Taihan Cable & Solution 2025 Annual Report

THE POWER LIGHTING UP THE WORLD

taihan

Contents

Taihan moves forward to a better future

Cable systems are a key part of the infrastructure that delivers energy and information to the world. Serving a wide range of functions, from everyday life to industrial sites, Taihan’s high-quality cable systems are delivered to the right places to improve the operation of social infrastructure. Through its accumulated technology and core capabilities developed over 80 years, Taihan is committed to delivering high-quality services to its global customers. Taihan’s innovative spirit and passion are the primary forces behind its sustained growth engine, which is constantly focused on the future.

Company Profile

Taihan consistently offers the best value in the cable industry, leads technological innovation for a better future, and lights up a brighter future with cutting-edge technology.

Seoul Office I Seocho-gu, Seoul, Korea

(As of December 2025)

Company Name	Taihan Cable & Solution Co., Ltd.
Majority Shareholder	Hoban E&C Co., Ltd. (41%)
Business Area	Power Cables, Renewable Energy, Communication Cables, Base Metal, etc.
Products and Services	Design, Manufacturing and Installation of Power and Communication Cable Systems
CEO	Jong Min Song
Address (Seoul Office)	18, Yangjae-daero 2-gil, Seocho-gu, Seoul, Korea
Establishment	March 18, 1941
Employees	2,173 persons
Financial Summary	**Revenue** KRW 3.636 trillion; **Operating Profit** KRW 128.6 billion; **Net Profit** KRW 89.9 billion; **Order Backlog** KRW 3.663 trillion

CEO Message

Dear valued customers, shareholders, and stakeholders of Taihan!
I would like to express my sincere gratitude for your unwavering interest and support for Taihan.

Jong Min Song
CEO of Taihan
May, 2026

Dear valued customers, shareholders, and stakeholders!

In 2025, the importance of power infrastructure became more pronounced than ever, driven by the rapid growth of the AI industry and the widening reach of renewable energy.

In line with these shifts, Taihan Cable & Solution further strengthened its market position by playing a key role in the supply of power grid infrastructure. Notably, the Company demonstrated its technological competitiveness and quality reliability by consecutively securing large-scale projects across major markets, including the United States, Europe, and Asia.

As a result, on a consolidated basis in 2025, the Company achieved the highest performance in its history, recording KRW 3.636 trillion in consolidated revenue and KRW 128.6 billion in consolidated operating profit. This represented year-over-year increases of 10.5% and 11.7%, respectively, reflecting the successful expansion of global demand and the Company's strategic focus on securing high value-added projects. The Company also secured a record-high order backlog of KRW 3.6632 trillion, further strengthening the foundation for sustainable growth.

In addition, the Company achieved meaningful progress in the submarine cable business. In July 2025, Taihan Cable & Solution acquired Taihan Ocean Works, a company specializing in submarine cable installation, thereby internalizing its engineering and installation capabilities. In September, the Company further expanded its production infrastructure by breaking ground on its second submarine cable plant in Dangjin, Chungcheongnam-do, dedicated to the production of 640kV-class HVDC submarine cables.

We also expanded investments in our global production infrastructure. Our Vietnamese subsidiary Taihan VINA announced plans to build a 400 kV EHV cable plant, while our South African subsidiary M-TEC completed the expansion of its medium- and low-voltage cable plant. We also advanced production facilities across our major product lines, notably expanding the capacity of our busduct plant to three times its original level.

Dear customers, shareholders, and stakeholders!

The year 2026 marks the 85th anniversary of Taihan Cable & Solution. As Korea's first wire and cable company that has laid the groundwork for the nation's power industry, Taihan Cable & Solution continues to enjoy sustainable growth by leveraging decades of technological expertise and an extensive global network. This year, we plan to further strengthen our core business capabilities to lead future growth.

First, we are committed to enhancing our competitiveness in the HVDC cable market. In January 2026, we completed the construction of a dedicated test center capable of simultaneously testing two 640kV HVDC cable circuits. We will accelerate R&D for underground and submarine HVDC cables based on our in-house capabilities spanning the entire process from product development to testing and certification, further strengthening our ability to respond to evolving market demands.

We will also continue to advance our EHV cable technologies to reinforce our position as a a total solution provider and deliver differentiated value to clients.

Furthermore, we will embed ESG principles across all aspects of our management to solidify our foundation for sustainable growth. We will expand the development of eco-friendly products and carbon reduction initiatives while striving to strengthen our position as a trusted partner that places the highest priority on safety and quality.

This year, uncertainties continue to grow amid rising geopolitical risks. However, Taihan Cable & Solution has continued to achieve growth by turning challenges and changes into new opportunities. Moving forward, we will continue to create new value through our technological competitiveness and execution capabilities, further advancing our position as a global leader in the power infrastructure industry.

We sincerely appreciate your continued trust and support.

History

Beginning of History

1941 · Established Chosun Electric Wire Co., Ltd.

1955 · Renamed as Taihan Electric Wire Co., Ltd.

1957 · Began production of PVC jacket cables

Expansion of Technology & Production

1980 · Constructed SCR (Southwire Continuous Rod) Plant

1983 · Established Technology Research Center

1984 · Constructed Anyang Optical Fiber Cable Plant

1996 · Constructed VCV Tower and EHV Cable Plant

Accelerated Global Localization

2011 · Constructed Dangjin Cable Plant

2012 · Developed the first 500kV EHV cable in South Korea and passed PQ test

2015 · Began supplying 500kV EHV cables to North America for the first time

2016 · Established Taihan Vina (Vietnam production base)

2017 · Established Saudi Taihan (joint venture in Saudi Arabia)

2018 · Secured offshore wind submarine cable project (Southwest Sea)

1940~1950s　1960~1970s　1980~1990s　2000s　2010s　2020s

Initial Establishment of Power Grid

1964 · Obtained the 'KS' mark for cable products for the first time in South Korea

· Became Korea's first company to export cables

1968 · Listed on the Korea Stock Exchange

1969 · Developed 33kV XLPE cables for the first time in South Korea

1975 · Constructed Anyang Cable Plant

1976 · Began production of 154kV OF cables for the first time in South Korea

1978 · Constructed EHV OF Cable Plant

Global Production Network Expansion

2000 · Established M-TEC (South Africa subsidiary)

2005 · Established TSC (Vietnam production base)

2008 · Entered turnkey markets for EHV cables in Australia, USA, and Russia

New Taihan in HOBAN

2021 · Largest shareholder changed to Hoban E&C Co., Ltd.

· Achieved ESG Integrated Rating "A" (the only cable company in South Korea)

· Established Taihan Kuwait

2022 · Obtained Korea's first KEMA certification for 500kV LCC XLPE HVDC

2023 · Acquired CLV "PALOS" for submarine cable

· Obtained Korea's first KEMA certification for 525kV VSC XLPE HVDC (with conductor cross-sectional area of 3,000SQ and conductor allowable temperature above 90°C)

· Established Carbon Neutral Roadmap (Net Zero 2050)

2024 · Commenced operation of Dangjin Submarine Cable Plant 1

2025 · Completed Dangjin Submarine Cable Plant 1

· Acquired Submarine Cable Installation Company

· Began construction of Dangjin Submarine Cable Plant 2

· Achieved ESG Integrated Rating "A" for fifth consecutive years

Global Network

With the Dangjin Cable Plant as its main production facility, Taihan has established production bases in emerging markets including South Africa and Vietnam. Backed by 9 overseas subsidiaries and 15 overseas branches, the Company continues to strengthen its global competitiveness in cable manufacturing.

Dangjin Cable Plant

Dangjin Cable Plant is one of the world's largest and most efficient cable manufacturing facilities, equipped with five production units for EHV, industrial, communication, base metal, and busduct products, as well as a Technology Research Center, PQ test lab, and HVDC testing center.

Dangjin Solution Plant

Dangjin Solution Plant, completed in 2007, produces a wide range of cable accessories, including 500kV XLPE cable accessories, EHV cable accessories, and terminations. Taihan continues to advance its technology to deliver products optimized to customer needs.

Dangjin Submarine Cable Plant

Dangjin Submarine Cable Plant is a key production base supporting Taihan's growth into a global submarine cable company. Plant 1 is already operational with facilities for inter-array and export cables, while Plant 2, targeted for completion in 2027, will produce 400kV HVAC and 640kV HVDC submarine cables.

M-TEC
(Malesela Taihan Electric Cable)

M-TEC, located in South Africa, serves as a strategic base for expansion into the African market. As a comprehensive cable manufacturer producing both optical communication and power cables, M-TEC is advancing toward becoming one of the leading cable companies in Africa.

www.m-tec.co.za

Taihan VINA

Taihan VINA serves as a strategic hub for responding to global market demand. Through continuous facility expansion and technology investment, the company is strengthening its differentiated product competitiveness and expanding its presence beyond the domestic market into global markets.

www.taihancable.com.vn

Taihan USA

Taihan USA, founded in 2000, has built a strong presence in the U.S. market by supplying EHV and MV/LV products to utilities across the country. Taihan USA plans to further expand sales of power and communication products throughout the Americas.

Saudi Taihan

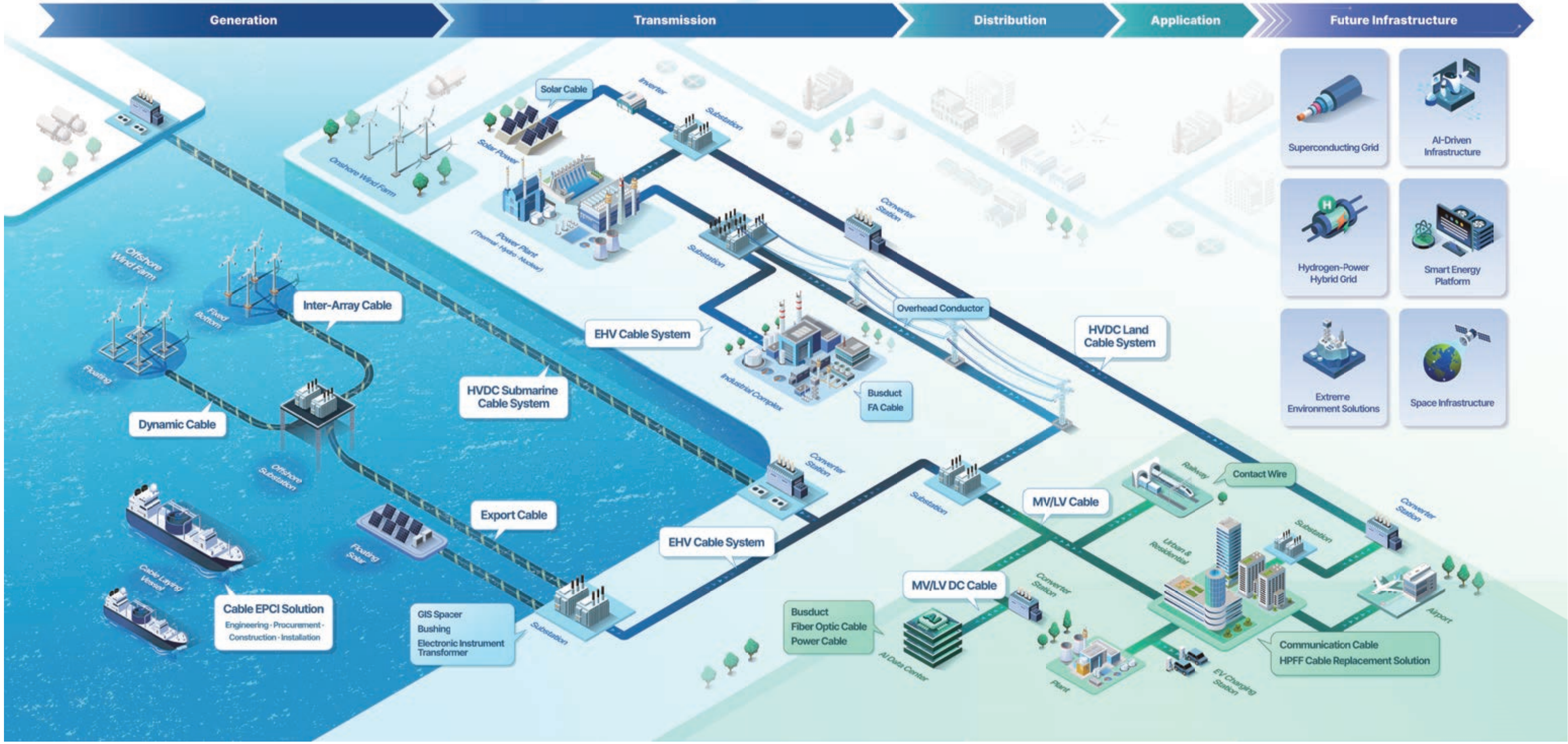
Saudi Taihan is the first and only high-voltage (HV) power equipment manufacturer in the GCC region. Saudi Taihan plans to expand its market presence beyond the Middle East into Africa and Europe.

