505	758,855	13	₩ 3,835,113	1,211,050	760,854

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40. Commitments and contingencies (cont'd)

(5) Pending litigations

1) The Group's significant pending litigations as of December 31, 2023, in which the Group is a plaintiff are as follows (Korean won in millions):

Plaintiff	Defendant	Description	Currency	Claim	Status
11Street Co., Ltd	Individual and others	Claim for damages and others	KRW	8,000	Third trial in progress and others
YLP Inc.	Unique Daesung Co., Ltd and others	Claim for payment and others	KRW	1,034	First trial in progress and others
SK Planet Co., Ltd.	Fair Trade Commission	Claim for revocation of corrective order	KRW	335	First trial in progress
SK Broadband Co., Ltd.	Namdaemun Tax Office director and others	Claim for cancellation of comprehensive real estate tax levies and others	KRW	3,130	First trial in progress and others
SK Telecom Co., Ltd.	Individual and others	Claim for damages and others	KRW	1,900	First trial in progress and others
SK Communications Co., Ltd.	Individual	Claim for damages	KRW	87	Second trial in progress
Home&Service Co., Ltd.	Individual and others	Claim for restitution of unjust enrichment	KRW	331	First trial in progress and others
SK Networks Co., Ltd.	Individual and others	Claim for compensation and others	KRW	4,664	First trial in progress and others
SK Rent-a-Car Co., Ltd.	Individual and others	Claim for payment and others	KRW	2,206	First trial in progress and others
PS&Marketing Corp.	Individual	Claim for damages and others	KRW	117	First trial in progress and others
SK E&S Co., Ltd.	Gwangyang City mayor	Claim for cancellation of imposition of refusal of request for correction	KRW	1,176	First trial in progress
Narae Energy Service Co., Ltd.	Hanam City Hall	Claim for cancellation of imposition of refusal of request for correction and others	KRW	2,688	Second trial in progress and others
Paju Energy Service Co., Ltd.	Paju City mayor	Claim for cancellation of imposition of refusal of request for correction	KRW	1,703	First trial in progress
Ko-one energy service Co., Ltd.	Dongshin Institute	Claim for restitution of unjust enrichment	KRW	240	First trial in progress
SK Ecoplant Co., Ltd.	Korea Rail Network Authority	Claim for payment of construction and others	KRW	895	Second trial in progress and others
	Korea Finance for Construction	Claim for deposit of contract and others	KRW	5,337	First trial in progress
	Korea National Oil Corporation	Claim for payment of construction and others	KRW	8,804	First trial in progress and others
	Korea Land & Housing Corporation	Claim for payment of construction	KRW	860	Second trial in progress
	NSRP	Claim for payment of construction	KRW	239,828	Arbitration in progress
	PNPC	Claim for payment of construction	KRW	190,702	Arbitration in progress
	KB Insurance and others	Claim for insurance	KRW	158,092	First trial in progress
	Sungchang Engineering & Construction co., Ltd	Confirmation of rehabilitation bond investigation and others	KRW	149,713	First trial in progress and others
	Legal manager of Seobon Construction Co., Ltd.	Confirmation of KNPCCFP bond investigation	KRW	1,942	First trial in progress
	Goseong Green Power Co., Ltd.	Claim for payment of Construction	KRW	284,922	First trial in progress
Environment Management Corporation Co., Ltd.	Dohwa Engineering Co., Ltd. and others	Claim for damages and others	KRW	26,519	First trial in progress and others
SK Oceanplant Co.,Ltd.	Green ST Co., Ltd. and others	Lawsuit on claim for refund	KRW	6,762	First trial in progress
Topsun Co.,Ltd.	KOCECO Co.,Ltd.	Claim for settlement	KRW	450	First trial in progress
E-MEDI ONE Co.,Ltd.	Individual and others	Claim for loan and others	KRW	720	First trial in progress

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40. Commitments and contingencies (cont'd)

2) The Group's significant pending litigations as of December 31, 2023, in which the Group is a defendant are as follows (Korean won in millions):

Defendant	Plaintiff	Description	Currency	Claim	Status
Dreamus Company Co., Ltd.	Individual	Infringement of neighbouring rights	KRW	693	First trial in progress
Tmap Mobility Co., Ltd.	ELUON CMS Corporation	License contract	KRW	543	First trial in progress
11Street Co., Ltd	Individual and others	Claim for damages and others	KRW	463	First trial in progress and others
SK Planet Co., Ltd.	Korea gold exchange Co.,Ltd.	Claim for settlement	KRW	486	First trial in progress
SK Broadband Co., Ltd.	KISTI(Korea Institute of Science and Technology Information) and others	Claim for damages and others	KRW	8,792	First trial in progress and others
SK Telecom Co., Ltd.	HSF and others	Claim for damages and others	KRW	123,919	Second trial in progress and others
SK M&SERVICE CO.,LTD.	Individual	Confirmation of unfair dismissal	KRW	10	Second trial in progress
SK Networks Co., Ltd.	Individual and others	Claim for damages and others	KRW	393	First trial in progress and others
SK Rent-a-Car Co., Ltd.	Individual and others	Claim for restitution of unjust enrichment and others	KRW	1,315	First trial in progress and others
SK Nexilis Co., Ltd.	Individual and others	Claim for damages and others	KRW	5,921	Second trial in progress and others
Ko-one Energy Service Co., Ltd.	Korea Land & Housing corporation	Claim for loss compensation reduction and others	KRW	963	Second trial in progress
Busan City Gas Co., Ltd.	HDC-labs Co., Ltd. and others	Claim for payment of construction and others	KRW	570	Second trial in progress and others
Narae energy service Co., Ltd.	Korea Electric Power Corporation	Claim for Wirye CHP power reception contract penalty	KRW	2,694	First trial in progress
SK Ecoplant Co., Ltd.	K-Water Resources Corporation	Claim for restitution of design	KRW	3,004	Third trial in progress
	WoryeongSKOceanView residents' representative meeting and others	Claim for damages and others	KRW	13,827	Second trial in progress and others
	NSRP	Claim for payment of construction	KRW	113,209	First trial in progress
	PNPC	Claim for payment of construction	KRW	419,055	Arbitration in progress
	IMCO and others	Claim for payment of construction and others	KRW	37,664	First trial in progress and others
	Korea National Oil Corporation	Claim for damages	KRW	3,560	Second trial in progress
	Republic of Korea	Claim for damages and others	KRW	4,689	First trial in progress and others
	Woori Bank	Claim for payment of construction	KRW	15,000	Second trial in progress
Environment Management Corporation Co., Ltd.	Siheung City and others	Claim for contribution and others	KRW	2,303	First trial in progress and others
SK Oceanplant Co.,Ltd.	JEONJIN OCEAN DEVELOPMENT CO.,LTD. and others	Claim for payment of construction and others	KRW	3,974	First trial in progress and others
Green Environment	Daesang Co., Ltd.	Claim for payment of construction and others	KRW	196	First trial in progress
Topsun Co.,Ltd.	Individual and others	Claim for damages and others	KRW	2,829	First trial in progress and others
SK Ecoengineering Co., Ltd.	ADAMIETZ	Claim for payment of construction	KRW	6,878	First trial in progress
Renewenergy Chungbuk Co., Ltd.(formerly, Clenko Co., Ltd.)	Seunggwang Environment Co., Ltd.	Confirmation of debt non-existence	KRW	51	First trial in progress
SK Biopharmaceuticals Co., Ltd.	Individual and others	Claim for severance pay and employee invention compensation	KRW	300	First trial in progress

40. Commitments and contingencies (cont'd)

On May 15, 2021, SK Innovation Co., Ltd., a subsidiary of the Group, LG Chem Co., Ltd. and LG Energy Solution Co., Ltd., which is a corporation split-off from LG Chem Co., Ltd. agreed to withdraw all domestic and foreign disputes, be exempt from obligations, and prohibit similar or identical disputes for 10 years. An agreement was concluded to include permanent licenses for trade secrets and patents. Accordingly, ₩1 trillion in cash was paid over 2021 and 2022 to LG Energy Solution Ltd, and royalties up to ₩1 trillion corresponding to a certain percentage of sales will be paid to LG Energy Solution Ltd from 2023. Meanwhile, cash payments to LG Energy Solution Co., Ltd., has been completed as of December 31, 2023, and the amount of royalties will be expensed at the point when any events resulting payment incur.

On May 4, 2020, the Attorney General Office of California, USA, filed a civil lawsuit in the California District Court located in San Francisco against Vitol Inc., SK Trading International Co., Ltd. and SK Energy Americas Inc., the subsidiaries of the Group, for manipulating the market price of gasoline products and anti-competitive and unfair practices during the refinery explosion in 2015. Since May 6, 2020, end-users of gasoline have filed a number of collective lawsuits in California federal court. These series of litigation cases are undergoing a discussion on the conclusion of an agreement between the California Attorney General's Office, SK Trading International, SK Energy America, Inc., and Vitol Inc. On the other hand, in the case of class action in federal court, the duration and final outcome cannot be predicted at this time.

E&P business in 8th block of Peru, a subsidiary of SK Innovation Co., has been suspended due to the liquidation of operator (Pluspetrol Norte S.A.) and the business is in progress of closing.

Before the previous year, the Perupetro S.A., a Peruvian state-owned oil company and mining rights management agency, received a preliminary injunction from the local judiciary to suspend the liquidation procedure of the operator and during the previous year, the Peruvian Environmental Assessment and Supervision Authority (OEFA) fined the operator related to the restoration of the workplace and environmental pollution charge. Accordingly, SK Innovation Co., Ltd. recognized the expense of ₩3,518 million during the current period and the cumulative amount recognized expense of up to the current period is ₩6,656 million.

The Perupetro S.A. has filed international proceedings with the International Chamber of Commerce against the parties to the mining contract, including subsidiary SK Innovation Co., Ltd., in accordance with the dispute settlement clause in the mine contract to the effect that the mining right contract is not terminated only by the initiation of liquidation of the operator. The status of the arbitration is currently pending, and the final outcomes of the arbitration cannot be predicted at the moment.

Metro Site in Georgia, U.S., filed a lawsuit against its subsidiary SK Battery America, Inc. on July 31, 2023, in connection with a fire at a recycling facility. The value of the lawsuit is USD 26.6 million, and the duration and final outcome cannot be predicted at this time.

Individual A filed a lawsuit for damages against its subsidiary SK Battery America, Inc. on January 15, 2021. The relevant litigation value is USD 20 million, and the duration and final outcome cannot be predicted at this time.

SKC Co., Ltd., a subsidiary of the Group, guarantees 50% of claim amounts related to the patent litigation filed by Kaneka Corporation against PI Advanced Materials Co., Ltd. As of December 31, 2023, the appeal of the lawsuit in the U.S. was rejected and the jury's verdict determined damages, but the final ruling was not made because some of the compensation for damages had not been confirmed. Meanwhile, Kaneka Corporation filed a lawsuit against PI Advanced Materials Co., Ltd. in Korea based on a portion of final judgment on the U.S. jury's verdict. Accordingly, in 2020, the Group paid PI Advanced Materials Co., Ltd. USD 7,836 thousand which is 50% of USD 15,671 thousand in damages. Based on the final results of litigation, the Group may have to bear additional costs according to the ratio as specified by the payment arrangement. As of December 31, 2023, it is not possible to predict the final outcome of the first trial and the timing of the damage compensation determination.

40. Commitments and contingencies (cont'd)

(6) Commitments

- 1) In accordance with the Commercial Code of the Republic of Korea, the Group, SK Innovation Co., Ltd., SK Energy Co., Ltd., SK Geo Centric Co., Ltd, SK Enmove Co., Ltd, SK Incheon Petrochem Co., Ltd., SK Trading International Co., Ltd., SK ie technology Co., Ltd., SK On Co., Ltd, and SK Earthon Co., Ltd. are collectively responsible for any obligations of the Company arising before the spin-off. The Company and SK Biopharmaceuticals Co., Ltd. are collectively responsible for any obligations of the Company that occurred before the spin-off on April 1, 2011 and the Company and SK Specialty Co., Ltd. are collectively responsible for any obligations of SK Materials Co., Ltd. (formerly) that occurred before the spin-off on December 1, 2021.
- 2) The Group has signed a lease contract for the head office building from SK REITs Co., Ltd. The lease contract period under this lease contract is until July 5, 2026, and we have the option of extending the lease contract by five years before the end of the contract. On the other hand, we have been granted preferential purchase rights for lessor to purchase the building at fair prices when it is sold.
- 3) The Group has signed IT outsourcing and IT System Maintenance contracts with SK Group affiliates to maintain, develop IT system and supply hardware.
- 4) The Group signed a sales contract with Gyeonggi-do on May 31, 2011 for urban support facilities in Pangyo Housing Development District. The total contract amount of the contract is 82,964 million won, and the Group 's land contract according to the share ratio (54.9%) is 45,536 million won. Meanwhile, the building was completed and registered for the preservation of ownership in August 2014, and the transfer of purpose land and buildings is restricted to third parties for 10 years from the time of registration of the preservation of ownership.
- 5) The Group has total return swap contracts with investor of ordinary shares in regards to SK Shipping Co., Ltd.'s issuance of ordinary shares and sale of existing shares, and details are as follows:

	<u>Subscription of new shares</u>	<u>Sale of existing shares</u>
Investor	Special Situation 1 st Fund	Corporate Turnaround 1 st Fund
Number of shares	6,548,672	4,808,259
Contract date	March 30, 2022	March 30, 2022
Expiry date	April 13, 2027	May 11, 2027
Settlement	The Group and the investor make a cash settlement of the amount that deducts the issue price from the net selling price for all target shares. If the amount is positive, the investor pays to the Group, and if the amount is negative, the Group pays to the investor. In case where the sale is not complete, the selling price of the shares is considered to be nil.	
Premium	The Group pays to the investor the amount equivalent to 3.899% of the remaining contract amount of the remaining target shares on the third month from the contract date (the "premium payment date"). On the other hand, if the investor receives dividends on the shares held, the amount is shall be paid to the Group.	
Call option	The Group may request the purchase of the common stock held by the investor at the contract amount plus a certain level of additional charges on the first day of each year between the date of the investment termination and the maturity date.	

