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Business Report (Quarterly)

(The 21st Year)

Business year from January 1, 2019 to March 31, 2019

To The Financial Services Commission

Korea Stock Exchange

May 14, 2019

Type of corporation for submission: Stock-listed Corporation

Occurrence of exemption: N/A

Company Name: Silicon Works Co., Ltd.

Representative Director: Boik Son

Address of the Headquarter: 222 Techno 2-ro, Yuseong-gu, Daejeon, Korea

(Tel.) 02-3777-1114

(Website) <http://www.siliconworks.co.kr>

Responsible personnel of the report: (Position) CFO (Name) Sung Kwan Choi

(Tel.) 02-3774-1114

[Confirmation by CEO]

Confirmation and Signature of CEO

Letter of Confirmation

We, CEO of the company and a director of reporting, have checked and reviewed this report thoroughly and confirm that all the important matters to be provided have been given without omission, or falsification, and that there is no content inducing critical misunderstanding to the readers of this report.

Furthermore, we hereby confirm that the company has established and run its internal accounting management system based on Article 2-2 and Article 2-3 of the [Act on External Auditors of Stock Companies]. (Limited to the companies subject to external audit based on Article 2 of the same Act).

May 14, 2019

Silicon Work Co., Ltd.

CEO Boik Son (Signature)

Director of Reporting Sung Kwan Choi (Signature)

I. Company Overview

1. Company Overview

- A. Outline of subsidiaries to be consolidated (limited to the stock-listed companies who draft the consolidated financial statements that submit the annual, semiannual or quarterly report)

(Unit: KRW)

Company name	Date of establishment	Address	Main businesses	Total asset at the end of the previous year	Basis of controlling relationship	Major subsidiary
Silicon Works Inc. (USA)	October 15, 2012	2540 N. 1st St, #250 San Jose, CA 95131	Find and open new markets and support existing customers	298,468,756	Control over the investee (consolidated financial statements paragraph 5 to 18 of K-IFRS No. 1110)	N/A
Silicon Works China Co., LTD (China)	March 3, 2017	3A15, Zhongchen Building, No. 1 Lizezhong 2 Road, Wangjing, Chaoyang, Beijing	Find and open new markets and support existing customers	2,869,034,174	Control over the investee (consolidated financial statements paragraph 5 to 18 of K-IFRS No. 1110)	N/A

Note) The total assets of Silicon Works Inc. (USA) and Silicon Works China Co., LTD (China) at the end of the previous year are calculated as of December 31, 2018.

(1) Changes of companies to be consolidated

Division	Subsidiary	Reason
Newly consolidated	-	-
	-	-
Excluded from consolidation	-	-
	-	-

B. Legal and Commercial Name of the Company

The company's official name is Silicon Works Co., Ltd., or Silicon Works in short.

C. Date of Establishment and period of survival

The company was established on November 11, 1999.

D. Address, Telephone Number, and Website of the Headquarter

(1) Address: (Headquarter) 222 Techno 2-ro, Yuseong-gu, Daejeon

(2) Telephone: 02-3777-1114

(3) Website: <http://www.siliconworks.co.kr>

E. SME Status

- N/A

F. Major Areas of Businesses

The company develops, manufactures, and sells semiconductors as a major business. For detailed information of the company's major business activities, please refer to 『II. Business Activities』.

G. Total Number of Subsidiaries, Name, and the listed status of Major Subsidiaries

(1) Name of corporate group: LG affiliates

(2) Companies belonging to the corporate group (as of March 31, 2019)

① Domestic corporations

Division	Company Name	Corporate registration number	Major field of business	Note
Listed	LG Co., Ltd.	110111-0003543	Holding company (other service business)	
	LG Electronics Co., Ltd.	110111-2487050	Manufacturing business for broadcasting receivers and other image and sound devices	
	LG International Co.,Ltd.	110111-0004632	Manufacturing, wholesale, retail, service, construction and real estate	
	LG Chemicals Co., Ltd.	110111-2207995	Petrochemical and basic compound manufacturing business	
	LG Life & Health Co.,Ltd.	110111-2208000	Cosmetics and living product manufacturing business	
	LG Display Co., Ltd.	110111-0393134	Liquid crystal display device manufacturing business	
	LG U Plus Co., Ltd.	110111-1296676	Wire/wireless communication service	
	LG Innotech Co., Ltd.	110111-0192180	Other electronic component manufacturing business	

	GIIR Co., Ltd.	110111-0375398	Non-financial holding company	
	LG Hausys Co., Ltd.	110111-4071207	Construction plastic product manufacturing business	
	Silicon Works Co., Ltd.	160111-0089395	Flat display system IC designing and manufacturing	
	Robostar Co., Ltd.,	110111-1655393	Manufacture and sale of industrial robots	
Subtotal	12 companies			
Unlisted	LG CNS Co., Ltd.	110111-0516695	Other software consulting, development and supply business	
	LG Sports Co., Ltd.	110111-0359300	Professional baseball team operation	
	LG Institute of Management Development Co., Ltd.	110111-0423494	Institution for economy, management and environment research and construction	
	LG MMA Co., Ltd.	206211-0001805	Other basic organic compound manufacturing business	
	Media Log Co., Ltd.	110111-1905441	Value added communication business	
	Dacom Crossing Co., Ltd.	110111-2234683	International line rental	
	Serve One Co., Ltd.	110111-2411520	Vicarious purchase in company to company, other real estate lease business	
	Hiplaza Co., Ltd.	131111-0028801	Home appliance wholesale business	
	Seetech Co., Ltd.	110111-0589171	Electricity, gas, steam and air control and supply business	
	CS Leader Co., Ltd.	110111-2271924	Telemarketing service business	
	A-in Teleservice Co., Ltd.	180111-0367581	Telemarketing service business	
	Biz Tech Partners Co., Ltd.	110111-2689507	ERP consulting, development, outsourcing, business intelligence consulting, development, etc.	
	Coca Cola Beverages Co., Ltd.	110111-1342130	Manufacturing and selling of fresh beverages, etc.	

Hi-M Solutek Co., Ltd.	110111-3371989	Selling and maintenance business for electric, electronic and air conditioning devices	
CS One Partners Co., Ltd.	110111-3961756	Telemarketing service business	
HS Ad Co., Ltd.	110111-3076662	Advertising production and agency business	
L Best Co., Ltd.	110111-3806267	Advertising agency business	
LG Tostem BM Co.,Ltd	110111-4080688	Manufacturing business for metallic doors, windows, shutter and related products	
Hi-Teleservice Co., Ltd.	110111-4251552	Call center and telemarketing service business	
Thefaceshop Co., Ltd.	110111-0386973	Cosmetics product manufacturing business	
Korea Beverage Co.,Ltd.	211311-0005197	Food, beverage manufacturing, selling and exporting business	
Gonjiam Yewon Co.,Ltd.	134211-0111354	Agriculture, forestry, wholesale and retail business	
Global Dynasty Overseas Resource Development Private Offering Investment Company	110113-0014992	Investment for overseas resource development	
Hatai HTB Co., Ltd.	110111-0900004	Beverage manufacturing, selling and leasing business	
Sal de Vida Korea Co.,Ltd.	144811-0008169	Mining, wholesale and retail business	
Ace Freezing Air Conditioning Co., Ltd.	135111-0047493	Freezer and air conditioners manufacturing and selling business	
Korea Elecom Co., Ltd.	110111-2654493	Automatic metering remote control system developing, manufacturing, selling, etc.	
Hi-entech Co., Ltd.	110111-1799703	Environment facility management, engineering, etc.	
LG Hitachi Water Solution Co., Ltd.	110111-4777201	Water treatment business	
Nanum Nuri Co., Ltd.	176011-0075546	Social welfare service business	
Clean Soul LLC	110114-0113073	Soap and cleaner wholesale business	

LG Fuel Cell Systems Korea Co., Ltd.	110111-4922070	Business for solid oxidant and fuel cell systems	
Innowith Co., Ltd.	200111-0343156	Service business	
Hanuri Co., Ltd.	134811-0262254	Cleaning service, steam car washing, dormitory management service business, etc.	
Haengbok Nuri Co.,Ltd.	150111-0172829	Chemical product manufacturing, cleaning service and car washing business	
With You Co., Ltd.	110111-5145556	Service business	
CNP Cosmetics Co.,Ltd.	110111-1905318	Cosmetics sales business	
KNi Co., Ltd.	110111-2061581	Groceries sales business	
Pantos Logistics Co.,Ltd.	110111-0208127	Complex logistics brokerage and others	
Pantos Busan Newport Logistics Center Co.,Ltd.	180111-0641133	Warehousing and others	
Helistar Air Co., Ltd.	120111-0528086	General air cargo agency and others	
FMG Co., Ltd.	140111-0020096	Cosmetics manufacturing business	
Bargeunnuri Co., Ltd.	150111-0206876	Cleaning service business, car cleaning business	
Dangjin Tank Terminal Co., Ltd.	165011-0011709	Oil and chemical, gas storage and transportation business	
Farmhannong Co., Ltd.	110111-4362482	Manufacturing of pesticides and other agricultural chemicals, fertilizers and nitrogen compounds	
Haengbokmaru Co.,Ltd.	110111-6140993	General cleaning for buildings, operation of non-alcoholic beverage stores and specialized coffee stores	
LG Farouk Co., Ltd.	110111-6210647	Wholesale and retail of hair care products	
Migene Story Co., Ltd.	131111-0466580	Gene analysis information providing service	
Miraem Co., Ltd.	134211-0190259	Tourist hotel business, Tourist use facility business	

	Dreamnuri Co., Ltd	110111-6560282	General cleaning for buildings	
	Taegeuk Pharmaceutical Co.,Ltd	134811-0004367	Pharmaceutical manufacturing	
	JES Pharmaceutical Co., LTD	205911-0016611	Pharmaceutical manufacturing	
	Promotion of the development of the spring water Ulleung Chusan Yongchunsu	110111-6590007	Manufacture and sale of drinkable spring water	
	Greennuri Co., Ltd	230111-0286144	General cleaning for buildings	
	Hanultari Co., Ltd	110111-6628337	Other general grocery retail businesses	
	Robomedi Co., Ltd.	161511-0181019	Manufacture and wholesale of motor	
	Ugimag.,Ltd	154511-0032401	Manufacture and wholesale of Ferrite Magnet	
	Serveone.,Ltd	110111-6944022	Retail business	
	Sejong green power.,Ltd	110111-5586065	Steam power and electricity sale	
	East arrow partners LLC	110114-0235067	Finance and service business	
	Woolleungsemool., Ltd	175811-0003526	Manufacture and sale of drinkable spring water	
	Rucipello Korea., Ltd	110111-5089316	Pharmaceutical manufacturing and sale	
Subtotal	62 companies			
Total	74 companies			

- * Silicon Works Co., Ltd. was included in our affiliates on July 1, 2014.
- * Hibusiness Logistics Co., Ltd. changed its name into High Logistics Co., Ltd. on August 4, 2014.
- * Picstdics Co., Ltd. was excluded from our affiliates on November 18, 2014.
- * CNP Cosmetics Co., Ltd. was included in our affiliates on January 2, 2015.
- * Gumi Ochang Solar Power Plant Co., Ltd. was included in our affiliates on January 2, 2015.
- * Gumi Ochang Solar Power Plant Co., Ltd. was excluded from our affiliates on February 25, 2015.
- * KNI Co., Ltd. was included in our affiliates on March 2, 2015
- * Pantos Co., Ltd. was included in our affiliates on August 1, 2015.
- * Pantos Busan Newport Logistics Center Co., Ltd. was included in our affiliates on August 1, 2015.
- * Helistar Air Co., Ltd. was included in our affiliates on August 1, 2015.
- * Janice Co., Ltd. was included in our affiliates on September 1, 2015.
- * Bargeunnuri Co., Ltd. was included in our affiliates on October 1, 2015.
- * Dangjin Tank Terminal Co., Ltd. was included in our affiliates on October 1, 2015.
- * LG Solar Energy Co., Ltd. was excluded from our affiliates on October 21, 2015.
- * Sarangnuri Co., Ltd. was included in our affiliates on November 1, 2015.
- * LG Toyo Engineering Co., Ltd. was excluded from our affiliates on December 22, 2015.
- * Future Co., Ltd. was excluded from our affiliates on March 17, 2016.
- * One Seen Sky Tech was excluded from our affiliates on May 3, 2016.

- * Haitai Beverage Co., Ltd. changed its company name to Haitai HTB Co., Ltd. on May 30, 2016.
- * Farmhannong Co., Ltd. was included in our affiliates on June 1, 2016.
- * Saemangeum Farm Co., Ltd. was included in our affiliates on June 1, 2016.
- * Cecil Co., Ltd. was included in our affiliates on June 1, 2016.
- * Agrotech Co., Ltd. was included in our affiliates on June 1, 2016.
- * Farm Biotech Co., Ltd. was included in our affiliates on June 1, 2016.
- * Farm Ceres Co., Ltd. was included in our affiliates on June 1, 2016.
- * Farm PFI Co., Ltd. was included in our affiliates on June 1, 2016.
- * Farm Hwaong Co., Ltd. was included in our affiliates on June 1, 2016.
- * Farm Heungnong Co., Ltd. was included in our affiliates on June 1, 2016.
- * Chem Green Energy Co., Ltd. was included in our affiliates on June 1, 2016.
- * Hi-Logistics Co., Ltd. was excluded from our affiliates on August 23, 2016.
- * Haengbokmaru Co., Ltd. was included in our affiliates on October 1, 2016.
- * Farm Heungnong Co., Ltd. and Chem Green Energy Co., Ltd. were excluded from our affiliates on October 5, 2016.
- * Biz Tech Partners Co., Ltd. was included in our affiliates on November 1, 2016.
- * Saemangeum Farm Co., Ltd., Farm PFI Co., Ltd., Hausys Interpane Co., Ltd. and Everon Co., Ltd. were excluded from our affiliates on November 18, 2016.
- * LG Farouk Co., Ltd. was included in our affiliates on December 1, 2016.
- * Farm Ceres Co., Ltd. was excluded from our affiliates on December 22, 2016.
- * Gene Story Co., Ltd. was included in our affiliates on December 30, 2016.
- * B&E Partners Co., Ltd. changed its company name to Biz Tech Partners Co., Ltd. on January 3, 2017.
- * (Former) Biz Tech Partners Co., Ltd. was excluded from our affiliates on January 17, 2017.
- * LG Life Science Co., Ltd. and Ucess Partners Co., Ltd. were excluded from our affiliates on January 18, 2017.
- * Pantos Logistics Co., Ltd. changed its company name to Pantos Co., Ltd. on March 21, 2017.
- * Pantos Busan Newport Logistics Center Co., Ltd. changed its company name to Pantos Busan Newport Center Co., Ltd. on March 27, 2017.
- * Gene Story Co., Ltd. changed its company name to Migene Story Co., Ltd. on March 27, 2017.
- * Farm Biotech was excluded from our affiliates on March 29, 2017.
- * Miraem Co., Ltd. was included in our affiliates on July 1, 2017.
- * Agrotech Co., Ltd. was excluded from our affiliates on December 5, 2017
- * Dreamnuri Co., Ltd. was included in our affiliates on January 1, 2018
- * SK Silitron(formerly LG Silitron) was excluded from our affiliates on January 3, 2018
- * Cecil Co., Ltd. was excluded from our affiliates on January 3, 2018
- * Taegeuk Pharmaceutical Co., Ltd. was included in our affiliates on February 1, 2018
- * JES Pharmaceutical Co., LTD was included in our affiliates on February 1, 2018

- * Promotion of the development of the spring water Ulleung Chusan Yongchunsu was included in our affiliates on Feb 1, 2018
- * Greennuri Co., Ltd. was included in our affiliates on Feb 1, 2018
- * Hanultari Co., Ltd. was included in our affiliates on Feb 1, 2018
- * LG Nsys Co., Ltd. was excluded from our affiliates on April 12, 2018
- * LBLusem Co., Ltd. (formerly Lusem Co., Ltd.) was excluded from our affiliates on April 18, 2018
- * Hausys ENG Co., Ltd. was excluded from our affiliates on July 10, 2018
- * Janice Co., Ltd. changed its company name to FMG Co., Ltd. on July 25, 2018
- * Sarangnuri Co., Ltd. was excluded from our affiliates on August 27, 2018
- * Robostar Co., Ltd. was included in our affiliates on September 1, 2018
- * Robomedi Co., Ltd. was included in our affiliates on September 1, 2018
- * Ugimac Korea Co., Ltd. was included in our affiliates on November 1, 2018
- * Serve One Co., Ltd. changed its company name to SNI Co., Ltd. on December 3, 2018.
- * Jiheung Co., Ltd. was excluded from our affiliates on December 26, 2018.
- * Farmhwaong Co., Ltd. was excluded from our affiliates on December 26, 2018.
- * (Former) Serve One Co., Ltd. established Serve One Co., Ltd. as 100% subsidiary by physically dividing the MRO business department on December 3, 2018. Newly established Serve One Co., Ltd. was integrated to the affiliate on January 1, 2019.
- * Sejon Green Power Co., Ltd was included in our affiliates on February 1, 2019.
- * East Arrow Partners Co., Ltd was included in our affiliates on February 1, 2019.
- * Woolleungsem Ltd., was included in our affiliates on March 1, 2019.
- * Rucipello Korea Ltd., was included in our affiliates on March 1, 2019.

② Overseas corporations

No.	Name	Country
1	Arcelik-LG Klima Sanayi ve Ticaret A.S.	Turkey
2	Beijing LG Building Development Company	China
3	BEIJING LG HOUSEHOLD CHEMICAL CO., LTD.	China
4	Beijing Yuanzhimeng Advertising Co.,LTD.	China
5	DACOM AMERICA,INC.	USA
6	EASYTEC GLOBAL SERVICES INNOVATION LIMITED	Nigeria
7	EIC PROPERTIES PTE, LTD.	Singapore
8	Entrue Brasil Servicos de T.I. Ltda	Brazil
9	GIIR America Inc.	USA
10	GIIR Communications India Private Limited	India
11	GIIR UK Limited	UK
12	Hangzhou LG Cosmetics Co.,Ltd.	China

13	Hi Logistics China Co., Ltd.	China
14	Inspur LG Digital Mobile Communications Co., Ltd.	China
15	KM Resources Inc.	Malaysia
16	Korea Carbon International Co., Ltd.	China
17	L&T Display Technology (Fujian) Limited	China
18	LG Chem (China) Investment Co.,Ltd.	China
19	LG Chem (Nanjing) Information & Electronics Materials Co.,Ltd.	China
20	LG Chem (Taiwan), Ltd.	Taiwan
21	LG Chem (Tianjin) Engineering Plastics Co.,Ltd.	China
22	LG Chem America, Inc.	USA
23	LG Chem BRASIL INTERMEDIACAO DE NEGOCIOS DO SETOR QUIMICO LTDA.	Brazil
24	LG Chem Display Materials (Beijing) Co.,Ltd.	China
25	LG Chem Europe Gmbh	Germany
26	LG Chem Michigan Inc.	USA
27	LG Chem Poland Sp. z o.o.	Poland
28	LG Chemical (Guangzhou) Engineering Plastics Co.,Ltd.	China
29	LG Chem HK Ltd.	China
30	LG Chemical India Pvt. Ltd.	India
31	LG CNS America Inc.	USA
32	LG CNS China Inc.	China
33	LG CNS Europe B.V	Netherlands
34	LG CNS India Pvt. Ltd.	India
35	LG CNS PHILIPPINES, INC.	Philippines
36	LG Consulting corp.	Panama
37	LG Display America,Inc.	USA
38	LG Display Germany GmbH	Germany
39	LG Display Guangzhou Co., Ltd	China
40	LG Display Japan Co.,Ltd.	Japan
41	LG Display Nanjing Co.,Ltd.	China
42	LG Display Poland Sp.zo.o.	Poland
43	LG Display Shanghai Co.,Ltd.	China
44	LG Display Shenzhen Co., Ltd	China
45	LG Display Singapore Pte. Ltd.	Singapore
46	LG Display Taiwan Co.,Ltd.	Taiwan
47	LG Display Yantai Co., Ltd.	China
48	LG Electronics (Hangzhou) Co., Ltd.	China
49	LG Electronics (China) Co., Ltd.	China
50	LG Electronics (China) Research and Development Center Co., Ltd.	China
51	LG Electronics (Levant) Jordan	Jordan

52	LG Electronics Alabama Inc.	USA
53	LG Electronics Algeria SARL	Algeria
54	LG Electronics Almaty Kazakhstan	Kazakhstan
55	LG Electronics Argentina S.A.	Argentina
56	LG Electronics Australia Pty, Ltd.	Australia
57	LG Electronics Benelux Sales B.V.	Netherlands
58	LG Electronics Canada, Inc.	Canada
59	LG Electronics Colombia Ltda	Columbia
60	LG Electronics do Brasil Ltda.	Brazil
61	LG Electronics Deutschland GmbH	Germany
62	LG Electronics Dubai FZE	UAE
63	LG Electronics Egypt S.A.E	Egypt
64	LG Electronics Espana S.A	Spain
65	LG Electronics European Holdings B.V.	Netherlands
66	LG Electronics European Shared Service Center B.V.	Netherlands
67	LG Electronics France S.A.S.	France
68	LG Electronics Guatemala S.A.	Guatemala
69	LG Electronics Gulf FZE	UAE
70	LG Electronics Hellas S.A.	Greece
71	LG Electronics HK Ltd.	China
72	LG Electronics Honduras S.de R.L.	Honduras
73	LG Electronics Huizhou Ltd.	China
74	LG Electronics Inc Chile Ltda.	Chile
75	LG Electronics India Pvt. Ltd.	India
76	LG Electronics Italia S.P.A.	Italy
77	LG Japan Lab. Inc.	Japan
78	LG Electronics Japan, Inc.	Japan
79	LG Electronics Latvia, LLC	Latvia
80	LG Electronics Magyar K.F.T.	Hungary
81	LG Electronics Malaysia SDN.BHD	Malaysia
82	LG Electronics Mexicali S.A.DE C.V.	Mexico
83	LG Electronics Mexico S.A.DE C.V.	Mexico
84	LG Electronics Middle East Co., Ltd.	UAE
85	LG Electronics Mlawa Sp. z.O.O.	Poland
86	LG Electronics Mobile Research U.S.A.,LLC.	USA
87	LG Electronics Monterrey Mexico S.A. de C.V	Mexico
88	LG Electronics Morocco S.A.R.L.	Morocco
89	LG Electronics Nanjing New Technology co.,LTD	China
90	LG Electronics Nigeria Limited	Nigeria