Taihan Kuwait

Taihan Kuwait is Kuwait's first optical communication cable manufacturer. Leveraging its long-standing network across the Middle East, Taihan Kuwait plans to expand beyond Kuwait into neighboring GCC markets, including Saudi Arabia and Qatar.

Business Overview

Taihan provides optimized cable solutions across the entire power value chain, from generation to end-use, supporting the reliable delivery of electricity. Leveraging its expertise in extra-high-voltage, submarine, and HVDC cable solutions, Taihan addresses the growing demand for long-distance and high-capacity power transmission. By expanding into future energy infrastructure sectors, including offshore wind, data centers, and EV charging infrastructure, Taihan is playing a leading role in the energy transition.



Highlights

Accelerating Expansion in the Submarine Cable Market

Enhancement of Turnkey Competitiveness

Commencement of Construction on Submarine Cable Plant 2

Taihan commenced construction of submarine cable plant 2, which will be capable of producing 640kV-class HVDC and 400kV-class HVAC submarine cables, in Dangjin, Chungcheongnam-do in September 2025. Once construction is completed, the new submarine cable plant 2 is scheduled to begin operations in 2027, and it is expected to have approximately five times the production capacity of submarine cable plant 1.

Taihan plans to develop Submarine Cable Plant 2 into a key global hub for the submarine cable market and contribute to stabilizing Korea's HVDC submarine cable supply chain.

Acquisition of a Submarine Cable Installation Company

In July 2025, the Company also acquired Taihan Ocean Works, a submarine cable installation specialist, thereby internalizing its installation and engineering capabilities. Through the acquisition, the Company established an integrated execution system covering the entire process from design and manufacturing to transportation, installation, and maintenance, while also reinforcing its offshore installation expertise and operational capabilities.

Validating PALOS' Installation Capabilities

As Korea's only cable-laying vessel (CLV), PALOS successfully completed the installation of the entire export cable section for the Yeonggwang Nakwol Offshore Wind Power Project in July 2025, demonstrating its technological capabilities. Despite the challenging shallow waters and strong currents off Korea's west coast, PALOS completed the installation safely and reliably by leveraging its DP2 (Dynamic Positioning Class 2) system, which enables precise automatic vessel positioning, as well as the advantages of its hybrid vessel design.

Strengthening Market Leadership

First in Korea's Cable Industry to Be Designated a Leading Business Operator for Supply Chain Stabilization

Taihan became the first company in Korea's cable industry to be designated by the Korean government as a "Leading Business Operator for Supply Chain Stabilization" in December 2025. As the Korean offshore wind power market is expected to experience rapid growth, this designation is regarded as official recognition of Taihan's position as a key player within Korea's offshore wind power value chain.

Anma Offshore Wind Power Project Contract

In August 2025, Taihan signed an inter-array submarine cable turnkey contract for the "Anma Offshore Wind Power" project, one of the largest offshore wind power development projects in Korea. The contract value is approximately KRW 181.6 billion.

The project involves the construction of a 532MW offshore wind farm off the coast of Yeonggwang-gun, Jeollanam-do. Taihan will oversee the entire process from design and manufacturing to transportation and installation, and supply more than 100km of inter-array submarine cables.

Reinforcing Global Competitiveness

Strengthening Overseas Production Capabilities

Construction of an EHV Cable Plant in Vietnam

Taihan Cable VINA, the Company's production subsidiary in Vietnam, is moving forward with the construction of a 400kV-class EHV cable plant. The new facility broke ground in March 2026 and is currently progressing toward commercial operation in 2027. Once completed, the plant is expected to become the only production base in Vietnam capable of manufacturing 400kV-class EHV cables and Taihan Cable & Solution's first overseas EHV manufacturing hub.

This investment is aimed at establishing a strategic base to respond to growing electricity demand in Vietnam, while also serving as a key export hub for expanding into global markets, including Europe, North America, and Oceania. Demand for extra-high voltage products in Vietnam remains strong, and the Company expects this market to serve as a mid- to long-term growth driver for Taihan Cable VINA.

Expansion of the African Production Subsidiary

To address the increasing market demand for MV/LV cables, the Company's South African production subsidiary M-TEC invested in additional cutting-edge CCV insulation facilities while expanding its manufacturing plant.

Medium- and low-voltage cables are core products in the South African market, accounting for approximately 90% of the local underground power cable market, with demand expected to continue growing.— and demand is expected to continue growing in the future.

Through this investment, M-TEC expects to more than double its medium- and low-voltage cable production capacity while improving both quality and price competitiveness.

Expansion of Global Business Networks

Establishing a Canadian Subsidiary

Taihan is accelerating its expansion into the North American strategic infrastructure market through the establishment of a new subsidiary in Vancouver, Canada. The Canadian subsidiary was established to address the growing demand for power infrastructure across North America by leveraging the Company's extensive experience gained from extra-high voltage grid projects in the US market.

Taihan has established strong credibility and competitiveness in the local market by successfully securing all available 500kV projects. The new subsidiary plans to capitalize on this experience and these capabilities to broaden its footprint throughout North America.

Technology Innovation

Advancement of Power Technologies

Conclusion of an MOU for Superconducting Cables

As part of its efforts to secure future core technologies, Taihan signed a memorandum of understanding (MOU) in June 2025 with Irish superconducting cable specialist SuperNode for the development of next-generation superconducting cables. The two companies plan to establish a comprehensive cooperation framework spanning design, manufacturing, materials, and other related fields while jointly pursuing the development and commercialization of next-generation superconducting cables.

By integrating its cable manufacturing expertise with SuperNode's advanced technologies, Taihan aims to secure a competitive advantage in the superconducting cable market and expand business opportunities through engagement in collaborative projects in the future.

Technical Partnership with Hyosung Heavy Industries

In December 2025, Taihan completed the joint development of an "Integrated Solution for Cable Predictive Diagnosis and Asset Management" with Hyosung Heavy Industries and agreed to expand its business portfolio to the power asset management market. The solution combines Taihan Cable & Solution's real-time cable diagnosis and monitoring system (PDCMS) with Hyosung Heavy Industries' AI-based asset management solution (ARMOUR+), enabling integrated management of a broad range of power facilities, including transformers, circuit breakers, and cables.

Leveraging this technology, the Company plans to broaden its business scope to diverse customer segments, including EPC contractors and power generation companies, while further strengthening its competitiveness in the global power asset management market.

Expansion of the Busduct Plant

Taihan expanded its dedicated busduct plant at the Dangjin Cable Plant to approximately three times its previous size. The Company also expanded its existing PET insulation equipment lines and introduced new epoxy insulation facilities with high heat resistance and superior insulation performance.

The newly introduced epoxy equipment is especially meaningful as it marks the Company's entry into the high-capacity power distribution market where further demand expansion is anticipated. Epoxy-insulated busducts are suitable for large-scale power consumers such as data centers, semiconductor plants, and smart buildings because they can maintain stable performance even under high-voltage, high-temperature environments.

Enhancement of R&D Infrastructure and Technology Reliability

In December 2025, the Precision Analysis Laboratory of the Taihan Technical Research Institute acquired the "Excellent Laboratory for Safety Management" certification supervised by the Ministry of Science and ICT. The certification is awarded based on a rigorous evaluation of various criteria, including safety and environmental systems, the level of safety management activities, and researchers' safety awareness.

As a core research facility that precisely analyzes the physical properties of cables and materials while verifying quality reliability, the certified laboratory carries out scientific analysis across the entire process from raw materials to finished products. Through these efforts, the laboratory not only enhances product quality but also supports the development of new material-based products, improving the accuracy and completeness of research and development activities.

Taihan has established a process to identify and mitigate hazards and risk factors in advance to strengthen its laboratory safety management framework, remaining fully committed to improving researchers' safety awareness and response capabilities through consulting from external specialists and periodic safety training. Going forward, the Company will continue enhancing its technological competitiveness in the global power infrastructure market by reinforcing its research and development capabilities based on safety and quality.

- EHV Cable
- Industrial Cable
- Submarine Cable
- Communication Cable
- Base Metal
- Engineering & Construction
- R&D

BUSINESS PERFORMANCE

Business Performance

In 2025, the Company improved its profit structure and laid the groundwork for mid- to long-term growth through strategic investments, despite external uncertainties.

In 2025, Taihan achieved its highest-ever performance since its founding, recording consolidated revenue of KRW 3.636 trillion and operating profit of KRW 128.6 billion. These figures represent year-on-year increases of 10.5% and 11.7%, respectively, as high-margin projects in key markets such as the United States, Europe, and Singapore began to contribute meaningfully to earnings. As a result, the Company achieved both revenue growth and improved profitability, thereby maintaining a stable growth trajectory.

Supported by expanding global investment in power grids, Taihan secured a record-high order backlog exceeding KRW 3.6 trillion. Major project awards in Singapore and Qatar further validated the Company's technological capabilities and project execution capacity. Going forward, the Company plans to sustain growth by expanding orders for high-value-added products, including HVDC cables and submarine cables, particularly in advanced markets with growing demand, such as the United States and Europe.

The Company is accelerating the internalization of the value chain in its submarine cable business. The Company enhanced its high-value HVDC production capacity by completing plant 1 and initiating the construction of plant 2, and reinforced offshore installation capabilities through the acquisition of Taihan Ocean Works. Building on this, the Company established an integrated value chain covering the full cycle from design and manufacturing to transportation, installation, and maintenance.

The Company is strengthening its localization strategy across global markets. The Company's production subsidiary in Vietnam, Taihan VINA, has decided to build a 400kV-class extra high voltage plant. Upon completion, it will become the only 400kV plant in Vietnam, and Taihan VINA intends to leverage it to enhance manufacturing capabilities and expand its exports from Vietnam to neighboring countries.

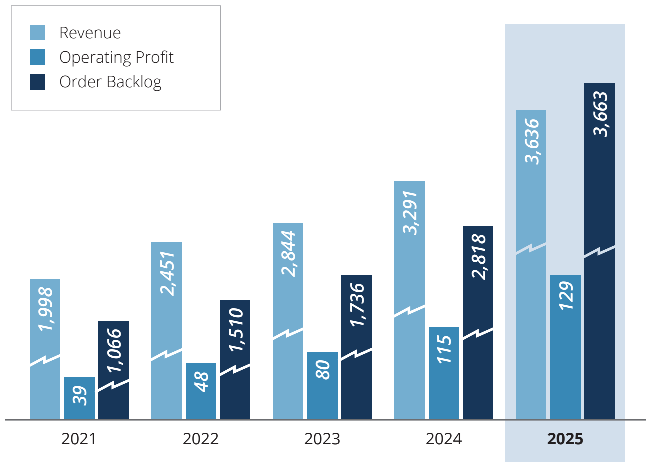
Furthermore, the Company is steadily improving its medium- and low-voltage cable production capacity and product quality in response to local demand by investing in facilities at its South African production entity M-TEC. The Company also plans to strengthen its global supply capabilities by reviewing the establishment of new medium- and low-voltage cable production bases in the United States and Europe.