40. Commitments and contingencies (cont'd)

6) The Group entered into total return swap contracts with ordinary shareholders of SK Siltron Co., Ltd., one of the subsidiaries. Details are as follows:

	Total return swap
Investor	Warmachine Sixth Co., Ltd. and others
Number of shares	13,140,440
Contract date	August 16, 2022
Expiry date	August 30, 2027
Settlement	The Group and the investors are to settle the amount that deducts the issue price from the net selling price for all target shares. If the amount is positive, the investor pays to the Group, and if the amount is negative, the Group pays to the investor. In case where the sale is not complete, the selling price of the shares is considered to be nil.
Premium	The Group shall pay an amount equivalent to 0.5% of the initial contract amount within five business days from the effective date and pay 4.948% to the remaining contract amount of the remaining target stock on the third month (the "premium payment date") from the effective date. On the other hand, if an investor receives dividends, etc. by holding the target stock, the amount shall be paid to the Group.
Call option	On a three-month basis from the closing date of sale ("the quarterly payment day"), the Group has the right to purchase the shares held by the investor at the initial contract price of the ordinary shares with a certain level of additional charges.

As of December 31, 2023, the value of the agreements amounting to ₩169,131 million is recognized in long-term borrowings (See Note 18).

7) The Group entered into total return swap contracts with ordinary shareholders of SK E&S Co., Ltd., one of the subsidiaries. Details are as follows:

	Total return swap
Investor	MD Prime 1 st Co., Ltd.
Number of shares	4,640,199
Contract date	November 4, 2022
Expiry date	November 16, 2027
Settlement	The Group and the investors are to settle the amount that deducts the issue price from the net selling price for all target shares. If the amount is positive, the investor pays to the Group, and if the amount is negative, the Group pays to the investor. In case where the sale is not complete, the selling price of the shares is considered to be nil.
Premium	At the date when three months passed after the last premium payment date or the effective date ("premium payment date") during the period from the effective date to the expiration date of this Agreement, the Group shall pay the remaining contract amount of the remaining shares multiplied by the TRS Premium (rate of return on final asking price of 91-day Transferable Certificate of Deposit (CD) plus 1.80% of annual rate). On the other hand, if an investor receives dividends or other receivables from holding the target stock, the relevant amount must be paid to the Group.
Call option	On each premium payment date (every three months from the effective date of this contract), the Group may claim all remaining underlying assets (ordinary shares that SK E&S issued and an investor purchased from the Group) to the remaining contract amount of the underlying assets plus the call option exercise fee, securities exchange tax, and special tax for rural development.

As of December 31, 2023, the value of the agreements amounting to ₩677,775 million is recognized in long-term borrowings (See Note 18).

40. Commitments and contingencies (cont'd)

- 8) The Group entered into a cash deficiency support agreement with Hudson Energy NY, LLC, a subsidiary to lend funds insufficient to repay the principal and interest of loans and credit limit of USD 236,000 thousand.
- 9) The Group entered into a cash deficiency support agreement with Abrasax Investment Inc., a subsidiary to lend insufficient funds to repay the principal and interest of loans and credit of up to USD 315,000 thousand.
- 10) The Group has entered into an agreement between shareholders with Resonac Holdings Corporation in relation to the investment of SK Resonac Corporation, a subsidiary, and in accordance with this agreement, Resonac Holdings Corporation has the right to sell 630,000 shares (15%) of SK Resonac Corporation at ₩5,000 per share when a specific event occurs. The Group recognizes financial liabilities of ₩3,150 million in accordance with the above agreement related to SK Resonac Corporation.
- 11) Areca, Inc., Chamaedorea, Inc., and Tillandsia, Inc., subsidiaries, acquired shares in 8 Rivers Capital, LLC in 2022 and 2023, and considered it to be in control and incorporated shares into the consolidated target. The agreement concluded during the acquisition includes the following major agreements.
- Investor's claim for joint sale (Tag-along right)
 - Investor's request for joint sale (Drag-along right)
 - Restrictions on the disposal of shares by the largest shareholder and investors under certain conditions, etc

Meanwhile, the main contents related to the rights granted to investors are as follows.

Description	Conditions	Rights
Tag-along right	In the event of the largest shareholder selling shares that meet certain conditions	The right to sell Investor's shares on the same conditions as the largest shareholder
Drag-along right	In the event of selling the company's shares to a non-affiliated company or most of the company's assets to a non-affiliated company	The right to sell shares held by the largest shareholder along with shares held by

- 12) The Group has entered into an agreement between shareholders that allows certain shareholders to sell their shares to us for ₩50,000 per share if certain conditions are met for shares held by certain shareholders of its subsidiary SK Signet Co., Ltd. The Group recognizes financial liabilities of ₩97,843 million in accordance with the above agreement related to SK Signet Co., Ltd.
- 13) LNG Americas, Inc, a subsidiary, is scheduled to be provided with liquefaction service for 20 years from FLNG Liquefaction 3, LLC, which plans to operate natural gas liquefaction plants in Texas starting from 2020. As of December 31, 2023, SK E&S Co., Ltd., a subsidiary, is responsible for performance guarantee in case of LNG Americas, Inc.'s inability to make payments for service or for claims against breach of obligation. In regard to this, the Group provides performance guarantee for SK E&S Co., Ltd.'s guarantee.

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40. Commitments and contingencies (cont'd)

14) As of December 31, 2023, details of contracts of the subsidiaries of SK E&S Co., Ltd. are as follows:

Contracting parties	Description of contract	Counterparty	Term of contract
Kangwon City Gas Co., Ltd. and 7 subsidiaries	Contract for the long-term supply of natural gas (*1)	Korea Gas Corporation Co., Ltd.	-
Busan Jungkwan Energy Co., Ltd.	Contract for the long-term supply of natural gas (*1)	Korea Gas Corporation Co., Ltd.	20 years from 2008.7
SK E&S Co., Ltd.	Contract for the supply of natural gas	Tanggung PSC Contractor Parties	2006.1 ~ 2026.12
	Contract for the repair and maintenance of gas turbine	GE International Inc.	2004.6 ~ 2026.12 (estimated)
	Contract for the storage and vaporization service of natural gas	POSCO ENERGY Co., Ltd.	2005.6 ~ 2025.12
	Rental contract of the plant and tower site	POSCO Co., Ltd.	2020.7 ~ 2040.12
	Contract for the REC trading	POSCO Co., Ltd.	2003.8 ~ 2028.12
		Godeok Green Energy Co., Ltd. and others	20 years from contract
	Contract for direct power transaction	SK Specialty Co., Ltd. and others	20 years from the time of supply
	Contract for power supply	Dangjin Haengbok Solar Co., Ltd. and others	20 years from the time of supply
Paju Energy Service Co., Ltd.	Contract for the long-term maintenance program	Siemens AG and others	2014.6 ~ 2031.6 (estimated)
	Contract for the REC trading	GeoGeum Solar Park Co., Ltd. and others	15 years from 2018
	Contract for LTSA	Doosan Fuelcell Co., Ltd.	10 years from performance warranty date
Narae Energy Service Co., Ltd.	Contract for the long-term maintenance program	Siemens AG and others	2015.1 ~ 2032.1 (estimated)
	Contract for the long-term maintenance program	Doosan Enerbility Co., Ltd.	2012.9 ~ 2030.9 (estimated)
	Contract for the operation and maintenance program	Jeonbuk Group Energy Co., Ltd. and Gimcheon Energy Service Co., Ltd.	2015.1 ~ 2025.1
	Contract for the long-term supply of natural gas	Korea Gas Corporation Co., Ltd.	20 years from 2015.5
	Contract for the REC trading	K Solar E Ho Co., Ltd. and others	20 years from contract
Narae Energy Service Co., Ltd. and Paju Energy Service Co., Ltd.	Contract for the use of plumbing system	Korea Gas Corporation Co., Ltd.	20 years from 2017
SK E&S Co., Ltd. and Narae Energy Service Co., Ltd. and Paju Energy Service Co., Ltd.	Contract for the storage and vaporization service of natural gas	Boryeong LNG Terminal Co., Ltd.	20 years from 2017 20 years from 2021 20 years from 2023
Yeoju Energy Service Co., Ltd.	Contract for LTSA	Siemens Gas & Power GmbH Siemens Energy Ltd.	2019.12 ~ 2047.12 (estimated)
	Contract for the use of plumbing system	Korea Gas Corporation Co., Ltd.	2022.11 ~ 2042.10
	Contract for the use of manufacturing facilities	Korea Gas Corporation Co., Ltd.	2022.11 ~ 2042.10
LNG Americas, Inc. (formerly, LAI LNG, LLC)	Contract for the liquefaction and storage of natural gas	FLNG Liquefaction 3, LLC	20 years from 2020
	Contract for the use of natural gas pipeline	Kinder Morgan, Inc.	20 years from 2020
Prism Energy International Pte. Ltd.	Contract for the supply of natural gas	SHELL EASTERN TRADING PTE LTD and others	2019.6 ~ 2033.3
	Time charter contract	SK Shipping Co., Ltd.	20 years from ship delivery date
	Contract for the supply of LNG	Generadora San Felipe Limited Partnership	10 years from commencement date
SK E&S Australia Pty. Ltd.	Contract for FPSO	BW Offshore Singapore Pte. Ltd. (Australia Branch)	15 years from service date
	Contract for the liquefaction service of natural gas	Darwin LNG Pty. Ltd. and others	2020.12 (contract) 15 years from service date (estimated)
Prism Energy International Zhoushan Limited	Contract for the storage and vaporization service of natural gas	ENN (Zhoushan) LNG Co., Ltd.	2020.7 ~ 2030.7
I GE Co., Ltd	Contract for liquid hydrogen facility	Korea Gas Technology Corporation	5 years from 2023.3
	Management and operation contract	SK Incheon Petrochem Co., Ltd.	20 years from the commercial operation start date
	Contract for residual hydrogen sales		
	Contract for liquid hydrogen transportation	CJ Logistics Corporation	2023.11 ~ 2033.12

(*1) The Company has signed a contract with Korea Gas Corporation for natural gas supply for 20 years.

40. Commitments and contingencies (cont'd)

15) As of December 31, 2023, Prism Energy International Pte. Ltd. has provided a Letter of Undertaking (LOU) to HHIENS1 Shipholding S.A., HHIENS2 Shipholding S.A., HHIENS3 Shipholding S.A., and HHIENS4 Shipholding S.A. in relation to LNG carriers. Accordingly, SK E&S shall bear all obligations related to the performance of the contract if SK Shipping Co., Ltd. fails to fulfill the contract (BBCHP) concluded with the ship's owner.

16) As of December 31, 2023, the main purchase contracts concluded by the subsidiaries of SK E&S Co., Ltd. are as follows. (Korean won in millions):

<u>Name of subsidiaries</u>	<u>Description of contract</u>	<u>Contract opponent</u>	<u>Term of contract</u>	<u>Amount</u>
Narae Energy Service Co., Ltd.	Contract for heat piping and others	DREAMLINE.CO,LTD. and others	2022.04 ~ 2025.04	₩ 9,720
Yeoju Energy Service Co., Ltd.	Yeoju natural gas power Plant EPC contract (*1,2)	SK Ecoengineering Co., Ltd.	2019.12 ~ 2024.03 (scheduled)	₩ 664,091
IGE Co., Ltd.	By-product hydrogen liquefaction Plant EPC contract (*1,2)	SK Ecoengineering Co., Ltd.	2021.07 ~ 2023.12 (scheduled)	₩ 444,950

(*1) For the purpose of performing the contract, Yeoju Energy Service Co., Ltd., IGE Co., Ltd. received blank checks from SK Ecoengineering Co., Ltd.

(*2) During the year ended December 31, 2023, the contract extension is being negotiated to meet the expected contract term.

17) As of December 31, 2023, the subsidiaries of SK E&S Co., Ltd. are obligated to pay development costs corresponding to the share ratio in relation to the asset acquisition contract below.

<u>Name of subsidiaries</u>	<u>Description of contract</u>	<u>Counterparty</u>	<u>Equity ownership</u>
SK E&S Australia Pty. Ltd.	Barossa-Caldita, Australia	Santos NA Barossa Pty. Ltd.	37.50%
Dew Blaine Energy, LLC	Woodford, USA	Continental Resources, Inc.	49.90%
BU12 Australia Pty. Ltd.	East Timor Bayu-Undan gas field and pipeline asset and acquisition of a stake in Darwin LNG Pty Ltd.	Santos NA Darwin Pipeline Pty. Ltd. and others	25.00%
BU13 Australia Pty. Ltd.			
PRISM Darwin Pipeline Pty Ltd.			
Prism DLNG Pte Ltd			

18) SK E&S Co., Ltd., a subsidiary, has agreed to invest a total of ₩10 billion in the CHA Partners Incheon H2 Mobility Infrastructure Private Equity Investment Co., Ltd for hydrogen business cooperation, and has completed 69.22% of the total investment agreement.

19) SK E&S Co., Ltd., a subsidiary, has agreed to invest a total of ₩113.6 billion in Jeonnam Marine Wind Power Co., Ltd. to cooperate with offshore wind power business, and has completed 46.24% of the total amount of investment agreement.

20) SK E&S Co., Ltd., a subsidiary, has agreed to invest a total of ₩88.6 billion in investment to SK Plug Hibus Co., Ltd. for cooperation in the hydrogen business, and has completed 49.55% of the total amount of investment agreement.

21) Pnes Investments, LLC, a subsidiary, has agreed to invest a total of USD 25 million in Grove Energy Capital II, LLC for hydrogen business cooperation, and has completed 66.67% of the total amount of the investment agreement.

22) SK E&S Co., Ltd, a subsidiary, has agreed to invest a total of ₩9.8 billion in the Truston ESG Renewable Energy General Private Investment Trust No. 1 for the development of the renewable energy business, and has completed 5.50% of the total investment agreement.

40. Commitments and contingencies (cont'd)

- 23) LAI CCS, LLC, a subsidiary, has agreed to a total investment of USD 110 million to Summit Carbon Holdings, LLC for cooperation in the North American carbon capture and storage business, and has completed 96.71% of the total investment agreement amount.
- 24) Grid Solution II LLC, a subsidiary, has conditionally agreed to make a total investment of USD 100 million to Rev Renewables LLC for cooperation in North America's energy solution business.
- 25) Prism Energy International Pte. Ltd., a subsidiary, has agreed to invest CNY 273 million to Jiangsu Huadian Ganyu LNG Co. Ltd. to secure the right to use through China LNG TML, and has now completed a total of 30%.
- 26) SK Energy Co., SK Incheon Petrochemical Co., SK ON Co., and SK Geo Centric Co., Ltd., subsidiaries, pay electricity bills and customs duties through B2B corporate contracts and national tax cards signed with certain financial institutions, and settle the payment with the credit card companies at the end of the credit offering period under the agreement. As of the end of the current term, the related unpaid amount is ₩2,032,374 million, all of which is classified as current liabilities.
- 27) SK Innovation Co., Ltd., a subsidiary, sold its holdings (40%) of SK Enmove Co., Ltd., a subsidiary of SK Innovation Co., Ltd., to Eco Solution Holdings Co., Ltd. (the "investor") on July 30, 2021. The shareholder agreement between the Investor and the company, the largest shareholder of SK Enmove Co., Ltd. in event of selling the stake, includes the following key terms:
- Investor's Tag-along right and Co-Sale Process
 - Investor's right to make decisions on dividend policies, under certain conditions
 - The largest shareholder's right to request for sale of shares and Investor's right to demand the purchase of shares, under certain conditions
 - Restriction on disposal of shares of the largest shareholder and investor under certain conditions, etc.