91	LG Electronics Nordic AB	Sweden
92	LG Electronics North Africa Service Company SARL	Tunisia
93	LG Electronics Overseas Trading FZE	UAE
94	LG Electronics Panama, S.A.	Panama
95	LG Electronics Peru S.A.	Peru
96	LG Electronics Philippines Inc.	Philippines
97	LG Electronics Polska Sp. Z.O.O	Poland
98	LG Electronics Portugal S.A.	Portugal
99	LG Electronics Qinhuangdao Inc.	China
100	LG Electronics Reynosa S.A. DE C.V.	Mexico
101	LG Electronics RUS, LLC	Russia
102	LG Electronics S.A. (Pty) Ltd.	South Africa
103	LG Electronics Shenyang Inc.	China
104	LG Electronics Singapore PTE LTD	Singapore
105	LG Electronics Taiwan Taipei Co.,Ltd.	Taiwan
106	LG Electronics Thailand Co., Ltd.	Thailand
107	LG Electronics Tianjin Appliances Co., Ltd.	China
108	LG Electronics Ticaret A.S.	Turkey
109	LG Electronics U.S.A., Inc.	USA
110	LG Electronics Ukraine Inc.	Ukraine
111	LG Electronics United Kingdom Ltd.	UK
112	LG Electronics Venezuela S.A	Venezuela
113	LG Electronics Wroclaw Sp.z.O.O.	Poland
114	LG Electronics(Shanghai) Research and Development Center Co., Ltd.	China
115	LG Electronics (Kunshan) Co., Ltd.	China
116	LG Electronics Africa Logistics FZE	UAE
117	LG Electronics Miami Inc.	USA
118	LG Hausys America,Inc.	USA
119	LG Hausys Europe GmbH	Germany
120	LG Hausys India Private Limited	India
121	LG Hausys RUS,LLC.	Russia
122	LG Hausys Trading Co., Ltd.	China
123	LG HOLDINGS (HK) LIMITED	China
124	LG Household & Health Care (Taiwan), Ltd.	Taiwan
125	LG HOUSEHOLD AND HEALTH CARE AMERICA, INC	USA
126	LG Household & Health Care TRADING(Shanghai)Co.,Ltd	China
127	LG Innotek (Taiwan) Co., Ltd.	Taiwan
128	LG Innotek Huizhou Co., Ltd.	China
129	PT. LG Innotek Indonesia	Indonesia

130	LG Innotek Poland Sp. z o.o.	Poland
131	LG Innotek USA, Inc.	USA
132	LG Innotek Yantai Co., Ltd.	China
133	LG International Yakutsk	Russia
134	LG International(America) Inc.	USA
135	Bowen Investment(Australia) Pty Ltd	Australia
136	LG International(China) Corp.	China
137	LG International(Deutschland) GmbH.	Germany
138	LG International(Hong Kong) Ltd.	China
139	LG International(Japan) Ltd.	Japan
140	LG International(Saudi) LLC	Saudi Arabia
141	LG International(Singapore) Pte. Ltd.	Singapore
142	LG Life Sciences (Beijing) Co.,Ltd	China
143	LG Life Sciences India Pvt,Ltd	India
144	LG Life Sciences Poland Ltd	Poland
145	LG Polymers India Pvt. Ltd.	India
146	LG Soft India Private Limited	India
147	LG VINA Chemical Co.,Ltd.	Vietnam
148	LG Vina Cosmetics Co.,Ltd.	Vietnam
149	LG-Shaker Co. Ltd.	Saudi Arabia
150	Nanjing LG International VMI Ltd. Co.	China
151	Nanjing LG-Panda Appliances Co., Ltd.	China
152	Ningbo LG Yongxing Chemical Co.,Ltd.	China
153	Ningbo Zhenhai LG Yongxing Trade Co.,Ltd.	China
154	P.T. LG Electronics Indonesia	Indonesia
155	Philco Resources Ltd.	Malaysia
156	PT. LG CNS Indonesia	Indonesia
157	PT. Batubara Global Energy	Indonesia
158	PT. Green Global Lestari	Indonesia
159	PT. Indonesia Renewable Resources	Indonesia
160	PT. Mega Global Energy	Indonesia
161	Qingdao LG Inspur Digital Communication Co., Ltd.	China
162	Resources Investment (H.K) Limited	China
163	S&I Nanjing Company Limited	China
164	Serveone(Nanjing).Co., Ltd	China
165	Servicios Integrales LG S.A DE C.V	Mexico
166	Servicios LG Monterrey Mexico S.A. de C.V.	Mexico
167	Steel Flower Electric Machinery (Tianjin) Co., Ltd.	China
168	Taizhou LG Electronics Refrigeration Co., Ltd.	China

169	THEFACESHOP(SHANGHAI) CO., LTD	China
170	Tianjin LG Bohai Chemical Co.,Ltd.	China
171	Tianjin LG Botian Chemical Co.,Ltd.	China
172	LG Hausys Tianjin Co., Ltd.	China
173	Tianjin Li Jie Cartridge Heater co.,Ltd	China
174	UCESS PHILIPPINES, INC.	Philippines
175	United Copper & Moly LLC	USA
176	V-ENS (M) Sdn. Bhd.	Malaysia
177	Zenith Electronics Corporation	USA
178	Zenith Electronics Corporation of Pennsylvania	USA
179	LG Chem(HUIZHOU) Petrochemical Co., Ltd.	China
180	GIIR Rus LLC	Russia
181	GIIR Do Brasil Ltda	Brazil
182	LG Hausys (Wuxi) Co., Ltd.	China
183	Yantai VMI HUB LG International	China
184	PT. Mega Prima Persada	Indonesia
185	PT. Parna Agromas	Indonesia
186	LG Electronics Air-Conditioning(Shandong) Co.,Ltd.	China
187	LG Electronics Angola Limitada	Angola
188	Guangzhou Steel Flower Electric & Machinery Co., Ltd.	China
189	Colmineral S.A. de C.V	Mexico
190	Ginza Stefany Inc.	Japan
191	LG CNS COLOMBIA SAS	Columbia
192	LHC Solar. LLC	USA
193	LG Hausys Mongolia LLC	Mongolia
194	PANTOS LOGISTIC SOLUTIONS INDIA PRIVATE LIMITED	India
195	LG Electronics Saudi Arabia Limited Company	Saudi Arabia
196	LG Fuel Cell Systems Inc.	USA
197	GIIR Thailand Ltd.	Thailand
198	HI LOGISTICS MALAYSIA SDN. BHD.	Malaysia
199	PT. Ganda Alam Makmur	Indonesia
200	LG Innotek Trading (Shanghai) Co., Ltd	China
201	Global OLED Technology LLC.	USA
202	GIIR Germany GmbH	Germany
203	GIIR Ukraine LLC	Ukraine
204	LG Display (China) Co., Ltd.	China
205	LG Life Sciences (Thailand) Ltd.	Thailand
206	Everlife Co.,Ltd.	Japan
207	TFS Singapore Private Limited	Singapore

208	Everlifeagency Co.,Ltd.	Japan
209	Everlife H&B Co.,Ltd.	Taiwan
210	LG Electronics Pasig Inc.	Philippines
211	HiEntech (Tianjin) Co., LTD.	China
212	LG Innotek Mexico S.A. de C.V.	Mexico
213	LGC Petrochemical India Private Ltd.	India
214	LG International India Private Limited	India
215	LG International (Shanghai) Corp.	China
216	LG Electronics Vietnam Haiphong Co Ltd	Vietnam
217	Fertilizer Resources Investment Limited	China
218	LG CHEM TK Kimya SANAYI VE TIC. Ltd. STI.	Turkey
219	FRUITS & PASSION BOUTIQUES INC.	Canada
220	Fruits & Passion Immobilier Inc.	Canada
221	3390306 Canada Inc.	Canada
222	THE FACE SHOP TRADE (GUANGDONG) Co., Ltd	China
223	LG CNS MALAYSIA SDN BHD	Malaysia
224	LG Hausys(Tianjin) Engineering Co., Ltd.	China
225	LG CNS Saudi Arabia LLC	Saudi Arabia
226	LG CNS JAPAN Co., Ltd.	Japan
227	HI LOGISTICS RUS. LIMITED LIABILITY COMPANY	Russia
228	LG Chem Japan Co.,Ltd.	Japan
229	UNIFIED INNOVATIVE TECHNOLOGY, LLC	USA
230	LG NanoH2O, LLC	USA
231	LG Holdings Japan Co., Ltd	Japan
232	Serveone Guangzhou Co., Ltd	China
233	PT. Binsar Natorang Energi	Indonesia
234	PT.LG Electronics Service Indonesia	Indonesia
235	SERVEONE VIETNAM Co.,Ltd	Vietnam
236	Farmhannong America, Inc.	USA
237	Silicon Works Inc.	USA
238	Hi Logistics Egypt	Egypt
239	Hi Logistics Vietnam Co., LTD.	Vietnam
240	HS Ad MEA FZ-LLC	UAE
241	HSAD LATIN AMERICA,S.A.	Panama
242	Nanjing LG Chem New Energy Battery Co.,Ltd.	China
243	NanoH2O (Jiangsu) Water Processing Technology Co. LTD.	China
244	Combustion Synthesis Co., Ltd.	Japan
245	LG Chem (Chongqing) Engineering Plastics Co.,Ltd.	China
246	LG Chem Malaysia SDN.BHD	Malaysia

247	LG CNS UZBEKISTAN, LLC	Uzbekistan
248	LG Electronics Finland Lab Oy	Finland
249	LG Display Guangzhou Trading Co., Ltd.	China
250	Haiphong Steel Flower Electrical & Machinery Company Limited	Vietnam
251	Pantos Logistics (China) Co., Ltd.	China
252	FNS (Beijing) Logistics Co., Ltd.	China
253	Pantos Logistics (Shanghai) Co., Ltd.	China
254	Pantos Logistics (Ningbo) Co., Ltd.	China
255	Pantos Logistics (Shenzhen) Co., Ltd.	China
256	Pantos Logistics (HK) Company limited	China
257	Pantos Logistics (Taiwan) Co., Ltd.	Taiwan
258	PT. Pantos Logistics Indonesia	Indonesia
259	PT. Pantos Logistics Jakarta	Indonesia
260	PT. Pantos Express Indonesia	Indonesia
261	Pantos Logistics SINGAPORE PTE. LTD.	Singapore
262	Pantos Logistics (Thailand) Co., Ltd.	Thailand
263	Pantos Logistics MALAYSIA SDN. BHD.	Malaysia
264	PANTOS LOGISTICS (INDIA) PRIVATE LIMITED	India
265	Pantos Logistics (CAMBODIA) Co., Ltd.	Cambodia
266	Pantos Logistics Vietnam Co., Ltd.	Vietnam
267	Pantos Logistics AUSTRALIA PTY LTD.	Australia
268	Pantos Logistics Philippines Inc.	Philippines
269	Pantos Holdings (Thailand) Co., Ltd.	Thailand
270	Pantos Logistics Myanmar Co., Ltd.	Myanmar
271	Pantos Logistics U.K Ltd.	UK
272	Pantos Logistics Benelux B.V	Netherlands
273	Pantos Logistics France	France
274	Pantos Logistics Poland Sp.z o.o.	Poland
275	Pantos Logistics Germany GmbH	Germany
276	Pantos Logistics Spain S.L.	Spain
277	Pantos Logistics DIS TICARET SANAYI VE TICARET LIMITED SIRKETI	Turkey
278	Pantos Logistics Mexico S.A DE C.V	Mexico
279	Pantos Do Brasil Logistica Ltda	Brazil
280	Pantos Logistics Colombia S.A.S	Columbia
281	Pantos Logistics Chile SPA	Chile
282	Pantos Logistics Panama S.A.	Panama
283	FNS CIS LLC	Russia
284	Pantos Logistics Kazakhstan	Kazakhstan
285	Pantos Logistics UKRAINE LTD.	Ukraine

286	Pantos Customs Services LLC	Russia
287	ZAO Contrans	Russia
288	Pantos Logistics L.L.C (DUBAI)	UAE
289	PANTOS LOGISTICS L.L.C OMAN	Oman
290	PANTOS LOGISTICS CO., LTD. SAUDI ARABIA	Saudi Arabia
291	Pantos Logistics Japan Inc.	Japan
292	LG Electronics Nanjing Battery Pack Co.,Ltd.	China
293	LG Electronics Nanjing Vehicle Components Co.,Ltd.	China
294	HI M SOLUTEK HVAC SERVICE AND MAINTENANCE L.L.C	UAE
295	Highland Cement International Co., Ltd.	Myanmar
296	S&I POLAND sp.zo.o.	Poland
297	Pantos North America, Inc.	USA
298	LG Display Vietnam Haiphong Co., Ltd.	Vietnam
299	Farm Hannong (Heilongjiang) Chemical Co., Ltd.	China
300	LG H&H HK LIMITED	China
301	HI-M SOLUTEK PHILIPPINES INC.	Philippines
302	LG Chem Wroclaw Energy sp. z o.o.	Poland
303	Suzhou Lehui Display Co., Ltd.	China
304	Toiletry Japan Inc.	Japan
305	LG Innotek Vietnam Haiphong Co., Ltd	Vietnam
306	LG HOUSEHOLD AND HEALTH CARE COSMETICS R AND D(SHANGHAI)	China
307	HI LOGISTICS BRASIL SERVICOS DE LOGISTICA LTDA	Brazil
308	PANTOS LOGISTICS AR S.A.	Argentina
309	HI-M SOLUTEK VIETNAM CO., LTD.	Vietnam
310	c2i(s.r.o)	Slovakia
311	FJ Composite Material Co., Ltd.	Japan
312	LG CNS VIETNAM CO., LTD	Vietnam
313	LG Corp. U.S.A.	USA
314	LG Hausys Canada, Inc.	Canada
315	Silicon Works China Co., Ltd	China
316	LGEUS Power, LLC	USA
317	LG Electronics Vehicle Component U.S.A., LLC	USA
318	LG Chem Hai Phong Vietnam Co., Ltd.	Vietnam
319	LG HOUSEHOLD & HEALTH CARE MALAYSIA SDN. BHD.	Malaysia
320	HS AD VIETNAM CO., LTD.	Vietnam
321	LG Chem Austrailia Pty Ltd.	Australia
322	CCP-LGE OWNER, LLC	USA
323	LG Chem Mexico S.A. de C.V.	Mexico
324	FarmHannong(Thailand) Ltd.	Thailand

325	Pantos Logistics Nigeria Limited	Nigeria
326	LG ELECTRONICS FUND I LLC	USA
327	LG Technology Ventures LLC	USA
328	LG Chem Hai Phong Engineering Plastics Ltd.	Vietnam
329	LG Chem (Guangzhou) Information & Electronics Materials Co.,Ltd.	China
330	LG CHEM FUND I LLC	USA
331	LG UPLUS FUND I LLC	USA
332	LG DISPLAY FUND I LLC	USA
333	HS GTM Germany GmbH	Germany
334	LEYOU NEW ENERGY MATERIALS(WUXI)CO.,LTD	China
335	PT. Grand Utama Mandiri	Indonesia
336	PT. Tintin Boyok Sawit Makmur	Indonesia
337	PT. Tintin Boyok Sawit Makmur Dua	Indonesia
338	LG Household & Health Care (Thailand) Limited	Thailand
339	Avon Products Company Limited	Japan
340	ZKW Holding GmbH	Austria
341	ZKW Group GmbH	Austria
342	ZKW Lichtsysteme GmbH	Austria
343	ZKW Elektronik GmbH	Austria
344	KES - kablove a elektricke systemy spol. s.r.o.	Czech
345	KES Poland Sp.z o.o.	Poland
346	ZKW Slovakia s.r.o.	Slovakia
347	ZKW Lighting Systems USA, Inc.	USA
348	ZKW Mexico, S.A. de C.V.	Mexico
349	ZKW Mexico Inmobiliaria, S.A. de C.V.	Mexico
350	ZKW Mexico Servicios, S.A. de C.V.	Mexico
351	ZKW Lighting Systems (Dalian) Co. Ltd.	China
352	Mommert Gewerbeimmobilien Verwaltungs GmbH	Austria
353	Mommert Immobilien GmbH	Austria
354	HIPLAZA (Shenyang) Trading Co., Ltd.	China
355	LG Display High-Tech (China) Co., Ltd.	China
356	Live & Life Co., Ltd.	Japan
357	Fleuve Beaute Inc.	Japan
358	ROBOSTAR (SHANGHAI) CO.,LTD	China
359	LG CNS FUND I LLC	USA
360	S&I Vietnam construction Co., Ltd	Vietnam
361	PANTOS LOGISTICS SWEDEN AB.	Sweden
362	Uniseal, Inc.	USA
363	LG Chem Nanjing Energy Solution Co., Ltd.	China

364	Evermere Holdings Company	Japan
365	Evermere Cosmetics Company	Japan
366	LG Chem Life Science Innovation Center, Inc.	USA
367	SERVEONE EUROPE Sp. z o.o.	Poland
368	Avon Manufacturing (Guangzhou),Ltd	China
369	QINGGONGLIAN ELECTRICAL INSTALLATION ENGINEERING CO.,LTD	China
370	Uniseal Europe Ltd.	UK

H. Credit Rating

For the past 3 years, the company has not requested or received any credit rating from domestic or foreign credit rating agencies that is not registered as a credit inquiry service business.

I. Stock listing (or registration and designation) and special listing of the company

Listing(or registered, certified) Status	Listed(or registered, certified) date	Special listing status	Related laws on the special listing
KOSDAK	June 8, 2010	N/A	N/A

2. Corporate History

Date	Major event
April 2015	Acquired part of System IC business from Lusem Inc. (Entire sales related to the part of System IC business)
July 2015	Acquired part of System IC business from LG Electronics Inc. (Entire assets and manpower related to the display chip design business)
October 2016	Received "500 billion KRW sales tower prize" – (in Daejeon)
March 2017	Change of CEO (Daekeun Han -> Boik Son)
October 2017	Received "600 billion KRW sales tower prize" – (in Daejeon)
May 2018	Acquired part of System IC business from LG Electronics Inc. (Entire assets and manpower related to T-Con chip business for OLED TV)
June 2018	The 10th Korea KOSDAQ Award (KOSDAQ Association) (won "Best job creating company prize")

-The following is the major corporate history of Silicon Works Inc. (USA), one of the company's subsidiaries.

Date	Major event

October 2012	Establishment of legal entity (capital of USD 500,000)
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-The following is the major corporate history of Silicon Works China Co., LTD(China), one of the company's subsidiaries.

Date	Major event
March 2017	Establishment of corporation company (capital of CNY 4,085,400)
May 2018	Recapitalization (CNY 4,085,400 -> CNY 13,012,920)

A, The address changes of headquarters

November 11, 1999: 4F 79, Dunsanse-ro, Seo-gu, Daejeon, Republic of Korea

December 15, 2000: 5F 58, Gyeryong-ro 491beon-gil, Seo-gu, Daejeon, Republic of Korea

October 4, 2005: 10-6, Expo-ro 339beon-gil, Yuseong-gu, Daejeon, Republic of Korea

January 31, 2011: 222, Techno 2-ro, Yuseong-gu, Daejeon, Republic of Korea

B. Significant changes in management

Date	Before			After		
	executive director	Nonexecutive director	Outside director	executive director	Nonexecutive director	Outside director
March 2015	Daekeun Han (CEO), Daesung Kim, Hyungseok Oh	-	Kunwoo Moon, Sanggook Lee, Namjoo Lee	Daekeun Han (CEO), Dongsoo Bae	-	Kunwoo Moon, Sanggook Lee, Namjoo Lee
June 2015	Daekeun Han (CEO), Dongsoo Bae	-	Kunwoo Moon, Sanggook Lee, Namjoo Lee	Daekeun Han (CEO), Dongsoo Bae	Boik Son	Kunwoo Moon, Sanggook Lee, Namjoo Lee
March 2017	Daekeun Han (CEO), Dongsoo Bae	Boik Son	Kunwoo Moon, Sanggook Lee, Namjoo Lee	Boik Son(CEO), Dongsoo Bae	Byunghoo Min	Kunwoo Moon, Namjoo Lee, Ilgoo Yoon

March 2018	Boik Son(CEO), Dongsoo Bae	Byunghoo Min	Kungwoo Moon, Namjoo Lee, Ilgoo Yoon	Boik Son (CEO), Sungkwan Choi	Hyungok Jeong	Namjoo Lee, Ilgoo Yoon, Yongsoo Shin
March 2019	Boik Son (CEO), Sungkwan Choi	Hyungok Jeong	Namjoo Lee, Ilgoo Yoon, Yongsoo Shin	Boik Son (CEO), Sungkwan Choi	Nyunchae Jeong	Ilgoo Yoon, Youngsoo Shin, Kyungwoo Wi

Notes) Please refer to 『VII. Executives and Employees』 for more details on change in management.

C. Changes in the largest shareholder

Please refer to 『VII. Matters regarding to shareholders. 2.changes in the largest shareholder』 for more details

3. Changes in capital

- N/A

4. Total Number of Shares

Status of Total Number of Shares

(Basic date: March 31, 2019)

(Unit: share)

Classification	Type of share			note
	Common share	Preferred share	Total	
I. Total number of shares to be issued	-	-	50,000,000	-

II. Total number of shares issued		16,264,300	-	16,264,300	-
III. Total number of shares that have been decreased		-	-	-	-
	1. Capital Decrease	-	-	-	-
	2. Cancellation of shares	-	-	-	-
	3. Redemption of redeemable shares	-	-	-	-
	4. Others	-	-	-	-
IV. Total number of issued shares (II - III)		16,264,300	-	16,264,300	-
V. Number of treasury shares		-	-	-	-
VI. Number of shares ready to trade (IV - V)		16,264,300	-	16,264,300	-

notes) The total number of shares to be issued is 50,000,000; among the total, issue limit of preferred shares is 7,000,000

5. Status of Voting Right

(Basic date: March 31, 2019)

(Unit: share)

Classification		Number of shares	note
Total number of issued shares (Class A)	Common share	16,264,300	-
	Preferred share	-	-
Number of shares without voting rights (Class B)	Common share	-	-
	Preferred share	-	-
Number of shares with restricted voting rights based on the Articles of Association laws (Class C)	Common share	-	-

	Preferred share	-	-
Number of shares with restricted voting rights based on other laws (Class D)	Common share	-	-
	Preferred share	-	-
Number of shares with resurrected voting rights (Class E)	Common share	-	-
	Preferred share	-	-
Number of issued shares with voting rights (F = A - B - C - D + E)	Common share	16,264,300	-
	Preferred share	-	-

6. Dividends related issues

A. Dividend

The Company, pursuant to its Articles of Incorporation, is distributing dividends with the decisions made by the board of directors and from shareholders' meetings; it determines reasonable number of dividends based on business conditions, investments and shareholder value enhancement for the consistent growth within the profit available for dividend distribution. Moreover, Article 55 and 57 of the company's Articles of Incorporation provides profit dividend and the prescription of extinction for rights of dividend payment claim.

Articles of association Clause 55 [Dividend]

- ① The dividend of profit can be made by money, share and other assets.
- ② In case the dividend of profit is given as share, it can be substituted by share according to resolution by general meeting of shareholders at the time of issuing shares by the company.
- ③ The dividend in clause 1 shall be given to the shareholder written in the current list of names of shareholders or registered pledge at the end of each settlement term.

Clause 57 [Statute of Limitation for Claims for Payment of Dividends]

- ① The statute of limitation for claims for payment of dividends shall expire unless exercised for 5 years.
- ③ Dividends from the expiration of the statute of limitation in Paragraph 1 shall be attributed to the Company.

B. Dividends over the recent 3 business years

Major Dividend index

Classification	Type of share	Current year	Previous year	The year before previous year
		The 20th year	The 19th year	The 18th year
Face value per share (KRW)		500	500	500
(Consolidated) Current net profit (One Million KRW)		48,960	47,064	50,680
(Non-Consolidated) Net profit during the term (One Million KRW)		48,931	46,458	50,564
Net income per share (KRW)		3,010	2,894	3,116
Total cash dividend (Million KRW)		13,499	11,385	14,638
Total share dividend (Million KRW)		-	-	-
(Consolidated) Cash dividend payout ratio (%)		27.6	24.2	28.9
Return on cash dividend (%)	Common shares	2.5	1.4	3.3
	Preferred shares	-	-	-
Return on share dividend (%)	Common shares	-	-	-
	Preferred shares	-	-	-
Cash dividend per share (KRW)	Common shares	830	700	900
	Preferred shares	-	-	-
Share dividend per share (Share)	Common shares	-	-	-
	Preferred shares	-	-	-

II. Business Details

1. Business Overview

A. System IC

(1) Characteristics of the industry

Our product is a key component that drives the Display Panel and has been growing at scale with the development of the display industry. The key competitive elements in the display component market is to strengthen the technological competitiveness based on the originality and to enter in the early stage of the display technology development. As complex product design technologies are required these days, the technology gap between companies that have made bold investments in new market and those who have not.