The Company is accelerating the adoption of a smart production system. By introducing AI- and automation-based manufacturing innovation across its factories, the Company advanced operations in design, production, and quality management, improving both cost competitiveness and productivity.

Furthermore, the Company is expanding its global partnerships with leading companies at home and abroad while reinforcing its business network through diverse collaborative initiatives.

Consolidated Financial Performance and Order Backlog (Last 5 Years)

(Unit: KRW billion)



EHV Cable

Overseas Sales

America

Demand in the North American power market continued to grow in 2025. Electricity consumption increased rapidly as AI infrastructure expanded alongside hyperscale data center growth, EV adoption, and manufacturing reshoring. This has led to increased infrastructure investment to expand transmission and distribution networks and strengthen grid stability across the United States and Canada.

Amid these market dynamics, Taihan achieved both revenue growth and improved profitability in its North American business in 2025. The Company sustained stable revenues and built a strong order backlog by leveraging its well-established local sales network of more than 20 years and long-term supply agreements with key utilities and developers. Profitability in particular improved as the average selling price increased due to the higher proportion of high-value EHV projects.

On the business side, the Company is extending its portfolio beyond EHV cables to include HPFF, submarine cables, medium- and low-voltage cables, and overhead lines. This broadens the Company's ability to address diverse customer needs and reinforces its competitiveness as a total power infrastructure solutions provider.

The Company has expanded beyond its established western presence to include the eastern seaboard, with a focus on New Jersey, as well as markets in Arizona, Texas, and Florida, establishing a nationwide order network across the United States. In the Canadian market, the Company strengthened its mid- to long-term growth foundation by expanding project participation opportunities based on its established track record.

Taihan translated the structural growth trend of the North American power infrastructure market into tangible performance in 2025. By expanding EHV-focused orders, intensively targeting data center and renewable energy-linked projects, and diversifying regions, the Company improved both growth and profitability while cementing its long-term business foundation.

Asia

The extra high voltage underground cable market in Asia is showing growth driven by increasing power demand, urbanization, expansion of renewable energy, and replacement of aging transmission networks. In particular, large-scale transmission infrastructure investments and projects aimed at enhancing grid stability are expanding in Singapore and Malaysia.

Singapore is promoting policies under the Green Plan 2030 to expand solar power generation, import electricity from neighboring ASEAN countries, develop high-efficiency gas generation, and strengthen grid stability. As such, sustained demand for EHV underground grid investment and the replacement of aging cables is expected. The plan seeks to shift the power generation structure to a low-carbon basis centered on energy reset and strengthen grid stability.

Taihan plans to actively participate in bids for new 400kV projects in 2026 to strengthen its competitive position in the Singapore EHV market. In particular, the Company is striving to secure high-value OF (Oil-filled) cable projects.

Malaysia is rapidly emerging as a complementary Southeast Asian data center hub to Singapore, with large-scale data center investments concentrated in the Johor region. Such expansion of data centers is driving the growth of 275kV-class power infrastructure. In fact, Tenaga Nasional Berhad (TNB) is planning large-scale power grid investments and grid reinforcement. Going forward, 275kV transmission networks and underground cable projects are expected to continue increasing in Malaysia.

In response, Taihan is intensifying its local sales activities in Malaysia to secure orders for multiple grid projects, including 275kV systems.

Europe

Europe is the most active region globally in power grid development, with countries across the continent continuing to make large-scale investments in transmission infrastructure to replace aging grids and support the expansion of renewable energy.

Project owners generally select contractors capable of building stable power grids by comprehensively evaluating product quality and installation capabilities. Through long-term Framework Agreements in particular, they build strategic partnerships with qualified partners with a proven track record to ensure project stability and continuity.

The Company was selected as a contractor for multiple long-term projects in Europe in 2025 based on its successful project execution experience and accumulated technological expertise across major European countries.

Dutch transmission system operator TenneT selected the Company as contractor for a long-term supply project (Framework Agreement), based on its trust in the Company's superior product quality and installation capabilities. Accordingly, the Company will undertake the supply and installation of 150kV cables across major regions

EHV Cable

in the Netherlands, including Amsterdam, the Netherlands' largest city, through 2030. This project is of significant strategic value as it establishes a long-term partnership with TenneT.

In the United Kingdom, the Company was also selected as a long-term supplier under National Grid's HVDC Framework project. The total project value is approximately GBP 59 billion (approximately KRW 110 trillion), with more than 15 submarine and underground HVDC projects expected to be carried out over the next 8 years. Through this, the Company has secured opportunities to bid on HVDC cable projects with a combined estimated value of approximately KRW 40 trillion over the next eight years. This is expected to further strengthen its position in the European HVDC market.

In April 2025, the Company won the 110kV/220kV substation collective project ordered by TenneT Germany. The Company is executing eight TenneT-managed substation projects across Germany simultaneously through this project, gaining valuable experience in integrated multi-project execution. At the same time, it has strengthened its local market position by securing long-term supply agreements.

Taihan has been appointed as an official supplier for large-scale, long-term projects across major European countries, having secured stable order volumes through long-term framework agreements. Going forward, the Company plans to achieve sustainable growth by strengthening strategic partnerships with European customers.

Looking ahead, Europe's transition toward carbon neutrality—targeting net zero emissions by 2050 and a 55% reduction in greenhouse gas emissions by 2030 compared to 1990 levels—is expected to drive continued investment in next-generation power grids, particularly those linked to offshore wind power. Taihan will contribute to the development of eco-friendly power infrastructure and pursue continued market expansion, backed by highly reliable products and services that meet Europe's stringent technology and quality standards.

Middle East & Africa

Power demand is rapidly increasing in the UAE market due to the growth of data centers and expansion of industrial complexes, with new infrastructure construction projects actively progressing alongside the recovery of the real estate market. Power consumption by data centers in particular is expected to increase significantly as demand for AI and cloud services rises. In response to these market changes, the Company plans to strengthen the supply of extra high voltage cables and further expand its participation in data center and grid modernization projects.

In Qatar, the expansion of the transmission network linked to a large-scale desalination combined power plant (2.4GW Facility E project) is currently underway. The Company has secured a stable order base by consecutively winning full turnkey projects for 400kV and 220kV grid systems related to this project. The total order value stands at KRW 220 billion (USD 160 million).

Multiple 400kV extra high voltage turnkey projects are expected to be launched in Qatar and Kuwait in 2026. Based on the technological competitiveness and quality reliability proven in Qatar, the Company plans to strengthen its local sales efforts and participate proactively in bids for substation and transmission network projects in Kuwait to expand business opportunities.

The Company entered the Bahrain market in 2023 by winning a 400kV turnkey project worth approximately KRW 72 billion (USD 60 million). Leveraging its proven competitiveness in winning orders, the Company plans to engage in newly tendered 220kV and 400kV cable projects for the Sitra substation.

Oceania

The Company successfully completed and energized Australia's first 500kV underground transmission project, MREH, in partnership with TransGrid. As Australia's first 500kV underground turnkey project, this serves as a major milestone that demonstrates the Company's EPC and project management capabilities.

The Company won the 330kV NextDC project in NSW by leveraging its solid partnership with TransGrid. The Company is also executing Snowy Hydro's 330kV cable replacement project that it has secured. By successfully executing numerous projects, the Company is enhancing client trust in the Australian EHV underground cable market.

Demand for EHV cables in Australia continues to grow as data center and renewable energy projects expand. The Company has established itself as a major EHV cable solution provider and reinforced its long-term growth base in Oceania by leveraging its track record in 500kV and 330kV projects.

EHV Cable

Domestic Sales

Governmental Market

Timely construction and completion of transmission and substation facilities drove the increase in order volumes in 2025, with mid-term demand expected to grow as Korea Electric Power Corporation (KEPCO) continues efforts to shorten construction timelines.

The "500kV HVDC East Coast–Capital Area Phase 2 Project" for large-scale power grid interconnection is scheduled to be tendered in 2026, and preparations for the 'West Coast Energy Highway Project' are underway.

Plans to expand 345kV uprated capacity cables beyond 2028 are under review as well, with further demand increases anticipated.

Civilian Market

Renewable energy demand and market size are increasing with domestic companies adopting RE100 (the global initiative requiring corporates to source 100% renewable electricity) standards. The government is implementing policies and grid enhancement measures in line with these trends, driving continuous growth in demand.

Driven by the global expansion of renewable energy, the new and renewable energy sector has been experiencing steady growth. In particular, the passage of the Special Act on Offshore Wind Power in March 2025 is expected to further accelerate government-led renewable energy initiatives. Consequently, demand for EHV cables used in solar and wind power projects—the two core segments of the renewable energy sector—is projected to rise further.

Demand for extra high voltage transmission lines is rising as domestic AI cloud demand surges and data center deployment expands. However, with data center developers moving to regions with accessible substations, shorter transmission distances and smaller-capacity cables are becoming more common.

The domestic plant sector (including semiconductors, chemicals, and steel) is expected to see increased investment and replacement demand, and the market is projected to expand with Korea Land and Housing Corporation (LH) resuming EHV transmission projects after 10 years.

Industrial Cable

Overseas Sales

Taihan continues to see notable growth in the MV/LV (Mid/low-voltage) cable market.

In particular, the North American power market is experiencing strong demand, driven by AI data center growth and the renewable energy transition, beyond simple grid replacement. Taihan has proactively captured these market trends and built strong relationships with major western US utilities by delivering differentiated value through new product development and validation testing. Notably, the Company has expanded its sales territory from western to eastern US, building a stable supply structure through long-term agreements with key utilities.

In Australia, demand for large-scale power grid replacement and cables is expected by 2030, in accordance with the government-led infrastructure investment policy: "Powering Australia". Taihan is pursuing vendor registration with major Australian utilities with a focus on the cost competitiveness of Taihan Vina, its production entity in Vietnam, and is experiencing a steady rise in order volumes.

In the overhead transmission line market, the Company is expanding globally, starting with North America. It is also actively seeking new customers in Central Asia through proactive sales efforts. The need to replace aged transmission facilities has been gaining importance,

and demand for increased capacity overhead line (HTLS) is on the rise. In response, Taihan is strengthening its partnerships and offering customized solutions to clients, thereby expanding its competitive edge.

Going forward, Taihan will direct its efforts toward developing new markets and diversifying its customer base to solidify the foundation for stable and sustainable growth.

Domestic Sales

The domestic industrial cable market showed signs of recovery in 2025 despite challenges from construction slowdown and interest rate burdens, driven by increased infrastructure investment and power demand.

Housing starts declined year-on-year in 2025, delaying construction recovery and limiting demand for housing and building cables. In contrast, cable demand grew in the power infrastructure sector as investment expanded in power-intensive industrial infrastructure. Even in such a constrained environment, the industrial cable division sustained stable orders and revenue through strategic initiatives, maintaining solid performance.

The domestic construction market in 2026 is forecast to show limited short-term recovery due to declining investment and delays in new construction starts. As a result, demand for residential and general building cables is expected to remain sluggish in the near term. The industrial cable division will manage housing-related order risks in a structured manner and sustain a stable business base through profit-oriented operations.

In the power infrastructure sector, demand for distribution expansion, aging equipment replacement, and industrial infrastructure development is seen to persist. Notably, growth in semiconductor equipment, data center investments, renewable energy-linked grids, and industrial infrastructure is expected to support long-term industrial cable demand. In response, the industrial cable division will increase participation in large infrastructure and industrial projects while selectively pursuing orders based on profitability and business stability.