Details of rights granted to investor are as follows:

Description	Conditions	Rights
Tag-Along Right	In the event that the largest shareholder sells under certain conditions	The right to sell Investor's shares under the same conditions as those applicable to the largest shareholder
Co-Sale Process	In the event of failure of Initial Public Offering ("IPO") within the agreed period (8 years) and the total amounts of cumulative dividends and distributable profits falling below an annual compound interest rate of 2.5% based on the IRR	The right to sell the shares held by the largest shareholder along with the shares held by Investors
Dividend policy decision-making right	In the event of failure of IPO within the agreed period (5 years)	The right to make decisions on dividend policies within a certain limit
Default Put Option	In the event of a serious violation of a specific obligation clause agreed with Investor executed with a deliberate and malicious purpose	The right to sell the investor's shares to the largest shareholder at an amount calculated by applying a 10% annual compound interest rate based on IRR to the investment principal (₩1,091,948 million).

40. Commitments and contingencies (cont'd)

28) SK Innovation Co., Ltd., a subsidiary, has signed a shareholders' agreement with investors related to shares newly issued through the paid-in capital increase of its subsidiary, SK ON Co., Ltd. The agreement between the largest shareholder, SK Innovation Co., Ltd., and investors includes the following key terms:

- Investor's tag-along right
- Investor's drag-along right and the largest shareholder's call option responding to drag-along right exercised by investors
- Investor's put option
- Restriction on the disposal of shares of the largest shareholder under certain conditions.

Details of rights granted to investor are as follows:

Description	Conditions	Rights
Tag-along right	In the event of transferring all or part of the shares held by the largest shareholder	The right to sell Investor's shares under the same conditions as those applicable to the largest shareholder
Drag-along right	In the event of a failure to complete a qualified listing that requires certain conditions, such as an IRR of 7.5% or higher, within 4 years of the agreement period (which can be extended twice by one year, respectively)	The right to sell the shares held by the largest shareholder along with the shares held by Investors
Put option	In the event of a serious violation of a specific obligation clause agreed with investors executed with a deliberate and malicious purpose	The right to sell the investor's shares to the largest shareholder at the exercise price of the put option for the investment principal (₩2,809,351 million)

SK Innovation Co., Ltd., a subsidiary, recognized ₩427,626 million in derivative financial instrument liabilities for the rights included in the shareholder's contract, such as the investor's Drag-Along right and the largest shareholder's call option.

29) SK Battery America Inc., a subsidiary, has signed a project agreement with Jackson County Industrial Development Authority and the Georgia Department of Economic Development (hereinafter referred to as "contract") to provide incentives such as property tax reduction. Under the contract, SK Battery America, Inc. transferred legal ownership of assets subject to property tax reduction to state agencies and received bonds issued by state agencies. The Group recognized the bonds and financial liabilities generated in the transaction as net amounts as they meet the offsetting criteria of K-IFRS No. 1032, and the amount of bonds and financial liabilities set off as of December 31, 2023 is USD 2,540 million, and the book value after offset is ₩0.

40. Commitments and contingencies (cont'd)

30) SK Geo Centric Co., Ltd., a subsidiary, has been granted the right to claim the sale of shares of Samyang Ecotec Co., Ltd. (hereinafter referred to as "joint venture ") from Samyang Packaging (hereinafter referred to as "strategic partner "). SK Geo Centric Co., Ltd., Ltd. has the right to claim the sale of 49% of the total number of issued shares of the joint venture held by the strategic partner to SK Geo Central Co., Ltd. or its affiliates designated by SK Geo Central Co., Ltd. if it is possible to transfer all or part of the shares of the joint venture without restriction, including any of the following reasons.

- Where the strategic partner does not bear the obligation to own the total number of shares (100%) issued by the affiliates due to the revision of the Fair Trade Act
- Where the strategic partner ceases to be a subsidiary of the holding company under the Fair Trade Act
- Where the strategic partner or joint venture is excluded from being an affiliate of Samyang business group under the Fair Trade Act (excluding cases where it is incorporated into another affiliate and is subject to restrictions on the actions of its subsidiary)

In addition, if SK Geo Centric Co., Ltd. does not exercise its right to claim shares within the period, the strategic partner has the right to claim 49% of the total number of shares issued by the joint venture to be purchased from SK Geo Centric Co., Ltd. or a third party designated by SK Geo Centric Co., Ltd.

SK Geo centric Co., Ltd. must hold at least 50% of the shares of strategic partner acquired in the previous year before notification of the above right to claim for sale. If a part of the shares of strategic partner are to be disposed of to a third party, etc., the strategic partner must be notified in advance and the strategic partner can exercise their preferred purchase rights. In addition, if SK Geo centric Co., Ltd. wishes to directly dispose of more than 30% of its shares in strategic partner, SK Geo centric Co., Ltd. may dispose of them with prior written consent from strategic partner.

SK Geo centric Co., Ltd. has agreed to obtain prior written consent from the strategic partner if it intends to dispose of part or all of shares of the joint venture to a third party after acquiring shares in the joint venture through the above right to claim for sale. However, if it intends to dispose of all of its shares to an affiliate of the consolidated entity, it may dispose of its shares by prior written notice, with a prior condition that a commitment stating is submitted to the strategic partner that they agree to assume its contractual obligations.

31) BlueOval SK, LLC, a subsidiary, entered into a Project Agreement (hereinafter referred to as the "Contract") with Hardin County and Kentucky (hereinafter referred to as the "State Authority") for the purpose of receiving incentives such as property tax reduction. Under the agreement, BlueOval SK, LLC transferred legal ownership of assets subject to property tax reduction to state agencies and received bonds issued by state agencies. The consolidated entity indicated that the bonds and financial liabilities arising from the transaction were offset because they met the offsetting criteria of IAS 32. As of the end of the current period, the amount of bonds and financial liabilities offset is USD 5,800 million, and the book value of bonds and financial liabilities after offset is ₩0.

32) As of December 31, 2023, SK Trading International Co., Ltd., a subsidiary, has the right to request the sale of all shares of Green Olios directly or indirectly owned by the other shareholder to a consolidated entity or a third party designated by the consolidated entity for six months from the fourth year from the date of conclusion of the stock trading contract. The other shareholder may notify the consolidated entity at any time from four years and six months after the date of conclusion of the stock trading contract, and the consolidated entity has the right to decide and notify whether to jointly sell all of the shares of the target company within three months thereafter. If the consolidated entity refuses to sell the shares of the merged entity and continues to hold the shares of the merged entity, the other shareholder may sell the shares at its discretion.

40. Commitments and contingencies (cont'd)

- 33) Agents of SK Telecom Co., Ltd., a subsidiary, are selling mobile communication terminals that customers use to use SK Telecom's communication services to customers. SK Telecom Co., Ltd. has signed a contract with the agency to comprehensively receive amortized bonds from Sale by amortization method. Meanwhile, SK Telecom Co., Ltd. is signing a Liquidated asset transfer contract with a company specializing in liquidity for the transferred amortized bonds. The balance of the terminal amortization bonds purchased by SK Telecom Co., Ltd. according to the above comprehensive transfer agreement is ₩291,747 million and ₩357,467 million as of December 31, 2023 and 2022, which are recorded in receivables and long-term receivables.
- 34) At the board of directors on July 22, 2022, SK Telecom Co., Ltd., a subsidiary, decided to purchase and sell shares to strengthen strategic cooperation with Hana Financial Group. According to the decision, on July 27, 2022, SK Telecom Co., Ltd. sold all of Hana Card Co., Ltd.'s common stock (39,902,323 shares) and all of Finnq Inc. (6,370,000 shares) to Hana Financial Holdings Co., Ltd. for ₩330,032 million and ₩5,733 million, respectively. SK Telecom Co., Ltd. is obligated to purchase Hana Financial Group's common stock from July 27, 2022 to January 31, 2024 after depositing ₩330,032 million in a specific money trust through an agreement with Hana Financial Group Co., Ltd., and completed the purchase for the year ended December 31, 2022. Meanwhile, as part of the above transaction, SK Telecom Co., Ltd. sold the entire common stock (767,011 shares) of SK Square Co., Ltd. to Hana Card Co., Ltd. for ₩31,563 million on July 27, 2022. and obligated to purchase Hana Card Co., Ltd.'s common stock from July 27, 2022 to January 31, 2024 after depositing ₩68,437 million in a specific money trust through an agreement with Hana Card Co., Ltd. and completed the purchase for the year ended December 31, 2022. The shares acquired by SK Telecom Co., Ltd., Hana Financial Group Co., Ltd. and Hana Card Co., Ltd. cannot be sold until the end of March 2025.
- 35) SK Broadband Co., Ltd., a subsidiary, is entering into a Total Return Swap (TRS) with the beneficiaries of Aegis Specialized Investment Private Equity Real Estate Investment Trust No. 156 and Hana Alternative Investment Land Chip Private Equity Real Estate Investment Trust No. 62, respectively, and the beneficiary certificates of ₩270,000 million and ₩64,000 million issued by the Real Estate Fund as underlying assets. The settlement contract consists of the settlement of the difference according to the change in the value of the real estate at the expiration date of the contract and the settlement of the difference between the dividend and the standard dividend during the contract period. SK Broadband Co., Ltd. is obligated to guarantee the fixed rate of return to the counterparties of each settlement contract until the expiration of the contract. SK Broadband Co., Ltd. recognized the derived financial assets of ₩21,027 million (₩20,631 million as of December 31, 2022) by discounting the cash flows expected to occur in the settlement contract using the present value method.
- 36) Regarding the merger and acquisition transaction of SK Broadband Co., Ltd. that occurred before the previous period, SK Telecom Co., Ltd. entered into an agreement between the existing shareholders of the merged company and the shareholders. If certain requirements are not met after the business combination according to the agreement, the shareholders of the merged company may exercise the right to claim the joint sale of SK Broadband Co., Ltd. held by SK Telecom Co., Ltd. If the shareholders of the merged company exercise the right, SK Telecom Co., Ltd. may exercise the right to claim the stock purchase. As of December 31, 2023, SK Telecom Co., Ltd. has recognized a total of ₩295,876 million in derivative financial liabilities (₩302,593 million as of December 31, 2022) for the rights included in the agreement between shareholders.

40. Commitments and contingencies (cont'd)

- 37) SK Ecoplant Co., Ltd., a subsidiary, pays the purchase obligations, etc. incurred by its main business activities through Corporate purchase exclusive card agreement signed with some financial institutions, and pays the payment to the credit card company at the end of the credit period under the agreement. The related unpaid amount is ₩184,757 million as of December 31, 2023.
- 38) SK Ecoplant Co., Ltd., a subsidiary, holds call options for non-controlling shareholders of Eco Frontier PTE.LTD. It has entered into a shareholder agreement to compensate for the difference between the call option exercise price and the actual external sale price when SK Ecoplant Co., Ltd. does not exercise the call option and non-controlling shareholders sell their stake to the outside.
- 39) SK Ecoplant Co., Ltd., a subsidiary, entered into an agreement with Eco Energy Holdings Co., Ltd., the buyer of SK ecoengineering Co., Ltd. redeemable convertible preferred shares, which was sold during the previous period. If certain conditions are met in the future according to the agreement, Eco Energy Holdings Co., Ltd. may exercise the drag-along right for its redeemable convertible preferred stock.
- 40) SK Ecoplant Co., Ltd., a subsidiary, enters into an agreement between shareholders to compensate for the difference if certain conditions are not met for non-controlling shareholders of Econovation, LLC.
- 41) SK Ecoplant Co., Ltd., a subsidiary, issued exchangeable bonds based on shares of Renewon Co., Ltd. (formerly, Daewon Green Energy Co., Ltd.) during the current period. According to the agreement between investors, SK Ecoplant Co., Ltd. has a call option and a preferential purchase right for the bonds, and the bond acquirer has a put option if certain conditions are not met and a right to claim compensation for the difference if certain conditions are not met.
- 42) In connection with the sale of preferred stocks of Environment Management Corporation CO., LTD., SK Ecoplant Co., Ltd., a subsidiary, has entered into an agreement between shareholders to grant put options to investors if certain conditions are not met and to compensate for the difference when holding them until maturity.
- 43) SK Ecoplant Co., Ltd., a subsidiary, has entered into an agreement with the financial shareholders of Renewenergy Chungbuk Co., Ltd. (formerly, Clenko Co., Ltd.). Under the agreement, financial shareholders may exercise their right to claim joint sale (Drag-along) on their shares.
- 44) SK Ecoplant Co., Ltd., a subsidiary, has entered into an agreement with financial investors of DS Networks Youth Housing General Private Real Estate Development Investment Company No. 1 and No. 2, Signature Youth Housing General Private Real Estate Development Investment Company No. 1, K Square Eco Songpa PFV Co., Ltd., and YONGIN General Industrial Complex Co., Ltd. Under the agreement, financial investors may exercise put options on the consolidated entity for their shares.

40. Commitments and contingencies (cont'd)

- 45) The technology transfer contract status of SK Biopharmaceuticals Co., Ltd., a subsidiary, is as follows. (foreign currencies in thousands):

Contractor	Contract Year/month	Transferred technology	Region	Amount(*1)
Arvelle Therapeutics International GmbH	2019 / 02	Cenobamate	Europe	USD 530,000
Ono Pharmaceutical Co., Ltd.	2020 / 10	Cenobamate	Japan	JPY 53,100,000
Ignis Therapeutics.	2021 / 11	6 New Drugs, including Cenobamate and others	China, Hongkong, Macao	USD 186,000
Endo Ventures Limited	2021 / 12	Cenobamate	Canada	USD 20,000, CAD 21,000
DEXCEL LTD.	2022 / 05	Cenobamate	Israel, Palestine	USD 3,000
Eurofarma Laboratorios S.A	2022 / 07	Cenobamate	Latin America(*2)	USD 62,000
HIKMA MENA FZE	2022 / 08	Cenobamate	Middle East, North Africa(*3)	USD 3,000

(*1) The amount is upfront and milestone.