(2) Market size and growth prospect

Medium and large (TV/ IT/ Auto) Display IC market is growing with aggressive capacity expansion by the Chinese panel manufacturers and increasing focus on premium products such as 8K LCD and OLED TV etc. Moreover, small (Smartphone/ Smartwatch) Display IC market is prospected to sustain its growth on P-OLED products in the future, as Chinese panel manufacturers are accelerating their entry into the P-OLED market since the introduction of Apple's first P-OLED phone release in 2017. Therefore, the Display IC market will continue to grow due to the rapid growth in Chinese panel manufacturers and shift in panel generation (LCD->OLED, 4K->8K) and etc.

[Yearly panel sales]

WW Panel Forecast

(Unit: Munits)	2015	2016	2017	2018	2019(E)	2020(E)	2021(E)	2022(E)	2023(E)	2024(E)	2025(E)
MNT	140.2	140.9	140.1	149.7	151.9	143.1	141.1	140.2	140.0	139.8	139.5
Notebook	179.5	168.7	179.9	185.7	191.7	177.1	176.9	175.7	174.1	173.6	172.8
Tablet	271.9	235.3	215.1	204.1	170.2	158.7	148.7	145.3	139.5	136.6	133.4
TV	274.2	265.4	266.6	287.1	293.3	276.3	273.5	273.5	274.9	276.6	278.1
Automotive	118.9	135.1	147.7	164.0	175.9	186.5	197.1	207.4	215.5	220.7	224.2
Large Total	984.8	945.4	949.4	990.5	983.0	941.7	937.3	942.1	944.0	947.3	948.0
Featurephone	410	333	322	316	311	288	278	271	268	265	264
Smartphone	1,548	1,609	1,682	1,614	1,639	1,638	1,690	1,720	1,725	1,755	1,778
Smart Watch	48	75	105	148	157	164	167	169	170	170	170
Head Mound Display(VR/AR)	-	3	4	4	6	9	12	19	26	27	28
Small Panel Total	2,005	2,020	2,112	2,082	2,114	2,119	2,148	2,178	2,189	2,217	2,239

① Medium and large (TV/ IT/ Auto) Display IC

Display IC market for LCD TV is growing due to panel supply increase caused by aggressive investments by the Chinese panel manufacturers and increase number of IC per panel with expansion of UHD TVs. UHD TV penetration rate in 2018 was approximately 40% in global average, and as mass production of 8K TV is estimated to start in 2019, display IC for LCD TV is expected to grow.

Moreover, the importance of OLED TV among premium TV market is continuously growing, and display IC market for OLED TV is also showing high growth as there has been an increase in TV set makers who chose OLED panel as their product differentiation strategy. Although the market size is fairly small as LG Display is currently the only manufacturer that mass produces OLED TV panels, but the market's rapid growth is expected within 3 years as

Chinese panel manufacturers are doing heavy investments on production facilities and equipment with their huge capital. Display IC for OLED TV has panel compensation technology in its core rather than the drive technology unlike LCD products. Therefore, manufacturers with such competitiveness will likely to lead the market.

In the case of the display IC for IT, all the monitors, laptops, and tablet PCs have been showing downfall since 2015. It is hard to expect growth without changes in the form factor due to maturation of the IT product market. However, among the premium brands, some are creating added values by adding new functions to the products such as increasing the display resolution, utilizing touch panels, and etc.

② Small (Smartphone/ Smartwatch) Display IC

Smartphone market have entered into maturation phase. Smartphone market size has increase to approximately 1.5 billion in 2017, but it is expected as about 1.4 billion in 2018 and 2019. In the case of developed countries' smartphone market, it is expected to have lower growth compared to emerging markets, and emerging markets' growth is leading the entire smartphone market's growth. Global mobile demand is strongly affected especially by the Chinese internal market. Also, the importance of Chinese set customer is on the rise as local set makers' percentage inside China is showing growth.

As global major set makers are pushing active form factor progression strategy to create new demand, smartphones with P-OLED panels are expected to increase. Domestic and overseas panel makers are expanding their P-OLED facility investments. Although domestic panel makers are leading the P-OLED market due to the technology gap between domestic and Chinese manufacturers, with capacity expansion by the Chinese panel makers, percentage of Chinese makers in the P-OLED panel market is expected to gradually increase.

Display IC for P-OLED phones has panel compensation, improvement in resolution, and low-power implementation at its core competitiveness. The relationship between set makers is very important along with the relation with the panel makers, because the wanted functions and performances differ by the set makers. To lead the Display IC market for P-OLED phones, along with procuring product competitiveness, it is important to have strategical cooperation relationship with the Chinese set makers such as Huawei and Shao Mi.

Unlike declining demand in smartphone market, smartwatch market is prospected to have high level of growth. And the market size will continue to grow through services affiliated with diverse devices such as IoT and etc.

(3) Characteristics of economic fluctuations and competitive factors

The core competitive factor in the display component market is the market entry at the initial stage along with the development of display, and strengthening technological competitiveness based on original technologies. It is creating an entry barrier through differentiation with technological competitiveness by securing a meaningful share in the new market where new technology is applied.

Display industry has a characteristic where the technological completeness increases, the entry barrier becomes higher. Supply capacity has improved through fierce competition between panel makers in the past, and recorded high growth rate among overall display industry as it met with high demand. However, currently, it is now in the

slow growth phase with high market maturation and limited demand, and changing need has not increased in big numbers due to high sensitivity in economic fluctuation. It is hard to expect sustainable market growth unless creating new demand through innovative products.

(4) Market share

According to IHS, a market research company, the company entered top 60 global semiconductor manufacturer in 2018 and ranked in fifth place in terms of display driver IC manufacturer. However, as competitiveness of new technologies is more important than recent sales scale in judging the competitive advantage of the company, the company have successfully entered the OLED market through close cooperation with panel customers, and we continue to expand our business into new areas such as automobiles, batteries, and consumer electronics.

(5) Strength of the company

The company not only provides the core components of display system semiconductor as a total solution, but also localize the products that have been highly dependent on overseas imports, contributing to stable components procurement and price competitiveness of domestic downstream companies. We are also actively supporting customers' market lead by providing customized premium products through continuous technology development. The win-win strategy based on trust with downstream companies plays a major role in our competitiveness. As a result, we have secured technology responsiveness that enables us to respond fast and flexibly to market changes, from new product developments to supply. The company is diversifying customer through procuring domestic and overseas partners base on independent design technology.

B. Silicon Works Inc.(USA), Silicon Works China Co., LTD(China)

For new market opportunities and existing customer service, the company has installed overseas corporate body in USA and China, and refer to 'A. System IC Part' for characteristics and market size of the two overseas subsidiaries.

C. Financial status summary for each business segment

(1) Financial status for each business segment

[Base date: March 31, 2019]

(Unit : 1,000 KRW)

Category	Location	Title	21 st year 1 st Quarter	20 th year	19 th year
Semiconductor	Daejeon	Assets	646,542,673	607,558,306	544,294,125
		Liabilities	210,464,744	160,944,737	132,068,704
		Capital	436,077,929	446,613,568	412,225,422

Note) The financial status of Silicon Works Inc.(USA), Silicon Works China Co., LTD(China) are included in semiconductor category

(2) Profit / loss for each business segment

[Basic date: March 31, 2019]

(Unit : 1,000 KRW)

Category	Location	Title	21 st year 1 st Quarter	20 th year	19 th year
Semiconductor	Daejeon	Assets	177,366,380	791,818,132	692,761,282
		Operating profit	1,762,962	55,797,059	45,521,509
		Net profit	2,857,638	48,960,453	47,064,354

Note) The financial status of Silicon Works Inc.(USA), Silicon Works China Co., LTD(China) are included in semiconductor category

2. Information on major products and etc.

[Base date: March 31, 2019]

(Unit : 1,000KRW)

Business Sector	Product	Product Detail	Major Product	21 st year 1 st Quarter		20 th year		19 th year	
				Sales	Rate(%)	Sales	Rate(%)	Sales	Rate(%)
Semicond uctor	System IC	Panel driver IC and etc.	Driver - IC	146,318,230	82.49	664,231,979	83.89	585,037,467	84.45
			Non-Driver- IC	31,048,150	17.51	127,586,153	16.11	107,723,815	15.55
Total				177,366,380	100.00	791,818,132	100.00	692,761,282	100.00

3. Main materials

[Basic date: March 31, 2019]

(Unit : 1,000KRW)

Material	Purchase price	Major supplier	Comments
WAFER, etc.	87,937,608	SK Hynix Co., Ltd., etc.	-
Processing cost, etc.	56,156,539	LB Semicon Co., Ltd., etc.	-

Note) LG Innotek Co., Ltd. which is one of the supplier of the company's materials is an LG affiliate company.

The company is a fabless company that outsources the manufacturing of the semiconductors. Information on unit price and price fluctuation are not written as purchase price of the wafers is crucial part of the business performance and therefore is a confidential information.

4. Information on manufacture and facilities

A. Manufacturing ability and facilities

The company is a fabless company that has no manufacturing facilities. Manufacturing is outsourced to professional semiconductor manufacturers (foundry). Therefore, details on manufacture and facilities are not written.

B. Outsourcing manufacture

Fabless companies rely on outsource manufacturing from wafer production to packaging and testing. Moreover, due to the industry's characteristics, the business is segmented as foundry businesses that manufactures wafers or packing and testing businesses accompany big investments.

5. Sales

A. Sales performance

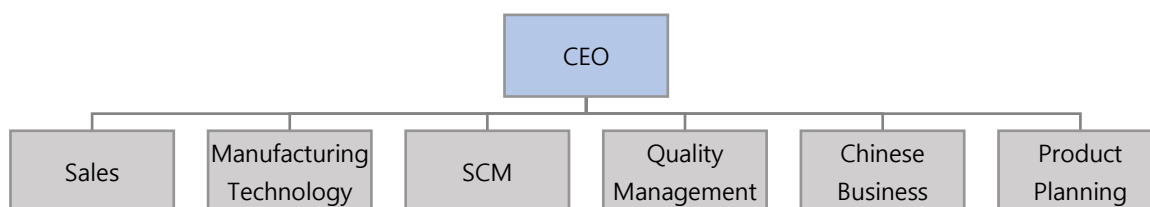
[Basic date: March 31, 2019]

(Unit : 1,000KRW)

Business	Sales type	Product		21 st year 1 st quarter	20 th year	19 th year
Semiconductor	Product, etc.	System IC	Domestic	6,228,629	36,811,776	30,104,137
			Export	171,137,751	755,006,355	662,657,145
Total			Total	177,366,380	791,818,132	692,761,282

B. Sale channel and method, strategy, major customers

(1) Sales and mass production support organizations



[Job tasks per sales division]

Division	Job tasks
Sales	<ul style="list-style-type: none"> - Market and customer analysis, strengthening benchmark - Seek opportunity for market entering by sector/ secure orders
Manufacturing Technology	<ul style="list-style-type: none"> - Secure product reliability - Secure post-manufacture pre-quality and technology - Establish quality management system
SCM	<ul style="list-style-type: none"> - Establish and implement medium and long-term purchase strategy to counteract on production cost and internal and external environment changes - Management of developed products' supply chain - Timely/ proper production and supply
Quality Management	<ul style="list-style-type: none"> - Establish quality assurance and management system for customers - Provide best shipping quality and highly reliable products - Provide satisfaction with continuous developments and fast CS
Chinese Business	- Business diversification and enlarge overseas business through Chinese region (China, Taiwan) customer focused strategy
Product Planning	- Plan product, plan short and long-term product technology strategy

(2) Marketing channel (Sales Channel)

Most of our sales are direct sales; The company develops and sells products through consistent discussions regarding the product specifications and characteristics with electronic companies which are the major buyers from the stage of development.

Product name	Partner	Sales channel
System IC	LG Display, etc.	Order → Silicon Works (OEM → release → delivery) Payment: within 30 to 120 days

(3) Marketing strategy

The company is expected to maintain its competitiveness in the market through the development of new products and technologies along with differentiated customer support to fortify the customer base and to explore new customers. The company will keep its status in the market as it provides the optimum solutions which customers expecting from it.

6. Order Situation

The driver chips for displays manufactured by the company vary depending on the size and characteristics of display panels. Based on the purchase policies of major panel manufacturers, order is placed in a cycle of 10 weeks, followed by additional order at any given time thereafter.

7. Market Risk and Risk Management

The consolidated entity is exposed to credit risk, liquidity risk and market risk with regard to financial products. Information on the aforesaid risk to which the consolidated entity is exposed is disclosed in the notes with the goal, policy, risk evaluation and management procedure, and capital management of the consolidated entity. Additional quantitative information is also disclosed throughout the financial statements.

A. Credit Risk Management

Credit risk refers to risk where the consolidated entity may have financial losses as customers or transactional counterpart fails to fulfill contractual obligations for financial products, and it may mainly break out from account receivables for customers and investment assets. Our company is trading with customers with the certain level or higher of credit rating in an effort to reduce financial losses due to default, while reviewing the credit ratings of customers with exposure to credit risk periodically. Credit risk may break out even from transactions with financial institutions as well, and our company is in principle trading only with the banks of higher credit ranking in an effort to reduce this risk. Our company ensures that new transactions are carried out for deposits with the higher likelihood of credit risk such as trust deposits only after approval by the executive in charge. The exposure level of the consolidated entity to credit risk in the current quarter is

maximum 4,211 billion KRW, including cash, cashable assets, trade receivables and other receivables.

B. Liquidity Risk Management

Liquidity risk refers to risk where the consolidated entity has difficulties in fulfilling obligations for financial liabilities (account payables and other payables) which will be cleared with the delivery of cash or other financial assets. The liquidity management method of the consolidated entity is to maintain liquidity good enough to pay back any debt on the maturity without any excessive loss in an abnormal way or any risk of damage to the consolidated entity's reputation even under any financially difficult circumstance. The consolidated entity manages liquidity risk by maintaining cash, cashable assets and short-term financial products sufficiently. Among the total of 1,770 billion KRW of financial liabilities held by the consolidated entity during the current quarter year, 1,770 billion KRW is due within one year due to the contract, and a stable liquidity ratio of 272.71% has been kept.

C. Market risk

Market risk refers to risk with variations on the fair values of financial products or future cash flows due to variations in the market prices.

(1) Exchange rate risk management

The consolidated entity is exposed to the exchange rate risk related to the sales profits and costs indicated in currencies other than the Korean Won which is the functioning currency. The major presentation currency for these transactions is the USD.

The book values of the cash assets and liabilities presented in foreign currency other than the functioning currency at the end of the current quarter and the previous year as follows.

(Unit: 1,000 KRW)

Classification	Current quarter			End of previous year		
	USD	JPY	CNY	USD	JPY	CNY
Assets in foreign Currency (Cash and cashable assets, receivable)	26,493,137	-	96,405	11,801,375	-	106,160
Liabilities in foreign Currency (liabilities, payable)	18,685,001	357	278,450	19,858,116	72,949	155

The influence of changes in foreign exchange rate for KRW on the profits (before corporate tax) at the end of the current quarter and the previous year is shown below.

(Unit: 1000 KRW)

Division	Current quarter	End of previous year
	(If 5% changed)	(If 5% changed)

USD	±390,407	±402,837
JPY	±18	±3,647
CNY	±9,102	±5,300

(2) Interest Rate Risk Management

The consolidated entity is not recognizing the fixed interest rate financial products as the financial products for which the profits or losses should be recognized in the current fiscal year. Accordingly, the revenues and operating cash flows of the consolidated entity are actually independent of variations in the market interest rate.

D. Capital Risk Management

The capital management of the consolidated entity is for maintaining the existence of the company as a going concern, minimizing the capital cost for funding, maximizing the profits of the shareholders, and maintaining an appropriate equity structure. The consolidated entity is managing its capital based on the liability ratio. The liability ratio is calculated by dividing the total liability with the capital in the financial statement. In the current quarter, the consolidated entity maintains a proper debt ratio at 48.26%.

For more details on the market risks, please refer to the notes to this disclosure document. 『Ⅲ. Financial Matters』: 3. Notes to Consolidated Financial Statements – 6. Financial Risk Management 』

8. Transaction of Derivatives

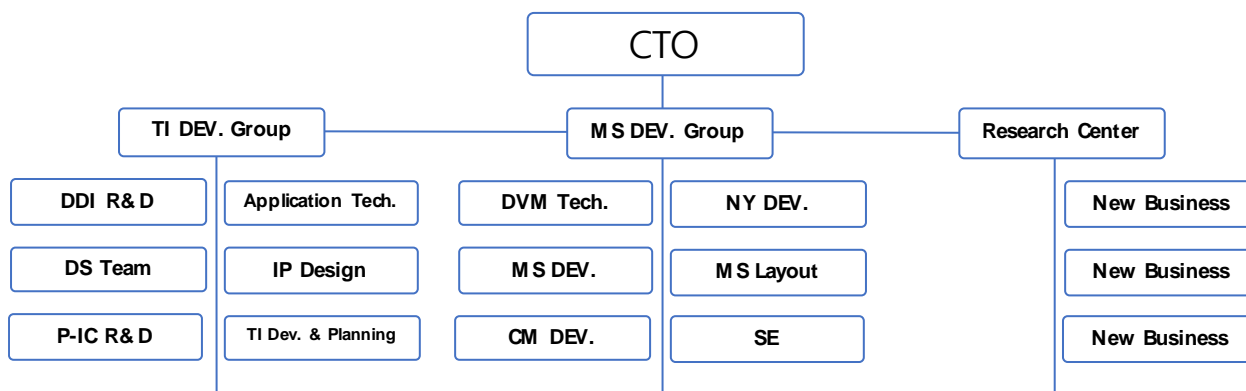
As of the reporting day, there is no relevant information.

9. Major Contracts in Management

As of the reporting day, there is no relevant information.

10. Research and Development

A. Research and Development Organization



B. Research and Development cost

(Unit:1,000 KRW)

Classification		1 st quarter of 21 st year	20th year	19 th year
Asset processing	Raw material cost	-	-	-
	Labor cost	-	-	-
	Manufacturing cost	-	-	-
	Sub-total	-	-	-
Cost processing	Manufacturing cost	-	-	-
	Selling and administrative expense	23,532,421	85,708,859	79,214,211
Total (Ratio to sales)		23,532,421 (13.27%)	85,708,859 (10.82%)	79,214,211 (11.43%)

Note) The company does not convert ordinary research and development expenses into equity but recognize as quarterly costs.

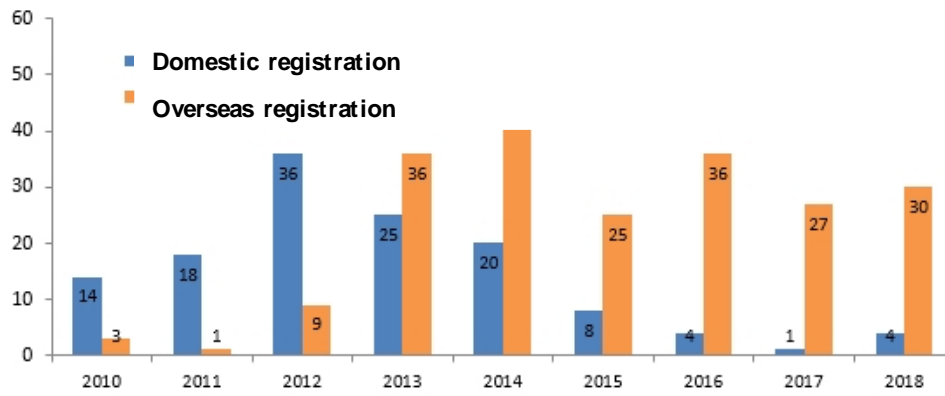
C. Performances in research and development

The company is specializing in display components and has secured a variety of product technologies over the entire area of displays from components for IT products such as laptop computers, monitors and tablet PC's to other components for TV and mobile devices during the recent years. Our company's main products include D-IC, T-Con and PMIC while increasing sales through expanding product lineup to LED DIC, Touch IC, Mobile DDI, TDDI, etc. In addition to these products, the company is carrying out the mass production or development of some analog semiconductors for electric fittings and OA machines such as power IC, motor driver, power switch and sensor IC and others through expanding technologies to various application areas other than displays.

11. Other Matters Necessary for Investment Decision Making

A. Intellectual Property in Possession

(Unit: Case)



구분		2010	2011	2012	2013	2014	2015	2016	2017	2018	계
Registration	Domestic	14	18	36	25	20	8	4	1	4	130
	Overseas	3	1	9	36	52	25	36	27	30	219
Application	Domestic	-	-	7	30	43	48	42	53	52	275
	Overseas	-	1	1	5	2	28	27	59	54	177

구분	2010		2011		2012		2013		2014		2015		2016		2017		2018	
	국내	해외	국내	해외	국내	해외	국내	해외	국내	해외	국내	해외	국내	해외	국내	해외	국내	해외
D-IC	10	3	7	1	13	7	8	27	4	24	1	11	15		3		10	
T-Con	2		3		9	2	4	8	2	23		9	3		2		2	
PMIC	2		2		3		6		1		1		1		1		1	
BLU					2			1							2			
LED-IC					1		4		2	1	6	2	4	11	1	13		7
Touch			3		3		2		2	3		1	3		2		2	3
AUTO							1		8				1		2			5
기타			3		5				2		1	1	2		2		2	2
소계	14	3	18	1	36	9	25	36	20	52	8	25	4	36	1	27	4	30

III. Financial Related Matters

1. Summarized Financial Information

A. Summarized consolidated financial information

The company's consolidated financial statements for the 1st quarter of the 21st year are written based on Korea - International Financial Reporting Standards (K-IFRS) and inspected by external financial inspector. The Company's 20th and 19th consolidated financial statements also have been written based on K-IFRS for comparison.

(Unit: 1,000 KRW)

Classification	1 st Quarter of 21 st year	20 th year	19 th Year
	Mar 31 st , 2019	Dec 31 st , 2018	Dec 31 st , 2017
[Current Assets]	544,002,292	508,162,893	497,749,254
• Quick Assets	432,422,950	404,071,783	436,737,980
• Inventory Assets	111,579,342	104,091,110	61,011,274
[Non-Floating Assets]	102,540,381	99,395,413	46,544,871
• Transferrable Financial Assets	0	1,025,845	3,358,369
• Tangible Assets	26,061,788	22,952,603	15,208,687
• Intangible Assets	57,733,570	56,895,059	17,715,664
• Other Non-Current Assets	18,745,023	18,521,906	10,262,151
Total Assets	646,542,673	607,558,306	544,294,125
[Current Liabilities]	199,482,418	155,223,703	129,360,440
[Non-Current Liabilities]	10,982,327	5,721,034	2,708,263
Total liabilities	210,464,744	160,944,738	132,068,704
[Capital Stock]	8,132,150	8,132,150	8,132,150
[Capital Surplus]	76,343,170	76,343,170	76,343,170
[Capital Adjustment]	(381,460)	(487,552)	1,645,781
[Retained Earnings]	351,984,068	326,625,800	326,104,320
[Non-Controlling Equity]	0	0	0
Total Equities	436,077,929	446,613,568	412,225,422
	Jan 1 st , 2019 ~ Mar 31 st , 2019	Jan 1 st , 2018 ~ Dec 31 st , 2018	Jan 1 st , 2017 ~ Dec 31 st , 2017
Sales	177,366,381	791,818,132	692,761,282
Operating Profit	1,762,962	55,797,059	45,521,509
Net profit	2,857,638	48,960,453	47,064,354
Controlling Company's equity	2,857,638	48,960,453	47,064,354
Non-Controlling Company's Equity	0	0	0
Net Earnings per Share (KRW)	176	3,010	2,894

Net Diluted Earnings per Share (KRW)	176	3,010	2,894
Number of company included in the consolidation	2	2	2

B. Summarized Financial Information

The company's financial statements for the 1st quarter of the 21st year are written based on Korea - International Financial Reporting Standards (K-IFRS) and reviewed by external inspector. The Company's 20th and 19th consolidated financial statements also have been written based on K-IFRS for comparison.