Busduct

As an alternative to cables, the busduct market continues to grow steadily driven by rising demand in large-scale factories, skyscrapers, and expanding data centers, which require substantial power capacities.

Busduct demand grew in 2025 driven by increased semiconductor facility investments and expansion of the AI data center market. Rising copper prices last year also made busducts more price-competitive relative to cables, driving demand growth in the general construction market.

In response, the Company increased busduct production capacity at the Dangjin Cable Plant by as much as threefold. The Company strengthened its competitiveness by upgrading facilities, introducing epoxy insulation lines, expanding capacity, and securing UL certification.

Going forward, the busduct market is expected to continue growing, driven by increasing demand for power infrastructure amid the expansion of AI and Industry 4.0 technologies.

Submarine Cable

As the climate crisis emerges as a global issue, governments and corporations around the world are expanding renewable energy generation and intensifying efforts to achieve carbon neutrality.

Taihan is actively laying the groundwork for medium- to long-term growth to secure a strategic position in the rapidly expanding submarine cable market. By leveraging its production and installation capabilities, the Company aims to become a top-five global submarine cable total solutions provider within the next four years.

Production Capability

In keeping with this goal, Taihan has focused on strengthening its production capability. The Company successfully completed the construction of its dangjin submarine cable plant 1 in June 2025. Through this, the Company has secured the capability to produce inter-array cables (IAC) of up to 132 kV connecting offshore wind power farms, as well as export cables (EC) of 154 kV and above for transmitting power from offshore substations to land.

In particular, Taihan undertook proactive pre-sales activities by leveraging its customer base built up in domestic and overseas markets to generate revenue immediately upon completion of the submarine plant. As a result, Taihan secured the Yeonggwang-Nakwol Offshore Wind Power Project, and it is producing submarine cables for this project at dangjin submarine plant 1. The Company signed a turnkey contract for inter-array cables for Korea's largest Anma offshore wind power project in August 2025.

Taihan is also fast-tracking the construction of its submarine cable plant 2. The Company confirmed Dangjin, Chungnam as the site for its submarine cable plant 2 in November 2024 and held a groundbreaking ceremony in September 2025. Construction is ongoing, with completion targeted for 2027 and full-scale production slated to commence in 2028.

Submarine Cable Plant 2 will be equipped with state-of-the-art facilities, including VCV (Vertical Continuous Vulcanization) towers, to produce up to 640kV HVDC (high-voltage direct current) cable systems, as well as export submarine cables. These facilities will strengthen Taihan's capacity to meet growing market demands driven by larger wind turbines, increased generation capacity, and offshore wind power farms being located farther from shore.

Installation Capability

In addition to enhancing production capacity, Taihan has also strengthened its installation capabilities through the acquisition of PALOS, the only cable-laying vessel (CLV) for offshore wind power in Korea, which officially entered service in July 2024. Designed and built specifically for submarine cable laying from the outset, PALOS offers faster and more stable cable laying and transport compared to converted cable-laying barges (CLBs), and is equipped with a dynamic positioning system (DP2), allowing for uninterrupted operations even under adverse weather conditions.

In particular, PALOS is designed with a flat-bottom hull unlike conventional vessels, enabling stable operation in various waters regardless of depth; it is recognized for optimal performance in the shallow and strong-current conditions of Korea's west coast. PALOS demonstrated strong performance by installing export submarine cables in the Yeonggwang Nakwol offshore wind power project during the period June–July 2025.

Furthermore, the Company is reviewing plans to secure additional CLV vessels dedicated to HVDC submarine cable installation to prepare for expanding global HVDC orders.

The Company acquired submarine cable installation company Taihan Ocean Works in July 2025 to further enhance its installation capabilities beyond vessel acquisition.

Given that only a handful of companies worldwide can independently execute the full submarine cable value chain—from design and manufacturing to transportation, installation, and maintenance—Taihan is well positioned to gain a competitive advantage in the offshore wind power market.

Communication Cable

Taihan has established a leading position with its competitive edge in technologies that enable the stable and high-speed transmission of large-scale data. The Company has built a broad, competitive product portfolio including LAN cables, optical cables, OPGW, coaxial cables, railway cables, indoor communication cables, UL cables, and FA cables, cementing its position as one of the leading suppliers global communication cable markets.

In 2025, revenue and operating profit improved driven by increased UTP orders from telecom operators. The Company also won several railway projects, advancing entry into the telecom operator market for fiber optic cables. In addition, the Company is pursuing order growth by securing new growth engines through the continued development of communication equipment and systems.

The Company plans to enhance R&D capabilities in specialty cables and systems and diversify its product portfolio in 2026. The Company seeks to boost its competitive edge in the plant market and expand its share in government and private sectors to accelerate performance improvement.

Base Metal

Domestic base metal sales volume reached 114,000 tons in 2025. The decline in demand in segments such as the high-quality multi-grade automotive wire market is attributed in part to the impact of U.S. tariff policies.

Overseas, sales in Southeast Asian countries such as the Philippines, Vietnam, and Bangladesh continued, reaching approximately 26,000 tons, a level similar to the previous year.

Magnet wire sales edged up slightly in 2025 compared with the previous year. Despite intensified competition owing to reduced appliance demand and Chinese imports, this was offset by increased hybrid motor production.

With the goal of market diversification, the Company is striving to secure market share in the power and communication cable and automotive wire sectors in the domestic base metal market, while diversifying its materials sales portfolio. The Company intends to leverage its established sales network to address supply chain stability and regulatory changes in overseas markets.

Going forward, based on its high-quality products, Taihan's base metal business department will maintain stable sales to key domestic customers. Taihan will continue to identify new clients and diversify its export channels by targeting niche overseas markets.

Engineering & Construction

Global economic uncertainty persisted in 2025 due to prolonged geopolitical risks, raw material price volatility, and increasing protectionism. At the same time, surging power demand from AI data centers and the accelerating shift toward renewable energy in pursuit of net zero are opening new opportunities in the power infrastructure sector. Countries are making large-scale investments to enhance grid efficiency and stability, requiring advanced technical capabilities across design, procurement, installation, and maintenance.

The Company is addressing these changes by continuously recruiting engineering experts and advancing technology to meet diverse customer needs. In particular, the Company provides total solutions by building differentiated competitiveness in high-tech areas such as EHV systems and HVDC.

Taihan delivered remarkable performance in 2025 by sustaining cost innovation and transitioning its portfolio to high-value products. Leveraging its accumulated technical capabilities and customer trust, the engineering division reinforced market dominance by delivering large-scale full turnkey projects in Singapore, Kuwait, and Qatar.

Furthermore, growing demand for aging grid replacement and renewable energy integration, including offshore wind power, in developed markets led to a ramp-up in revenue realization from orders in the Americas and Europe (including Germany, the UK, Sweden, and the Netherlands).

The Company is striving to achieve zero-accident workplaces under its solid safety and health management policy. Beyond compliance with legal obligations such as the Serious Accidents Punishment Act and Occupational Safety and Health Act, the Company operates a preventive system aligned with global standards. The Company is strengthening regular inspections, safety training, and supervision across all domestic and international sites, fostering safe working environments and an advanced safety culture.

Building on these strengths, the Company recorded an engineering division order backlog of KRW 900.8 billion as of the end of 2025, maintaining solid growth momentum. Strengthened domestic capabilities and enhanced global full turnkey competitiveness have driven consistent annual growth in orders, revenue, and operating profit.

Looking ahead, the continued expansion of power grid investments by global Big Tech companies and ongoing cable replacement demand in advanced markets are expected to drive sustained growth in the Company's revenue and operating profit. The Company plans to build on its solid growth foundation in 2026 by accelerating business model innovation and reinforcing its leadership in the global power grid solutions market.

R&D

Through its Technology Research Center, Taihan has focused on developing new products and core technologies for its flagship cable and cable accessories businesses in collaboration with industry, academia, and research institutions. To further strengthen its R&D capabilities, the Company relocated the Technology Research Center to Seocho-gu, Seoul, where it is expanding its research infrastructure and recruiting outstanding research talent.

As a result, the Company's precision analysis laboratory was certified as an "Excellent Safety Management Laboratory" by the Ministry of Science and ICT. This recognition reflects the Company's advanced safety systems supporting scientific quality validation through state-of-the-art analytical equipment.

HVDC Cables

Taihan is simultaneously researching cable systems applicable to both VSC HVDC (Voltage Source Converter) and LCC HVDC (Line Commutated Converter). Additionally, Taihan completed the development of Korea's first 500kV LCC-type XLPE HVDC underground cable system, making Taihan the second company in the world after Japan to achieve this milestone, and acquired KEMA international certification. This certification applied more stringent technical specifications than those required under CIGRE standards, enabling its immediate application in large-scale HVDC projects scheduled to commence in Korea. Taihan was the first company in Korea to successfully complete KEMA certification tests for a 525kV VSC HVDC cable system, designed for operating temperatures above 90°C, with a conductor cross-sectional area of 3000SQ (mm^2).

Therefore, Taihan has been officially recognized for its technology and stability through international certification for 500kV LCC HVDC and VSC HVDC XLPE cable systems, and secured opportunities to participate in large-scale HVDC projects. In addition, its 320kV VSC HVDC cable system with a 3000SQ (mm^2) conductor also successfully passed KEMA certification testing. In 2024, Taihan won a contract for a 320kV HVDC cable system project from LS Power Grid California in the United States, continuing to strengthen its competitive position.

To strengthen HVDC capabilities, the Company built a large-scale HVDC testing center capable of simultaneously testing two circuits up to 640kV at the Dangjin Cable Plant. This facility enables one-stop execution of key evaluations such as PQ and TOV testing, bringing the entire process from product development to certification in-house and enhancing global competitiveness.

Submarine Cables

The Company is also developing submarine cable technologies, including 154 kV-class dry type and 70 kV-class wet and dynamic cables, enhancing core and evaluation technologies such as mechanical property assessments and structural analysis to strengthen cable and system technologies for marine applications such as offshore wind and solar farms.

The Company also entered into a technology transfer agreement for a newly developed construction method, the "Flexible Vertical Installation System," co-developed with the Korea Electrotechnology Research Institute (KERI), to enhance its offshore wind power installation capabilities. This overcomes the limitations of rigid metal pipe systems and reduces installation constraints and costs. These efforts have further strengthened the Company's turnkey competitiveness, covering both manufacturing and installation.

R&D

Eco-friendly Products

Taihan is also continuously conducting research and development for eco-friendly products. In an attempt to enter new markets and generate sales, Taihan is replacing petroleum-based epoxy materials, currently used in the insulation of GIS (Gas Insulated Switchgear) spacers, with an eco-friendly, bio-epoxy material. Taihan has also completed the development of "built-in spacers for electronic transformers based on eco-friendly solid insulation material" featuring a built-in electronic transformer to reduce installation space. In addition, Taihan has completed a government-funded project on developing covered insulated overhead conductors using polypropylene materials in response to the 2050 Carbon Neutral Policy. Recently, the Company has been researching technology expansion and localization of materials for eco-friendly insulation materials.

Nationwide R&D Projects & New Technologies

In response to demand for more compact EHV underground transmission lines, Taihan completed a government-funded R&D project aimed at reducing the insulation thickness of 345kV-class cables. As part of this project, the Company improved the dielectric strength of the insulation material and the smoothness of the semiconductive layer, and verified performance through prototype production and type testing.

Taihan has successfully completed a government-led R&D project to develop a high-efficiency 500kV-class long-span overhead line for transmission using carbon fiber as the core. This achievement enhances the Company's technological competitiveness, including lower sag and increased transmission capacity. Going forward, Taihan plans to enter both domestic and global markets by developing next-generation products featuring improved strength and conductivity in composite core conductors.