(*2) They are 17 countries in Latin America, including Brazil and Mexico.

(*3) They are 16 countries in the Middle East and North Africa, including Jordan and Egypt.

- 46) SK Biopharmaceuticals Co., Ltd., a subsidiary, is a limited partner in the LifeSci Venture Partners Fund in the United States. As of December 31, 2023, investments in the fund amount to USD 9,362,718.20 (investments in money: USD 8,217,818.20, revenue distributions reinvested: USD 1,144,900), and the investment period agreed between the parties has ended, but additional investments can be made up to USD 1,363,636.35 for subsequent investments in existing investments.

- 47) SK Nexilis Co., Ltd., a subsidiary, has entered into an inter-shareholder agreement with noncontrolling shareholders, a financial investor holding convertible preferred shares, in connection with convertible preferred shares issued by Nexilis Management Malaysia Sdn. Bhd. and NEXILIS MANAGEMENT EUROPE B.V.. Financial investors may sell common shares of Nexilis Management Malaysia Sdn. Bhd. and NEXILIS MANAGEMENT EUROPE B.V. at any time, but if sold during a specified contractual period, they must settle the difference between the sale price and the initial investment price of the financial investor. A financial investor may claim settlement from SK Nexilis Co., Ltd., for convertible preferred or common shares issued by Nexilis Management Malaysia Sdn. Bhd. and NEXILIS MANAGEMENT EUROPE B.V. in the event of a specific reason, even during the specified period in the contract. Financial investors may not transfer or dispose of convertible redeemable preferred shares to a third party without the prior consent of SK Nexilis Co., Ltd. except in the event of a specific reason.

In addition, SK Nexilis Co., Ltd. pays a certain percentage of the issuance of convertible preferred shares of Nexilis Management Malaysia Sdn. Bhd. and NEXILIS MANAGEMENT EUROPE B.V. to financial investors every three months from the date of initial payment. If the convertible preferred stock is not repaid or 'settled', the financial investor shall return the amount received by that time to SK Nexilis Co., Ltd.

Meanwhile, in connection with the above transactions, SK Nexilis Co., Ltd. has signed a fund supplement agreement to cover the shortfall in the event of a lack of funds for repayment or early repayment of convertible preferred stocks of Nexilis Management Malaysia Sdn. Bhd. and NEXILIS MANAGEMENT EUROPE B.V..

- 48) SKC Co., Ltd., a subsidiary, has signed a fund supplement agreement with KDB Development Bank and other lenders to lend insufficient funds in case of a shortage of principal and interest repayment funds in relation to the loan of ₩690,000 million.

40. Commitments and contingencies (cont'd)

- 49) When SKC Co., Ltd., a subsidiary, transferred its SiC wafer business to Paratus Investment Inc. (the "Buyer") in 2021, the Buyer granted SKC Co., Ltd. the right to require SKC Co., Ltd. to sell all of the outstanding shares of SPC (the company that operates the SiC wafer business) owned by the Buyer (a right that can be exercised if EBITDA does not meet certain conditions by 2025). In addition, SKC Co., Ltd. has the right to receive 40% of the excess sale proceeds from the buyer in the event of the buyer's sale of SPC shares to a third party, provided that the actual consideration received exceeds ₩75,000 million. As of December 31, 2023, SKC Co., Ltd. recognized derivative financial instrument assets of ₩10,828 million and derivative financial instrument liabilities of ₩7,681 million for these rights and obligations.
- 50) As of December 31, 2023, SK Networks Co., Ltd., a subsidiary, is obligated to make additional contributions to the Future Innovation Fund No.3. As of December 31, 2023, SK Networks Co., Ltd. plans to make additional capital contributions in the amount of ₩2,535 million and USD 21,445 thousand through a capital call.
- 51) The disposal of POSK (Pinghu) Steel Processing Center Co., Ltd. by SK Networks Co., Ltd., a subsidiary, is restricted under certain conditions.
- 52) SK Networks Co., Ltd., a subsidiary, has covenants such as right of first refusal and right to sell in connection with its equity investment in SK electlink Co., Ltd. (formerly, S.E.S. Charger), an affiliate. The disposition of the shares is restricted under certain conditions.
- 53) The associates of SK Networks Co., Ltd., a subsidiary, SK electlink Co., Ltd., SK MENA Investment B.V., SK LatinAmerica Investment S.A., SVE Venture Fund II, and Kindred HM1, and long-term investment securities, including Kurly Inc., Port One Holdings, and Prostar Asia-Pacific Energy Infrastructure SK Fund L.P., Hashd Venture Investment Fund No.2, and IPI Partners II Fund, are subject to disposition restrictions under certain conditions.
- 54) In the case of equity investments in MycoWorks, Standard Cognition, Humane, and Source.ag, SK Networks Co., Ltd., a subsidiary, is obligated to respond to other shareholders' exercise of co-sale rights under the shareholders' agreement.
- 55) SK Square Co., Ltd., a subsidiary, was newly established for the purpose of managing and investing in investee companies related to semiconductors and new ICT among the businesses of SK Telecom Co., Ltd. prior to the spin-off, and pursuant to Article 530-9, Paragraph 1 of the Commercial Code, the parent company and SK Telecom Co., Ltd. are jointly and severally liable for the debts of SK Telecom Co., Ltd. prior to the spin-off.
- 56) SK Square Co., Ltd., a subsidiary, entered into an agreement between the financial investor of One store Co., Ltd. and the new shareholder, according to which the Group could not avoid its obligation to purchase the equity instruments and recognized ₩139,372 million as long-term payables corresponding to the present value of the redemption amount.

40. Commitments and contingencies (cont'd)

- 57) SK Square Co., Ltd., a subsidiary, entered into a shareholders' agreement with an investor of ₩500,000 million of convertible redeemable preferred shares issued by Eleven Street Co., Ltd. (the "Target Company") in September 2018. Pursuant to the agreement, the investor has the right to request that SK Square Co., Ltd. sell all of the shares of the Target Company owned by the investor together with the shares of the Target Company held by the investor if the listing process of the Target Company is not completed within the listing deadline (the "Together Sale Right"), and SK Square Co., Ltd. has the right to request that the investor sell all of the shares of the Target Company owned by the investor to SK Square Co., Ltd. (the "Share Sale Right") if the investor gives notice of the exercise of the Together Sale Right. As the listing deadline expired during the year ended December 31, 2023, but the listing process of the target company was not completed and SK Square Co., Ltd.'s right to sell the shares was not exercised, the process of exercising the investors' right to sell was in progress. The proceeds from the sale of the target company's shares pursuant to the exercise of the investors' right to sell together will be distributed in a waterfall manner in accordance with the shareholders' agreement, and the distribution to the controlled entity will be made after the investors' investment. As of December 31, 2023, the sale of the target company's shares and the timing of the completion of the sale cannot be reasonably estimated, and as of December 31, 2023, SK Square Co., Ltd. recognized a derivative financial liability totaling ₩289,208 million (December 31, 2022 : ₩34,600 million) for the rights included in the shareholders' agreement.
- 58) Tmap Mobility Co., Ltd., a subsidiary, entered into an earn-out payment agreement with the seller upon the acquisition of 109,259 ordinary shares of SEOUL AIRPORT LIMOUSINE CO., LTD. The agreement stipulates that during the valid period, the seller will pay the agreed amount to the buyer based on the ratio of the passenger traffic at Incheon International Airport reaching the agreed benchmark indicator. As of December 31, 2023, Tmap Mobility Co., Ltd. recognized a derivative financial liability of ₩27,016 million (December 31, 2022 : ₩20,472 million) based on the estimated future passenger numbers under this agreement.
- 59) In connection with the capital increase of its subsidiary Tmap Mobility Co., Ltd., SK Square Co., Ltd. entered into a shareholders' agreement with the investors of the newly issued shares. Under the agreement, if certain conditions are not met after the capital increase, the investors in the newly issued shares may exercise the right to tender their shares of Tmap Mobility Co., Ltd.'s common stock held by SK Square Co., Ltd. If the investor exercises such right, SK Square Co., Ltd. may exercise its right to purchase the shares. As of December 31, 2023, SK Square Co., Ltd. recognized derivative financial liabilities totaling ₩89,698 million (December 31, 2022 : ₩74,701 million) for these rights included in the shareholders' agreement.
- 60) Tmap Mobility Co., Ltd., a subsidiary, entered into a share pledge agreement with the seller in connection with the acquisition of common shares of Airport Limousine. In order to secure any future obligations under the Share Purchase Agreement and the Shareholders' Agreement with Tmap Mobility Co., Ltd., the seller has set up a first priority security interest in shares equal to 20% of the total issued shares of Airport Limousine Co., Ltd..

SK Inc. and its subsidiaries
Notes to the consolidated financial statements
December 31, 2023 and 2022

40. Commitments and contingencies (cont'd)

(7) Hybrid bonds

Details of hybrid bonds as of December 31, 2023 and 2022 are as follows (Korean won in millions):

Issue segment	Description	Issuance date	Maturity date (*1)	Interest rate (%) (*2)	For the years ended	
					December 31, 2023	December 31, 2022
Group of SK Innovation Co., Ltd.	1st private equity bond type	2019.03.15	2049.03.15	4.20	₩ 600,000	₩ 600,000
Group of SK Innovation Co., Ltd.	2nd public equity bond type	2023.10.19	2053.10.19	7.30	140,000	-
Group of SK Telecom Co., Ltd. (*3)	2-1 private equity bond type	2018.06.07	2078.06.07	3.70	-	300,000
	2-2 private equity bond type	2018.06.07	2078.06.07	3.65	-	100,000
	3rd public equity bond type	2023.06.05	2083.06.05	4.95	400,000	-
Group of SK E&S Co., Ltd.	2nd Korean currency type	2019.10.11	2049.10.11	3.30	330,000	330,000
	3rd Korean currency	2020.07.14	2050.07.14	3.60	400,000	400,000

(*1) The issuing company may decide on early repayment and extension of maturity date when certain period is lapsed.

(*2) After a certain period from the issuance date, the interest rate will fluctuate in accordance with the contract.

(*3) It has changed due to early repayment and new issuance for the current period.

(8) Bills and checks provided to financial institutions as collateral for borrowings.

As of December 31, 2023, The bills and checks provided to financial institutions as collateral for borrowings as follows (Korean won in millions):

Type (bill/check)	Papers	Account
Blank check	89	-
Blank bill	33	-
Check	1	9,685
Bill	2	792

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40. Commitments and contingencies (cont'd)

(9) Enforceable master netting agreement or similar agreement

Carrying amount of financial instruments recognized for which offset agreements are applicable as of December 31, 2023 and 2022 is as follows (Korean won in millions):

December 31, 2023			
	Gross financial Instruments amount recognized	Gross financial instruments amount offset	Net financial instruments presented in the consolidated statement of financial position
Financial assets:			
Trade receivables and other receivables	₩ 323,477	₩ (200,231)	₩ 123,246
Financial liabilities:			
Other payables and other liabilities	₩ 286,834	₩ (200,231)	₩ 86,603
December 31, 2022			
	Gross financial Instruments amount recognized	Gross financial instruments amount offset	Net financial instruments presented in the consolidated statement of financial position
Financial assets:			
Trade receivables and other receivables	₩ 421,311	₩ (261,664)	₩ 159,647
Financial liabilities:			
Other payables and other liabilities	₩ 380,583	₩ (261,664)	₩ 118,919

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41. Pledged assets

The following assets were pledged as collateral for the Group's borrowings and others as of December 31, 2023 (Korean won in millions and foreign currencies in thousands)

Company	Asset	Currency	Book value	Collateralized amount(*1)	Provided to	Description
Netruck Co., Ltd.	Property, plant and equipment	KRW	₩ 6,271	₩ 1,430	Hyundai Engineering and others	Collateral for pledging
Won Poll Co., Ltd.	Property, plant and equipment	KRW	3,704	3,360	Shinhan Bank	Collateral for borrowing
SK Broadband Co., Ltd.	Property, plant and equipment	KRW	-	1,228	Industrial Bank of Korea	Restricted real rights for office lease
Incross Co., Ltd.	Financial instrument	KRW	22,084	22,084	Naver Co., Ltd. and others	Performance guarantees for contract
One store Co., Ltd.	Investment property	KRW	621	612	Shinhan Bank	Collateral for borrowing
SK Networks Co., Ltd.	Property, plant and equipment	KRW	287,700	390,718	Korea Development Bank	Collateral for sales
SK Magic Co., Ltd.	Property, plant and equipment	KRW	95,423	96,000	Korea Development Bank and others	Collateral for borrowing
SK Rent-a-Car Co., Ltd.	Property, plant and equipment	KRW	211,183	234,542	Korea Development Bank and others	Collateral for borrowing
	Debt instrument	KRW	215	-	Korea Software Financial Corporation	Collateral for guarantee
		KRW	-	300	Kodit 2022 the 5 th Securitization Specialty Co., Ltd.	Collateral for borrowing
	Financial instrument	KRW	-	300	Kodit Global 2022-1 Co., Ltd.	Collateral for borrowing
SK ENPULSE Co., Ltd.	Property, plant and equipment	KRW	16,385	32,500	Shinhan Bank and others	Collateral for borrowing
SK pucore Co., Ltd.	Property, plant and equipment	KRW	72,479	100,000	Korea Development Bank and others	Collateral for borrowing
ISC Co., Ltd.	Property, plant and equipment	KRW	20,314	21,920	Korea Development Bank and others	Collateral for borrowing
SKCFTH Co., Ltd.	Investments in subsidiaries	KRW	1,541,151	828,000	Korea Development Bank and others	Collateral for borrowing
SK Nexilis Co., Ltd.	Property, plant and equipment	KRW	331,994	396,000	Korea Development Bank and others	Collateral for borrowing
	Investments in subsidiaries	KRW	240,570	240,570	Korea Development Bank and others	Collateral for borrowing
SK PIC Global Co., Ltd.	Property, plant and equipment	KRW	30,858	33,600	Korea Development Bank	Collateral for borrowing
SK Nexilis Poland sp.z o.o.	Others	PLN	38,187	38,187	Crédit Agricole	Performance payment guarantees
		KRW	470,000	470,000	Korea Development Bank and others	Collateral for PF
SK E&S Co., Ltd.	Investments in subsidiaries	VND	1,156,600,000	1,156,600,000	Joint Stock Commercial Bank For Foreign Trade of Vietnam	Collateral for PF
		KRW	203,544	203,544	Korea Development Bank and others	Collateral for PF
	USD	14,000	14,000	BANGKOK BANK PUBLIC COMPANY LIMITED	Collateral for PF	
	VND	1,102,500,000	1,102,500,000	Joint Stock Commercial Bank For Foreign Trade of Vietnam	Collateral for PF	
	Investments in associates	KRW	26,485	26,485	Industrial Bank of Korea and others	Collateral for PF
Paju Energy Service Co., Ltd.	Property, plant and equipment	KRW	1,015,873	360,000	Kookmin Bank and others	Collateral for borrowing
Chonnam City Gas Co., Ltd.	Property, plant and equipment	KRW	3,980	81	LG Hello Vision Co., Ltd.	Collateral for deposits received
Narae Energy Service Co., Ltd.	Property, plant and equipment and others	KRW	502,901	505,000	Korea Development Bank and others	Collateral for borrowing
Yeosu Energy Service Co., Ltd.	Property, plant and equipment	KRW	930,260	601,200	Korea Development Bank and others	Collateral for PF