(Unit: 1,000 KRW)

Classification	1 st Quarter of 21 st year	20 th year	19 th Year
	Mar 31 st , 2019	Dec 31 st , 2018	Dec 31 st , 2017
[Current Assets]	542,515,518	506,873,236	496,552,390
• Quick Assets	430,936,176	402,782,126	435,541,116
• Inventory Assets	111,579,342	104,091,110	61,011,274
[Non-Current Assets]	103,559,888	100,375,583	47,293,891
• Transferrable Financial Assets	0	1,025,845	3,358,369
• Tangible Asset	24,840,703	21,717,533	15,188,032
• Intangible Asset	57,733,570	56,895,059	17,715,664
• Other Non-Current Assets	20,985,615	20,737,146	11,031,826
Total Assets	646,075,406	607,248,819	543,846,281
[Current Liabilities]	199,878,703	155,610,549	129,626,588
[Non-Current Liabilities]	10,982,327	5,721,034	2,708,263
Total Liabilities	210,861,029	161,331,583	132,334,851
[Capital Stock]	8,132,150	8,132,150	8,132,150
[Capital Surplus]	76,343,170	76,343,170	76,343,170
[Capital Adjustment]	(380,808)	(380,808)	1,705,780
[Retained Earnings]	351,119,864	361,822,723	325,330,329
Total Equities	435,214,376	445,917,236	411,511,429
Evaluation method for Subsidiaries, Relational and Common Company's investment	Cost Methods	Cost Methods	Cost Methods
	Jan 1 st , 2019 ~ Mar 31 st , 2019	Jan 1 st , 2018 ~ Dec 31 st , 2018	Jan 1 st , 2017 ~ Dec 31 st , 2017
Sales	177,366,381	791,817,912	692,756,756
Operating Profit (loss)	1,645,292	55,686,047	44,713,714
Net Profit (loss)	2,796,509	48,931,368	46,457,534
Net Earnings (loss) per Share (KRW)	172	3,009	2,856

Net Diluted Earnings (loss) per Share (KRW)	172	3,009	2,856
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2. Consolidated Financial Statements

Consolidated Statement of Financial Position, Balance Sheet

End of 1st Quarter of 21st Year, 2019.03.31~Current

End of 20th Year, 2018.12.31~Current

(Unit: KRW)

	End of 1 st Quarter of 21 st Year	End of 20 th Year
Assets		
Current Assets	544,002,291,609	508,162,893,203
Cash and Cash Equivalent	169,400,952,205	222,527,311,948
Short-Term Financial Products	60,000,000,000	
Sales Receivables	182,166,092,124	158,800,076,125
Other Receivables	1,699,564,205	2,245,032,543
Short-Term Investment Assets	629,890,122	
Other Current Assets	18,526,451,253	20,499,362,783
Inventory Assets	111,579,341,700	104,091,109,804
Non-Current Assets	102,540,381,214	99,395,412,661
Long-Term Investment Assets		1,025,845,393
Other Non-Current Receivables	7,157,947,365	6,700,853,051
Investments in Relational Companies	4,387,057,810	4,419,269,914
Tangible Assets	26,061,787,883	22,952,602,672
Intangible Assets	57,733,570,089	56,895,059,001
Other Non-Current Assets	1,525,161,152	1,521,850,250
Deferred Tax Assets	5,674,856,915	5,879,932,380
Total Assets	646,542,672,823	607,558,305,864
Liabilities		
Current Liabilities	199,482,417,622	155,223,703,292
Expense Payables	148,379,182,703	114,566,795,190
Other Payables	41,946,403,834	19,970,296,461
Other Current Liabilities	7,761,060,609	10,120,587,970
Payable Tax Liabilities	1,395,770,476	10,566,023,671
Non-Current Liabilities	10,982,326,685	5,721,034,233
Other Non-Current Payables	3,023,260,690	

Other Non-Current Liabilities	1,345,443,115	1,323,932,368
Fixed Salaries Liability	6,613,622,880	4,397,101,865
Total Liabilities	210,464,744,307	160,944,737,525
Capital		
Capital Reverted to Owners of Controlling company	436,077,928,516	446,613,568,339
Capital	8,132,150,000	8,132,150,000
Capital Surplus	76,343,170,500	76,343,170,500
Other Capital Accounts	(381,460,460)	(487,551,847)
Retained Earnings (Deficit)	351,984,068,476	362,625,799,686
Non-Controlling Shares		
Total Equities	436,077,928,516	446,613,568,339
Total Equities and Liabilities	646,542,672,823	607,558,305,864

Consolidated Profit and Loss Statement

End of 1st Quarter of 21st Year, 2019.01.01~2019.03.31

End of 1st Quarter of 20th Year, 2018.01.01~2018.03.31

(Unit: KRW)

	1 st Quarter of 21 st Year		1 st Quarter of 20 th Year	
	3 Months	Accumulated	3 Months	Accumulated
Revenue	177,366,380,848	177,366,380,848	162,156,022,628	162,156,022,628
Cost of Goods Sold	137,660,749,717	137,660,749,717	125,134,424,567	125,134,424,567
Gross Profit	39,705,631,131	39,705,631,131	37,021,598,061	37,021,598,061
Selling and Maintenance Expenses	37,942,669,079	37,942,669,079	33,852,624,284	33,852,624,284
Operating Profit (loss)	1,762,962,052	1,762,962,052	3,168,973,777	3,168,973,777
Financial Income	1,051,305,373	1,051,305,373	1,145,532,128	1,145,532,128
Financial Cost	88,341,692	88,341,692	2,506,515	2,506,515
Other Profit	829,506,541	829,506,541	662,984,719	662,984,719
Other Expenses	278,800,546	278,800,546	402,247,508	402,247,508
Equity Method Profit and Loss	(32,212,104)	(32,212,104)		
Net Profit (loss) excluding Income Tax Expense	3,244,419,624	3,244,419,624	4,572,736,601	4,572,736,601

Income Tax Expense	386,781,834	386,781,834	(1,522,427,113)	(1,522,427,113)
Quarter Year Net Profit (loss)	2,857,637,790	2,857,637,790	6,095,163,714	6,095,163,714
Reverted Current Quarter Net Profit (loss)				
Current Quarter Net Profit (loss) reverted to Owners of Controlling Company	2,857,637,790	2,857,637,790	6,095,163,714	6,095,163,714
Earnings per Share				
Basic Earnings (loss) per Share (Unit: KRW)	176	176	375	375
Diluted Earnings (loss) per Share (Unit: KRW)	176	176	375	375

Comprehensive Consolidated Profit and Loss Statement

End of 1st Quarter of 21st Year, 2019.01.01~2019.03.31

End of 1st Quarter of 20th Year, 2018.01.01~2018.03.31

(Unit: KRW)

	1 st Quarter of 21 st Year		1 st Quarter of 20 th Year	
	3 Months	Accumulated	3 Months	Accumulated
Quarter Net Profit (loss)	2,857,637,790	2,857,637,790	6,095,163,714	6,095,163,714
Other Comprehensive Profit or Loss	106,091,387	106,091,387	(306,084,986)	(306,084,986)
Accounts not reclassified as Profit and Loss (Pre-tax Other Comprehensive Income)			(350,093,662)	(350,093,662)
Profit (loss) on hedge of net investment in foreign operations (other comprehensive profit or loss before tax)			(350,093,662)	(350,093,662)
Accounts can be reclassified as Profit and Loss (Pre-tax Other Comprehensive Income)	106,091,387	106,091,387	44,008,676	44,008,676
Currency Exchange Rate for Overseas Branches (Pre-tax Other Comprehensive Income)	106,091,387	106,091,387	44,008,676	44,008,676
Total Comprehensive Profit and Loss	2,963,729,177	2,963,729,177	5,789,078,728	5,789,078,728
Converted Total Comprehensive Income				
Total Comprehensive Income converted to the Owners of Controlling Companies	2,963,729,177	2,963,729,177	5,789,078,728	5,789,078,728

Consolidated Statement of Changes in Equity

End of 1st Quarter of 21st Year, 2019.01.01~2019.03.31

End of 1st Quarter of 20th Year, 2018.01.01~2018.03.31

(Unit: KRW)

		Capital					
		Capital attributable to owners of the controlling company					Non- Control ling Share
		Capital	Capital surplus	Other capital	Consolidated retained earnings	Total equity converted to owner of the controlling company	
2018.01.01 (Fundamental Capital)		8,132,150,000	76,343,170,500	1,645,780,697	326,104,320,415	412,225,421,612	412,225,421,612
Changes of Accounting Policy (KIFRS-No.9)				(1,263,779,692)	1,705,779,692	442,000,000	442,000,000
Changes of Accounting Policy (KIFRS-No.15)					(1,576,974,791)	(1,576,974,791)	(1,576,974,791)
2018.1.1 (beginning) (Rewritten Amount)		8,132,150,000	76,343,170,500	382,001,005	326,233,125,316	411,090,446,821	411,090,446,821
Total Comprehensive Profit or Loss	Quarter Net Profit				6,095,163,714	6,095,163,714	6,095,163,714
	Other Quarter Net Profit – Fair Value Measured			(350,093,662)		(350,093,662)	(350,093,662)
	Currency Exchange Profit and Loss for Overseas Business			44,008,676		44,008,676	44,008,676
Transactions with shareholders directly recognized in capital, etc.	Annual dividend				(11,385,010,000)	(11,385,010,000)	(11,385,010,000)
2018.03.31 (Ending Capital)		8,132,150,000	76,343,170,500	75,916,019	320,943,279,030	405,494,515,549	405,494,515,549
2019.01.01 (Fundamental Capital)		8,132,150,000	76,343,170,500	(487,551,847)	362,635,799,686	446,613,568,339	446,613,568,339
Changes of Accounting Policy (KIFRS-No.9)							
Changes of Accounting Policy (KIFRS-No.15)							
2018.1.1 (beginning) (Rewritten Amount)							

Total Comprehensive Profit or Loss	Quarter Net Profit				2,857,637,790	2,857,637,790		2,857,637,790
	Other Quarter Net Profit – Fair Value Measured							
	Currency Exchange Profit and Loss for Overseas Business			106,091,387		106,091,387		106,091,387
Transactions with shareholders directly recognized in capital	Annual Dividend				(13,499,369,000)	(13,499,369,000)		(13,499,369,000)
2019.03.31 (Ending Capital)		8,132,150,000	76,343,170,500	(381,460,460)	351,984,068,476	436,077,928,516		436,077,928,516

Consolidated Cash Flow Statement

21st Year 1st Quarter, from January 1, 2019 to March 31, 2019

20th Year 1st Quarter, from January 1, 2018 to March 31, 2019

(Unit: KRW)

	21 st year 1 st quarter	20 th year 1 st quarter
Cash flow from sales operations	11,257,934,869	(93,190,161)
Cash generated from sales	10,389,895,705	(8,194,466,062)
Quarter net profit (loss)	2,857,637,790	6,095,163,714
Addition or deduction for quarter net profit adjustment	3,902,935,837	148,611,479
Change to equities/liabilities on sales operations	3,629,322,078	(14,438,241,255)
Receipt of interest (sales)	1,145,686,177	217,596,918
Payment of interest (sales)	(15,938,764)	
Payment of corporate tax (refund)	(261,708,249)	7,883,678,983
Cash flow of investments	(63,667,801,559)	(7,223,079,300)
Increase in short-term financial item	(60,000,000,000)	
Increase in other bonds	(893,430,880)	(1,602,994,459)
Decrease in other bonds	358,828,227	474,846,875
Acquisition of tangible assets	(829,620,191)	(649,432,992)
Acquisition of intangible assets	(2,576,505,898)	(1,645,695,000)
Disposition of tangible assets	95,131,000	
Disposition of intangible assets		154,545,455
Disposition of net income-fair value measured financial assets	335,000,000	600,000,000
Increase in advance payments	(157,203,817)	(144,349,179)
Acquisition of investments in equity securities of related companies		(4,410,000,000)
Cash flow from financing activities	(748,513,957)	
Payment of lease fees	(748,513,957)	

Net increase of case and cash equivalents before applying fluctuation of foreign exchange rate	(53,158,380,647)	(7,316,269,461)
Starting cash and cash equivalents	222,527,311,948	74,727,328,394
Foreign exchange rate fluctuation effect on cash and cash equivalents	32,020,904	92,854,947
Ending cash and cash equivalents	169,400,952,205	67,503,913,880

3. Notes on Consolidated Financial Statements

1. Company overview

(1) Controlling company overview

Silicon Works Co., Ltd. (hereinafter referred to as the "controlling company") was established on November 11, 1999 for the purpose of designing and manufacturing FPD (flat panel display) semiconductor IC. The company is located in 222 Techno 2-ro, Daedeok-gu, Daejeon, Republic of Korea. The controlling company was certified by the Korea Institute for Advance of Technology as a corporate subsidiary research facility in accordance with Article 16 of the Technology Development Promotion Act and Clause 1 of Article 15 of the Enforcement Decree on October 19, 2001. The controlling company has also been designated as a high-tech company as per Clause 1 of Article 9 of the Special Law on the Cultivation of the Special Research and Development Daedeok-gu and more on October 23, 2011.

The controlling company was listed in KOSDAQ on June 8, 2010. After several increases in capital with or without considerations, the amount of paid-in capital of the company at the end of current quarter is KRW 8,132,150,000 (Issued shares: 16,264,300, Authorized shares: 50,000,000).

The current status of the shareholders of the controlling company at the end of this quarter is as follows:

(Unit: shares)			
Company name	Shares owned	Percentage	Comment
LG Inc.	5,380,524	33.08%	The largest share holder
Templeton Asset Management, Ltd.	1,041,399	6.40%	-
BlackRock Fund Advisors	816,703	5.02%	-
Etc.	9,025,674	55.50%	-
Total	16,264,300	100.00%	

Consolidated financial statement for the reporting period ending on March 31, 2019 is comprised of shares in the controlling company and its subsidiaries (hereinafter the "consolidated entity").

(2) Overview of consolidated subsidiary of current and last quarter-end

Company name	Country	Major activity	Settlement month	Current quarter-end controlling percentage	Last quarter-end controlling percentage
Silicon Works Inc.	USA	Semiconductors manufacture and design	December	100.00%	100.00%
Silicon Works China Inc., Ltd.	China	Semiconductors manufacture and design	December	100.00%	100.00%

(3) Subsidiaries' financial statement summary

Overview of current consolidated subsidiaries' financial statement of the end of current and last quarter are as follows:

(Unit: KRW)				
Category	Silicon Works Inc.		Silicon Works China Co., Ltd.	
	Current quarter	Last quarter	Current quarter	Last quarter
Assets	338,712,763	298,468,756	2,915,836,901	2,869,034,174
Liabilities	5,568,109	14,676,203	45,851,251	149,128,448
Capital	333,144,654	283,792,553	2,869,985,650	2,719,905,726
Sales	592,056,215	1,646,388,473	890,705,194	2,789,621,315
Net profit	43,856,079	(48,605,613)	49,484,559	68,420,742
Total comprehensive income	49,352,101	(35,475,712)	150,079,924	8,545,720

2. Applied standards for writing the financial statements

(1) Accounting standards

This quarterly consolidated financial statement is a condensed interim financial statement written in accordance with K-IFRS. It is written in accordance with no.1034 'interim financial reporting' of the Statements of Korea Accounting Standards (SKAS), and includes less information than the requirements of the yearly consolidated financial statement. Selective comments contain descriptions of events that are significant in understanding the changes in the financial position and management performance that occurred after the end of the previous annual reporting period.

No. 1116 of the SKAS's 'Lease' was first applied to the quarterly consolidated financial statements, and significant changes in accounting policies are described in Note 3.

(2) Estimation and judgment

① Uncertainty in the board of directors' judgment, estimation, and assumption

K-IFRS requires the use of the board of directors' estimations and hypothesis based on their best judgments in matters such as accounting standard application or that affect the reporting amount of current asset, debt and profit, fees of the interim report when writing it. If estimates and assumptions based on the best judgment of the board of directors at the end of the interim period are different from those of the actual environment, the actual results may differ.

Board of directors' judgments on application of consolidated entity's accounting policy and estimated amount in the quarterly consolidated financial statement used same accounting policies and assumptions as the annual consolidated financial statements for the fiscal year ending on December 31, 2018, except for some cases of uncertainty in important judgment and assumption related to applying no.1116 of the SKAS's 'Lease' that is explained in Note 3.

② Measuring fair value

Consolidated entity establishes fair value evaluation policies and procedures. The policies and procedures include the operations of the evaluation department responsible for the review on the measurement of every significance fair values including those classified into Level 3 in the hierarchical system. The results are directly reported to the financial executive.

The evaluation department regularly reviews significant input variables and evaluation adjustments that cannot be observed. If any information by a third party such as the broker price or evaluation organization is used in the fair value measurement, the evaluation based on information acquired from the third party includes the classification per level in the hierarchy system of fair value and judge whether to conclude as it meeting the applicable standard.

In the case where the fair value of an asset or liability is measured, the consolidated entity uses the input variable that can be observed from the market as much as possible. The fair values are classified within the hierarchy system of fair values, based on the input variables used in the valuation techniques as follows.

- Level 1: Unadjusted quoted price in an active market with access to the same asset or liability of the date of measurement
- Level 2: Input variables that are directly or indirectly observable for an asset or liability other than the quoted price at Level 1
- Level 3: Input variables that cannot be observed for an asset or liability

If more than one input variables used for measuring the fair value of an asset or liability are classified into different levels within the hierarchy system, the consolidated entity classifies the entire fair value measurements into the same level with input variable in the lowest level in the hierarchy system, and recognizes movement within the levels of the hierarchy that occurred at the end of reporting period.

3. Significant accounting policies

Except for the cases mentioned below, accounting policies applied in this quarterly consolidated financial statement is same as the one used for the yearly consolidated financial statement. Change in accounting policy is expected to apply accordingly to the consolidated entity's 2019 year-end consolidated financial statement.

Consolidated entity first applied No.1116 of SKAS on January 1, 2019. There is other accounting policies that implements starting from January 1, 2019, those standards do not have big impact on the financial statement of the consolidated entity.

No.1116 of SKAS implemented single lease user accounting model, and as a result, consolidated entity recognizes user assets that shows the right to use underlying asset as a lease user and the lease liability that shows the obligation to pay lease fees. Lease provider accounting model is similar to the previous accounting policy.

The consolidated entity has recognized the cumulative effect by the no.1116 of SKAS as an earned surplus of January 1, 2019(first day of application). Therefore, comparative financial information applied no.1017 of SKAS as reported previously, and have not been rewritten. Details about modifications in accounting policies are noted below.

(1) Definition of lease

Previously, consolidated entity applied No.2104 of the Statement of Financial Accounting Standards(SFAS) decide whether lease is included in the contract' and decided whether the contract was a lease or non-lease on the contract date. Now, the consolidated entity evaluates it under the basis of new definition of lease. According to No.1116 of SKAS, if the observed assets' private use control is transferred for a certain period of time in a contract, such contract is considered a lease or it includes lease.

On the first application date of No.1116 of SFAS, consolidated entity decided to apply a practical simple law that does not identify whether the contract is lease or not. Previously, consolidated identity applied No.1116 of SFAS only to the contracts that were identified as lease. It was not re-identified to find out whether it was the lease based on No.1017 or SKAS and No.2104 of SFAS. Therefore, definition of lease according to No.1116 of SKAS was applied to contracts signed or modified after January 1, 2019.

(2) Lease user

Consolidated entity leases many assets including buildings and automobiles.

Consolidated entity classified lease as operating lease or financing lease depending on whether the lease transferred most of the dangers and compensations followed by the ownership of underlying assets as a lease user. According to no.1116 of SKAS, consolidated entity recognizes user right assets and lease liabilities on most of the lease. Therefore, most of the leases are shown on the consolidated financial statement.

However, consolidated entity decided not to recognize user right assets and lease liabilities for some of the underlying asset leases of a small sum. Consolidated entity recognizes such lease as an expense according to a flat rate standard during the lease period.

Book value of user right asset is as follows:

(Unit: KRW)			
Category	User right asset		
	Buildings	Ground vehicles	Total
Beginning of the quarter	3,480,728,147	383,361,634	3,864,089,781
Quarter-end	2,671,696,841	334,077,688	3,005,774,529

Consolidated entity includes lease liabilities into 'other liabilities' category of the consolidated financial statement.

① Significant accounting policy

Consolidated entity recognizes lease liability on the starting day of the lease. User right asset is measured as production price on initial recognition and subsequently measured by deducting accumulated depreciation and accumulated impairment losses from the production price, reflecting adjustments to the measurement of the lease liability.

Lease liability is measured as the current value that has not been paid on initial recognition, the starting day of the lease. When measuring the current value, lease fees are discounted as implicit interest rate. In the cases where implicit interest rate cannot be easily calculated, lease fees are discounted as incremental borrowing rate of the consolidated entity.

The lease liability subsequently increases by the amount of interest fees recognized for the lease liability and decreases according to the payment of the lease fee payments. Lease liabilities are recalculated when future lease fees are altered according to changes in index or tariff (interest rate), estimated amount of payment according to guaranteed residual value, certainty of exercising purchase or extension options, or certainty of not exercising termination option.

Consolidated entity applies their judgments when deciding lease term for certain lease contracts that contain extension option. The evaluation of the certainty on the consolidated entity's selection of extension option affects the lease term, therefore also affecting the lease liabilities and the cost of the user right assets.

② Transitional provision

For the leases classified as an operating lease according to No.1017 of the SKAS on the period of transition, lease liabilities are measured as a current value of remaining lease fees as of January 1, 2019. And user right assets are calculated as the same price of the lease liabilities (adjust pre-paid or occurred(unpaid) lease fees).

Consolidated entity applies the following practical simple law when applying no.1116 of the SFAS to leases that are classified as operating lease according to No.1017 of the SKAS.

- Exempt regulation that does not recognize user right assets and lease liabilities applies for the leases that have less than 12 months of term.

- Direct cost of lease opening is excluded from the measured value of user right assets of the first application date.
- If the contract includes lease extension or termination option, then post-judgment is used to decide the lease term.

(1) Effect on the financial statement

① Effect at the point of transition

Consolidated entity additionally recognized user right assets and lease liabilities at the transition period of No. 1116 of the SFAS. The effects on the transition point are as follows.

(Unit: KRW)	
Category	January 1, 2019
User right assets indicated as tangible asset	3,864,089,781
Lease liabilities	3,864,089,781

When calculating lease liabilities on the leases classified as operating lease, consolidated entity calculated the lease liabilities as the current value of remaining lease fee as of January 1, 2019.