Due to the aging of power facilities, Taihan is currently conducting R&D as part of the integrated asset management system established by KEPCO to improve capital efficiency. This R&D has collected lifetime data for XLPE cables that are approaching the replacement cycle through accelerated aging and dielectric breakdown tests.

Taihan has also developed a "Back-To-Back" cable joint. In the event of a failure in the existing XLPE cable joint, the faulty underground cable and two sets of joints at both ends of the cable must be replaced, resulting in a wide recovery range and a lengthy repair period. In order to solve these problems, Taihan has developed a back-to-back pre-molded joint that allows only the faulty joint to be replaced.

With the aim of strengthening its position in the future power grid industry, the Company signed an MOU with Irish superconducting cable specialist SuperNode for the joint development of next-generation superconducting cable technologies. The Company is developing UAM/PAV aviation cable materials with high-temperature resistance and lightweight characteristics to address future mobility industry needs. It is also conducting various R&D projects to secure mid- to long-term technological competitiveness, including the application of low-carbon recycled aluminum in underground and submarine cables in line with carbon neutrality policy.

- Environment
- Social
- Governance

ESG MANAGEMENT

ESG Highlights

Taihan places social value and sustainable growth at the core of its management philosophy.
The Company is committed to responsible management by integrating ESG principles across all business activities, supported by systematic data management and transparent disclosure.

Environment

Climate Action
Reduced Greenhouse Gas Emissions by **3%** year-on-year

Resource Circularity
Reduced Waste by **5%** year-on-year

Carbon Neutrality Roadmap
Developing the **Green 2035** vision

Carbon Neutrality Roadmap
First in the Wire and Cable Industry to Participate in the **CDP Water Security Questionnaire**

Social

Talent Development
Increased education and training investment by **25%** year-on-year

Family-Friendly Workplace
Recertified as a **Family-friendly Company**

Employee Welfare
Increased employee well-being investment by **43%** year-on-year

Compliance Management
Obtained **ISO 37301** Certification

Governance

Board Diversity
Appointed a **Female Independent Director**

Audit Oversight
Strengthened the Audit Function by Appointing **Qualified Audit Committee Members**

ESG Evaluation

Integrated A Rating
Achieving an **Integrated A Rating for 5 Consecutive Years**

ESG Management Strategy

Taihan has established an ESG strategy with specific action plans across the Environmental (E), Social (S), and Governance (G) areas to realize its vision, "We Connect the Future". The Company aims to create sustainable value for all stakeholders by reinforcing environmentally responsible management through effective environmental and energy management, protecting local communities, establishing systems that respect human rights, labor, and health and safety, and expanding ethical management and social contribution activities.

Taihan also seeks to build a fair and transparent business environment and create sustainable corporate value by strengthening corporate governance and protecting shareholder rights. Going forward, the Company will support future growth by proactively complying with ESG disclosure requirements and carbon neutrality mandates.

We Connect the Future

Build a sustainable growth engine through eco-friendly and responsible management, and based on transparent governance

Environment	Social	Governance
Upgrade eco-friendly management	**Expand ethical and contributory management**	**Ensure transparency in corporate governance**
· Upgrade eco-friendly management policy · Improve efficiency of environment and energy management · Expand environmental performance · Protect local environment	· Practice management with respect for human rights and labor · Practice strict safety and health management · Strengthen ethical compliance · Activate social contribution	· Upgrade corporate governance · Expand shareholder rights and interests · Establish ESG management

Establishing the Foundation for Mandatory ESG Disclosure and Carbon Neutrality Implementation

ESG Governance

Taihan became the first company in Korea's wire and cable industry to establish an ESG Committee within the Board of Directors to review and approve major ESG policies and strategies.

The Company appointed an additional independent director to the ESG Committee in 2025, strengthening decision-making transparency and expertise. The ESG organization reports twice a year to the ESG Committee on the strategic direction, key performance, and improvement outcomes. The ESG department also works closely with around ten related departments for structured and effective ESG management.

ESG Evaluation

In 2021, the Company became the first in Korea's wire and cable industry to receive an integrated A rating in the ESG evaluation. In 2025, it again received an integrated A rating, marking its fifth consecutive year at that grade and underscoring its excellence in ESG management.

Integrated ESG Rating	Environmental	Social	Governance
A (KCGS 2025)	A (KCGS 2025)	A (KCGS 2025)	B+ (KCGS 2025)

Evaluation Agency | Korea Institute of Corporate Governance and Sustainability(KCGS)

Environment

Environmental Leadership for Sustainable Power Infrastructure

As an eco-friendly power infrastructure company, Taihan has set climate action and environmental management as core strategic priorities. It is pursuing mid- to long-term strategies to pave the way for the low-carbon transition of the power infrastructure industry.

The Company will continue to minimize environmental impact across the entire value chain and contribute to building a sustainable future through the development of low-carbon, high-efficiency products aligned with global carbon neutrality.

Environmental Management Strategy

Green 2030

Upgrade Environmental Policy

- Strengthen environmental management and transparently disclose environmental information
- Perform ecosystem conservation activities for biodiversity conservation

Strengthen Environmental Investment

- Expand development of eco-friendly cables
- Keep air and water pollutant discharge to a minimum

Practice Environmental and Energy Management

- Introduce state-of-the-art facilities and technologies for environmental pollution prevention
- Recycle wastes, increase water reuse, and reduce energy consumption

Use New & Renewable Energy

- Operate eco-friendly worksites by using new & renewable energy

As part of its efforts to help build a more sustainable future, Taihan established its long-term environmental strategy, Green2030. The strategy focuses on key pillars such as enhanced environmental policies, increased environmental investment, environmental and energy management, and the use of renewable energy. Detailed plans and specific action items have been laid out for each focus area.

Green 2035 (Mid- to Long-term Transition Strategy)

Taihan is developing the Green 2035 strategy in response to the expansion of the submarine cable business and increase in global projects.

1. Continuous improvement in Scope 1 and 2 emissions efficiency
2. Advancement of the Scope 3 emissions accounting system
3. Expansion of transition to low-carbon raw materials
4. Expansion of renewable energy use
5. Strengthening climate risk scenario analysis
6. Enhancing Global ESG Rating Response Capabilities

The Company plans to establish SBTi-based reduction targets and progressively strengthen Scope 3 management while advancing its management system.

Green 2035

Upgrade Environmental Policy

- Advance the environmental management system and minimize legal and regulatory risks
- Expand data-driven environmental performance evaluations and establish a sustainability-oriented corporate culture
- Expand biodiversity conservation and green initiatives

Transition to a Circular Economy

- Shift to eco-design-based product development
- Continuously improve waste recycling rates at worksites
- Strengthen waste segregation and collection processes

Achieve Carbon Neutrality

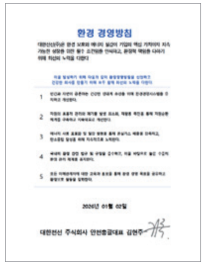
- Transition the corporate fleet to electric vehicles (EVs)
- Install additional solar power generation facilities
- Explore the adoption of renewable energy initiatives (RE100)

Improve Energy Efficiency

- Upgrade and replace aging facilities
- Improve HVAC (heating, ventilation, and air conditioning) systems
- Optimize manufacturing processes

Environmental Policy

Taihan has established an "Environmental Policy" that positions environmental protection and energy conservation as core values essential to sustainable growth. To put this into action, the Company has set specific environmental targets for each department. It is committed to improving energy efficiency and reducing waste generation, while striving to comply with increasingly stringent domestic and international environmental regulations.


환경 경영방침

Air Pollutants

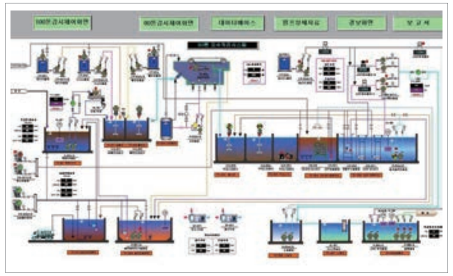
Taihan exercises strict control over air pollutants by establishing and enforcing internal emission standards that are more stringent than statutory limits. The Company operates air pollution control facilities to minimize emissions of pollutants such as dust, sulfur oxides, and nitrogen oxides generated during manufacturing processes, ensuring compliance with regulatory standards, while continuously implementing pollution reduction measures, including the upgrading of aging pollution control facilities.

Environment

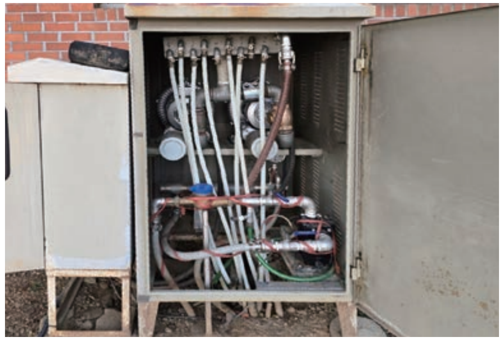
Water Pollutants

More than 90% of the water used at production sites is used as cooling water, and all wastewater is reused through advanced wastewater treatment facilities. In particular, to minimize the impact on the water quality of Seokmun Lake near the Company's business sites, domestic wastewater generated at the sites is treated within legal standards through an automated wastewater treatment system and reused for landscaping purposes.

Eco Marsh Management



Replacement of membranes at wastewater treatment facilities



Replacement of aging equipment (pumps, blowers) at wastewater treatment facilities

Greenhouse Gas/Energy

Taihan has participated in the greenhouse gas emissions trading scheme implemented since 2015. Emissions remained within allocated allowances during both the first compliance period (2015–2017) and the second compliance period (2018–2020), and the Company was allocated emissions allowances for the third compliance period (2021–2025). The Company secured emissions allowances for the fourth compliance period (2026–2030), and obtained additional allowances through lawful procedures to cover emissions that exceeded allocated levels due to increased production.

Greenhouse Gas Emission

(Unit : tCO_2eq)

Sort	'23	'24	'25
SCOPE1	16,250	17,314	16,952
SCOPE2	26,496	26,546	25,661
Total	**42,746**	**43,860**	**42,613**
CO_2 (Carbon Dioxide)	42,400	43,555	42,311
CH_4 (Methane)	128	124	128
N_2O (Nitrogen dioxide)	178	181	174
Total	**42,746**	**43,860**	**42,613**

IFS

Facility Optimization

Introduction of High Efficiency Facilities

Environment

Waste and Hazardous Chemicals

As production volumes—and the associated waste generation—continue to rise, Taihan actively supports the government's waste reduction policy through its implementation of the Resource Circulation Performance Management System.

In particular, under the Extended Producer Responsibility (EPR) system, the Company engages in activities to reduce waste from products and packaging and provides support to recycling companies for the costs associated with recycling, thereby fulfilling its responsibilities as a producer.

Waste Generation

(Unit : ton)

Category	'22	'23	'24	'25
Total Waste Generated	2,846	4,136	4,017	3,818
Waste Recycling Rate	70%	74%	74%	73%

Future Plans for Implementation

Beyond its existing greenhouse gas management scope, the Company plans to accurately account for emissions by Scope 3 category, establish a carbon data collection system for key business partners, and reduce carbon emissions by strengthening low-carbon raw material conversion and procurement standards.

The Company also seeks to advance environmental risk scenario analysis for systematic impact assessment of transition and physical risks from climate change on the mid- to long-term business environment.

In addition, the Company will continue strengthening its capabilities to respond to global initiatives such as CDP so as to address global environmental disclosure requirements proactively. The Company was the first in Korea's wire and cable industry to undergo a CDP Water Security assessment, and its capabilities in water resource management have been recognized externally. Going forward, the Company will further strengthen its climate change strategy, define emissions reduction targets, and enhance risk management systems through external advisory support and enhanced internal data management.