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41. Pledged assets (cont'd)

Company	Asset	Currency	Book value	Collateralized amount(*1)	Provided to	Description
Busan Jungkwan Energy Co., Ltd.	Property, plant and equipment	KRW	102,868	100,800	NH Bank and others	Collateral for borrowing
IGE Co., Ltd.	Property, plant and equipment and others	KRW	98,164	493,800	Korea Development Bank	Collateral for PF
SK Ecoplant Co., Ltd.	Debt instrument	KRW	33,253	28,241	CAPE Investment & Securitie Co., Ltd. and others	Collateral for borrowing and others
	Investments in subsidiaries and others	KRW	1,218,810	1,218,810	Korea Development Bank and others	Collateral for borrowing
Seongju Tech Co., Ltd.	Others	KRW	6,804	10,206	Woori Bank	Collateral for borrowing
Renewenergy Chungnam Co., Ltd.	Property, plant and equipment	KRW	12,139	3,000	Korea Development Bank	Collateral for borrowing
Renewone Co., Ltd.	Property, plant and equipment	KRW	564,421	155,541	Korea Development Bank	Collateral for borrowing
Renewenergy Green Co., Ltd.	Property, plant and equipment	KRW	19,693	9,600	Korea Development Bank	Collateral for borrowing
Renewland Cheongju Co., Ltd.	Property, plant and equipment	KRW	8,525	-	Kyungnam Bank	Collateral for borrowing
DY INDUS Co., Ltd.	Property, plant and equipment	KRW	3,706	6,222	Industrial Bank of Korea	Collateral for borrowing
DY POLRIMER Co., Ltd.	Property, plant and equipment	KRW	10,208	5,800	Industrial Bank of Korea and others	Collateral for borrowing
SK Oceanplant Co., Ltd.	Property, plant and equipment	KRW	1,032,349	274,580	Industrial Bank of Korea and others	Collateral for borrowing and others
	Financial instrument	KRW	5,000	5,000	Industrial Bank of Korea and others	Collateral for borrowing and others
	Debt instrument	KRW	9,064	9,064	Korea Defense Guarantee Cooperative and others	Collateral for guarantee
	Others	KRW	252,759	85,198	Seoul Guarantee Insurace	Insurance pledge and others
	Property, plant and equipment	KRW	13,760	16,720	KEB Hana Bank and others	Collateral for borrowing and others
Environment Management Corporation Co., Ltd	Investments in associates	KRW	389,817	540,158	KEB Hana Bank and others	Collateral for borrowing and others
	Investment securities	KRW	152,373	116,672	Korea Development Bank and others	Collateral for borrowing and others
	Others	KRW	1,680,565	1,736,798	KEB Hana Bank and others	Collateral for pledging and others
Renewenergy Chungbuk Co., Ltd.	Property, plant and equipment	KRW	18,179	60,000	KEB Hana Bank and others	First beneficiary right of trust property
	Others	KRW	49,125	60,000	KEB Hana Bank and others	Comprehensive property insurance right
SKEC Nanjing Co., Ltd.	Financial instrument	KRW	30,200	167	Bank of China communications	Collateral for borrowing
SK Industrial Development China Co., Ltd.	Investment property	CNY	3,379,460	1,600,000	Bank of China communications	Collateral for borrowing

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41. Pledged assets (cont'd)

Company	Asset	Currency	Book value	Collateralized amount(*1)	Provided to	Description
SK Specialty Co., Ltd.	Property, plant and equipment	KRW	55,000	137,000	Korea Development Bank	Collateral for borrowing
		USD	-	3,690,000	Korea Development Bank	Collateral for borrowing
		JPY	-	3,500,000	Korea Development Bank	Collateral for borrowing
	Financial instrument	KRW	849	1,668	Yeongju city and Gyeongsang Buk-do	Government subsidy
		KRW	-	60	Kodit 2022 the 9th Securitization Specialty Co., Ltd.	Collateral for borrowing
		KRW	-	75	Kodit 2022 the 10th Securitization Specialty Co., Ltd.	Collateral for borrowing
		KRW	-	165	Kodit Global 2022-1 Co., Ltd.	Collateral for borrowing
SK Specialty Japan Co., Ltd.	Property, plant and equipment	JPY	141,024	315,000	MUFG Bank	Collateral for borrowing
SK Materials Airplus Inc.	Property, plant and equipment	KRW	417,901	208,200	Shinhan Bank and others	Collateral for borrowing
SK Tri Chem Co.,Ltd	Property, plant and equipment	KRW	7,343	3,692	Sejong City	Local investment promotion subsidy support collateral
SK Resonac Corporation	Property, plant and equipment	KRW	32,149	30,000	Korea Development Bank	Collateral for borrowing
SK Materials Performance Co., Ltd.	Property, plant and equipment	KRW	16,338	65	Korea Development Bank	Collateral for borrowing
SK Siltron Co., Ltd.	Property, plant and equipment and others	KRW	741,733	679,269	Korea Development Bank and others	Collateral for borrowing
SK Biotek Co., Ltd.	Property, plant and equipment	KRW	96,654	120,000	Korea Development Bank	Collateral for borrowing
SK REITs Co., Ltd.	Investment property	KRW	1,560,972	425,306	The lender and the lessor	Collateral for borrowing
Clean Energy REITs Co., Ltd.	Investment property	KRW	781,611	555,553	The lender and the lessor	Collateral for borrowing
SK South East Asia Investment Pte. Ltd.	Financial instrument	KRW	124	3,000,000	ADB and Vietcombank	Collateral for borrowing and others
TOTAL VALUE 1 REIT CO., LTD.	Investment property	KRW	658,704	305,989	The lender and the lessor	Collateral for borrowing
Clean Industrial Reit Co., Ltd.	Investment property	KRW	1,174,906	976,498	The lender and the lessor	Collateral for borrowing
Gangdong Green Complex Co., Ltd.	Property, plant and equipment	KRW	4,696	3,840	SuwonHwaseongOsan Livestock Cooperative	Collateral for borrowing
Topsun Co.,Ltd.	Property, plant and equipment	KRW	13,706	12,600	KEB Hana Bank	Collateral for borrowing
	Financial instrument	KRW	240	264	Industrial Bank of Korea	Collateral for borrowing
	Others	KRW	-	4,200	Korea Development Bank and others	Collateral for borrowing
	Investment securities	KRW	998	850	Electric Contractorws' Financial Cooperative	Collateral for borrowing
Evertch Enterprise Co., Ltd	Property, plant and equipment	KRW	3,285	6,360	Industrial Bank of Korea	Collateral for borrowing

(*1) The carrying amount of securities provided as collaterals for PF loans and facility borrowings are included.

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41. Pledged assets (cont'd)

The following assets were pledged as collateral for the Group's borrowings and others as of December 31, 2022 (Korean won in millions and foreign currencies in thousands)

<u>Company</u>	<u>Asset</u>	<u>Currency</u>	<u>Collateralized amount (*1)</u>	<u>Provided to</u>	<u>Description</u>
SK Innovation Co., Ltd.	Investments in associates	KRW	-	Yemen LNG Company and others	Collateral for project financing
Netruck Co., Ltd.	Property, plant and equipment	KRW	4,500	Shinhan Bank	Collateral for borrowing
Won Poll Co., Ltd.	Property, plant and equipment	KRW	3,360	Shinhan Bank	Collateral for borrowing
	Financial instrument	KRW	430	Shinhan Bank	Collateral for borrowing
SK Broadband Co., Ltd.	Property, plant and equipment	KRW	1,513	Industrial Bank of Korea and others	Restricted real rights for office lease
Panasia Semiconductor Materials, LLC	Investment securities	KRW	21,981	Hana Securities Co., Ltd. and others	Collateral for borrowing
Incross Co., Ltd.	Financial instrument	KRW	24,921	Naver Co., Ltd. and others	Performance guarantees for contract
One store Co., Ltd.	Investment property	KRW	612	Shinhan Bank	Collateral for borrowing
SK Networks Co., Ltd.	Property, plant and equipment	KRW	390,526	Korea Development Bank and others	Collateral for sales and others
SK Magic Co., Ltd.	Property, plant and equipment	KRW	96,000	Korea Development Bank	Collateral for borrowing
SK Rent-a-Car Co., Ltd.	Property, plant and equipment	KRW	287,876	Korea Development Bank and others	Collateral for borrowing
	Financial instrument	KRW	300	Kodit 2022 the 5 th Securitization Specialty Co., Ltd.	Collateral for borrowing
SKC Solmics Co., Ltd.	Property, plant and equipment	KRW	300	Kodit Global 2022-1 Co., Ltd.	Collateral for borrowing
SK pucore Co., Ltd.	Property, plant and equipment	KRW	91,100	Korea Development Bank	Collateral for borrowing
		KRW	63,349	Korea Development Bank and others	Collateral for borrowing
SKCFTH Co., Ltd.	Investment subsidiaries	KRW	828,000	Korea Development Bank and others	Collateral for stock
SK Nexilis Co., Ltd.	Property, plant and equipment	KRW	396,000	Korea Development Bank and others	Collateral for borrowing
	Investment subsidiaries	KRW	240,570	Korea Development Bank	Collateral for stock
SK PIC Global Co., Ltd.	Property, plant and equipment	KRW	33,600	Korea Development Bank	Collateral for borrowing
SKC, Inc.	Financial instrument	KRW	166,000	KEB Hana Bank	Collateral for pledging and others
SK E&S Co., Ltd.	Investments in subsidiaries	KRW	470,000	Korea Development Bank and others	Collateral for PF
		VND	1,059,599,930	Joint Stock Commercial Bank For Foreign Trade of Vietnam	Collateral for PF
	Investments in joint ventures	KRW	179,220	Korea Development Bank and others	Collateral for PF
		USD	14,000	BANGKOK BANK PUBLIC COMPANY LIMITED	Collateral for PF
	Investments in associates	KRW	18,621	Industrial Bank of Korea and others	Collateral for PF
Ko-one energy service Co., Ltd. (formerly, Daehan City Gas Co., Ltd.)	Investments in associates	KRW	2,711	Kookmin Bank and others	Collateral for PF
New Renewable Energy No.1 JSC	Investments in the application of equity method	VND	1,042,074,648	Joint Stock Commercial Bank For Foreign Trade of Vietnam	Collateral for PF
Pusan City Gas Co., Ltd.	Investments in associates	KRW	5,645	Shinhan Bank and others	Collateral for PF
	Investment property	KRW	3,840	Megamart Co., Ltd. and others	Leasehold deposits
Paju Energy Service Co., Ltd.	Property, plant and equipment	KRW	360,000	Kookmin Bank and others	Collateral for borrowing
Chonnam City Gas Co., Ltd.	Property, plant and equipment	KRW	81	LG Hello Vision Co., Ltd.	Collateral for deposits received
Narae Energy Service Co., Ltd.	Property, plant and equipment and others	KRW	505,000	Korea Development Bank and others	Collateral for borrowing
Yeosu Energy Service Co., Ltd.	Property, plant and equipment	KRW	601,200	Korea Development Bank and others	Collateral for PF
Busan Jungkwan Energy Co., Ltd.	Property, plant and equipment	KRW	100,800	NH Bank and others	Collateral for borrowing
IGE Co., Ltd.	Property, plant and equipment and others	KRW	493,800	Korea Development Bank	Collateral for borrowing
Key Capture Energy, LLC.	Financial instrument	USD	99,605	CIT/RABOBANK/SIEMENS	Collateral for service use
SK Ecoplant Co., Ltd.	Investment securities and others	KRW	168,305	CAPE Investment & Securities Co., Ltd. and others	Collateral for borrowing and others
	Investments in subsidiaries	KRW	1,330,341	Korea Development Bank and others	Collateral for borrowing
Seongju Tech Co., Ltd.	Property, plant and equipment	KRW	10,206	Woori Bank	Collateral for borrowing
DDS Co., Ltd.	Property, plant and equipment	KRW	3,000	Korea Development Bank	Collateral for borrowing
Samwon ENT Co., Ltd.	Others	KRW	58,800	KB Securities	A pledge of insurance and others
Daewon Green Energy Co., Ltd.	Property, plant and equipment	KRW	5,280	Korea Development Bank	Collateral for borrowing
Green Environment Technology Co., Ltd.	Property, plant and equipment	KRW	9,600	Korea Development Bank	Collateral for borrowing
JA Green Co., Ltd.	Property, plant and equipment	KRW	14,400	Kyungnam Bank	Collateral for borrowing
DY Indus Co., Ltd.	Property, plant and equipment	KRW	6,222	Industrial Bank of Korea	Collateral for borrowing
DY Polymer Co., Ltd.	Property, plant and equipment	KRW	3,800	Industrial Bank of Korea	Collateral for borrowing
SK Oceanplant Co., Ltd.	Property, plant and equipment	KRW	228,980	Industrial Bank of Korea and others	Collateral for borrowing
	Financial instrument	KRW	35,229	Industrial Bank of Korea and others	Collateral for borrowing
	Financial instrument and others	USD	555	Shinhan Bank and others	Collateral for guarantee and others
	Debt instrument	KRW	7,578	Korea Defense Guarantee Cooperative and others	Collateral for guarantee
	Others	KRW	93,466	Seoul Guarantee Insurance	Insurance pledge and others