(Unit: KRW)	
Category	January 1, 2019
Operating lease term announced on the quarter-end (12/31/2018) financial	3,913,837,219
Current value of the lease fee as of January 1, 2019	3,864,089,781
Financial lease liabilities recognized at the quarter-end (12/31/2018)	-
Lease liabilities recognized on January 1, 2019	3,864,089,781

② Effect at the transition period

After first applying no.1116 of the SFAS, consolidated entity recognized 3,005,775,000 won as user right assets for leases that were classified as operation lease as of March 31, 2019, and 3,023,261,000 won as lease liabilities. Moreover, regarding the lease according to no.1116 of the SFAS, consolidated entity recognized depreciation cost and interest fee instead of operating lease fee. Consolidated entity recognizes depreciation cost of 773,412,000 won and interest fee of 15,939,000 won for such lease during the quarter which ends on March 31, 2019.

4. Sales

Consolidated entity is organized as a single research development organization and has the same marketing strategy. Therefore, it regards and reports sales division as a single division.

There is 1 company that consists more than 10% of the consolidated entity sales for this quarter, and it consists 85% of the total sales. There is 1 company that consists more than 10% of the consolidated entity sales for the last quarter, and it consists 88% of the total sales.

5. Classification of financial products by category

(1) Financial products by category

Current quarter-end and last quarter-end's book value on financial products by category are as follows.

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Financial assets:		
Net profit/loss-fair value measured financial asset	629,890,122	1,025,845,393
Financial assets measured at amortized cost		
Cash and cash equivalent assets	169,400,952,205	222,527,311,948
Short-term financial product	60,000,000,000	-
Accounts receivables	182,166,092,124	158,800,076,125
Other receivables	8,857,511,570	8,945,885,594
Subtotal	420,424,555,899	390,273,273,667
Total	421,054,446,021	391,299,119,060
Financial liabilities:		
Other financial liabilities		
Purchase liabilities	148,379,182,703	114,566,795,190
Other liabilities (*)	28,600,805,761	9,539,152,235
Total	176,979,988,464	124,105,947,425

(*) Employees related liabilities that do not include in financial liabilities are excluded,

(2) Financial revenues and financial costs by category

- ① Financial revenues and costs that were recognized as the quarter's profit and loss during current and last quarter are as follows.

(Unit: KRW)				
Category	Net interest margin		Other profit/loss (*)	
	Current quarter	Last quarter	Current quarter	Last quarter
Financial products measured at	1,017,284,689	1,082,995,189	33,803,700	39,430,262
Net profit/loss-fair value measured	-	-	60,955,271	-

(*) Other profit/loss is consisted of foreign currency conversion profit and loss, foreign currency transaction profit and loss, and net income-fair value measured financial asset.

- ② Financial profit and expense that are recognized as other comprehensive gain/loss during this quarter and last quarter are as follows.

(Unit: KRW)		
Category	Valuation profit and loss	
	Current quarter	Last quarter
Other comprehensive gain/loss-fair value measure financial asset	-	(350,093,662)

6. Financial risk management

(1) Credit risk

Credit risks are the risks of suffering financial losses due to the default of contractual obligations by the customer or the other party in an agreement for a financial product. This kind of risk is mainly related to the account receivables and investment assets.

① Exposure to credit risk

The book value of a financial asset means the maximum level of exposure to credit risks. The maximum level of exposure to credit risks at the current and last year's quarter-end for the consolidated entity is as follows.

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Cash and cash equivalent assets	169,400,952,205	222,527,311,948
Short-term financial product	60,000,000,000	-
Account receivables	182,166,092,124	158,800,076,125
Other receivables	8,857,511,570	8,945,885,594
Net profit/loss-fair value measured	629,890,122	1,025,845,393
Total	421,054,446,021	391,299,119,060

② Impairment loss

The consolidated entity has established allowances for the possible losses from its accounts receivable. The allowance for the group of financial assets is set based on the past data on the recollection of similar financial assets.

Account receivables are presented on the consolidated statement of financial position at net amounts where allowance for bad debt loan is deducted. The details of trade receivables and related allowance for bad debt loan on the basis of total amounts before the deduction of allowance for bad debt loan as of the end of the current quarter and end of the previous year are as follows.

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Account receivables	182,166,092,124	158,800,076,125
Other receivables	-	-
Net book value of account receivables	182,166,092,124	158,800,076,125

Impaired amount by account receivables' age of current quarter-end and last quarter-end are as follows.

(Unit: KRW)						
Category	Current quarter-end			Last quarter-end		
	Total receivables	Impaired amount	Book value	Total receivables	Impaired amount	Book value
Within expire date	179,973,378,778	-	179,973,378,778	155,966,260,967	-	155,966,260,967
Expire date ~ 3 months	2,192,713,346	-	2,192,713,346	2,337,833,843	-	2,337,833,843
3 ~ 6 months	-	-	-	413,348,156	-	413,348,156
Over 6 months	-	-	-	82,633,159	-	82,633,159
Total	182,166,092,124	-	182,166,092,124	158,800,076,125	-	158,800,076,125

(2) Fair value

The book value and fair value of financial assets and financial liabilities including fair value hierarchy system of the current and last quarter-end are as follows.

① Current quarter-end

(Unit: KRW)					
Category	Book value	Level 1	Level 2	Level 3	Total
Fair value measured financial assets:					
Net profit/loss-fair value measured	629,890,122	-	-	629,890,122	629,890,122
Financial assets not measured as fair value:					
Cash and cash equivalent assets	169,400,952,205	-	-	-	-
Short-term financial product	60,000,000,000	-	-	-	-
Account receivables	182,166,092,124	-	-	-	-
Other receivables	8,857,511,570	-	-	-	-
Total	420,424,555,899	-	-	-	-
Financial liabilities not measured as fair value:					
Purchase liabilities	148,379,182,703	-	-	-	-
Other liabilities	28,600,805,761	-	-	-	-
Total	176,979,988,464	-	-	-	-

② Last quarter-end

(Unit: KRW)					
Category	Book value	Level 1	Level 2	Level 3	Total
Fair value measured financial assets:					
Net profit/loss-fair value measured financial assets	1,025,845,393	-	-	1,025,845,393	1,025,845,393

Financial assets not measured as fair value:					
Cash and cash equivalent assets	222,527,311,948	-	-	-	-
Account receivables	158,800,076,125	-	-	-	-
Other receivables	8,945,885,594	-	-	-	-
Total	390,273,273,667	-	-	-	-
Financial liabilities not measured as fair value:					
Purchase liabilities	114,566,795,190	-	-	-	-
Other liabilities	9,539,152,235	-	-	-	-
Total	124,105,947,425	-	-	-	-

Changes in the fair value of level 3 during the current quarter is as follows.

(Unit: KRW)				
Category	Base	Evaluation (*)	Disposal	Current quarter-end
Net profit/loss-fair value measured financial asset	1,025,845,393	(60,955,271)	(335,000,000)	629,890,122

(*) Fair value was evaluated with the individual third-party market price method and etc.

7. Cash and cash equivalent assets

Cash and cash equivalent assets for the current and last quarter-end are as follows.

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Demand deposit	9,800,952,205	52,527,311,948
Regular deposit, etc. (*)	159,600,000,000	170,000,000,000
Total	169,400,952,205	222,527,311,948

(*) A financial product in which due of expiration is less than three months from the acquisition date. It is highly liquid, easy to convert to a fixed amount, and has a low risk of value change.

8. Short-term financial product

Short-term financial products for the current and last quarter-end are as follows.

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Regular deposit	60,000,000,000	-

9. Account receivables and other receivables

Account receivables and other receivables for the current and last quarter-end are as follows.

(Unit: KRW)		
	Current quarter-end	Last quarter-end

Category	Liquid	Illiquid	Liquid	Illiquid
Account receivables	182,166,092,124	-	158,800,076,125	-
Unpaid amount	537,688,333	-	1,051,633,029	-
Uncollected profit	474,386,174	-	586,848,898	-
Lease fee	687,489,698	5,303,883,861	606,550,616	4,738,651,170
Deposit	-	1,854,063,504	-	1,962,201,881
Total	183,865,656,329	7,157,947,365	161,045,108,668	6,700,853,051

10. Short-term and long-term investment asset

Short-term and long-term investment asset for the current and last quarter-end are as follows.

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Short-term investment assets:		
Net profit/loss-fair value measured liabilities		
LB Investment	629,890,122	-
Long-term investment assets:		
Net profit/loss-fair value measured liabilities		
LB Investment	-	1,025,845,393

11. Other assets

Other assets for the current and last quarter-end are as follows.

(Unit: KRW)				
Category	Current quarter-end		Last quarter-end	
	Liquid	Illiquid	Liquid	Illiquid
Advance fee	858,009,579	1,525,161,152	941,258,979	1,521,850,250
Prepaid expenses	12,255,174,688	-	13,268,770,815	-
VAT fees	5,413,266,986	-	6,289,332,989	-
Total	18,526,451,253	1,525,161,152	20,499,362,783	1,521,850,250

12. Inventory assets

(1) inventory assets for the current and last quarter-end are as follows.

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Work in progress	120,523,528,184	112,091,770,740
Work in progress return assets	106,938,806	123,976,321
Work item valuation loss allowance	(9,051,125,290)	(8,124,637,257)
Total	111,579,341,700	104,091,109,804

(2) Recognized valuation losses regarding inventory assets during the current and last quarter are as follows

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Sales cost:		
Inventory asset valuation loss	926,488,033	170,679,875

13. Associated company's investment share

(1) Associated company's investment share for the current and last quarter-end are as follows.

(Unit: KRW)							
Name	Country	Main sales division	Closing month	Current quarter-end		Last quarter-end	
				Shares (%)	Book value	Shares (%)	Book value
Advanced Power-Device Technologies Co. Ltd (*)	Korea	R&D and design of semiconductor device	March	49.00	4,387,057,810	49.00	4,419,269,914

(*) Consolidated entity has newly invested 4,410,000,000 won in Advance Power-Device Technologies Co. Ltd during last quarter for the purpose of product and technology development.

(2) Changes in associated company's investment shares during current and last quarter are as follows.

① Current quarter

(Unit: KRW)		
Base	Gains or losses from equity method	Current quarter-end
4,419,269,914	(32,212,104)	4,387,057,810

② Last quarter

(Unit: KRW)			
Base	Acquisition	Gains or losses from equity method	Last quarter-end
-	4,410,000,000	-	4,410,000,000

(3) Summarized financial statement of the associated company during current and last quarter are as follows.

(Unit: KRW)		
Category	Advanced Power-Device Technologies Co. Ltd (*)	
	Current quarter	Last quarter
Assets	9,963,873,825	9,659,044,994
Liabilities	614,695,591	372,663,647
Capital	9,349,178,234	9,286,381,347

Sales	1,431,430,912	2,942,094,711
Net profit during the term	62,796,887	286,381,367
Gross comprehensive profit	62,796,887	286,381,367

(4) The details on adjusted financial information amount of the associated company into book value of the shares regarding the associated company for the current and last quarter-end are as follows.

① Current quarter-end

(Unit: KRW)						
Name	Net assets at quarter-end (A)	Share rate of the consolidated entity (B)	Share of net assets (A*B)	(+)Sales right	(±)others(*)	Book value at quarter-end
Advanced Power-Device Technologies Co. Ltd (*)	9,349,178,234	49.00%	4,581,097,335	-	(194,039,525)	4,387,057,810

(*) Unrealized gain and loss of internal deal of the consolidated entity and the associated company are included.

② Last quarter-end

(Unit: KRW)						
Name	Net assets at quarter-end (A)	Share rate of the consolidated entity (B)	Share of net assets (A*B)	(+)Sales right	(±)others(*)	Book value at quarter-end
Advanced Power-Device Technologies Co. Ltd (*)	9,286,381,347	49.00%	4,550,326,860	-	(131,056,946)	4,419,269,914

(*) Unrealized gain and loss of internal deal of the consolidated entity and the associated company are included.

14. Tangible assets

(1) Details of tangible assets for the current and last quarter-end are as follows.

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Acquisition cost	50,976,801,979	45,838,549,505
Accumulated amortization	(24,343,896,968)	(22,313,671,144)
Accumulated impairment loss	(564,056,013)	(564,056,013)
Government subsidy	(7,061,115)	(8,219,676)
Book value	26,061,787,883	22,952,602,672

(2) Changes in the book value of tangible assets during the current and last quarter are as follows.

① Current quarter

(Unit: KRW)								
Category	Land	Building	Structure	Machinery	Equipment	Other tangible assets(*)	User right assets	Total
Beginning of current quarter	5,001,607,594	2,672,756,191	185,946,248	8,228,258,995	4,301,727,486	2,562,306,158	-	22,952,602,672
Acquisition	-	-	-	704,324,680	341,012,999	83,893,600	-	1,129,231,279
Disposition	-	-	-	(2,000)	(2,363,148)	-	(84,903,236)	(87,268,384)
Redemption	-	(174,139,691)	(1,176,876)	(611,972,877)	(462,346,731)	(153,060,020)	(773,412,016)	(2,176,108,211)
Etc.	13,774,740	320,872,550	-	42,905,980	1,687,476	-	3,864,089,781	4,243,330,527
Current quarter-end	5,015,382,334	2,819,489,050	184,769,372	8,363,514,778	4,179,718,082	2,493,139,738	3,005,774,529	26,061,787,883

(*) Facility equipment and leasehold improvement assets are included in other tangible assets.

② Last quarter

(Unit: KRW)							
Category	Land	Building	Machinery	Equipment	Other tangible assets (*)	Tangible assets in construction	Total
Beginning of last quarter	5,220,274,972	3,256,217,768	3,446,936,246	2,885,137,434	400,120,255	-	15,208,686,675
Acquisition	-	-	205,154,418	626,762,501	305,100,000	234,000,000	1,371,016,919
Redemption	-	(63,582,508)	(370,841,768)	(336,905,075)	(38,256,614)	-	(809,585,965)
Etc.	-	-	-	781,716	-	-	781,716
Last quarter-end	5,220,274,972	3,192,635,260	3,281,248,896	3,175,776,576	666,963,641	234,000,000	15,770,899,345

(*) Facility equipment and leasehold improvement assets are included in other tangible assets.

15. Intangible assets

(1) Details of intangible assets for the current and last quarter-end are as follows.

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Acquisition cost	80,596,680,112	78,175,723,788
Accumulated amortization	(22,552,104,523)	(20,931,858,923)
Accumulated impairment loss	(302,443,400)	(337,876,490)
Government subsidy	(8,562,100)	(10,929,374)
Book value	57,733,570,089	56,895,059,001

(2) The changes in the book value of intangible assets during the current and last quarter are as follows.

① Current quarter

(Unit: KRW)							
Category	Sales right	Industrial property right	Software	Membership	Other intangible assets(*)	Intangible assets in construction	Total

Beginning of current quarter	27,913,122,677	1,417,502,763	3,845,404,147	2,069,003,000	19,218,000,006	2,432,026,408	56,895,059,001
Acquisition	-	153,892,915	1,210,926,352	689,383,200	-	701,401,147	2,755,603,614
Redemption	-	(57,135,812)	(349,742,512)	-	(1,211,000,002)	-	(1,617,878,326)
Etc.	-	-	790,400,000	(299,214,200)	-	(790,400,000)	(299,214,200)
Current quarter-end	27,913,122,677	1,514,259,866	5,496,987,987	2,459,172,000	18,007,000,004	2,343,027,555	57,733,570,089

(*) Other intangible assets is consisted of customer relationship intangible asset, technical skills, and etc.

② Last quarter

(Unit: KRW)							
Category	Sales right	industrial property right	Software	Membership	Other intangible assets(*)	Intangible assets in construction	Total
Beginning of current quarter	9,0440,018,628	1,298,212,020	1,329,137,152	1,693,653,000	2,250,000,040	2,100,643,000	17,715,663,840
Acquisition	-	119,343,277	37,404,000	600,000,000	-	-	756,747,277
Redemption	-	-	-	(176,000,000)	-	-	(176,000,000)
Etc.	-	(49,161,624)	(205,835,196)	-	(265,000,014)	-	(519,996,834)
Current quarter-end	9,044,018,628	1,368,393,673	1,160,705,956	2,117,653,000	1,985,000,026	2,100,643,000	17,776,414,283

(*) Other intangible assets is consisted of customer relationship intangible asset, technical skills, and etc.

16. Government subsidy

The consolidated entity signed a joint research and development agreement regarding undermentioned new technology development, which is a government project. The consolidated entity spent the government subsidy to purchase various tangible and intangible assets related to the development business, while recognizing such transactions as deduction in the relevant subsidy asset entry.

Government Project	Organizer
Digital holographic table top terminal technology development	Electrics and Telecommunications Research Institute

17. Purchase liabilities and other liabilities

Details on the purchase liabilities and other liabilities for the current and last quarter-end are as follows.

(Unit: KRW)			
Category	Current quarter-end		Last quarter-end
	Liquid	Illiquid	Liquid
Purchase liabilities	148,379,182,703	-	114,566,795,190
Amount payable	19,182,652,948	-	16,143,658,885
Cash dividends payable	13,499,369,000	-	-
Unpaid expenses	9,264,381,886	-	3,826,637,576
Lease liabilities	-	3,023,260,690	-

Total	190,325,586,537	3,023,260,690	134,537,091,651
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18. Other liabilities

(1) Details on other liabilities for the current and last quarter-end are as follows.

(Unit: KRW)				
Category	Current quarter-end		Last quarter-end	
	Liquid	Illiquid	Liquid	Illiquid
Advance payment	4,394,537,013	-	5,400,675,881	-
Deposit	337,622,169	-	778,058,278	-
Provision	3,028,901,427	-	3,941,853,811	-
Long-term working employee salary	-	847,143,115	-	825,632,368
Recovery allowance liabilities	-	498,300,000	-	498,300,000
Total	7,761,060,609	1,345,443,115	10,120,587,970	1,323,932,368

(2) Changes to provision during the current quarter are as follows.

(Unit: KRW)					
Category	Base	Setting	Reversal	Utilization	Quarter-end
Sales guarantee provision	3,778,854,699	121,415,681	(846,997,573)	(162,516,483)	2,890,756,324
Return provision	162,999,112	30,993,935	(55,847,944)	-	138,145,103
Recovery provision	498,300,000	-	-	-	498,300,000
Total	4,440,153,811	152,409,616	(902,845,517)	(162,516,483)	3,527,201,427

The consolidated entity recognizes warranty expense in the provision for product warranties as expected to be borne by the consolidated entity related to sales guarantee for the products, and recognizes the corresponding transferred amount in selling and administrative expenses. On the other hand, the consolidated entity recognizes the amount corresponding to the portion of revenue to be canceled at the time of product return as allowance liability for return and deduction to sales in accordance with the no.1115 of the SKAS.

19. Capital and capital surplus

(1) Details on capital and capital surplus for the current and last quarter-end are as follows.

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Number of authorized shares	50,000,000 shares	50,000,000 shares
Price per share	500	500
Number of issued shares	16,264,300 shares	16,264,300 shares
Capital	8,132,150,000	8,132,150,000

(2) There are no changes in the number of outstanding shares (16,264,300 shares) in the current and last quarter.

(3) Details on capital surplus for the current and last quarter-end are as follows.

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Capital excess stated value	66,560,617,129	66,560,617,129
Other capital surplus	9,782,553,371	9,782,553,371
Total	76,343,170,500	76,343,170,500

20. Other capital items

Details on other capital items for the current and last quarter-end are as follows.

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Profit/loss from overseas business	(652,729)	(106,744,116)
Other comprehensive profit/loss-fair value measured financial asset valuation profit/loss	(380,807,731)	(380,807,731)
Total	(381,460,460)	(487,551,847)

21. Retained earning

(1) Details on the retained earnings for the current and last quarter-end are as follows.

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Legal reserve	4,066,075,000	4,066,075,000
Unappropriated earned surplus	347,917,993,476	358,559,724,686
Total	351,984,068,476	362,625,799,686

(2) Changes in the retained earnings during the current and last quarter are as follows.

(Unit: KRW)		
Category	Current quarter	Last quarter
Base	358,559,724,686	322,038,245,415
Provision of dividends	(13,499,369,000)	(11,385,010,000)
Adjustments followed by the first application of no.1109 of K-IFRS	-	1,705,779,692
Adjustments followed by the first application of no.1115 of K-IFRS	-	(1,576,974,791)
Net income of the quarter	2,857,637,790	6,095,163,714

Quarter-end	347,917,993,476	316,877,204,030
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22. Earnings per share

(1) Basic earnings per share

① The calculated details on basic earnings per shares are as follows.

(Unit: KRW)		
Category	Current quarter	Last quarter
Consolidated net profit of the quarter	2,857,637,790	6,095,163,714
Number of weighted average outstanding common stocks	16,264,300 shares	16,264,300 shares
Earnings per basic share	176	375

② Calculated details on the number of weighted average outstanding common stocks of the current quarter

Number of issued shares (1)	Number of treasury shares (2)	Number of outstanding common shares (1-2)	Weight	Number of weighted average outstanding common stocks
16,264,300 shares	-	16,264,300 shares	90 days/ 90 days	16,264,300 shares

③ Calculated details on the number of weighted average outstanding common stocks of the last quarter

Number of issued shares (1)	Number of treasury shares (2)	Number of outstanding common shares (1-2)	Weight	Number of weighted average outstanding common stocks
16,264,300 shares	-	16,264,300 shares	90 days/ 90 days	16,264,300 shares

(2) Diluted earnings per share

The consolidated entity does not hold any diluted stocks in the current and last quarter. Therefore, diluted earnings per share is the same as the basic earnings per share.

23. Financial revenues and expenses

(1) Details of financial revenues in the current and last quarter are as follows.

(Unit: KRW)		
Category	Current quarter	Last quarter
Interest profit	1,033,223,453	1,082,995,189
Profit on foreign exchange(financial)	10,520,000	-
Profit on foreign currency conversion(financial)	7,561,920	62,536,939

Total	1,051,305,373	1,145,532,128
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(2) Details of financial expenses in the current and last quarter are as follows.

(Unit: KRW)		
Category	Current quarter	Last quarter
Interest cost	15,938,764	-
Loss on foreign currency conversion(financial)	11,447,657	2,506,515
Net profit/loss-fair value measured financial asset valuation profit/loss	60,955,271	-
Total	88,341,692	2,506,515

24. Other non-operating revenues and expenses

(1) Details on other non-operating revenues for the current and last quarter are as follows.

(Unit: KRW)		
Category	Current quarter	Last quarter
Profit on foreign exchange(non-financial)	88,573,804	226,135,940
Profit on foreign currency conversion (non-financial)	215,084,302	133,861,971
Profits on dispositions of tangible assets	102,064,956	-
miscellaneous profit	423,783,479	302,986,808
Total	829,506,541	662,984,719

(2) Details on other non-operating expenses for the current and last quarter are as follows.

(Unite: KRW)		
Category	Current quarter	Last quarter
Loss on foreign exchange(non-financial)	85,294,386	245,814,074
Loss of foreign currency conversion(non-financial)	191,194,283	134,783,999
Loss on disposition of tangible assets	1,887,206	-
Loss on disposition of intangible assets	-	21,454,545
Miscellaneous profit	424,671	194,890
Total	278,800,546	402,247,508

25. Operating profit

Major items and price included in the measurement of operating profit during the current and last quarter are as follows.