Social

Human Rights

Taihan respects the rights of all stakeholders, including its employees. The Company has established human rights policies to promote a fair and inclusive workplace and implements them through structured systems and regular training.

Human Rights Principles

Taihan exercises the utmost due diligence to ensure that the human rights of all stakeholders, including employees, are respected, and to prevent human rights violations throughout its business operations. Accordingly, Taihan strictly abides by the standards and principles of international organizations and initiatives related to labor and human rights, such as the Universal Declaration of Human Rights (UDHR) of the UN, the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, the UN Convention on the Rights of the Child, and the ILO (International Labor Organization) Fundamental Conventions.

Operating Guidelines

Taihan respects the freedom and human rights of all individuals and does not tolerate any form of discrimination. To support responsible business practices, the Company has established and rigorously implements human rights guidelines.

Combat

- Forced labor
- Child labor
- Discrimination

Uphold

- Compliance with working hours
- Guarantee of minimum wage
- Freedom of association
- Creation of safe business environment

Key Activities

Family-Friendly Company Certification
Family-friendly company certified by the Ministry of Gender Equality and Family

Human Rights Protection Training
Workplace harassment prevention training
- Prohibition of repeated and improper directives from superiors

Training on Internal Reporting System
Training on reportable cases
- Human rights violations, whistleblower protection, confidentiality of whistleblower identity, etc.

Employee Ethics Pledge
Pledge to comply with the Code of Ethics, including provisions on human rights protection

Regular Inspection of Labor Environment
Environmental, safety, and fire inspection in Dangjin Cable Plant

Talent Development
Establishment of a talent development master plan and support for online learning
- Competency building training, on-the-job training, foreign language training, etc.

Retiree Support System
Program for reemploying retirees in contract positions

01 Prohibition of Forced Labor
- Provide detailed information on forced labor risk management and due diligence in the supply chain (including business partners).

02 Prohibition of Conflict Minerals (3TG)
- Clearly describe the policy on responsible mineral sourcing.
- Strengthen references to the conflict minerals management system (CMRT, RMI, etc.).

03 Compliance with OECD Guidelines
- Clearly indicate whether the Company complies with the OECD Due Diligence and RBC Guidelines
- Clearly explain how it is linked to the supply chain due diligence framework.

04 Review of References to the Seafarers Act
- The Seafarers Act includes provisions on forced labor and human rights protection.
- The Company employs personnel for the PALOS in compliance with all applicable laws and regulations.

Social

People

Taihan is committed to creating a workplace that supports employee well-being. The Company develops talent through structured training programs and fosters a stable working environment through fair evaluation, compensation, and open communication.

HR System

Taihan seeks individuals who communicate openly, deliver value through professional expertise, and build a better future with passion for their work.

Individuals who pursue continuous growth with openness and professional excellence

Open Mind

Individuals who communicate openly, respect one another, and build a positive corporate culture through trust and collaboration.

Professionalism

Individuals who create greater value through professional expertise, a strong sense of ownership, and a responsible attitude toward their work and customers.

Passion

Individuals who overcome challenges with passion and perseverance, and build a better future through change and innovation.

Securing and Nurturing Global Expertise

To fulfill Taihan's vision and business objectives, the Company continuously seeks to recruit talented individuals with the competencies required to excel in their roles. Based on its talent philosophy of openness, professionalism, and continuous challenge, Taihan conducts a rigorous, multi-stage recruitment process to identify the most suitable candidates.

Traning Overview

(Unit: KRW million)

Category	'23	'24	'25
Total training expenses	240	317	395

Number of Employees Participating in Online Education

'23	'24	'25
207	251	221

People

Creating an Effective Organizational Culture

To build a healthy organizational culture, Taihan runs a range of employee-driven communication programs centered on employee participation. The Company organizes workshops to promote open communication in the workplace and builds internal networks through leisure activities such as clubs and hobby groups.

Work–Life Balance

Committed to supporting employee well-being, Taihan obtained family-friendly company certification in 2017 and has operated a staggered working-hour system to match its employees' unique lifestyles. Additionally, the Company has maintained a stable employment environment, with 44% of employees participating in the labor union. These efforts have allowed Taihan to maintain a dispute-free workplace while fostering a partnership-based labor-management culture.

Welfare Expenditure

(Unit: KRW billion)

'22	'23	'24	'25
2.0	2.8	3.0	4.3

Honoring Workforce Diversity

Taihan respects and promotes workforce diversity, disclosing workforce data by gender, job category, age, and educational background. In addition, Taihan ensures equitable remuneration across all positions, irrespective of gender. Despite the manufacturing industry's lower employment rate of female workers overall, Taihan plans to improve female representation through measures designed to encourage the recruitment of women. To promote employment opportunities for people with disabilities, the Company signed an agreement in December 2024 with Dangjin City Hall and the Dangjin City Sports Association for Persons with Disabilities, and subsequently hired 23 athletes with disabilities.

Social

Health and Safety Management

Guided by its people-centered management philosophy and health and safety policy, Taihan designs and operates a comprehensive health and safety management system. Each employee actively participates in health and safety initiatives, contributing to accident-free workplaces and a safe working environment.

Vison and Strategic Direction

Vision

Understanding that safety and health are the core values of Taihan and essential conditions for sustainable growth, Taihan is fully committed to protecting the lives and wellbeing of all employees.

Direction of Initiatives

1. The Company identifies and improves hazards and risk factors based on all employees' active cooperation and participation to create a safe, comfortable working environment.
2. To enhance employee safety and health awareness, the Company provides systematic and continuous education and training and ensures that every work process is based on safe behaviors
3. Taihan complies with safety and health regulations in Korea, reflects stakeholder needs, and maintains robust safety and health management systems
4. The Company continuously promotes activities designed to enhance health to maintain the physical and mental health of employees.
5. Regularly evaluate safety and health performance and pursue ongoing improvements and innovations based on the results.

Comprehensive Management and Transparent Evaluation in Line with Global Standards

Taihan operates an Occupational Health and Safety Management System (ISO 45001) and a Process Safety Management (PSM) system that systematically cover risk assessment, emergency response, and other processes across all stages of management. In addition, the Company conducts annual internal audits and regular safety inspections through external expert organizations to ensure objective evaluation, and continuously advances its systems based on the results.

ISO45001 Certificates

P	D	C	A
· Establishment of an Occupational Health and Safety Policy · Setting of Occupational Health and Safety Targets	· Safety and Health Training · Risk Assessment	· Safety Incident Analysis · Internal Audits and Safety Assessments	· Occupational Safety and Health Committee · Site and Process Improvements

Health and Safety Management

Key Activities

Safety and Health Inspection

Accidents are prevented by conducting daily safety checks to discover risk factors and improve the working environment. Risk factors identified through safety inspections are eliminated by implementing corrective measures. Hazardous equipment such as cranes, hoists, and pressure vessels is managed through internal safety checks and inspections conducted by qualified external agencies. Through these inspections and corrective measures, the Company works to ensure a safe working environment for its employees.

Education on Safety and Health

Taihan raises employees' awareness of safety and health and regularly provides training on workplace safety rules and procedures. The Company publishes a monthly safety and health newsletter addressing potential safety risks to enhance employee safety awareness, and strengthens supervisory safety competencies through safety training programs.


Safety Training Program for Supervisors


Forklift Safety Training


Crane (Hoist) Safety Training

Support for the Establishment of Safety and Health Management Systems for Partners

All members at Taihan workplaces must be guaranteed the same level of safety. To this end, the Company actively supports business partners by providing risk assessments in cooperation with professional institutions, joint site inspections, customized safety training, and protective equipment, putting “mutual growth through safety” into practice.


Business Partner Council


Safety Training for Summer Vacation Contractors


Joint Safety and Health Inspection

Strengthening Emergency Response Capabilities

All employees receive regular training to prevent emergencies such as those caused by natural disasters, fires, or explosions, and to minimize damage and ensure the swift rescue of personnel in the event of an emergency or serious accident. Through proactive measures—including joint fire drills with local fire departments—the Company enhances emergency response capabilities and safeguards the safety of employees and the workplace.


Joint Fire Drill with the Fire Department

Major Industrial Accident Emergency Response Drill

Health and Safety Management

Internal Audits and Safety Assessments

Taihan is enhancing its management system through internal audits of its safety and health management system and assessments by external experts. Each year, the Company drives continuous improvement initiatives through ISO 45001 and PSM internal audits, while strengthening training programs to develop safety and health expertise. In addition, the Company plans to conduct regular external safety assessments for objective reviews and make improvements in both systems and worksites.

Risk Assessment and Joint Safety and Health Inspection of Suppliers

Work Environment Audit

Emergency Evacuation Training and Serious Accident Response Drill

Holding a Meeting of the Industrial Safety & Health Committee

To improve safety and health awareness and create a safer working environment, labor and management work together to identify and address risk factors. The Industrial Safety and Health Committee meets regularly to monitor the safety and health management system.

A Paradigm Shift in Safety Management Through Digital Transformation (DX)

Taihan incorporates on-site feedback through joint safety inspections, Occupational Safety and Health Committee meetings, and employee safety suggestion programs involving both labor and management. The Company plans to fully introduce a “Smart Safety and Health Solution” to advance safety management. Furthermore, the Company aims to enhance monitoring efficiency across the PDCA (Plan-Do-Check-Act) cycle through the digitalization of work processes and enhanced mobile access, while fostering a data-driven and proactive safety and health environment.

Social

Ethical Management

As the impact of businesses on society and the broader community continues to grow, so too do social expectations for corporate ethics. It is crucial that Taihan's executives and employees fully understand the importance of complying with anti-corruption laws and upholding ethical management, and practice integrity-based management grounded in fundamental principles.

3C Operation System

The Company promotes awareness and understanding of ethical management among all employees and puts it into practice by establishing clear codes of conduct. Through these efforts, the Company prevents practices that violate fundamental principles and fosters a sound corporate culture.

Consensus Building

Forming Consensus among Employees through Systematic Training

- CEO Message, Employees' Ethics Pledge, Regular Ethics Training

Ethical Management System Operation

Operating Ethical Management Organization and System

- Audit Team, Online Report System, Internal Audit

Code of Ethics

Establishing the Codified Code of Conduct for Employees

- Ethics Charter, Ethical Guidelines

Key Activities

Anti-Corruption Program

In its code of ethics, Taihan stipulates the obligation to comply with Anti-Corruption Laws such as the OECD Anti-Bribery Convention and Korea's Improper Solicitation and Graft Act.

Taihan clarifies detailed standards and guidelines for the Improper Solicitation and Graft Act, collects and reviews case studies of compliance violations and conducts regular training. Taihan requires executives and employees to submit ethics pledges that include commitments to comply with anti-corruption laws.

Risk Prevention

According to the annual audit plan, Taihan selects key management tasks and departments and conducts internal audits on them, and continues to check the implementation of previous audit recommendations. Taihan also uses various communication channels with employees to identify and improve unreasonable or inefficient work practices and proactively prevent potential risks.

Social

Compliance Program

In 2021, Taihan adopted a Compliance Program, with both management and staff partaking in fair trade practices that reflect the firm's unwavering commitment to upholding the law. Taihan undertakes a range of activities to build a culture of autonomous compliance and fair, transparent dealings.

Taihan's CP

The Compliance Program (CP) is an internal compliance system designed to promote fair and transparent market practices. Taihan introduced the CP to proactively comply with fair trade laws and regulations and to monitor potential violations that may arise in the course of business activities.

In addition, the Company is strengthening activities to prevent regulatory violations by fostering and promoting a fair trade compliance culture while faithfully operating its compliance program through employee training and monitoring systems as well as a reporting channel.