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41. Pledged assets (cont'd)

Company	Asset	Currency	Collateralized amount (*1)	Provided to	Description
Environment Management Corporation Co., Ltd.	Property, plant and equipment	KRW	33,973	KEB Hana Bank and others	Collateral for borrowing
	Investments in subsidiaries and others	KRW	529,311	KEB Hana Bank and others	Collateral for borrowing
	Investment securities	KRW	10,470	Industrial Bank of Korea and others	Collateral for borrowing
	Others	KRW	1,485,616	KEB Hana Bank and others	Establishing pledge and others
SK Industrial Development China Co., Ltd.	Others	CNY	2,000,000	Bank of China communications	Collateral for borrowing
SK Specialty Co., Ltd.	Property, plant and equipment	KRW	137,000	Korea Development Bank	Collateral for borrowing
		USD	3,500	Korea Development Bank	Collateral for borrowing
		JPY	3,690,000	Korea Development Bank	Collateral for borrowing
		KRW	1,668	Yeongju city and Gyeongsang Buk-do	Government subsidy
	Financial instrument	KRW	60	Kodit 2022 the 9th Securitization Specialty Co., Ltd.	Collateral for borrowing
		KRW	75	Kodit 2022 the 10th Securitization Specialty Co., Ltd.	Collateral for borrowing
		KRW	165	Kodit Global 2022-1 Co., Ltd.	Collateral for borrowing
SK Specialty Japan Co., Ltd.	Property, plant and equipment	JPY	315,000	MUFG Bank	Collateral for borrowing
SK Materials Airplus Inc.	Property, plant and equipment	KRW	60,000	Kyungnam Bank and others	Collateral for borrowing
SK Tri Chem Co., Ltd.	Property, plant and equipment	KRW	3,692	Sejong City	Local investment promotion subsidy support collateral
SK Resonac Corporation SK Siltron Co., Ltd.	Property, plant and equipment and others	KRW	30,000	Korea Development Bank	Collateral for borrowing
		KRW	529,672	Korea Development Bank and others	Collateral for borrowing
SK Biotek Co., Ltd.	Property, plant and equipment	KRW	90,000	Korea Development Bank	Collateral for borrowing
Hweechan Co., Ltd.	Property, plant and equipment	KRW	13,440	KEB Hana Bank	Collateral for borrowing
SK REITs Co., Ltd.	Investment property	KRW	1,147,466	The lender and the lessor	Collateral for borrowing
Clean Energy REITs Co., Ltd.	Investment property	KRW	572,314	The lender and the lessor	Collateral for borrowing
SK China Company, Ltd.	Financial instrument	USD	2,600	Kookmin Bank (Beijing)	Collateral for
					Subsidiary stake sale
SK South East Asia Investment Pte. Ltd.	Property, plant and equipment and others	VND	236,214,010	ADB and Vietcombank	Collateral for borrowing and others
Yespowertechnix	Property, plant and equipment	KRW	1,320	Industrial Bank of Korea	Collateral for borrowing
SK Materials Performance Co., Ltd.	Property, plant and equipment	KRW	16,650	Korea Development Bank	Collateral for borrowing
Total Value 1 REITs Co., Ltd.	Investment property	KRW	315,601	The lender and the lessor	Collateral for borrowing

(*1) The carrying amount of securities provided as collaterals for PF loans and facility borrowings are included.

42. Deposits restricted in use

Deposits restricted in use as of December 31, 2023 and 2022 are as follows (Korean won in millions):

Account	Classification	Institution	December 31, 2023	December 31, 2022	Description of restriction
Cash and cash equivalents	Borrowing-related pledge establishment and others	KB Securities and others	₩ 18,174	₩ 43,175	Pledged on collateral and others
Short-term financial instruments	Charitable fund and others	Industrial Bank of Korea and others	468,386	432,267	Money on deposits and others
Long-term financial instruments	CO2 emission allowances fund and others	Samsung Securities and others	51,905	105,190	Money on deposits and others
Others	Refund guarantee and others	Korea Software Financial Cooperative and others	4,979	3,917	Deposits and others

43. Financial risk management

Regarding financial instruments, the Group is exposed to a variety of financial risks: credit, liquidity and market. This note presents information related to risk exposures of the Group and the main objective, strategy, evaluation of risk, management process and capital management. Additional quantitative information is stated throughout the condensed consolidated financial statements.

(1) Financial risk management

Risk management activities

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The risk management committee reports regularly to the board of directors on its activities. The Group audit committee is assisted in its oversight role by internal audit.

Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Group audit committee. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(2) Credit risk

Credit risk refers to the risk that the consolidated entity will suffer financial losses due to the failure of the customer or counterparty to fulfill their contractual obligations on the financial instrument. Credit risk mainly comes from accounts receivable and investment assets to the customer.

1) The carrying amount of a financial asset, measured at amortised cost, represents the maximum exposure to credit risk. The maximum exposure to credit risk as of December 31, 2023 and 2022 is as follows (Korean won in millions):

	December 31, 2023		December 31, 2022	
Financial assets measured at FVTPL	₩	8,898,332	₩	9,121,159
Financial assets measured at FVOCI		215,670		663
Financial assets measured at amortized cost		38,050,733		38,367,580
Financial assets designated as hedging instruments		408,547		563,170
	<u>₩</u>	<u>47,573,282</u>	<u>₩</u>	<u>48,052,572</u>

Equity products are excluded from the table above because they are not related to credit risk.

On the other hand, the Group has provided payment guarantees for others including related parties, associates and others. The Group, due to its payment guarantees, is exposed to credit risk (See Note 40).

2) Changes in the loss allowance on trade receivables and others for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

		December 31, 2023				
		Beginning balance	Impairment	Write-off	Others	Ending balance
Trade receivables	₩	796,511	₩ 20,628	₩ (304,386)	₩ 14,025	₩ 526,778
Other receivables		652,750	21,266	(176,682)	(821)	496,513
	<u>₩</u>	<u>1,449,261</u>	<u>₩ 41,894</u>	<u>₩ (481,068)</u>	<u>₩ 13,204</u>	<u>₩ 1,023,291</u>
		December 31, 2022				
		Beginning balance	Impairment	Write-off	Others	Ending balance
Trade receivables	₩	547,578	₩ 62,088	₩ (111,777)	₩ 298,622	₩ 796,511
Other receivables		369,301	20,401	(7,810)	270,858	652,750
	<u>₩</u>	<u>916,879</u>	<u>₩ 82,489</u>	<u>₩ (119,587)</u>	<u>₩ 569,480</u>	<u>₩ 1,449,261</u>

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(2) Credit risk (cont'd)

3) The details of overdue or impairment financial assets for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023							Total
	Normal bond (non-past due and unimpaired receivables)	Past due but unimpaired receivables				Individual impaired bonds	-	
		Less than one month	One~three months	Three~six months	More than six months			
Trade receivables	₩ 11,713,378	₩ 1,331,499	₩ 259,611	₩ 120,728	₩ 968,603	₩ 557,789	₩ 14,951,608	
Other receivables	5,543,640	58,006	46,777	67,375	533,400	377,258	6,626,456	
Total	₩ 17,257,018	₩ 1,389,505	₩ 306,388	₩ 188,103	₩ 1,502,003	₩ 935,047	₩ 21,578,064	

	December 31, 2022							Total
	Normal bond (non-past due and unimpaired receivables)	Past due but unimpaired Receivables				Individual impaired bonds	-	
		Less than one month	One~three months	Three~six months	More than six months			
Trade receivables	₩ 13,099,673	₩ 832,908	₩ 302,880	₩ 289,265	₩ 235,445	₩ 888,573	₩ 15,648,744	
Other receivables	5,387,336	185,391	18,073	17,120	353,048	539,577	6,500,545	
Total	₩ 18,487,009	₩ 1,018,299	₩ 320,953	₩ 306,385	₩ 588,493	₩ 1,428,150	₩ 22,149,289	

4) Guarantees

SK Ecoplant Co., Ltd., one of the subsidiaries, offers payment guarantees for loans of project financing. The financing liabilities related to the payment guarantees recognized are ₩26,833 million as of December 31, 2023. The Group recognizes the financial guarantee liabilities related to the payment guarantees contracted with the Group, such as SK Ecoplant Co., Ltd., as of December 31, 2023 and 2022(Korean won in millions):

	December 31, 2023	December 31, 2022
SK Innovation Co., Ltd.	₩ 1,548	₩ 321
SK Ecoplant Co., Ltd.	26,833	23,772
SKC Co., Ltd.	-	563
SK Biotek Co., Ltd.	180	237
SK Resonac Corporation	-	15
	₩ 28,561	₩ 24,908

In addition, the Group has provided payment guarantees for others, including subsidiaries and others. (See Notes 36 and 40).

5) Other financial assets

Credit risk arising from other financial assets consists of long-term and short-term financial instruments, occurrence of trade opponent arising from the bankruptcy, etc. In this case, the credit risk exposure of the Group will be the same as the book value of the maximum applicable financial instruments. On the other hand, the management of the Group's credit rating, because it is excellent to deal with financial institutions, is judged to have limited impact on the credit risk of the financial institutions of the Group.

(3) Liquidity risk

Liquidity risk is the risk that the Group encounters difficulty in meeting the obligations of the financial liabilities. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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(3) Liquidity risk (cont'd)

The contractual maturity of financial liabilities as of December 31, 2023 and 2022 are as follows. The amount includes interest payments and does not include the effect of the offsetting agreement. (Korean won in millions):

	December 31, 2023				
	Less than 3 months	3 ~ 12 months	1 ~ 5 years	More than 5 years	Total
Borrowings	₩ 5,434,323	₩ 17,567,983	₩ 16,025,810	₩ 2,180,577	₩ 41,208,693
Bonds	3,349,003	6,393,808	28,501,169	6,367,486	44,611,466
Derivative financial liabilities	28,243	50,412	1,161,075	-	1,239,730
Trade payables	11,407,027	1,542,375	-	-	12,949,402
Lease liabilities	148,571	1,127,097	2,810,328	2,535,728	6,621,724
Other liabilities	9,858,179	3,566,993	2,121,281	278,352	15,824,805
Guarantee contracts	3,831,071	-	310,000	-	4,141,071
	<u>₩ 34,056,417</u>	<u>₩ 30,248,668</u>	<u>₩ 50,929,663</u>	<u>₩ 11,362,143</u>	<u>₩ 126,596,891</u>

	December 31, 2022				
	Less than 3 months	3 ~ 12 months	1 ~ 5 years	More than 5 years	Total
Borrowings	₩ 6,719,801	₩ 14,814,754	₩ 16,395,073	₩ 2,909,598	₩ 40,839,226
Bonds	1,288,043	7,713,556	23,287,784	6,523,542	38,812,925
Derivative financial liabilities	52,223	154,839	374,303	-	581,365
Trade payables	12,636,093	1,388,799	-	-	14,024,892
Lease liabilities	144,150	1,193,242	3,300,151	1,542,985	6,180,528
Other liabilities	7,919,143	4,393,690	1,957,431	249,698	14,519,962
	<u>₩ 28,759,453</u>	<u>₩ 29,658,880</u>	<u>₩ 45,314,742</u>	<u>₩ 11,225,823</u>	<u>₩ 114,958,898</u>

(4) Market risk

Market risk is the fluctuating risk in fair value of the financial instruments or future cash flows caused by the changes in market price. Market risk consists of currency risk, interest rate risk, crude oil and petroleum product price risk, and others. The fundamental goal of market price management is the maximization of the profit and the limit of the exposure to market risk within an acceptable level. The Group sells and purchases financial derivatives and financial instruments or financial liabilities for the purpose of controlling the market risk. In general, the Group applies hedge accounting in order to minimize the volatility of profit.

1) Currency risk

The Group is exposed to foreign currency risk arising from sales and purchases denominated in currencies other than functional currency. Main currencies used for these transactions are USD, JPY, CNY and EUR.

Details of foreign currencies and liabilities as of December 31, 2023 and 2022 are as follows (Korean won in millions and foreign currencies in thousands):

	Currency	December 31, 2023		December 31, 2022	
		Korean won equivalent	Foreign currencies	Korean won equivalent	Foreign currencies
Assets	USD	₩ 13,652,918	10,588,582	₩ 13,760,933	10,858,465
	JPY	136,740	14,982,526	147,828	15,508,882
	CNY	405,872	2,244,373	447,612	2,467,000
	EUR	493,118	345,662	579,228	428,677
	Others	567,599		851,123	
Liabilities	USD	₩ 18,761,399	14,550,488	₩ 20,188,501	15,930,325
	JPY	110,461	12,103,149	172,226	18,068,553
	CNY	1,155,280	6,388,412	1,350,594	7,443,749
	EUR	516,635	362,147	577,269	427,227
	Others	370,462		392,210	

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(4) Market risk (cont'd)

Should the exchange rate of the aforementioned currencies fluctuate by 10%, the effects on equity would be as follows (Korean won in millions):

Currency	December 31, 2023		December 31, 2022	
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
USD	₩ (375,984)	₩ 375,984	₩ (473,069)	₩ 473,069
JPY	1,934	(1,934)	(1,796)	1,796
CNY	(55,156)	55,156	(66,459)	66,459
EUR	(1,731)	1,731	144	(144)
Others	14,509	(14,509)	33,776	(33,776)

The Group is hedging currency risk by using derivative financial instruments such as currency swaps, currency forwards and others (See Note 23).

2) Interest rate risk

Interest rate risk is the risk that the future cash flow of a financial instrument will fluctuate due to fluctuations in market interest rates. The Group maintains an appropriate balance between fixed-rate borrowings and variable-rate borrowings to manage interest rate risk, and hedging activities are regularly evaluated to appropriately adjust the interest rate status and defined risk propensity, and the optimal hedging strategy is applied.

Significant assets and liabilities exposed to interest rate risk as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	Interest rate type	December 31, 2023
Bonds	Interest swap	₩ 386,820
Borrowings	Interest swap	10,244,412
Long-term other payables	Interest swap	1,344,572
	Interest rate type	December 31, 2022
Bonds	Interest swap	₩ 380,190
Borrowings	Interest swap	7,168,395
Long-term other payables	Interest swap	1,690,470

All other variable are constant and the impact of a 1%p change in interest rate on net income before income tax for the ended December 31, 2023 and 2022 is as follows (Korean won in millions):

Currency	December 31, 2023		December 31, 2022	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Profit before income tax expense	₩ (119,758)	₩ 119,758	₩ (92,391)	₩ 92,391

3) Crude oil and petroleum product price risk

Crude oil and petroleum product price risk is the risk that profit or cash flow will fluctuate because of changes in international market prices of crude oil and petroleum products. The Group manages these risks to maintain stable margins through the use of fixed-price contracts with customers and derivative contracts of fluctuations in fair values according to changes in international market prices. Key management of the Group determined that the risk from changes in the price of crude oil and petroleum products and the risk to fluctuations in fair values are approximately managed.