(Unit: KRW)		
Category	Current quarter	Last quarter
Sales	177,366,380,848	162,156,022,628
Sales from sales of goods	175,549,928,593	161,291,722,081
Other sales	1,816,452,255	864,300,547
Sales cost	137,660,749,717	125,134,424,567
Cost of goods sold	137,015,501,328	124,709,697,784
Other sales cost	645,248,389	424,726,783
Selling and administrative expenses	37,942,669,079	33,852,624,284
Salary and bonuses	6,859,835,953	5,093,739,441
Retirement benefits	565,116,726	486,740,894
Welfare benefits	1,398,651,431	1,024,302,492
Travel expenses	458,718,232	534,829,870
Paid rents	420,284,715	805,133,498
Paid fees	2,565,605,442	1,264,383,052
Depreciation cost	1,487,688,936	622,830,501
Depreciation cost of intangible assets	334,169,874	178,499,052
Cost of product loss guarantee	(715,178,240)	186,614,306
R&D expenses	23,532,421,158	22,476,441,468
Etc.	1,035,354,852	1,179,109,710
Operating profit	1,762,962,052	3,168,973,777

26. Employee salary

The consolidated entity pays their retiring employees with the predetermined amount of retirement benefits in lump sum, based on the level of salaries and the years in service, and this is classified as defined benefit system. Such retirement benefit can be withdrawn before the resignation of the employee as interim settlement when the legal requirements apply. The number of years of service for calculating severance pay after the interim settlement is newly calculated from the time of settlement.

(1) Changes in the defined benefit obligations are as follows.

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Current value of defined benefit obligation	34,447,520,802	32,571,648,690

Fair value of assets deposited outside of the company	(27,833,897,922)	(28,174,546,825)
Defined benefit obligations	6,613,622,880	4,397,101,865

(2) Changes in the current value of the defined benefit obligation during current and last quarter are as follows.

(Unit: KRW)		
Category	Current quarter	Last quarter
Opening balance of defined benefit obligation	32,571,648,690	25,999,037,468
Labor cost for the quarter	1,428,642,587	1,229,366,919
Interest expense	204,813,145	194,493,630
Transfers between associated company	812,390,900	653,455,808
Retirement benefit payment	(569,974,520)	(1,011,602,000)
Balance of defined benefit obligation at the quarter-end	34,447,520,802	27,064,751,825

(3) The changes in the fair value of assets externally deposited in the current and last quarter are as follows.

(Unit: KRW)		
Category	Current quarter	Last quarter
Opening balance of externally deposited assets	28,174,546,825	24,015,684,437
Interest profit	155,085,777	179,113,308
Transfers between associated company	4,095,000	-
Retirement benefit payment from externally deposited assets	(499,829,680)	(942,871,938)
Ending balance of externally deposited assets	27,833,897,922	23,251,925,807

(4) Cost recognized as profit/loss regarding defined benefits obligations are as follows.

(Unit: KRW)		
Category	Current quarter	Last quarter
Labor cost	1,428,642,587	1,229,366,919
Net interest cost	49,727,368	15,380,322
Total	1,478,369,955	1,244,747,241

(5) The composition of externally deposited assets of the current and last quarter-end are as follows.

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Short-term financial product, etc.	27,833,897,922	28,174,546,825

27. Corporate tax expense (profit)

Corporate tax expense is calculated by adjusting income tax expense related to the items recognized other than profit or loss and deferred income tax expense due to the adjustment and temporary differences arising in the current period. The average effective tax rates for the current quarter is 11.92%. Last quarter's effective corporate tax rates are not calculated as corporate tax revenues have occurred.

28. Cash flow statement

(1) Adjusted details on profits and expenses during sales of the current and last quarter are as follows.

(Unit: KRW)		
Category	Current quarter	Last quarter
Corporate tax expense(profit)	386,781,834	(1,522,427,113)
Depreciation cost	2,176,108,211	809,585,965
Profit on disposition of tangible assets	(102,064,956)	-
Loss on disposition of tangible assets	1,887,206	-
Amortization of intangible assets	1,617,878,326	519,996,834
Loss from disposition of intangible assets	-	21,454,545
Retirement benefits	1,478,369,955	1,244,747,241
Profit from foreign currency conversion	(222,646,222)	(196,398,910)
Loss from foreign currency conversion	202,641,940	137,290,514
Interest profit	(1,033,223,453)	(1,082,995,189)
Interest expense	15,938,764	-
Product loss guarantee cost(return)	(715,178,240)	186,614,306
Profit/loss-loss on valuation of financial assets measured at fair value	60,955,271	-
Loss of actual value method	32,212,104	-
Long-term employee salary	38,708,187	30,743,286
Etc.	(35,433,090)	-
Total	3,902,935,837	148,611,479

(2) Changes in assets and liabilities during sales of the current and last quarter are as follows.

(Unit: KRW)		
Category	Current quarter	Last quarter
Decrease(Increase) of account receivables	(23,138,298,534)	(32,224,382,414)
Decrease(Increase) of other receivables	514,279,755	(65,918,470)
Decrease(Increase) of other current assets	1,983,715,100	946,821,270
Decrease(Increase) of inventory assets	(7,488,231,896)	(13,753,517,311)
Decrease(Increase) of other noncurrent assets	-	4,286,264
Increase(Decrease) of purchase liabilities	33,658,141,021	37,229,677,316

Increase(Decrease) of other current liabilities	(1,644,349,121)	(452,258,719)
Increase(Decrease) of other liabilities	(976,887,867)	(6,691,209,097)
Increase(Decrease) of other noncurrent liabilities	(17,197,440)	(16,465,840)
Payment of retirement benefits	(569,974,520)	(1,011,602,000)
Decrease(Increase) of externally deposited assets	499,829,680	942,871,938
Transfer of defined benefit obligation of associated	808,295,900	653,455,808
Total	3,629,322,078	(14,438,241,255)

(3) Cash flows from operating activities on the cash flow statement are recorded using the indirect method. The significant transactions that do not involve cash inflows and outflows for the current and last quarter are as follows.

(Unit: KRW)		
Category	Current quarter	Last quarter
Increase/decrease of accounts payables related to acquisition of tangible assets	299,611,088	721,583,927
Increase/decrease of accounts payables related to acquisition of intangible assets	25,204,801	(1,008,291,000)
Substitution of advance payments into intangible assets	153,892,915	119,343,277
Recognition of lease liabilities and user right assets due to lease contract	3,864,089,781	-
Decrease in lease liabilities due to early termination of lease	92,315,134	-
Decrease in user right assets due to early termination of lease	84,903,236	-

(4) Cash flows related to financial activities

The changes in liabilities from financial activities during the current and last quarter are as follows.

① Current quarter

(Unit: KRW)					
Category	Base	Increase	Financial activities cash flow	Non-cash transaction	Current quarter-end
Dividends payable		-	-	13,499,369,000	13,499,369,000
Lease liabilities		3,864,089,781	(748,513,957)	(92,315,134)	3,023,260,690

② Last quarter

(Unit: KRW)				
Category	Base	Financial activities cash flow	Non-cash transaction	Current quarter-end
Dividends payable		-	11,385,010,000	11,385,010,000

Changes in liabilities occurred in financial activities are same for the current and last quarter.

29. Restricted use of financial products

The details of restricted financial products for the current quarter are as follows.

(Unit: KRW)		
Category	Amount	Details
Cash and cash equivalent assets	430,362,164	Government subsidy

30. Concerned entity

(1) Details of concerned entity of the consolidated entity for the current and last quarter are as follows.

Category	Current quarter-end	Last quarter-end
Associated company	Advance Power-Device Technology Co., Ltd	Advance Power-Device Technology Co., Ltd
Company that exercise significant influence on the consolidated entity	LG Corp.	LG Corp.
Etc.	Affiliate of LG Corp.	Affiliate of LG Corp.
	Conglomerate affiliated company(*)	Conglomerate affiliated company(*)

(*) Not included in the range of related party pursuant to no.1024 of the SKAS 'Disclosure of related parties', but belongs to the same conglomerate under the monopolistic regulation and fair trade law.

(2) Transactional details with the concerned entity for the current and last quarter are as follows.

(Unit: KRW)				
Category	Name	Transactions	Current quarter	Last quarter
Associated company	Advance Power-Device Technology Co., Ltd	Acquisition of tangible and intangible assets	701,401,147	-
Other subsidiaries of LG	Lusem Co., Ltd (*)	Sales	-	60,000,000
		Other non-sales	-	72,993,637
		Sales expense	-	15,467,193,707
	LG CNS Co., Ltd	Sales expense	299,603,376	231,908,000
		Acquisition of tangible and intangible assets	1,249,077,984	1,040,008,000
	SNI Corp Co., Ltd	Sales expense	247,509,161	-
	Serveone Co., Ltd	Sales	-	8,833,800
		Sales expense	19,658,787	100,757,975
	LG Management Development Institute Inhawwon Co., Ltd	Sales expense	173,803,150	85,838,000
	LG Electronics USA Inc.	Sales	247,021,650	317,409,030
	LG International Japan Ltd.	Sales	-	172,738,978

Other included corporation of the conglomerate	LG Display Co., Ltd	Sales	150,291,660,106	143,294,639,707
		Sales expense	92,314,736	-
	LG Electronics Co., Ltd	Sales	2,821,143,776	2,345,257,536
		Sales expense	1,377,312,818	211,394,035
	LG Innotek Co., Ltd	Sales expense	5,519,197,551	5,721,108,354
	LG U+	Sales expense	21,458,322	26,501,403
	Pantos Co., Ltd	Sales expense	330,853,101	273,535,281
	Biztech Partners Co., Ltd	Sales expense	69,591,129	-
	HS Ad Co., Ltd	Sales expense	-	9,900,000

(*) Excluded from the related parties as LG has sold all shares of Lusem Co., Ltd. during the current quarter and the transaction details after it is excluded from the range of related parties.

(3) Claim and obligation on the concerned party for the current and last quarter-end are as follows.

(Unit: KRW)					
Category	Name	Current quarter-end		Last quarter-end	
		Account receivables, etc.	Purchase liabilities, etc.	Account receivables, etc.	Purchase liabilities, etc.
Associated company	Advance Power-Device Technology Co., Ltd	-	535,993,809	-	220,821,862
Company that exercise significant influence on the consolidated entity	LG Corp.	-	4,465,834,920	-	-
Other subsidiaries of LG	LG CNS Co., Ltd	-	501,168,581	-	824,550,265
	LG Management Department Institute Co., Ltd	-	164,155,420	-	161,700
	SNI Co., Ltd	300,000,000	143,937,853	300,000,000	80,628,193

	Serveone Co., Ltd	-	8,585,986	3,762,000	5,105,296
Other included corporation of the conglomerate	LG Electronics USA Inc.	247,021,650	-	430,692,120	-
	LG Display Co., Ltd	158,019,667,851	100,662,448	140,694,084,067	-
	LG Electronics Co., Ltd(*)	3,423,255,369	-	2,328,583,856	362,298,327
	LG Innotek Co., Ltd	-	5,600,944,583	-	2,946,258,263
	LG U+	-	-	3,520,000	-
	Pantos Co., Ltd	-	331,297,101	-	247,890,554
	Biztech Partners Co., Ltd	-	35,384,250	-	-

(*) In addition to the above receivables and liabilities, lease liabilities of 1,937,375,000 won and license assets of 1,932,605,000 are counted under an office lease agreement with LG Electronics Co., Ltd on the current quarter-end.

(4) Details on major fund transactions with the concerned entity during the current and last quarter are as follows.

(Unit: KRW)					
Category	Name	Current quarter		Last quarter	
		Cash payment	Dividends paid	Cash payment	Dividends paid
Associated company	Advance Power-Device Technology Co., Ltd	-	-	4,410,000,000	-
Company that exercise significant influence on the consolidated entity	LG Corp. (*)	-	-	-	3,766,366,800

(*) Resolved but unpaid dividends of 4,465,835 won is counted as unpaid dividends on the current quarter-end.

(5) Details on the compensation of the major board of directors for the current and last quarter are as follows.

(Unit: KRW)		
Category	Current quarter	Last quarter
Short-term salary	899,711,813	425,077,290
Retirement benefit	108,467,067	77,760,637
Total	1,008,178,880	502,837,927

Board of directors of the consolidated entity include directors (including outside directors) and audit committee members.

(6) There is no security and guarantees that the company offered for the concerned entity or is being offered from the concerned entity in the current and last quarter-end.

4. Financial Statements

Statement of Financial Position

End of 1st Quarter of 21st year, 2019.03.31~Current

End of 20th Year, 2018.12.31~Current

(Unit: KRW)

	End of 1 st Quarter of 21 st Year	20 th Year
Assets		
Current assets	542,515,518,144	506,873,236,097
Cash and cash equivalent	168,149,449,446	221,572,194,951
Short-term financial account	60,000,000,000	
Sales receivables	182,166,092,124	158,800,076,125
Other current receivables	1,699,187,798	2,244,662,653
Short-term investment assets	629,890,122	
Other current assets	18,291,556,954	20,165,192,564
Inventory assets	111,579,341,700	104,091,109,804
Non-current assets	103,559,887,628	100,375,583,355
Long-term investment assets		1,025,845,393
Other non-current receivables	7,058,960,475	6,608,727,784
Investments in subsidiaries companies	2,316,636,045	2,316,636,045
Investments in relational companies	4,410,000,000	4,410,000,000
Tangible assets	24,840,702,952	21,717,532,502
Intangible assets	57,733,570,089	56,895,059,001
Other non-current assets	1,525,161,152	1,521,850,250
Deferred corporate tax assets	5,674,856,915	5,879,932,380
Total assets	646,075,405,772	607,248,819,452
Liabilities		
Current liabilities	199,878,702,640	155,610,549,028
Payables	148,379,182,703	114,566,792,039
Other payables	42,369,252,627	20,451,775,674
Other current liabilities	7,761,060,609	10,120,587,970
Unpaid corporate tax	1,369,206,701	10,471,393,345
Non-current liabilities	10,982,326,685	5,721,034,233
Other non-current payables	3,023,260,690	
Other non-current liabilities	1,345,443,115	1,323,932,368
Defined benefit liability	6,613,622,880	4,397,101,865
Total liabilities	210,861,029,325	161,331,583,261
Capital		
Capital	8,132,150,000	8,132,150,000
Capital surplus	76,343,170,500	76,343,170,500

Other capital accounts	(380,807,731)	(380,807,731)
Retained earnings (deficit)	351,119,863,678	361,822,723,422
Total equities	435,214,376,447	445,917,236,191
Total equities and liabilities	646,075,405,772	607,248,819,452

Statement of Profit and Loss

1st Quarter of 21st Year, 2019.01.01~2019.03.31

1st Quarter of 20th Year, 2018.01.01~2018.03.31

(Unit: KRW)

	1st Quarter of 21 st Year		1st Quarter of 20 th Year	
	3 months	Accumulated	3 months	Accumulated
Income (sales)	177,366,380,848	177,366,380,848	162,156,022,628	162,156,022,628
Cost of goods sold	137,660,749,717	137,660,749,717	125,134,424,567	125,134,424,567
Total profit on sales	39,705,631,131	39,705,631,131	37,021,598,061	37,021,598,061
Selling and maintenance expenses	38,060,339,578	38,060,339,578	33,754,252,539	33,754,252,539
Operating profit(loss)	1,645,291,553	1,645,291,553	3,267,345,522	3,267,345,522
Financial income	1,047,838,615	1,047,838,615	1,145,179,748	1,145,179,748
Financial cost	77,030,868	77,030,868	2,506,515	2,506,515
Other income	829,502,628	829,502,628	662,984,719	662,984,719
Other expenses	278,800,546	278,800,546	393,944,020	393,944,020
Net profit excluding corporate tax(loss)	3,166,801,382	3,166,801,382	4,679,059,454	4,679,059,454
Corporate tax expense	370,292,126	370,292,126	(1,526,284,005)	(1,526,284,005)
Current quarter net profit (loss)	2,796,509,256	2,796,509,256	6,205,343,459	6,205,343,459
Earnings per share				
Basic earnings per share (unit: KRW)	172	172	382	382
Diluted earnings per share (unit: KRW)	172	172	382	382

Comprehensive Statement of Profit and Loss

1st Quarter of 21st Year, 2019.01.01~2019.03.31

1st Quarter of 20th Year, 2018.01.01~2018.03.31

(Unit: KRW)

	1st Quarter of 21 st Year		1st Quarter of 20 th Year	
	3 months	Accumulated	3 months	Accumulated
Net profit (loss)	2,796,509,256	2,796,509,256	6,205,343,459	6,205,343,459
Other comprehensive profit and loss			(350,093,662)	(350,093,662)
Not reclassified account to profit or loss (other comprehensive profit or loss excluding tax)			(350,093,662)	(350,093,662)
Other comprehensive profit and loss - Income on valuation of available-for-sale financial assets			(350,093,662)	(350,093,662)
Reclassified account to profit or loss (other comprehensive profit or loss excluding tax)				
Evaluated income of transferrable Assets (other comprehensive profit or loss excluding tax)				
Total Comprehensive Profit and Loss	2,796,509,256	2,796,509,256	5,855,249,797	5,855,249,797

Statement for Changes in Capital

1st Quarter of 21st Year, 2019.01.01~2019.03.31

1st Quarter of 20th Year, 2018.01.01~2018.03.31

(Unit: KRW)

	Capital				
	Capital	Capital surplus	Other capital	Retained earnings	Total capital
2018.01.01 (Fundamental capital)	8,132,150,000	76,343,170,500	1,705,779,692	325,330,329,194	411,511,429,386
Changes of Accounting Policy (KIFRS-No.9)			(1,263,779,692)	1,705,779,692	442,000,000
Changes of Accounting Policy (KIFRS-No.15)				(1,576,974,791)	(1,576,974,791)
2018.1.1 (beginning) (rewritten amount)	8,132,150,000	76,343,170,500	442,000,000	325,459,134,095	410,376,454,595
Total comprehensive profit or loss	Quarter net profit			6,205,343,459	6,205,343,459
	Other Comprehensive Income - Evaluated profit or loss of transferrable financial assets		(350,093,662)		(350,093,662)
Transactions with shareholders directly recognized in capital	Annual dividend			(11,385,010,000)	(11,385,010,000)
2018.03.31 (ending capital)	8,132,150,000	76,343,170,500	91,906,338	320,279,467,554	404,846,694,392
2019.01.01 (fundamental capital)	8,132,150,000	76,343,170,500	(380,807,731)	361,822,723,422	445,917,236,191
Changes of Accounting Policy (KIFRS-No.9)					
Changes of Accounting Policy (KIFRS-No.15)					
2018.1.1 (beginning) (rewritten amount)					

Total comprehensive profit and loss	Quarter net profit				2,796,509,256	2,796,509,256
	Other Comprehensive Income - Evaluated profit or loss of transferrable financial assets					
Transactions with shareholders directly recognized in capital	Annual dividend				(13,499,369,000)	(13,499,369,000)
2019.03.31 (ending capital)		8,132,150,000	76,343,170,500	(380,807,731)	351,119,863,678	435,214,376,447

Statement of Cash Flow

1st Quarter of 21st Year, 2019.01.01~2019.03.31

1st Quarter of 20th Year, 2018.01.01~2018.03.31

(Unit: KRW)

	Q3 of 20 th year	Q3 of 19 th year
Cash flow from sales activities	10,975,802,352	391,700,908
Cash earned from sales	10,021,304,883	(7,759,615,260)
Quarter net profit (loss)	2,796,509,256	6,205,343,459
Adjustments for quarter net profit	3,778,062,113	135,632,982
Change to equities and liabilities on sales activities	3,446,733,514	(14,100,591,701)
Gain on interest (sales)	1,145,056,878	217,244,538
Payment on interest (sales)	(15,938,764)	
Payment on corporate tax (return)	(174,620,645)	7,934,071,630
Cash flow from investments	(63,654,621,528)	(7,205,807,125)
Increase of short-term financial account	(60,000,000,000)	
Increase in other receivables	(890,000,000)	(1,590,000,000)
Decrease in other receivables	358,828,227	474,846,875
Acquisition of tangible assets	(819,871,040)	(645,155,276)
Acquisition of intangible assets	(2,576,505,898)	(1,645,695,000)
Disposition of tangible assets	95,131,000	
Disposition of intangible assets		154,545,455
Quarter profit and loss - disposition of financial assets measured at fair values	335,000,000	600,000,000
Increase in advances	(157,203,817)	(144,349,179)
Acquisition on relational Company invested share		(4,410,000,000)
Cash flow from financial activities	(748,513,957)	
Payment of lease fee	(748,513,957)	
Net Increase of cash and cash equivalents before applying currency exchange rate	(53,427,333,133)	(6,814,106,217)
Fundamental Cash and cash equivalents	221,572,194,951	73,769,560,133
Effect of currency exchange rate movements on cash and cash equivalents	4,587,628	60,030,424
Ending Cash and cash equivalents	168,149,449,446	67,015,484,340

Clearance Statement of Retained Earnings

(Unit: KRW)				
Classification	Current Quarter		Previous Quarter	
	Expected Clearance Date : 2019.03.15		Fixed Clearance Date : 2018.03.16	
I. Undisposed Retained Earning		357,756,648,422		321,264,254,194
Previous quarter carrying-over undisposed retained earning	309,879,244,194		275,861,546,597	
Adjustment on beginning adoption of K-IFRS, No.1109	1,705,779,692		-	
Adjustment on beginning adoption of K-IFRS, No.1115	(1,576,974,791)		-	
Current quarter net profit	48,931,368,271		46,457,533,652	
Remeasure factor on fixed salaries	(1,182,768,944)		(1,054,826,055)	
II. Disposed Retained Earning		(13,499,369,000)		(11,385,010,000)
Dividend(notes22)	(13,499,369,000)		(11,385,010,000)	
III. Next quarter carrying-over undisposed retained earnings (I - II)		344,257,279,422		309,879,244,194

5. Notes on Financial Statement

1. Overview of company

Silicon Works Co., Ltd. (hereinafter referred to as the "controlling company") was established on November 11, 1999 for the purpose of designing and manufacturing FPD (flat panel display) semiconductor IC. The company is located in 222 Techno 2-ro, Daedeok-gu, Daejeon, Republic of Korea. The controlling company was certified by the Korea Institute for Advance of Technology as a corporate subsidiary research facility in accordance with Article 16 of the Technology Development Promotion Act and Clause 1 of Article 15 of the Enforcement Decree on October 19, 2001. The controlling company has also been designated as a high-tech company as per Clause 1 of Article 9 of the Special Law on the Cultivation of the Special Research and Development Daedeok-gu and more on October 23, 2011.

The controlling company was listed in KOSDAQ on June 8, 2010. After several increases in capital with or without considerations, the amount of paid-in capital of the company at the end of current quarter is KRW 8,132,150,000 (issued shares: 16,264,300 and authorized shares 50,000,000).

The current status of the shareholders of the controlling company at the end of this quarter is as follows:

(Unit: shares)			
Company name	Shares owned	Percentage	Comment
LG Inc.	5,380,524	33.08%	largest shareholder
Templeton Asset Management, Ltd.	1,041,399	6.40%	-
BlackRock Fund Advisors	816,703	5.02%	-

Etc.	9,025,674	55.50%	-
Total	16,264,300	100.00%	

2. Applied standards for writing the financial statements

(1) Accounting standards

This quarterly financial statement is a condensed interim financial statement written in accordance with K-IFRS. It is written in accordance with no.1034 'interim financial reporting' of the Statements of Korea Accounting Standards(SKAS), and includes less information than the requirements of the yearly financial statement. Selective comments contain descriptions of events that are significant in understanding the changes in the financial position and management performance that occurred after the end of the previous annual reporting period.