Eight Key Elements of CP

Taihan implements the following eight key elements to ensure the effectiveness of CP operations.

Implementation of CP Protocols	Adequate standards and protocols shall be established and implemented so that members of the Company can clearly understand and practice obligations under fair trade-related laws and regulations.
CEO's Declaration of Commitment to Compliance and Willingness to Support CP	The CEO publicly demonstrates commitment to the CP and actively supports its implementation
Appointment of Compliance Manager	A compliance manager shall be appointed and granted appropriate authority to ensure the effective operation of the CP
Publication of Compliance Manual	A compliance manual shall be issued under the responsibility of the compliance manager, which shall include relevant Fair Trade Laws and regulations, CP standards and protocols. It shall be published in the form of an electronic document to enable employees to easily access and use it.
Education/training of Compliance Program	Regular education and training shall be provided for the CEO, executives and employees in the purchasing and sales departments designated as priority management areas related to Fair Trade laws and regulations.
Setting up internal Monitoring System	Monitoring system, by way of auditing, shall be in place to prevent and detect any potential violation of Fair Trade laws and regulations. Monitoring reports shall be submitted to the Board for review (at least twice a year).
Penalties	Company bylaws shall govern penalties for members of the Company including executives for violation of relevant Fair Trade laws and regulations. Penalties shall be commensurate with the severity of the violation. Members of the Company shall actively report any violation, and respond appropriately as part of pre-emptive action.
Performance evaluation and implementation of Corrective Actions	For effective CP performance, periodic reviews and evaluations of CP performance, standards, protocols, etc. shall be carried out, and appropriate corrective actions shall be followed accordingly.

Compliance Program

Establishment of a dedicated compliance organization

To strengthen the independence and professionalism of its compliance operations, Taihan has established a dedicated Compliance Program (CP) team. The Company has also built a compliance system aligned with global standards. In addition, a structured and ongoing training program is in place to prevent legal risks and enhance compliance awareness among employees.

CP Organization and Roles

Compliance Council (Advisory Body)

Compliance Manager

Compliance Management Team

CP Operator (Each team)

Compliance Manager
- The General Manager of CP activities
- The Chairperson of the Compliance Council
- Report to the Board of Directors on CP activities
- Prepare preventive measures and corrective actions related to CP activities

Compliance Council
- Discuss internal CP related issues
- Review in advance whether there are any violations of the Fair Trade laws and regulations
- Play a role of CP-related communication channel

CP Team
- Responsible for CP activities
- Monitor CP activities
- Train employees
- Support Compliance Council

CP Operator (Each team)
- Responsible for CP activities by department

Operational Status

Obtained ISO 37301 (Compliance Management System) Certification

Taihan obtained Compliance Management System certification in recognition of its compliance system that is aligned with global standards and its effective internal control and risk management framework.

Establishment and Revision of CP-related Regulations

The Company revised its Code of Ethics and Global Anti-Bribery Policy in keeping with global compliance trends. In addition, the Company introduced new guidelines, including a whistleblower incentive policy and guidelines governing entertainment expenses for overseas business partners, and strengthened its anti-corruption capabilities by establishing and operating an ethics and compliance framework aligned with international standards.

Implementation of Compliance and Fair Trade Training

Taihan continuously provides regular compliance training, new hire training, external expert-led training, and ad hoc training programs for employees. The Company also conducts regular on-site training and online training for business partners, providing guidance on fair trade regulations and compliance standards while continuing efforts to promote a fair trade culture.

Evaluation of Voluntary Compliance Programs for Fair Trade

Taihan was the only company in Korea's cable industry to receive an A grade in the Fair Trade Voluntary Compliance Program evaluation for three consecutive years from 2023 to 2025.

Social

Social Responsibility

Since its founding, Taihan has continuously supported marginalized communities in fulfillment of its corporate social responsibilities. Guided by a people-centered management philosophy and a commitment to the value of sharing, Taihan strives to grow alongside local communities and remains committed to contributing to a more inclusive and sustainable future.

Social Contribution Value System

The vision of "Connected World, Connected Happiness" reflects Taihan's commitment to creating shared value by connecting people, places, and time, and to building a more inclusive and sustainable future. The Company carries out a range of social contribution activities centered on three focus areas—Community, Education, and Environment—supported by specific strategies aimed at local community development, the growth of future generations, and the expansion of environmentally responsible initiatives.

Vision	Connected World, Connected Happiness		
Goals	**People** We create shared value for people, the Company, and society	**Space** We transcend regional boundaries through sharing to build a more inclusive world where no one is left behind.	**Time** We build a sustainable future that connects the present and the future, and one generation to the next
Areas of Focus	**Education**	**Community**	**Environment**
Promotion Strategy	- Contribute to the development of the local community and the improvement of the quality of life of the residents - Support the growth of future generations and provide educational opportunities - Raise awareness of environmental protection and expand eco-friendly activities		
Employee Volunteer Promotion System	Volunteer activities are conducted during working hours to encourage employee participation.		

2030 Long-Term Objectives

Beyond the Boundaries of the World

Taihan is committed to transcending boundaries and fostering growth alongside local communities

Fostering community engagement through strategic partnerships	Continually advancing innovative initiatives	Proactively investing in human capital and strategic assets

Social Responsibility

Support for the Community

Taihan continues to carry out various volunteer activities to support the local communities where its sites are located. In 2025, the Company engaged in community development initiatives by implementing an employee volunteer farming program in Dangjin, Chungcheongnam-do, participating in sweet potato harvesting and purchasing local agricultural products for donation to welfare facilities, thereby contributing to local economic revitalization and shared value creation. The Company also enhanced environmental awareness among future generations by operating educational programs on resource circulation and environmental protection for children and youth.

At year-end, the Company carried out various social contribution activities, including donations to support vulnerable groups in local communities. Going forward, Taihan plans to expand sustainable social contribution activities to deepen its ties with local communities based on employees' voluntary participation.

Environmental Protection Activities

The Company fulfills its environmental responsibilities and contributes to creating a sustainable local environment through various environmental protection activities carried out with local communities.

The Dangjin site contributes to marine environmental protection through coastal cleanup activities at Yongmuchi Port, including shoreline waste collection, while also undertaking habitat conservation initiatives for the endangered Korean Golden Frog.

In addition, the Company signed an MOU with the Dangjin Municipal Government to promote resource circulation of operational waste through social contribution initiatives, and participated in recycling activities by collecting paper cartons, transparent PET bottles, batteries, and other recyclable materials. In particular, the collected paper cartons were recycled into toilet paper and donated to vulnerable groups in the community, contributing to resource circulation.

Taihan will further expand environmental initiatives in collaboration with local communities and governments to support ecosystem conservation, resource circulation, and carbon neutrality.

Participation in ‘Hoban Sarangnanumi’

As part of the Hoban Group, Taihan plays an active role in social contribution activities. The “Hoban Sarangnanumi” initiative brings together Hoban Group employees who voluntarily contribute to the fund each month. As of 2024, 163 Taihan employees have contributed to this fund.

Throughout the year, group employees participated in hands-on volunteer activities and donations for the local community, future generations, and environment, including “War Memorial Environmental Cleanup,” “Environmental Improvement for Local Elementary Schools,” and “Volunteering at Single-Parent Welfare Center.” The Company also provided generous support to help local residents get through the winter, sharing kimchi and donating coal briquettes. Taihan will continue its commitment to sharing and social contribution in partnership with the Hoban Group.

Governance

Transparent Management

Taihan is building an advanced corporate governance structure based on the establishment of a professional management system and the reinforcement of board independence. Through these efforts, the Company ensures transparency, protects shareholder rights and enhances shareholder value.

Strengthening the Independence of the Board's Composition and Operations

The Company's Board of Directors consists of seven members, with independent directors accounting for 57%. The directors support responsible decision making based on their broad management expertise, contributing to the enhancement of corporate value.

In addition, the Company newly appointed a female independent director in 2025, expanding board diversity while strengthening expertise in the legal, financial, and technical fields to enhance objectivity and balance of decision making. Taihan established a governance framework to better reflect the perspectives of diverse stakeholders.

Operating the Audit Committee

In accordance with Article 25, Paragraph 1 of the Articles of Incorporation, the Company has established an Audit Committee that reviews accounting and auditing operations as well as the overall internal control system to ensure fairness and transparency in company operations.

In 2025, the Company appointed a member with expertise in finance and supervision as well as legal and administrative experience, thereby strengthening the professionalism of the audit function. As a result, Taihan created a framework for systematically performing not only financial and accounting oversight functions but also financial regulatory response and policy risk management.

The Company has also reorganized its management system for overseas operations in response to the expansion of its global business, increasing the effectiveness of internal controls through regular evaluations and improvement activities. Taihan will continue implementing a compliance system aligned with global standards.

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- Consolidated Statements of Cash Flows

FINANCIAL STATEMENTS

Independent auditor's report

The Shareholders and Board of Directors
Taihan Cable & Solution Co., Ltd.

Opinion

We have audited the consolidated financial statements of Taihan Cable & Solution Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as of December 31, 2025, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, including material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025, and 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, 2025 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 16, 2026, expressed an unmodified opinion on the effectiveness of the Group's internal control over financial reporting.

Basis of Opinion

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 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, 2025. 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. We considered the followings as key audit matters to be communicated in the audit report.

Assessment on recoverability of deferred tax assets

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period and recognizes deferred tax assets only to the extent that it is probable that sufficient taxable income will be available against which the related tax benefits can be utilized. As described in Note 33 to the consolidated financial statements, as of December 31, 2025, the Group has recognized deferred tax assets amounting to W120,689 million.

The assessment of the realizability of deferred tax assets involves inherent complexity as it requires management's judgment regarding the estimation of future taxable income and the timing of utilization of tax credits. Given that the estimation of future taxable income involves significant management judgment and is subject to inherent uncertainty related to key variables such as expected sales and operating expenses, we identified the assessment of the realizability of deferred tax assets as a key audit matter.

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

- Obtained an understanding of the accounting policy, key process and evaluated the design and operating effectiveness of certain internal controls related to assessment on realizability of deferred tax assets.
- Assessed key input variables such as sales and operating expenses used in the estimation of the future taxable income through inspection of recent business forecasts and past performance reported to the Board of Directors.
- Compared the actual operating performance with the expected future taxable income to evaluate the accuracy of the estimation for taxable income.
- Assessed the timing of the utilization of the tax loss carryforwards and deductible temporary differences.

Other Matters

The consolidated financial statements of the Group for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those statements on March 20, 2025.

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.

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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 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, then we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Uhm, Jun Sik.

KPMG Samjong Accounting Corp.

Seoul, Korea
March 16, 2026

This report is effective as of March 16, 2026, 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.