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(4) Market risk (cont'd)

4) Other price risk

Other price risks are the risk of changes in the fair value or future cash flow of financial instruments due to changes in market prices other than interest rate risk or currency risk, and investment securities in the consolidated entity are exposed to price fluctuation risk.

(5) Capital risk management

The fundamental goal of capital management is to keep a sound financial structure. The Group is using the debt ratio, calculated as total debt divided by total amount of capital, as an indicator of capital management. The Group maintains a debt ratio of 165.9% as of December 31, 2023. The maturity of the debt is dispersed in the long term; so, debt-repayments are not demanding.

The Group's debt ratio as of December 31, 2023 and 2022 is as follows (Korean won in millions):

	December 31, 2023		December 31, 2022	
Total liabilities	₩	129,091,214	₩	122,697,070
Total equity		77,879,050		71,808,790
Debt ratio		165.8%		170.9%

44. Greenhouse Gas Emissions and Emissions Liabilities

(1) As of December 31, 2023, the quantity of free allocation emission rights for each year of implementation in the third planned period (2021-2025) is as follows (in tCO₂-eq):

	2022	2023	2024	2025	Total
Free-allocated emission rights	24,169,622	24,371,388	27,202,885	27,244,476	102,988,371

(2) Changes in the quantity of emission rights held for the purpose of performing obligations and the carrying amount as of December 31, 2023 and 2022 are as follows (in tCO₂-eq and Korean won in millions):

	December 31, 2023							
	2022		2023		2024 ~ 2025		Total	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Beginning balance	24,169,622	₩ -	24,371,388	₩ -	54,447,361	₩ -	102,988,371	₩ -
Carried forward from prior year	1,761,666	2,139	2,592,341	387	-	-	4,354,007	2,526
Purchase (disposal)	(1,460,983)	8,395	(257,757)	1,863	-	-	(1,718,740)	10,258
Government submission	(22,007,176)	(8,615)	(1,904,976)	(1,566)	-	-	(23,912,152)	(10,181)
Carried forward to subsequent year	(2,592,341)	(387)	-	-	-	-	(2,592,341)	(387)
Others	129,212	(1,532)	(384,020)	4,125	-	-	(254,808)	2,593
Ending balance	-	₩ -	24,416,976	₩ 4,809	54,447,361	₩ -	78,864,337	₩ 4,809

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44. Greenhouse Gas Emissions and Emissions Liabilities (cont'd)

	December 31, 2022							
	2021		2022		2023 ~ 2025		Total	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Beginning balance	24,628,894	₩ 1,305	24,031,690	₩ -	59,895,811	₩ -	108,556,395	₩ 1,305
Carried forward from prior year	305,002	1,178	1,761,666	2,139	-	-	2,066,668	3,317
Purchase (disposal)	272,067	13,599	(583,789)	705	-	-	(311,722)	14,304
Government submission	(23,473,590)	(13,943)	-	-	-	-	(23,473,590)	(13,943)
Carried forward to subsequent year	(1,761,666)	(2,139)	-	-	-	-	(1,761,666)	(2,139)
Others	29,293	-	116,416	-	-	-	145,709	-
Ending balance	-	₩ -	25,325,983	₩ 2,844	59,895,811	₩ -	85,221,794	₩ 2,844

Meanwhile, as of December 31, 2023, there are no emission rights provided as collateral and no emission rights held for gains on trading.

(3) Changes in the emission liabilities for the years ended December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023				
	Beginning balance	Increase	Decrease	Other	Ending balance
Emission liabilities	₩ 8,467	₩ 9,710	₩ (10,108)	₩ (250)	₩ 7,819

	December 31, 2022				
	Beginning balance	Increase	Decrease	Other	Ending balance
Emission liabilities	₩ 18,402	₩ 11,460	₩ (21,395)	₩ -	₩ 8,467

(4) The estimated amount of greenhouse gas emissions for the year ended December 31, 2023 is 23,427,855 tonnes (tCO₂-eq).

45. Business combination

(1) As of December 31, 2023 and 2022, details of business combination are as follows.

	December 31, 2023				
	SK ECOENGINEERING CO., LTD.	8 Rivers Capital LLC	Evertch Enterprise Co., LTD.	Topsun Co.,Ltd.	Renewenergy Chungbuk Co., Ltd.
Description of the acquiree	Construction of civil engineering facilities	Clean Energy Business	Material parts manufacturing and sales business	Solar module manufacturing, solar power generation system design and construction, Solar power generation business	Waste incineration business
Date of acquisition	2023.04.01	2023.04.30	2023.05.17	2023.06.30	2023.07.31
Shareholdings ratio(%) with acquired voting rights	52.65	51.57	95.40	19.69	100
Main reason for business combination	Expansion of civil engineering facilities construction project	Securing technology and expanding business	Securing technology and expanding business	Expansion of business such as manufacturing solar modules	Expansion of waste incineration business
Description of the method of acquiring the acquirer's control over the acquiree	Increase in effective share ratio due to repayment of convertible redeemable preferred stock	Acquisition of additional shares	Acquisition of shares	Exercise of conversion right of subsidiary	Acquisition of Shares of Subsidiary Company

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45. Business combination (cont'd)

December 31, 2023					
Description of the acquiree	SK Life Science Labs, Inc.	Center For Breakthrough Medicines Holdings, LLC	EN-CORE CO., LTD.	Halio, Inc.	ISC Co., LTD.
Date of acquisition	2023.08.11	2023.09.18	2023.10.01	2023.12.31	2023.10.04
Shareholdings ratio(%) with acquired voting rights	100	54.62	88.47	81.66	46.64
Main reason for business combination	Securing technology and expanding business	Expansion of gene therapy drug business	Expansion of data management consulting and solutions	Expansion of smartglass business	Business diversification by entering the semiconductor test parts manufacturing and sales
Description of the method of acquiring the acquirer's control over the acquiree	Acquisition of additional shares	Acquisition of shares through call option exercise	Acquisition of Shares of Subsidiary Company	Acquisition of additional shares	Acquisition of Shares of Subsidiary Company
December 31, 2022					
Description of the acquiree	SK pucore	EverCharge, Inc.	Tes-Enviro corp Pte. Ltd.	JA GREEN CO.,LTD	Yespowertechnix
Date of acquisition	2022.01	2022.03	2022.04	2022.06	2022.08
Shareholdings ratio(%) with acquired voting rights	100	100	100	100	98.59
Main reason for business combination	Expansion of business	Expansion of business	Expansion of business	Expansion of business	Expansion of business
Description of the method of acquiring the acquirer's control over the acquiree	Acquisition of real control	Acquisition of Shares of Subsidiary Company	New establishment	Acquisition of Shares of Subsidiary Company	Acquisition of Shares
December 31, 2022					
Description of the acquiree	Seoul Airbus Co., Ltd.	LOGISOFT CO., LTD.	SK oceanplant Co.,Ltd.	Absolics Inc.	
Date of acquisition	2022.05	2022.08	2022.08	2022.12	
Shareholdings ratio(%) with acquired voting rights	100	100	31.52	80.58	
Main reason for business combination	Expansion of business	Expansion of business	Expansion of business	Expansion of business	
Description of the method of acquiring the acquirer's control over the acquiree	Acquisition of Shares of Subsidiary Company	Acquisition of Shares of Subsidiary Company	Acquisition of Shares of Subsidiary Company	Acquisition of real control	

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45. Business combination (cont'd)

(2) Identifiable assets acquired and liabilities assumed due to merger as of December 31, 2023 and 2022 are as follows (Korean won in millions):

	December 31, 2023				
	SK ECOENGINEERI NG CO., LTD.	8 Rivers Capital LLC	Evertech Enterprise Co., LTD	Topsun Co.,Ltd.	Renewenergy Chungbuk Co., Ltd.
Assets:					
Cash and cash equivalents	₩ 293,658	₩ 92,533	₩ 2,008	₩ 15,285	₩ 5,064
Trade and other receivables	512,091	602	659	90,538	3,977
Inventories	-	-	956	23,384	7
Investment properties	-	-	-	-	-
Property, plant and equipment	7,227	404	15,643	130,071	51,224
Right-of-use assets	12,945	359	95	36,380	73
Intangible assets	360,499	50,157	1,496	2,521	49,118
Deferred tax assets	-	-	-	3,570	1,321
Other assets	296,108	404,172	1,001	27,303	779
	<u>₩ 1,482,528</u>	<u>₩ 548,227</u>	<u>₩ 21,858</u>	<u>₩ 329,052</u>	<u>₩ 111,563</u>
Liabilities:					
Trade and other payables	₩ 228,586	₩ -	₩ 262	₩ 16,697	₩ 2,570
Borrowing liabilities	82,624	5,025	3,274	157,448	49,013
Lease liabilities	14,882	570	96	17,607	79
Defined bebefit liabilities	66,391	-	-	1,448	-
Deferred tax liabilities	92,245	11,264	1,757	1,608	13,410
Other liabilities	485,309	2,598	365	61,174	5,386
	<u>₩ 970,037</u>	<u>₩ 19,457</u>	<u>₩ 5,754</u>	<u>₩ 255,982</u>	<u>₩ 70,458</u>
Fair value of identifiable net assets	<u>₩ 512,491</u>	<u>₩ 528,770</u>	<u>₩ 16,104</u>	<u>₩ 73,070</u>	<u>₩ 41,105</u>

	December 31, 2023				
	SK Life Science Labs, Inc.	Center For Breakthrough Medicines Holdings, LLC	EN-CORE CO., LTD.	Halio, Inc.(*1)	ISC Co., LTD.
Assets:					
Cash and cash equivalents	₩ 91,549	₩ 112,970	₩ 3,295	₩ 36,611	₩ 261,126
Trade and other receivables	1,130	60,152	4,823	868	35,395
Inventories	-	23,348	25	15,666	15,976
Investment properties	-	-	-	-	4,085
Property, plant and equipment	9,037	164,230	1,106	36,123	197,653
Right-of-use assets	11,340	301,706	4,971	34,394	2,069
Intangible assets	15,540	9,184	10,443	27	233,348
Deferred tax assets	-	-	2,045	-	7,108
Other assets	3,206	28,515	15,127	4,238	69,052
	<u>₩ 131,802</u>	<u>₩ 700,105</u>	<u>₩ 41,835</u>	<u>₩ 127,927</u>	<u>₩ 825,812</u>
Liabilities:					
Trade and other payables	₩ 1,573	₩ 6,232	₩ 347	₩ 18,378	₩ 25,994
Borrowing liabilities	-	67,354	-	32,235	39,633
Lease liabilities	10,986	334,656	4,513	36,921	806
Defined bebefit liabilities	-	-	7,893	-	126
Deferred tax liabilities	3,263	1,790	2,438	-	70,466
Other liabilities	20,992	59,283	3,070	53,621	5,717
	<u>₩ 36,814</u>	<u>₩ 469,315</u>	<u>₩ 18,261</u>	<u>₩ 141,155</u>	<u>₩ 142,742</u>
Fair value of identifiable net assets	<u>₩ 94,988</u>	<u>₩ 230,790</u>	<u>₩ 23,574</u>	<u>₩ (13,228)</u>	<u>₩ 683,070</u>

(*1) As of December 31, 2023, the fair value of the assets acquired and liabilities assumed was determined tentatively because independent valuation was not completed.

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45. Business combination (cont'd)

	December 31, 2022				
	SK pucore	EverCharge, Inc.	Tes-Enviro corp Pte. Ltd.	JA GREEN CO.,LTD	Yespowertechnix
Assets:					
Cash and cash equivalents	₩ 11,986	₩ 967	₩ 80,531	₩ 1,198	₩ 12,677
Trade and other receivables	119,230	1,138	126,204	2,278	601
Inventories	96,576	2,906	19,298	-	7,665
Property, plant and equipment	103,718	186	75,796	38,865	8,064
Right-of-use assets	10,204	-	36,738	-	1,259
Intangible assets	133,545	132,825	209,145	117,231	26,426
Other assets	414,536	637	53,022	1,899	1,942
	<u>₩ 889,795</u>	<u>₩ 138,659</u>	<u>₩ 600,734</u>	<u>₩ 161,471</u>	<u>₩ 58,634</u>
Liabilities:					
Trade and other payables	₩ 102,359	₩ 1,527	₩ 133,597	₩ 4,199	₩ 1,849
Borrowing liabilities	113,774	-	47,791	12,100	4,497
Lease liabilities	10,204	-	36,738	-	1,234
Current tax liabilities	3,878	-	3,479	-	-
Defined bebefit liabilities	682	-	-	-	80
Deferred tax liabilities	18,540	35,428	41,157	28,748	6,364
Other liabilities	12,815	350	1,190	11,082	141
	<u>₩ 262,252</u>	<u>₩ 37,305</u>	<u>₩ 263,952</u>	<u>₩ 56,129</u>	<u>₩ 14,165</u>
Fair value of identifiable net assets	<u>₩ 627,543</u>	<u>₩ 101,354</u>	<u>₩ 336,782</u>	<u>₩ 105,342</u>	<u>₩ 44,469</u>

	December 31, 2022			
	Seoul Airbus Co., Ltd.	LOGISOFT CO., LTD.	SK oceanplant Co.,Ltd.	Absolics Inc.
Assets:				
Cash and cash equivalents	₩ 328	₩ 11,659	₩ 483,274	₩ 129,023
Trade and other receivables	1,019	49	146,594	186
Inventories	36	-	3,305	-
Property, plant and equipment	7,240	25	422,617	43,101
Right-of-use assets	5	4	11,257	6,458
Intangible assets	44,461	41,049	2,714	83,642
Other assets	2,710	6,690	154,989	1,234
	<u>₩ 55,799</u>	<u>₩ 59,476</u>	<u>₩ 1,224,750</u>	<u>₩ 263,644</u>
Liabilities:				
Trade and other payables	₩ 1,560	₩ 25,386	₩ 84,406	₩ 13,202
Borrowing liabilities	-	61	406,538	-
Lease liabilities	5	-	14,350	6,645
Current tax liabilities	-	82	7,745	-
Defined bebefit liabilities	163	355	1,227	-
Deferred tax liabilities	9,695	4,016	175	-
Other liabilities	213	15,808	236,485	287
	<u>₩ 11,636</u>	<u>₩ 45,708</u>	<u>₩ 750,926</u>	<u>₩ 20,134</u>
Fair value of identifiable net assets	<u>₩ 44,163</u>	<u>₩ 13,768</u>	<u>₩ 473,824</u>	<u>₩ 243,510</u>