No.1116 of the SKAS's 'Lease' was first applied to the quarterly financial statements, and significant changes in accounting policies are described in Note 3.

The company's quarterly financial statement is a separate financial statement in accordance with SKAS No.1027 'Separate Financial Statements'; this financial statement is presented based on direct equity investments, but not based on the reported performance and net assets.

(2) Estimation and judgment

① Uncertainty in the board of directors' judgment, estimation, and assumption

K-IFRS requires the use of the board of directors' estimations and hypothesis based on their best judgments in matters such as accounting standard application or that affect the reporting amount of current asset, debt and profit, fees of the interim report when writing it. If estimates and assumptions based on the best judgment of the board of directors at the end of the interim period are different from those of the actual environment, the actual results may differ.

Board of directors' judgments on application of the company's accounting policy and estimated amount in the quarterly financial statement used same accounting policies and assumptions as the annual financial statements for the fiscal year ending on December 31, 2018, except for some cases of uncertainty in important judgment and assumption related to applying no.1116 of the SKAS's 'Lease' that is explained in Note 3.

② Measuring fair value

The company establishes fair value evaluation policies and procedures. The policies and procedures include the operations of the evaluation department responsible for the review on the measurement of every significance fair values including those classified into Level 3 in the hierarchical system. The results are directly reported to the financial executive.

The evaluation department regularly reviews significant input variables and evaluation adjustments that cannot be observed. If any information by a third party such as the broker price or evaluation organization is used in the fair value measurement, the evaluation based on information acquired from the third party includes the classification per level in the hierarchy system of fair value and judge whether to conclude as it meeting the applicable standard. In the case where the fair value of an asset or liability is measured, the company uses the input variable that can be observed from the market as much as possible. The fair values are classified within the hierarchy system of fair

values, based on the input variables used in the valuation techniques as follows.

- Level 1: Unadjusted quoted price in an active market with access to the same asset or liability of the date of measurement
- Level 2: Input variables that are directly or indirectly observable for an asset or liability other than the quoted price at Level 1
- Level 3: Input variables that cannot be observed for an asset or liability

If more than one input variables used for measuring the fair value of an asset or liability are classified into different levels within the hierarchy system, the company classifies the entire fair value measurements into the same level with input variable in the lowest level in the hierarchy system, and recognizes movement within the levels of the hierarchy that occurred at the end of reporting period.

3. Significant accounting policies

Except for the cases mentioned below, accounting policies applied in this quarterly financial statement is same as the one used for the yearly financial statement. Change in accounting policy is expected to apply accordingly to the entity's 2019 year-end financial statement.

The company first applied No.1116 of SKAS on January 1, 2019. There is other accounting policies that implements starting from January 1, 2019, those standards do not have big impact on the financial statement of the company.

No.1116 of SKAS implemented single lease user accounting model, and as a result, the company recognizes user assets that shows the right to use underlying asset as a lease user and the lease liability that shows the obligation to pay lease fees. Lease provider accounting model is similar to the previous accounting policy.

The company have recognized the cumulative effect by the no.1116 of SKAS as an earned surplus of January 1, 2019(first day of application). Therefore, comparative financial information applied no.1017 of SKAS as reported previously, and have not been rewritten. Details about modifications in accounting policies are noted below.

(1) Definition of lease

Previously, the company applied no.2104 of the Statement of Financial Accounting Standards(SFAS) 'decide whether lease is included in the contract' and decided whether the contract was a lease or non-lease on the contract date. Now, the company evaluate it under the basis of new definition of lease. According to no.1116 of the SKAS, if the observed assets' private use control is transferred for a certain period of time in a contract, such contract is considered a lease or it includes lease.

On the first application date of no.1116 of the SFAS, the company decided to apply a practical simple law that does not identify whether the contract is lease or not. Previously, the company applied no.1116 of the SFAS only to the contracts that were identified as lease. It was not re-identified lease of not according to no.1017 or SKAS and no.2104 of the SFAS. Therefore, definition of lease according to no.1116 of the SKAS was applied to contracts signed or modified after January 1, 2019.

(2) Lease user

The company leases many assets including buildings and automobiles.

The company classified lease as operating lease or financing lease depending on whether the lease transferred most of the dangers and compensations followed by the ownership of underlying assets as a lease user. According to no.1116 of SKAS, the company recognizes user right assets and lease liabilities on most of the lease. Therefore, most of the leases are shown on the financial statement.

However, the company decided not to recognize user right assets and lease liabilities for some of the underlying asset leases of a small sum. The company recognize such lease as an expense according to a flat rate standard during the lease period.

Book value of user right asset is as follows:

(Unit: KRW)			
Category	User right asset		
	Buildings	Ground vehicles	Total
Beginning of the quarter	3,480,728,147	383,361,634	3,864,089,781
Quarter-end	2,671,696,841	334,077,688	3,005,774,529

The company includes lease liabilities into 'other liabilities' category of the financial statement.

③ Significant accounting policy

The company recognizes lead liability on the starting day of the lease. User right asset is measured as production price on initial recognition and subsequently measured by deducting accumulated depreciation and accumulated impairment losses from the production price, reflecting adjustments to the re-measurement of the lease liability.

Lease liability is measured as the current value that has not been paid on initial recognition, the starting day of the lease. When measuring the current value, lease fees are discounted as implicit interest rate. In the cases where implicit interest rate cannot be easily calculated, lease fees are discounted as incremental borrowing rate of the company.

The lease liability subsequently increases by the amount of interest fees recognized for the lease liability and decreases according to the payment of the lease fee payments. Lease liabilities are recalculated when future lease fees are altered according to changes in index or tariff (interest rate), estimated amount of payment according to guaranteed residual value, certainty of exercising purchase or extension options, or certainty of not exercising termination option.

The company applies their judgments when deciding lease term for certain lease contracts that contain extension option. The evaluation of the certainty on the company's selection of extension option affects the lease term, therefore also affecting the lease liabilities and the cost of the user right assets.

④ Transitional provision

For the leases classified as an operating lease according to no.1017 of the SKAS on the period of transition, lease liabilities are measured as a current value of remaining lease fees as of January 1, 2019. And user right assets are calculated as the same price of the lease liabilities (adjust pre-paid or occurred(unpaid) lease fees).

The company applies the following practical simple law when applying no.1116 of the SFAS to leases that are classified as operating lease according to no.1017 of the SKAS.

- Exempt regulation that does not recognize user right assets and lease liabilities applies for the leases that have less than 12 months of term.
- Direct cost of lease opening is excluded from the measured value of user right assets of the first application date.
- If the contract includes lease extension or termination option, then post-judgment is used to decide the lease term.

(3) Effect on the financial statement

③ Effect at the point of transition

The company additionally recognized user right assets and lease liabilities at the transition period of no. 1116 of the SFAS. The effects on the transition point are as follows.

(Unit: KRW)	
Category	January 1, 2019
User right assets indicated as tangible asset	3,864,089,781
Lease liabilities	3,864,089,781

When calculating lease liabilities on the leases classified as operating lease, the company calculated the lease liabilities as the current value of remaining lease fee as of January 1, 2019.

(Unit: KRW)	
Category	January 1, 2019
Operating lease term announced on the quarter-end (12/31/2018) financial statement	3,913,837,219
Current value of the lease fee as of January 1, 2019	3,864,089,781
Financial lease liabilities recognized at the quarter-end (12/31/2018)	-
Lease liabilities recognized on January 1, 2019	3,864,089,781

④ Effect at the transition period

After first applying no.1116 of the SFAS, the company recognized 3,005,775,000 won as user right assets for leases that were classified as operation lease as of March 31, 2019, and 3,023,261,000 won as lease liabilities. Moreover, regarding the lease according to no.1116 of the SFAS, the company recognized depreciation cost and interest fee instead of operating lease fee. The company recognize depreciation cost of 773,412,000 won and interest fee of 15,939,000 won for such lease during the quarter which ends on March 31, 2019.

4. Classification of financial products by category

(3) Financial products by category

Current quarter-end and last quarter-end's book value on financial products by category are as follows.

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Financial assets:		
Net profit/loss-fair value measured financial asset	629,890,122	1,025,845,39
Financial assets measured at amortized cost		
Cash and cash equivalent assets	168,149,449,446	221,572,194,95
Short-term financial product	60,000,000,000	
Accounts receivables	182,166,092,124	158,800,076,12
Other receivables	8,758,148,273	8,853,390,43
Subtotal	419,073,689,843	389,225,661,51
Total	419,703,579,965	390,251,506,90
Financial liabilities:		
Other financial liabilities		
Purchase liabilities	148,379,182,703	114,566,795,19
Other liabilities (*)	29,023,654,554	10,020,631,4
Total	177,402,837,257	124,105,947,425

(*) Employees related liabilities that do not include in financial liabilities are excluded.

(2) Financial revenues and financial costs by category

③ Financial revenues and costs that were recognized as the quarter's profit and loss during current and last quarter are as follows.

(Unit: KRW)				
Category	Net interest margin		Other profit/loss (*)	
	Current quarter	Last quarter	Current quarter	Last quarter
Financial products measured at amortized cost	1,016,655,390	1,082,642,809	42,277,065	47,733,750
Net profit/loss-fair value measured financial asset	-	-	60,955,271	-

(*) Other profit/loss is consisted of foreign currency conversion profit and loss, foreign currency transaction profit and loss, and net income-fair value measured financial asset.

④ Financial profit and expense that are recognized as other comprehensive gain/loss during this quarter and last quarter are as follows.

(Unit: KRW)		
Category	Valuation profit and loss	
	Current quarter	Last quarter
Other comprehensive gain/loss-fair value measure financial asset	-	(350,093,662)

5. Financial risk management

(3) Credit risk

Credit risks are the risks of suffering financial losses due to the default of contractual obligations by the customer or the other party in an agreement for a financial product. This kind of risk is mainly related to the account receivables and investment assets.

③ Exposure to credit risk

The book value of a financial asset means the maximum level of exposure to credit risks. The maximum level of exposure to credit risks at the current and last year's quarter-end for the company is as follows.

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Cash and cash equivalent assets	168,149,449,446	221,572,194,951
Short-term financial product	60,000,000,000	-
Account receivables	182,166,092,124	158,800,076,125
Other receivables	8,758,148,273	8,853,390,437
Net profit/loss-fair value measured financial asset	629,890,122	1,025,845,393
Total	419,703,579,965	390,251,506,906

④ Impairment loss

The company has established allowances for the possible losses from its accounts receivable. The allowance for the group of financial assets is set based on the past data on the recollection of similar financial assets.

Account receivables are presented on the statement of financial position at net amounts where allowance for bad debt loan is deducted. The details of trade receivables and related allowance for bad debt loan on the basis of total amounts before the deduction of allowance for bad debt loan as of the end of the current quarter and end of the previous year are as follows.

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Account receivables	182,166,092,124	158,800,076,125
Other receivables	-	-
Net book value of account receivables	182,166,092,124	158,800,076,125

Impaired amount by account receivables' age of current quarter-end and last quarter-end are as follows.

(Unit: KRW)						
Category	Current quarter-end			Last quarter-end		
	Total receivables	Impaired amount	Book value	Total receivables	Impaired amount	Book value
Within expire date	179,973,378,778	-	179,973,378,778	155,966,260,967	-	155,966,260,967
Expire date ~ 3 months	2,192,713,346	-	2,192,713,346	2,337,833,843	-	2,337,833,843
3 ~ 6 months	-	-	-	413,348,156	-	413,348,156
Over 6 months	-	-	-	82,633,159	-	82,633,159
Total	182,166,092,124	-	182,166,092,124	158,800,076,125	-	158,800,076,125

(4) Fair value

The book value and fair value of financial assets and financial liabilities including fair value hierarchy system of the current and last quarter-end are as follows.

③ Current quarter-end

(Unit: KRW)					
Category	Book value	Level 1	Level 2	Level 3	Total
Fair value measured financial assets:					
Net profit/loss-fair value measured financial assets	629,890,122	-	-	629,890,122	629,890,122
Financial assets not measured as fair value:					
Cash and cash equivalent assets	168,149,449,446	-	-	-	-
Short-term financial product	60,000,000,000	-	-	-	-
Account receivables	182,166,092,124	-	-	-	-
Other receivables	8,758,148,273	-	-	-	-
Total	419,073,689,843	-	-	-	-
Financial liabilities not measured as fair value:					
Purchase liabilities	148,379,182,703	-	-	-	-
Other liabilities	29,023,654,554	-	-	-	-
Total	177,402,837,257	-	-	-	-

④ Last quarter-end

(Unit: KRW)					
Category	Book value	Level 1	Level 2	Level 3	Total
Fair value measured financial assets:					
Net profit/loss-fair value measured financial assets	1,025,845,393	-	-	1,025,845,393	1,025,845,393
Financial assets not measured as fair value:					
Cash and cash equivalent assets	221,572,194,951	-	-	-	-
Account receivables	158,800,076,125	-	-	-	-
Other receivables	8,853,390,437	-	-	-	-
Total	389,225,661,513	-	-	-	-
Financial liabilities not measured as fair value:					
Purchase liabilities	114,566,792,039	-	-	-	-
Other liabilities	10,020,631,44	-	-	-	-
Total	124,587,423,487	-	-	-	-

Changes in the fair value of level 3 during the current quarter is as follows.

(Unit: KRW)				
Category	Base	Evaluation (*)	Disposal	Current quarter-end
Net profit/loss-fair value measured financial asset	1,025,845,393	(60,955,271)	(335,000,000)	629,890,122

(*) Fair value was evaluated with the individual third-party market price method and etc.

6. Cash and cash equivalent assets

Cash and cash equivalent assets for the current and last quarter-end are as follows.

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Demand deposit	8,549,449,446	51,572,194,951
Regular deposit, etc. (*)	159,600,000,000	170,000,000,000
Total	168,149,449,446	221,572,194,951

(*) A financial product in which due of expiration is less than three months from the acquisition date. It is highly liquid, easy to convert to a fixed amount, and has a low risk of value change.

7. Short-term financial product

Short-term financial products for the current and last quarter-end are as follows.

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Regular deposit	60,000,000,000	-

8. Account receivables and other receivables

Account receivables and other receivables for the current and last quarter-end are as follows.

(Unit: KRW)				
Category	Current quarter-end		Last quarter-end	
	Liquid	Illiquid	Liquid	Illiquid
Account receivables	182,166,092,124	-	158,800,076,125	-
Unpaid amount	537,688,333	-	1,051,263,139	-
Uncollected profit	474,386,174	-	586,848,898	-
Lease fee	687,489,698	5,303,883,861	606,550,616	4,738,651,170
Deposit	-	1,755,076,614	-	1,870,076,614
Total	183,865,656,329	7,058,960,475	161,044,738,778	6,608,727,784

9. Short-term and long-term investment asset

Short-term and long-term investment asset for the current and last quarter-end are as follows.

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Short-term investment assets:		
Net profit/loss-fair value measured liabilities		
LB Investment	629,890,122	-
Long-term investment assets:		
Net profit/loss-fair value measured liabilities		
LB Investment	-	1,025,845,393

10. Other assets

Other assets for the current and last quarter-end are as follows.

(Unit: KRW)				
Category	Current quarter-end		Last quarter-end	
	Liquid	Illiquid	Liquid	Illiquid
Advance fee	843,464,966	1,525,161,152	936,074,259	1,521,850,250
Prepaid expenses	12,034,825,002	-	12,939,785,316	-
VAT fees	5,413,266,986	-	6,289,332,989	-
Total	18,291,556,954	1,525,161,152	20,165,192,564	1,521,850,250

11. Inventory assets

(1) inventory assets for the current and last quarter-end are as follows.

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Work in progress	120,523,528,184	112,091,770,740
Work in progress return assets	106,938,806	123,976,321
Work item valuation loss allowance	(9,051,125,290)	(8,124,637,257)
Total	111,579,341,700	104,091,109,804

(4) Recognized valuation losses regarding inventory assets during the current and last quarter are as follows

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Sales cost:		
Inventory asset valuation loss	926,488,033	170,679,875

12. Investment share of subsidiaries and associated company.

(1) Details on the subsidiaries' investment share for the current and last quarter-end are as follows.

(Unit: KRW)							
Name	Country	Main activity	Settlement month	Current quarter-end		Last quarter-end	
				Percentage (%)	Book value	Percentage (%)	Book value
Silicon Works Inc.	USA	Semiconductors manufacture and design	Dec	100.00	137,322,045	100.00	137,322,045
Silicon Works China Co., Ltd.	China	Semiconductors manufacture and design	Dec	100.00	2,179,314,000	100.00	2,179,314,000
Total					2,316,636,045		2,316,636,045

(2) Details on the associated company's investment share for the current and last quarter-end are as follows.

(Unit: KRW)							
Name	Country	Main sales division	Closing month	Current quarter-end		Last quarter-end	
				Shares (%)	Book value	Shares (%)	Book value
Advanced Power-Device Technologies Co. Ltd (*)	Korea	R&D and design of semiconductor device	March	49.00	4,410,000,000	49.00	4,410,000,000

(*) The company has newly invested 4,410,000,000 won in Advance Power-Device Technologies Co. Ltd during last quarter for the purpose of product and technology development.

13. Tangible assets

(1) Details of tangible assets for the current and last quarter-end are as follows.

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Acquisition cost	49,584,484,050	44,505,078,916
Accumulated amortization	(24,172,663,970)	(22,215,270,725)
Accumulated impairment loss	(564,056,013)	(564,056,013)
Government subsidy	(7,061,115)	(8,219,676)
Book value	24,840,702,952	21,717,532,502

(2) Changes in the book value of tangible assets during the current and last quarter are as follows.

③ Current quarter

(Unit: KRW)								
Category	Land	Building	Structure	Machinery	Equipment	Other tangible assets(*)	User right assets	Total
Beginning of current quarter	5,001,607,594	2,672,756,191	185,946,248	7,036,604,801	4,258,311,510	2,562,306,158	-	21,717,532,502
Acquisition	-	-	-	704,324,680	331,263,848	83,893,600	-	1,119,482,128
Disposition	-	-	-	(2,000)	(2,363,148)	-	(84,903,236)	(87,268,384)

Redemption	-	(174,139,691)	(1,176,876)	(546,500,764)	(459,490,998)	(153,060,020)	(773,412,016)	(2,107,780,365)
Etc.	13,774,740	320,872,550	-	-	-	-	3,864,089,781	4,198,737,071
Current quarter-end	5,015,382,334	2,819,489,050	184,769,372	7,194,426,717	4,127,721,212	2,493,139,738	3,005,774,529	24,840,702,952

④ Last quarter

(Unit: KRW)							
Category	Land	Building	Machinery	Equipment	Other tangible assets(*)	Tangible assets in construction	Total
Beginning of last quarter	5,220,274,972	3,256,217,768	3,446,936,246	2,864,482,493	400,120,255	-	15,188,031,734
Acquisition	-	-	205,154,418	622,484,785	305,100,000	234,000,000	1,366,739,203
Redemption	-	(63,582,508)	(370,841,768)	(335,734,578)	(38,256,614)	-	(808,415,468)
Last quarter-end	5,220,274,972	3,192,635,260	3,281,248,896	3,151,232,700	666,963,641	234,000,000	15,746,355,469

(*) Facility equipment and leasehold improvement assets are included in other tangible assets.

14. Intangible assets

(1) Details of intangible assets for the current and last quarter-end are as follows.

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Acquisition cost	80,596,680,112	78,175,723,788
Accumulated amortization	(22,552,104,523)	(20,931,858,923)
Accumulated impairment loss	(302,443,400)	(337,876,490)
Government subsidy	(8,562,100)	(10,929,374)
Book value	57,733,570,089	56,895,059,001

(2) The changes in the book value of intangible assets during the current and last quarter are as follows.

③ Current quarter

(Unit: KRW)							
Category	Sales right	Industrial property right	Software	Membership	Other intangible assets (*)	Intangible assets in construction	Total
Beginning of current quarter	27,913,122,677	1,417,502,763	3,845,404,147	2,069,003,000	19,218,000,006	2,432,026,408	56,895,059,001
Acquisition	-	153,892,915	1,210,926,352	689,383,200	-	701,401,147	2,755,603,614
Redemption	-	(57,135,812)	(349,742,512)	-	(1,211,000,002)	-	(1,617,878,326)
Etc.	-	-	790,400,000	(299,214,200)	-	(790,400,000)	(299,214,200)
Current quarter-end	27,913,122,677	1,514,259,866	5,496,987,987	2,459,172,000	18,007,000,004	2,343,027,555	57,733,570,089

(*) Other intangible assets is consisted of customer relationship intangible asset, technical skills, and etc.

④ Last quarter

(Unit: KRW)

Category	Sales right	industrial property right	Software	Membership	Other intangible assets (*)	Intangible assets in construction	Total
Beginning of current quarter	9,044,018,628	1,298,212,020	1,329,137,152	1,693,653,000	2,250,000,040	2,100,643,000	17,715,663,840
Acquisition	-	119,343,277	37,404,000	600,000,000	-	-	756,747,277
Redemption	-	-	-	(176,000,000)	-	-	(176,000,000)
Etc.	-	(49,161,624)	(205,835,196)	-	(265,000,014)	-	(519,996,834)
Current quarter-end	9,044,018,628	1,368,393,673	1,160,705,956	2,117,653,000	1,985,000,026	2,100,643,000	17,776,414,283

(*) Other intangible assets is consisted of customer relationship intangible asset, technical skills, and etc.

15. Government subsidy

The company signed a joint research and development agreement regarding undermentioned new technology development, which is a government project. The company spent the government subsidy to purchase various tangible and intangible assets related to the development business, while recognizing such transactions as deduction in the relevant subsidy asset entry.

Government Project	Organizer
Digital holographic table top terminal technology development	Electrics and Telecommunications Research Institute

16. Purchase liabilities and other liabilities

Details on the purchase liabilities and other liabilities for the current and last quarter-end are as follows.

(Unit: KRW)			
Category	Current quarter-end		Last quarter-end
	Liquid	Illiquid	Liquid
Purchase liabilities	148,379,182,703	-	114,566,795,190
Amount payable	19,182,652,948	-	16,625,138,098
Cash dividends payable	13,499,369,000	-	-
Unpaid expenses	9,264,381,886	-	3,826,637,576
Lease liabilities	-	3,023,260,690	-
Total	190,325,586,537	3,023,260,690	135,018,567,713

17. Other liabilities

(1) Details on other liabilities for the current and last quarter-end are as follows.

(Unit: KRW)				
Category	Current quarter-end		Last quarter-end	
	Liquid	Illiquid	Liquid	Illiquid
Advance payment	4,394,537,013	-	5,400,675,881	-
Deposit	337,622,169	-	778,058,278	-
Provision	3,028,901,427	-	3,941,853,811	-

Long-term working employee salary	-	847,143,115	-	825,632,368
Recovery allowance liabilities	-	498,300,000	-	498,300,000
Total	7,761,060,609	1,345,443,115	10,120,587,970	1,323,932,368

(2) Changes to provision during the current quarter are as follows.

(Unit: KRW)					
Category	Base	Setting	Reversal	Utilization	Quarter-end
Sales guarantee	3,778,854,69	121,415,68	(846,997,573)	(162,516,483)	2,890,756,32
Return provision	162,999,11	30,993,93	(55,847,944)	-	138,145,10
Recovery	498,300,00	-	-	-	498,300,00
Total	4,440,153,81	152,409,61	(902,845,51)	(162,516,48)	3,527,201,42

The company recognizes warranty expense in the provision for product warranties as expected to be borne by the company related to sales guarantee for the products, and recognizes the corresponding transferred amount in selling and administrative expenses. On the other hand, the company recognizes the amount corresponding to the portion of revenue to be canceled at the time of product return as allowance liability for return and deduction to sales in accordance with the no.1115 of the SKAS.