Consolidated Statements of Financial Position

as of December 31, 2025 and 2024

Korean won

	2025	2024
Assets		
Current assets		
Cash and cash equivalents	438,856,642,626	333,476,915,567
Short-term financial assets	245,247,440,000	271,154,000,000
Financial assets at fair value through profit or loss	20,116,176,270	-
Trade receivables	613,709,449,015	441,208,399,832
Short-term loans	369,367,010	175,431,106
Other current financial assets	91,646,009,999	24,459,470,156
Inventories, net	856,263,743,808	596,570,482,143
Income tax receivable	3,397,275,378	562,279,047
Other current assets	153,075,070,079	108,169,380,345
	2,422,681,174,185	**1,775,776,358,196**
Non-current assets		
Financial assets at fair value through profit or loss	20,738,465,189	20,496,508,773
Financial assets at amortized cost	3,230,640,000	2,907,930,000
Financial assets at fair value through OCI	8,860,142	9,775,587
Investment in associates	3,768,443,955	4,461,668,007
Long-term trade receivables	8,200,725,052	-
Long-term loans	279,673,021	53,312,888
Other non-current financial assets	25,903,530,107	14,631,159,361
Property, plant and equipment, net	847,939,425,871	712,200,208,678
Intangible assets, net	21,775,644,575	12,387,117,352
Investment properties, net	283,267,100	1,078,013,092
Net employee defined benefit assets	5,230,900,083	897,114,031
Deferred tax assets	120,689,175,663	71,211,228,659
Other non-current assets	12,552,260,466	26,615,814,422
	1,070,601,011,224	**866,949,850,850**
Total assets	**3,493,282,185,409**	**2,642,726,209,046**

Korean won

	2025	2024
Liabilities		
Current liabilities		
Trade payables	451,683,160,868	384,031,866,843
Short-term borrowings	459,544,840,696	142,230,600,327
Current portion of long-term borrowings	210,000,000,000	20,000,000,000
Current convertible bond	81,526,788,033	69,706,310,879
Other current financial liabilities	227,309,103,483	143,783,989,428
Income tax payable	4,575,280,910	1,404,519,478
Current provisions	18,788,804,702	13,075,325,356
Other current liabilities	230,306,368,502	145,905,798,827
	1,683,734,347,194	**920,138,411,138**
Non-current liabilities		
Long-term borrowings	154,535,194,001	210,000,000,000
Other non-current financial liabilities	6,781,981,976	6,509,613,794
Net employee defined benefit liabilities	444,393,730	-
Other Non-current liabilities	8,422,448,045	5,871,784,288
Deferred tax liabilities	973,755,005	852,488,668
Non-current provisions	6,047,274,920	3,241,439,000
	177,205,047,677	**226,475,325,750**
Total liabilities	**1,860,939,394,871**	**1,146,613,736,888**
Equity attributable to equity holders of the parent		
Issued capital	186,447,300,000	186,447,300,000
Other components of equity	984,188,012,404	984,544,364,052
Accumulated other comprehensive loss	(38,688,928,941)	(82,953,249,688)
Retained earnings	469,671,939,233	385,165,157,534
	1,601,618,322,696	**1,473,203,571,898**
Non-controlling interests	30,724,467,842	22,908,900,260
Total equity	1,632,342,790,538	1,496,112,472,158
Total liabilities and equity	**3,493,282,185,409**	**2,642,726,209,046**

Consolidated Statements of Comprehensive Income

for the years ended December 31, 2025 and 2024

Korean won

	2025	2024
Sales	3,636,018,215,712	3,291,299,374,607
Cost of sales	3,352,854,241,384	3,027,913,180,493
Gross profit	**283,163,974,328**	**263,386,194,114**
Selling and administrative expenses	154,550,927,792	148,216,436,749
Operating profit	**128,613,046,536**	**115,169,757,365**
Non-operating income and expenses		
Other non-operating income	81,882,513,589	59,154,117,163
Other non-operating expenses	48,970,496,718	46,889,391,094
Finance income	88,208,982,627	29,439,469,179
Finance expenses	212,396,073,935	80,324,153,003
Share of loss of associates	686,633,555	644,360,383
Profit before tax from continuing operations	**36,651,338,544**	**75,905,439,227**
Income tax expense (benefit)	(53,226,059,345)	1,715,037,351
Profit for the year	**89,877,397,889**	**74,190,401,876**

Korean won

	2025	2024
Other comprehensive income (loss):		
Other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent periods (net of tax):		
Remeasurement loss on the net defined benefit plans	286,114,409	(2,030,640,511)
Net other comprehensive gain (loss) that will not be reclassified to profit or loss in subsequent periods (net of tax):	**286,114,409**	**(2,030,640,511)**
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):		
Net gain on available-for-sale financial assets	(951,011)	-
Share of other comprehensive loss of associates	(6,590,497)	351,285,906
Exchange differences on translation of foreign operations	1,582,407,915	13,255,382,197
Gain (loss) on valuation of derivatives	44,848,291,323	(2,535,478,781)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):	**46,423,157,730**	**11,071,189,322**
Total other comprehensive income (loss) for the year, net of tax	**46,709,272,139**	**9,040,548,811**
Total comprehensive income (loss) for the year, net of tax	**136,586,670,028**	**83,230,950,687**
Profit for the year attributable to:		
Equity holders of the parent	84,220,667,290	70,445,443,745
Non-controlling interests	5,656,730,599	3,744,958,131
	89,877,397,889	**74,190,401,876**
Total comprehensive income attributable to:		
Equity holders of the parent	128,771,102,446	77,106,210,176
Non-controlling interests	7,815,567,582	6,124,740,511
	136,586,670,028	**83,230,950,687**
Earnings per share:		
Basic earnings for the year attributable to ordinary shares of the parent	453	409
Diluted earnings for the year attributable to ordinary shares of the parent	453	409

Consolidated Statements of Changes in Equity

for the years ended December 31, 2025 and 2024

Korean won

	Attributable to the equity holders of the parent						
	Issued capital	Other components of equity	Accumulated other comprehensive loss	Retained earnings	Equity attributable to of the parent	Non-controlling interests	Total equity
As of January 1, 2024	**124,447,300,000**	**586,948,597,439**	**(91,644,656,630)**	**316,750,354,300**	**936,501,595,109**	**16,784,159,749**	**953,285,754,858**
Profit for the year	-	-	-	70,445,443,745	70,445,443,745	3,744,958,131	74,190,401,876
Remeasurement gain on the net defined benefit plans	-	-	-	(2,030,640,511)	(2,030,640,511)	-	(2,030,640,511)
Loss on valuation of derivatives	-	-	(2,535,478,781)	-	(2,535,478,781)	-	(2,535,478,781)
Changes in equity of associates and joint venture under equity method	-	-	351,285,906	-	351,285,906	-	351,285,906
Exchange differences on translation of foreign operations	-	-	10,875,599,817	-	10,875,599,817	2,379,782,380	13,255,382,197
Total comprehensive income	**-**	**-**	**8,691,406,942**	**68,414,803,234**	**77,106,210,176**	**6,124,740,511**	**83,230,950,687**
Paid-in capital increase	62,000,000,000	397,311,264,128	-	-	459,311,264,128	-	459,311,264,128
Exercise of share-based payment	-	(831,140,580)	-	-	(831,140,580)	-	(831,140,580)
Disposal of treasury shares	-	550,727,946	-	-	550,727,946	-	550,727,946
Gain on disposal of treasury shares	-	564,915,119	-	-	564,915,119	-	564,915,119
As of December 31, 2024	**186,447,300,000**	**984,544,364,052**	**(82,953,249,688)**	**385,165,157,534**	**1,473,203,571,898**	**22,908,900,260**	**1,496,112,472,158**

Consolidated Statements of Changes in Equity

for the years ended December 31, 2025 and 2024

Korean won

	Attributable to the equity holders of the parent						
	Issued capital	Other components of equity	Accumulated other comprehensive loss	Retained earnings	Equity attributable to of the parent	Non-controlling interests	Total equity
As of January 1, 2025	**186,447,300,000**	**984,544,364,052**	**(82,953,249,688)**	**385,165,157,534**	**1,473,203,571,898**	**22,908,900,260**	**1,496,112,472,158**
Profit for the year	-	-	-	84,220,667,290	84,220,667,290	5,656,730,599	89,877,397,889
Remeasurement gain on the net defined benefit plans	-	-	-	286,114,409	286,114,409	-	286,114,409
Gain on valuation of derivatives	-	-	44,848,291,323	-	44,848,291,323	-	44,848,291,323
Changes in equity of associates and joint venture under equity method	-	-	(6,590,497)	-	(6,590,497)	-	(6,590,497)
Net gain on available-for-sale financial assets	-	-	(951,011)	-	(951,011)	-	(951,011)
Exchange differences on translation of foreign operations	-	-	(576,429,068)	-	(576,429,068)	2,158,836,983	1,582,407,915
Total comprehensive income	**-**	**-**	**44,264,320,747**	**84,506,781,699**	**128,771,102,446**	**7,815,567,582**	**136,586,670,028**
Exercise of share-based payment	-	(1,942,840,500)	-	-	(1,942,840,500)	-	(1,942,840,500)
Other Changes in Equity	-	(23,067,460)	-	-	(23,067,460)	-	(23,067,460)
Disposal of treasury shares	-	348,179,315	-	-	348,179,315	-	348,179,315
Gain on disposal of treasury shares	-	1,261,376,997	-	-	1,261,376,997	-	1,261,376,997
As of December 31, 2025	**186,447,300,000**	**984,188,012,404**	**(38,688,928,941)**	**469,671,939,233**	**1,601,618,322,696**	**30,724,467,842**	**1,632,342,790,538**

Consolidated Statements of Cash Flows

for the years ended December 31, 2025 and 2024

Korean won

	2025	2024
Operating activities		
Profit for the year	89,877,397,889	74,190,401,876
Adjustments to reconcile profit before tax to net cash flows	104,483,995,095	56,992,403,781
provided by operating activities		
Working capital adjustments:	(342,262,293,214)	(96,743,903,908)
Interest received	17,486,806,409	11,841,646,589
Interest paid	(28,485,357,556)	(31,590,018,589)
Dividens received	159,500	1,469,500
Income tax paid	(12,380,536,288)	(7,940,401,702)
Net cash flows used in operating activities	**(171,279,828,165)**	**6,751,597,547**
Investing activities		
Decrease in short/long-term loans	1,076,626,135	6,142,926,857
Decrease in financial assets at fair value through profit or loss	5,039,199,999	1,022,510,753
Decrease(Increase) in short- and long-term financial assets	25,945,760,000	(262,000,000,000)
Decrease in other financial assets	638,645,994	1,974,296,613
Proceeds from disposal of property, plant and equipment	1,274,951,945	487,490,838
Receipt of government grants	114,909,837	44,384,000
Increase in short/long-term loans	(974,806,411)	(625,935,112)
Increase in financial assets at fair value through profit or loss	(25,000,000,000)	-
Increase in financial assets at amortized cost	(322,710,000)	(2,907,930,000)
Increase in other financial assets	(11,894,137,577)	(994,124,923)
Acquisition of property, plant and equipment	(155,166,163,954)	(128,960,243,706)
Acquisition of intangible assets	(5,530,368,530)	(1,291,824,979)
Changes of consolidation scope	191,802,261	115,337
Increase in investments of Subsidary	(1,930,050,000)	-
Net cash flows used in investing activities	**(166,536,340,301)**	**(387,108,334,322)**

Korean won

	2025	2024
Financing activities		
Proceeds from short-term borrowings	795,271,544,051	300,625,946,224
Repayment of short-term borrowings	(481,395,975,140)	(329,106,622,392)
Proceeds from long-term borrowings	-	5,000,000,000
Repayment of long-term borrowings	(89,850,000)	-
Decrease in leasehold deposits	(23,841,204)	(80,000,000)
Increase in leasehold deposits	165,702,484	-
Increase(Decrease) of paid-in capital	(23,067,460)	459,311,264,128
Proceeds from convertible bond	-	(12,514,240)
Repayment of current portion of long-term borrowings	(22,694,200,000)	(20,000,000,000)
Decrease in other financial liabilities	(6,189,055,476)	(4,682,554,713)
Proceeds from bonds issued	154,482,668,400	-
Net cash flows provided by financing activities	**439,503,925,655**	**411,055,519,007**
Exchange differences on translation of foreign operations	**3,728,702,917**	**6,001,364,544**
Net increase in cash and cash equivalents	**105,416,460,106**	**36,700,146,776**
Cash and cash equivalents at January 1	**333,476,915,567**	**289,331,472,272**
Effect of exchange rate fluctuations on cash and cash equivalents	**(36,733,047)**	**7,445,296,519**
Cash and cash equivalents at December 31	**438,856,642,626**	**333,476,915,567**

taihan