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45. Business combination (cont'd)

(3) Goodwill arising from business combination as of December 31, 2023 and 2022 is as follows (Korean won in millions):

	December 31, 2023				
	SK ECOENGINEERIN G CO., LTD.	8 Rivers Capital LLC	Evertech Enterprise Co., LTD	Topsun Co.,Ltd.	Renewenergy Chungbuk Co., Ltd.
a. The total consideration transferred(*1)	₩ 504,023	₩ 373,658	₩ 19,994	₩ 41,947	₩ 216,946
b. Fair value of proportionate share of acquired net assets:					
Fair value of the Identifiable assets:	512,491	528,770	16,104	73,070	41,105
Non-controlling Interests (*2)	(242,669)	(273,864)	(741)	(58,634)	-
	₩ 269,822	₩ 254,906	₩ 15,363	₩ 14,436	₩ 41,105
c. Goodwill (c=a-b)	₩ 234,201	₩ 118,752	₩ 4,631	₩ 27,511	₩ 175,841

	December 31, 2023				
	SK Life Science Labs, Inc.	Center For Breakthrough Medicines Holdings, LLC	EN-CORE CO., LTD.	Halio, Inc.(*1)	ISC Co., LTD.
a. The total consideration transferred(*1)	₩ 101,808	₩ 415,995	₩ 96,471	₩ 33,847	₩ 522,485
b. Fair value of proportionate share of acquired net assets:					
Fair value of the Identifiable assets:	94,988	230,790	23,574	(13,228)	683,070
Non-controlling Interests (*2)	-	(120,158)	(2,718)	2,426	(364,481)
	₩ 94,988	₩ 110,632	₩ 20,856	₩ (10,802)	₩ 318,589
c. Goodwill (c=a-b)	₩ 6,820	₩ 305,363	₩ 75,615	₩ 44,649	₩ 203,896

	December 31, 2022				
	SK pucore	EverCharge, Inc.	Tes-Enviro corp Pte. Ltd.	JA GREEN CO.,LTD	Yespowertechnix
a. The total consideration transferred(*1)	₩ 741,760	₩ 338,102	₩ 1,342,873	₩ 175,568	₩ 84,068
b. Fair value of proportionate share of acquired net assets:					
Fair value of the Identifiable assets:	627,543	101,354	336,782	105,342	44,469
Non-controlling Interests (*2)	-	-	-	-	(11,166)
	₩ 627,543	₩ 101,354	₩ 336,782	₩ 105,342	₩ 33,303
c. Goodwill (c=a-b)	₩ 114,217	₩ 236,748	₩ 1,006,091	₩ 70,226	₩ 50,765

	December 31, 2022				
	Seoul Airbus Co., Ltd.	LOGISOFT CO., LTD.	SK oceanplant Co.,Ltd.	Absolics Inc.	
a. The total consideration transferred(*1)	₩ 57,797	₩ 53,703	₩ 342,595	₩ 196,227	
b. Fair value of proportionate share of acquired net assets:					
Fair value of the Identifiable assets:	44,163	13,768	473,824	243,510	
Non-controlling Interests (*2)	-	-	(324,488)	(47,283)	
	₩ 44,163	₩ 13,768	₩ 149,336	₩ 196,227	
c. Goodwill (c=a-b)	₩ 13,634	₩ 39,935	₩ 193,259	₩ -	

(*1) It includes the fair value of interests of investments in associates and joint ventures held before the business combination.

(*2) Non-controlling interests arising from the merger are measured in proportion to the non-controlling interests in identifiable net assets of the merged company.

46. Events after the reporting period

(1) Retirement of treasury stocks of SK Innovation Co., Ltd.

SK Innovation Co., Ltd., a subsidiary, will incinerate 4,919,974 shares (₩793.6 billion) of its treasury stocks as of February 20, 2024, according to the resolution of the board of directors on February 5, 2024.

(2) Disposal of treasury stocks of SK Earthon Co., Ltd.

On February 7, 2024, after the end of the reporting period, SK Earthon Co., LTD., a subsidiary, entered into an agreement to sell its entire stake in MidOcean Vicuna Holdings Ltd., to Peru LNG Company L.L.C. for the purpose of securing investment resources for future growth projects. The transaction is expected to be completed on March 29, 2024, and is subject to change in the course of future transactions.

(3) Issuance of global bonds by SK Battery America. Inc.

SK Battery America. Inc., a subsidiary, issued a Global Bond USD 5 million as of January 23, 2024.

(4) Issuance of bonds by SK On Co., Ltd

On March 7, 2024, SK On Co., Ltd., a subsidiary, issued ₩300 billion of unguaranteed bonds(5-1 times, 5-2 times) with bearer certificates.

(5) Additional capital contribution of Route on Dlaware, Inc.

Route Delaware, Inc., a subsidiary, invested an additional USD 276 million in joint venture HSAGP Energy LLC on February 20, 2024.

(6) Issuance of bonds by SK Geo Centric Co., Ltd.

SK GeoCentric Co., Ltd., a subsidiary, decided to issue corporate bonds (21-1 times, 21-2 times) according to the resolution of the board of directors on December 22, 2023, and issued them on January 29, 2024, after confirming the terms of issuance on January 26, 2024. The amount of issuance is ₩300 billion in total, and the funds raised will be used for debt repayment and operating funds.

(7) Issuance of bonds by SK Incheon Petrochemical Co., Ltd.

SK Incheon Petrochemical Co., Ltd., a subsidiary, decided to issue the 25th corporate bond through a resolution of the board of directors on December 27, 2023, and issued a total of ₩300 billion in corporate bonds on January 22, 2024.

(8) Issuance of new capital securities and prepayment by SK Incheon Petrochemical Co., Ltd.

SK Incheon Petrochemical Co., Ltd., a subsidiary, issued ₩140 billion of the second public offering bond-type new capital securities on October 19, 2023, and ₩460 billion of the third private offering bond-type new capital securities on March 7, 2024 through a resolution of the board of directors on September 7, 2023. Meanwhile, it decided to repay the first private offering bond-type new capital securities in advance on January 26, 2024, and will repay a total of ₩600 billion won on March 15, 2024.

46. Events after the reporting period (cont'd)

(9) Issuance of bonds by SK Ecoplant Co., Ltd.

On February 1, 2024, SK Ecoplant Co., Ltd., a subsidiary, issued the 180-1th bearer unsecured bonds for ₩53,000 million, the 180-2nd bearer unsecured bonds for ₩75,000 million, and the 180-3rd bearer unsecured bonds for ₩128,000 million.

(10) Business transfer of SK ENPULSE Co., LTD.

SKN Pulse Co., Ltd., a subsidiary, decided to sell its fine ceramic business unit to Han & Co. No. 22 Limited for ₩330,318 million at the board meeting on October 30, 2023, and sold it as of February 29, 2024.

(11) SKC Co., Ltd.'s sale of SK pucore Co., LTD.

SKC Co., Ltd., a subsidiary, decided to sell all of the shares issued by SK pucore Co., Ltd. to Korea PU Holdings Co., Ltd. for ₩410,300 million according to the resolution of the board of directors on October 12, 2023, and sold them as of February 29, 2024.

(12) Paid-in capital increase of SKC Co., Ltd's subsidiary

NEXILIS MANAGENT EUROPE B.V. issued new shares to SK Nexilis Co., Ltd. for ₩72,146 per share of 3,881,024 shares as of January 17, 2024. In addition, SK Nexilis Poland sp. z o.o. issued new shares to NEXILIS MANAGENT EUROPE B.V. for ₩16,509 per share of 16,950,657 shares as of January 19, 2024.

(13) Issuance of bonds by SK E&S Co., Ltd.

SK E&S Co., Ltd., a subsidiary, issued unguaranteed public offering bonds after the reporting period, and the details of issuance are as follows. (Korean won in millions):

	<u>Issuance date</u>	<u>Expiration date</u>	<u>Interest rate</u>	<u>Issuance</u>
20-1st Unguaranteed Company Bonds	January 25, 2024	January 25, 2027	3.96%	₩ 320,000
20-2nd Unguaranteed Company Bonds	January 25, 2024	January 25, 2029	4.12%	₩ 180,000
Total				₩ 500,000

(14) Disposal of SK Rent A Car Co., Ltd. by SK Networks Co., Ltd

SK Networks Co., Ltd., a subsidiary, acquired 1,187,292 treasury stocks held by SK Rent A Car Co., Ltd. for ₩14,433 million according to the resolution of the board of directors on January 8, 2024, and completed the disposal as follows through a small-scale stock exchange with SK Rent A Car Co., Ltd.

	<u>Details</u>
Type and number of shares	3,415,875 common shares
Price of shares subject to disposal	₩6,291 per share
Total disposal value	₩21,489 million
Date of disposition	January 16, 2024.
Purpose of disposal	Small stock exchange consideration
Method of disposal	Issuance of treasury stocks

As a result, SK Networks Co., Ltd. will hold a 100% stake in SK Rent A Car Co., Ltd., and SK Rent A Car Co., Ltd. has been converted into an unlisted stock company as of January 31, 2024.

46. Events after the reporting period (cont'd)

(15) Business transfer of SK Magic Co., LTD.

SK Magic Co., Ltd., a subsidiary, signed a memorandum of understanding (MOU) with Kyungdong Navien Co., Ltd. on January 3, 2024 regarding the estimated transfer price of ₩40,000 million for all operations related to the manufacture, sale, and distribution of gas stoves, electric ovens, inventory assets, and tangible and intangible assets.

Notice to Readers

This report is annexed in relation to the audit of the consolidated financial statements as of December 31, 2023 and the audit of internal accounting control system for consolidation purposes pursuant to Article 8-7 of the Act on External Audit for Joint-stock Companies of the Republic of Korea.

Independent Auditor's Report on Internal Control over Financial Reporting for Consolidation Purposes

Based on a report originally issued in Korean

**To the Shareholders and Board of Directors of
SK Inc.**

Opinion on Internal Control over Financial Reporting for Consolidation Purposes

We have audited SK Inc. and its subsidiaries' ("the Group") internal control over financial reporting ("ICFR") for consolidation purposes as of December 31, 2023 based on the criteria established in the Conceptual Framework for Designing and Operating ICFR ("ICFR Design and Operation Framework") issued by the Operating Committee of Internal Control over Financial Reporting in the Republic of Korea (the "ICFR Committee").

In our opinion, the Group maintained, in all material respects, effective internal control over financial reporting for consolidation purposes as of December 31, 2023, based on ICFR Design and Operation Framework.

We also have audited, in accordance with Korean Standards on Auditing (KSAs), the consolidated financial statements of the Group, which comprise the consolidated statement of financial position as of December 31, 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policy information and other explanatory information, and our report dated March 12, 2024 expressed an unmodified opinion on those consolidated financial statements.

Basis for Opinion on Internal Control over Financial Reporting for Consolidation Purposes

We conducted our audit in accordance with KSAs. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Internal Control over Financial Reporting for Consolidation Purposes* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the internal control over financial reporting in Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Internal Control over Financial Reporting for Consolidation Purposes

The Group's management is responsible for designing, operating and maintaining effective internal control over financial reporting for consolidation purposes and for its assessment of the effectiveness of internal control over financial reporting for consolidation purposes, included in the accompanying Management's Report on the Effectiveness of Internal Control over Financial Reporting for Consolidation Purposes.

Those charged with governance are responsible for overseeing the Group's internal control over financial reporting for consolidation purposes.

Auditors' Responsibilities for the Audit of the Internal Control over Financial Reporting for Consolidation Purposes

Our responsibility is to express an opinion on the Group's internal control over financial reporting for consolidation purposes based on our audit. We conducted our audit in accordance with KSAs.



Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting for consolidation purposes was maintained in all material respects.

Our audit of internal control over financial reporting for consolidation purposes included obtaining an understanding of internal control over financial reporting for consolidation purposes, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

Definition and Limitations of Internal Control over Financial Reporting for Consolidation Purposes

The Group's internal control over financial reporting for consolidation purposes is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with Korean International Financial Reporting Standards ("K-IFRS"). The Group's internal control over financial reporting for consolidation purposes includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with K-IFRS, and that receipts and expenditures of the Group are being made only in accordance with authorizations of management and directors of the Group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the consolidated financial statements.

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

The engagement partner on the audit resulting in this independent auditors' report is Se Hong Choi.

KPMG Samjory Accounting Corp.

Seoul, Korea
March 12, 2024

This report is effective as of March 12, 2024, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the internal control over financial reporting for consolidation purposes. Accordingly, the readers of the audit report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

Management's Report on the Effectiveness of Internal Control over Financial Reporting for Consolidation Purposes

To the Shareholders, Board of Directors, and Audit Committee of SK Inc.

We, as the Chief Executive Officer and the Internal Accounting Manager of SK Inc. ("the Company"), assessed operating status of the Company's Internal Control over Financial Reporting ("ICFR") for Consolidation Purposes for the year ending December 31, 2023.

Design and operation of ICFR for Consolidation Purposes is the responsibility of the Company's management, including the Chief Executive Officer and the Internal Accounting Manager. We evaluated whether the Company effectively designed and operated its ICFR for Consolidation Purposes to prevent and detect errors or frauds which may cause a misstatement in Consolidated financial statements to ensure preparation and disclosure of reliable financial information.

We used the 'Conceptual Framework for Designing and Operating Internal Control over Financial Reporting' established by the Operating Committee of Internal Control over Financial Reporting in Korea ("the ICFR Committee") as the criteria for design and operation of the Company's ICFR for Consolidation Purposes. And we conducted an evaluation of ICFR for Consolidation Purposes based on the 'Best Practice Guideline for Evaluating and Reporting Effectiveness of Internal Control over Financial Reporting' established by the ICFR Committee.

Based on our assessment, we concluded that the Company's ICFR for Consolidation Purposes is designed and operated effectively as of December 31, 2023, in all material respects, in accordance with the 'Conceptual Framework for Designing and Operating Internal Control over Financial Reporting'.

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

March 4, 2024

Dong-Hyun Jang
Chief Executive Officer



Juhwan Lim
Internal Accounting Manager