18. Capital and capital surplus

(1) Details on capital and capital surplus for the current and last quarter-end are as follows.

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Number of authorized shares	50,000,000 shares	50,000,000 shares
Price per share	500	500
Number of issued shares	16,264,300 shares	16,264,300 shares
Capital	8,132,150,000	8,132,150,000

(2) There are no changes in the number of outstanding shares (16,264,300 shares) in the current and last quarter.

(3) Details on capital surplus for the current and last quarter-end are as follows.

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Capital excess stated value	66,560,617,129	66,560,617,129
Other capital surplus	9,782,553,371	9,782,553,371
Total	76,343,170,500	76,343,170,500

19. Other capital items

Details on other capital items for the current and last quarter-end are as follows.

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Other comprehensive profit/loss-fair value measured financial asset valuation profit/loss	(380,807,731)	(380,807,731)

20. Retained earning

(1) Details on the retained earnings for the current and last quarter-end are as follows.

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Legal reserve	4,066,075,000	4,066,075,000
Unappropriated earned surplus	347,053,788,678	357,756,648,422
Total	351,119,863,678	361,822,723,422

(2) Changes in the retained earnings during the current and last quarter are as follows.

(Unit: KRW)		
Category	Current quarter	Last quarter
Base	358,559,724,686	322,038,245,415
Provision of dividends	(13,499,369,000)	(11,385,010,000)
Adjustments followed by the first application of no.1109 of K-IFRS	-	1,705,779,692
Adjustments followed by the first application of no.1115 of K-IFRS	-	(1,576,974,791)
Net income of the quarter	2,857,637,790	6,205,343,459
Quarter-end	347,917,993,476	316,213,392,554

21. Earnings per share

(1) Basic earnings per share

④ The calculated details on basic earnings per shares are as follows.

(Unit: KRW)		
Category	Current quarter	Last quarter
Net profit of the common share	2,796,509,256	6,205,343,459
Number of weighted average outstanding common stocks	16,264,300 shares	16,264,300 shares
Earnings per basic share	172	382

⑤ Calculated details on the number of weighted average outstanding common stocks of the current quarter

Number of issued shares (1)	Number of treasury shares (2)	Number of outstanding common shares (1-2)	Weight	Number of weighted average outstanding common stocks
16,264,300 shares	-	16,264,300 shares	90 days/ 90 days	16,264,300 shares

⑥ Calculated details on the number of weighted average outstanding common stocks of the last quarter

Number of issued shares (1)	Number of treasury shares (2)	Number of outstanding common shares (1-2)	Weight	Number of weighted average outstanding common stocks
16,264,300 shares	-	16,264,300 shares	90 days/ 90 days	16,264,300 shares

(2) Diluted earnings per share

The company does not hold any diluted stocks in the current and last quarter. Therefore, diluted earnings per share is the same as the basic earnings per share.

22. Financial revenues and expenses

(1) Details of financial revenues in the current and last quarter are as follows.

(Unit: KRW)		
Category	Current quarter	Last quarter
Interest profit	1,032,594,154	1,082,642,809
Profit on foreign exchange(financial)	10,520,000	-
Profit on foreign currency conversion(financial)	4,724,461	62,536,939
Total	1,047,838,615	1,145,179,748

(2) Details of financial expenses in the current and last quarter are as follows.

(Unit: KRW)		
Category	Current quarter	Last quarter
Interest cost	15,938,764	-
Loss on foreign currency conversion(financial)	136,833	2,506,515
Net profit/loss-fair value measured financial asset valuation profit/loss	60,955,271	-
Total	77,030,868	2,506,515

24. Other non-operating revenues and expenses

(1) Details on other non-operating revenues for the current and last quarter are as follows.

(Unit: KRW)		
Category	Current quarter	Last quarter
Profit on foreign exchange(non-financial)	88,573,804	226,135,940

Profit on foreign currency conversion (non-financial)	215,084,302	133,861,971
Profits on dispositions of tangible assets	102,064,956	-
miscellaneous profit	423,779,566	302,986,808
Total	829,502,628	662,984,719

(2) Details on other non-operating expenses for the current and last quarter are as follows.

(Unite: KRW)		
Category	Current quarter	Last quarter
Loss on foreign exchange(non-financial)	85,294,386	245,814,074
Loss of foreign currency conversion(non-financial)	191,194,283	126,480,511
Loss on disposition of tangible assets	1,887,206	-
Loss on disposition of intangible assets	-	21,454,545
miscellaneous profit	424,671	194,890
Total	278,800,546	393,944,020

24. Operating profit

Major items and price included in the measurement of operating profit during the current and last quarter are as follows.

(Unit: KRW)		
Category	Current quarter	Last quarter
Sales	177,366,380,848	162,156,022,628
Sales from sales of goods	175,549,928,593	161,291,722,081
Other sales	1,816,452,255	864,300,547
Sales cost	137,660,749,717	125,134,424,567
Cost of goods sold	137,015,501,328	124,709,697,784
Other sales cost	645,248,389	424,726,783
Selling and administrative expenses	38,060,339,578	33,754,252,539
Salary and bonuses	5,994,444,635	4,491,652,941
Retirement benefits	565,116,726	486,740,894
Welfare benefits	1,397,118,605	1,010,340,244
Travel expenses	421,086,895	477,611,035
Paid rents	296,501,884	728,731,733
Paid fees	4,017,091,464	2,104,265,361

Depreciation cost	1,419,361,090	621,660,004
Depreciation cost of intangible assets	334,169,874	178,499,052
Cost of product loss guarantee	(715,178,240)	186,614,306
R&D expenses	23,532,421,158	22,476,441,468
Etc.	808,205,487	991,695,501
Operating profit	1,645,291,553	3,267,345,522

25. Employee salary

The company pays their retiring employees with the predetermined amount of retirement benefits in lump sum, based on the level of salaries and the years in service, and this is classified as defined benefit system. Such retirement benefit can be withdrawn before the resignation of the employee as interim settlement when the legal requirements apply. The number of years of service for calculating severance pay after the interim settlement is newly calculated from the time of settlement.

(1) Changes in the defined benefit obligations are as follows.

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Current value of defined benefit obligation	34,447,520,802	32,571,648,690
Fair value of assets deposited outside of the company	(27,833,897,922)	(28,174,546,825)
Defined benefit obligations	6,613,622,880	4,397,101,865

(2) Changes in the current value of the defined benefit obligation during current and last quarter are as follows.

(Unit: KRW)		
Category	Current quarter	Last quarter
Opening balance of defined benefit obligation	32,571,648,690	25,999,037,468
Labor cost for the quarter	1,428,642,587	1,229,366,919
Interest expense	204,813,145	194,493,630
Transfers between associated company	812,390,900	653,455,808
Retirement benefit payment	(569,974,520)	(1,011,602,000)
Balance of defined benefit obligation at the quarter-end	34,447,520,802	27,064,751,825

(3) The changes in the fair value of assets externally deposited in the current and last quarter are as follows.

(Unit: KRW)		
Category	Current quarter	Last quarter
Opening balance of externally deposited assets	28,174,546,825	24,015,684,437
Interest profit	155,085,777	179,113,308
Transfers between associated company	4,095,000	-

Retirement benefit payment from externally deposited assets	(499,829,680)	(942,871,938)
Ending balance of externally deposited assets	27,833,897,922	23,251,925,807

(4) Cost recognized as profit/loss regarding defined benefits obligations are as follows.

(Unit: KRW)		
Category	Current quarter	Last quarter
Labor cost	1,428,642,587	1,229,366,919
Net interest cost	49,727,368	15,380,322
Total	1,478,369,955	1,244,747,241

(5) The composition of externally deposited assets of the current and last quarter-end are as follows.

(Unit: KRW)		
Category	Current quarter-end	Last quarter-end
Short-term financial product, etc.	27,833,897,922	28,174,546,825

26. Corporate tax expense (profit)

Corporate tax expense is calculated by adjusting income tax expense related to the items recognized other than profit or loss and deferred income tax expense due to the adjustment and temporary differences arising in the current period. The average effective tax rates for the current quarter is 11.69%. Last quarter's effective corporate tax rates are not calculated as corporate tax revenues have occurred.

27. Cash flow statement

(1) Adjusted details on profits and expenses during sales of the current and last quarter are as follows.

(Unit: KRW)		
Category	Current quarter	Last quarter
Corporate tax expense(profit)	370,292,126	(1,526,284,005)
Depreciation cost	2,107,780,365	808,415,468
Profit on disposition of tangible assets	(102,064,956)	-
Loss on disposition of tangible assets	1,887,206	-
Amortization of intangible assets	1,617,878,326	519,996,834
Loss from disposition of intangible assets	-	21,454,545
Retirement benefits	1,478,369,955	1,244,747,241
Profit from foreign currency conversion	(219,808,763)	(196,398,910)
Loss from foreign currency conversion	191,331,116	128,987,026
Interest profit	(1,032,594,154)	(1,082,995,189)
Interest expense	15,938,764	-
Product loss guarantee cost(return)	(715,178,240)	186,614,306

Profit/loss-loss on valuation of financial assets measured at fair value	60,955,271	-
Loss of actual value method	38,708,187	-
Long-term employee salary	38,708,187	30,743,286
Etc.	(35,433,090)	-
Total	3,778,062,113	135,632,982

(2) Changes in assets and liabilities during sales of the current and last quarter are as follows.

(Unit: KRW)		
Category	Current quarter	Last quarter
Decrease(Increase) of account receivables	(23,153,844,743)	(32,224,382,414)
Decrease(Increase) of other receivables	514,279,755	(65,918,470)
Decrease(Increase) of other current assets	1,873,635,610	1,357,051,007
Decrease(Increase) of other noncurrent assets	-	4,286,264
Decrease(Increase) of inventory assets	(7,488,231,896)	(13,753,517,311)
Increase(Decrease) of purchase liabilities	33,658,144,245	37,229,677,316
Increase(Decrease) of other current liabilities	(1,644,349,121)	(452,258,719)
Increase(Decrease) of other liabilities	(1,033,853,956)	(6,755,583,086)
Increase(Decrease) of other noncurrent liabilities	(17,197,440)	(16,465,840)
Payment of retirement benefits	(569,974,520)	(1,011,602,000)
Decrease(Increase) of externally deposited assets	499,829,680	942,871,938
Transfer of defined benefit obligation of associated	808,295,900	653,455,808
Total	3,446,733,514	(14,100,591,701)

(3) Cash flows from operating activities on the cash flow statement are recorded using the indirect method. The significant transactions that do not involve cash inflows and outflows for the current and last quarter are as follows.

(Unit: KRW)		
Category	Current quarter	Last quarter
Increase/decrease of accounts payables related to acquisition of tangible assets	299,611,088	721,583,927
Increase/decrease of accounts payables related to acquisition of intangible assets	25,204,801	(1,008,291,000)
Substitution of advance payments into intangible assets	153,892,915	119,343,277
Recognition of lease liabilities and user right assets due to lease contract	3,864,089,781	-
Decrease in lease liabilities due to early termination of lease	92,315,134	-
Decrease in user right assets due to early termination of lease	84,903,236	-

(4) Cash flows related to financial activities

The changes in liabilities from financial activities during the current and last quarter are as follows.

③ Current quarter

(Unit: KRW)					
Category	Base	Increase	Financial activities cash flow	Non-cash transaction	Current quarter-end
Dividends payable	-	-	-	13,499,369,000	13,499,369,000
Lease liabilities	-	3,864,089,781	(748,513,957)	(92,315,134)	3,023,260,690

④ Last quarter

(Unit: KRW)				
Category	Base	Financial activities cash flow	Non-cash transaction	Current quarter-end
Dividends payable	-	-	11,385,010,000	11,385,010,000

Changes in liabilities occurred in financial activities are same for the current and last quarter.

28. Restricted use of financial products

The details of restricted financial products for the current quarter are as follows.

(Unit: KRW)		
Category	Amount	Details
Cash and cash equivalent assets	430,362,164	Government subsidy

29. Concerned entity

(1) Details of concerned entity of the company for the current and last quarter are as follows.

Category	Current quarter-end	Last quarter-end
Associated company	Advance Power-Device Technology Co., Ltd	Advance Power-Device Technology Co., Ltd
Company that exercise significant influence on the company	LG Corp.	LG Corp.
Etc.	Affiliate of LG Corp.	Affiliate of LG Corp.
	Conglomerate affiliated company(*)	Conglomerate affiliated company(*)

(*) Not included in the range of related party pursuant to no.1024 of the SKAS 'Disclosure of related parties', but belongs to the same conglomerate under the monopolistic regulation and fair trade law.

(2) Transactional details with the concerned entity for the current and last quarter are as follows.

(Unit: KRW)				
Category	Name	Specifications	Current quarter	Last quarter
	Silicon Works Inc.	Sales expense	591,056,468	288,810,000

Subsidiaries	Silicon Works China Co., Ltd	Sales expense	947,572,338	609,705,130
Associated company	Advance Power-Device Technology Co., Ltd	Acquisition of tangible and intangible assets	701,401,147	-
Other subsidiaries of LG	Lusem Co., Ltd (*)	Sales	-	60,000,000
		Other non-sales	-	72,993,637
		Sales expense	-	15,467,193,707
	LG CNS Co., Ltd	Sales expense	299,603,376	231,908,000
		Acquisition of tangible and	1,249,077,984	1,040,008,000
	SNI Corp Co., Ltd	Sales expense	247,509,161	-
	Serveone Co., Ltd	Sales	-	8,833,800
		Sales expense	19,658,787	100,757,975
	LG Management Development Institute	Sales expense	173,803,150	85,838,000
Other included corporation of the conglomerate	LG Electronics USA Inc.	Sales	247,021,650	317,409,030
	LG International Japan Ltd.	Sales	-	172,738,978
	LG Display Co., Ltd	Sales	150,291,660,106	143,294,639,707
		Sales expense	92,314,736	-
	LG Electronics Co., Ltd	Sales	2,821,143,776	2,345,257,536
		Sales expense	1,377,312,818	211,394,035
	LG Innotek Co., Ltd	Sales expense	5,519,197,551	5,721,108,354
	LG U+	Sales expense	21,458,322	26,501,403
	Pantos Co., Ltd	Sales expense	330,853,101	273,535,281
	Biztech Partners Co., Ltd	Sales expense	69,591,129	-
	HS Ad Co., Ltd	Sales expense	-	9,900,000

(*) Excluded from the related parties as LG has sold all shares of Lusem Co., Ltd. during the current quarter and the transaction details after it is excluded from the range of related parties.

(3) Claim and obligation on the concerned party for the current and last quarter-end are as follows

(Unit: KRW)					
Category	Name	Current quarter-end		Last quarter-end	
		Account receivables, etc.	Purchase liabilities, etc.	Account receivables, etc.	Purchase liabilities, etc.
Subsidiaries	Silicon Works Inc.	-	169,414,335	-	161,486,378
	Silicon Works China Co., Ltd.	-	278,290,043	-	389,164,009
Associated company	Advance Power-Device Technology Co., Ltd	-	535,993,809	-	220,821,862
Company that exercise significant influence on the company	LG Corp.	-	4,465,834,920	-	-
Other subsidiaries of LG	LG CNS Co., Ltd	-	501,168,581	-	824,550,265
	LG Management Department	-	164,155,420	-	161,700
	SNI Co., Ltd	300,000,000	143,937,853	300,000,000	80,628,193
	Serveone Co., Ltd	-	8,585,986	3,762,000	5,105,296

Other included corporation of the conglomerate	LG Electronics USA Inc.	247,021,650	-	430,692,120	-
	LG Display Co., Ltd	158,019,667,851	100,662,448	140,694,084,067	-
	LG Electronics Co., Ltd(*)	3,423,255,369	-	2,328,583,856	362,298,327
	LG Innotek Co., Ltd	-	5,600,944,583	-	2,946,258,263
	LG U+	-	-	3,520,000	-
	Pantos Co., Ltd	-	331,297,101	-	247,890,554
	Biztech Partners Co., Ltd	-	35,384,250	-	-

(*) In addition to the above receivables and liabilities, lease liabilities of 1,937,375,000 won and license assets of 1,932,605,000 are counted under an office lease agreement with LG Electronics Co., Ltd on the current quarter-end.

(4) Details on major fund transactions with the concerned entity during the current and last quarter are as follows.

(Unit: KRW)					
Category	Name	Current quarter		Last quarter	
		Cash payment	Dividends paid	Cash payment	Dividends paid
Subsidiaries	Silicon Works China Co., Ltd.	-	-	1,504,860,000	-
Associated company	Advance Power-Device Technology Co., Ltd	-	-	4,410,000,000	-
Company that exercise significant influence on the company	LG Corp. (*)	-	-	-	3,766,366,800

(*) Resolved but unpaid dividends of 4,465,835 won is counted as unpaid dividends on the current quarter-end.

(5) Details on the compensation of the major board of directors for the current and last quarter are as follows.

(Unit: KRW)		
Category	Current quarter	Last quarter
Short-term salary	899,711,813	425,077,290
Retirement benefit	108,467,067	77,760,637
Total	1,008,178,880	502,837,927

Board of directors of the company include directors (including outside directors) and audit committee members.

(6) There is no security and guarantees that the company offered for the concerned entity or is being offered from the concerned entity in the current and last quarter-end.

6. Other financial matters

A. Cautions regarding re-preparation of financial statements

1) Consolidated financial statements

- Not applicable

2) Financial Statements

- Not applicable

3) Business transfer

Classification	Sign date	Contract party	Contract details	Transfer amount (hundred million)	Transfer date	Report submission date
Business transfer	2018.05.29	LG Corp.	Assets and personnel related to T-con chip business for OLED TV	461	2018.07.01	-

Note. Refer to the followings for gain/loss caused by deals are XI needed to protect outside investors -
> 3. Sanction status and other matters -> Financial statement before and after business transfer.

B. Established allowance for bad debts

(1) Established allowance for bad debts per each accounting title

[Basic date: March 31, 2019]

(Unit : 1000KRW, %)

Classification	Accounting title	Receivables amount	Allowance for bad debt	Ratio of allowance
Q1 of 21 st year	Trade receivables	182,166,092	-	0.0
	Other receivables	8,857,512	-	0.0
	Non-current other	7,157,947	-	0.0
	Total	198,181,551	-	0.0
20 th year	Trade receivables	158,800,076	-	0.0
	Other receivables	2,245,033	-	0.0
	Non-current other	6,700,853	-	0.0
	Total	167,745,962	-	0.0
19 th year	Trade receivables	139,950,087	-	0.0
	Other receivables	1,613,047	-	0.0
	Non-current other	5,119,490	-	0.0
	Total	146,682,625	-	0.0

Note) The consolidated subsidiaries of the company have no record of establishing allowance for bad debts.

(2) Changes in allowance for bad debts

Changes in the allowance for bad debts on trade receivables during the period are as follows:

[Basic date: March 31, 2019]

(Unit : 1000KRW)

Classification	Q1 of 21 st year	20 th year	19 th year
----------------	-----------------------------	-----------------------	-----------------------

1. Total allowance for bad	0	0	0
2. Net recognition as bad	-	-	-
① Amount processed as bad debts	-	-	-
② Recollected receivables	-	-	-
③ Other	-	-	-
3. Amount in reflection of	0	0	0
4. Total allowance for bad	0	0	0

Note) The consolidated subsidiaries of the company have no record of changes with the allowance for bad debts.

(3) Policy on establishing the allowance for bad debts over the account receivables

The assumed bad debt amounts are set to allowances for bad debts in parallel use of the individual analysis method and age analysis for the balances of trade receivables.

- Establish 100% of allowance for bad debts to receivables with the age of a year or longer as a result of analysis on the age of receivables.
- The experience ratio of bad debts is calculated and established on the basis of the accrued bad debts in reality on the average balance of receivables in the past 3 years.

(4) Outstanding amount of account receivables at the end of current quarter by their elapsed duration.

[Basic date: March 31, 2019]

(Unit : 1000KRW)

Item	Elapsed duration of bond formation			Total
	Less than 3	3 ~ 6 months	Above 6 months	
Account	182,166,092	-	-	182,166,092
Total	182,166,092	-	-	182,166,092
Percentage (%)	100.00	-	-	100.00

D. Inventory status

(1) Status on inventory asset per business division

[Basic date: March 31, 2019]

(Unit : 1000KRW)

Business Division	Accounting title	Q1 of 21st year	20th year	19th year	Remarks
Semiconductor	Products	-	-	-	-
	Products in process	120,523,528	104,091,110	61,011,274	-
Total		120,523,528	104,091,110	61,011,274	-
Portion of inventory over gross assets (%) [Total inventory ÷ total assets at the end × 100]		18.64	17.13	11.2	-
Inventory turnover ratio (recollection) [Converted annual sales cost ÷ {(Inventory at the beginning + Inventory at the end) ÷ 2}]		5 times	7 times	9 times	-

2) Due diligence results on inventories

- Date of due diligence

Due diligence on inventory assets is carried out twice a year on the basis at the end of June and December.

- Method of due diligence

Examination with samples is carried out for some items with less importance although total quantity shall be examined in principle. The external auditor shall be present in the due diligence of inventory, take samples and check out the existence of inventory assets.

- Status of long-term stagnant inventory, etc.

Not applicable

D. Contract status

Not applicable

E. Evaluation details of fair value

(1) Summary of Fair Value Evaluation Procedures

[Non-derivative financial assets]

The consolidated entity divides non-derivative financial assets into 4 categories such as financial assets to be recognized in the current profit or loss, financial assets held until maturity, lending and receivables, and transferrable financial assets, and they are recognized in the statement of financial position.

Non-derivative financial assets are measured with fair value at the initial recognition. If they do not belong to financial assets to be recognized in the current profit or loss, transactional cost directly relating to the acquisition of financial assets is added to fair value at the initial recognition.

① Financial assets to be recognized in the current profit or loss

The company classified short-term trading financial assets or financial assets designated as financial assets to be recognized in the current profit or loss at the initial recognition into financial assets to be recognized into the current profit or loss. Financial assets to be recognized into the current profit or loss are measured with fair value after initial recognition and any change in fair value is recognized in the current profit or loss. On the other hand, any transactional cost relating to the acquisition at the initial recognition is recognized in the current profit or loss immediately on its occurrence.

② Held to maturity financial assets

If the company has the active intention and ability to hold until maturity as non-derivative financial assets whose maturity is fixed and amount to be paid is confirmed or possibly determined, the company classifies them into financial assets held until maturity. After initial recognition, the company applies the effective interest rate method and measures them with the cost after amortization.

③ Lending and receivables

Non-derivative financial assets whose payment is fixed or possibly determined and trading price is not

publicized in the active market are classified into lending and receivables. After initial recognition, the company applies the effective interest rate method and measures them with the cost after amortization.

④ Transferrable financial assets

If non-derivative financial assets are designated as transferrable items or not classified into either of financial assets to be recognized in the current profit or loss, financial assets held until maturity or lending and receivables, they are classified as transferrable financial assets. After initial recognition, they are measured with fair value and any change in fair value is recognized as other comprehensive profit or loss. However, cost is used for measurements for equity products and others whose market price is not publicized in the active market and fair value cannot be measured in a reliable manner.

⑤ Financial products by category

For more details, refer to "III. Financial Matters, 3. Notes to Consolidate Financial Statements, 6. Classification per Category of Financial Products (1), 7. Financial Risk Management (4)" in this disclosure document.

F. Record on issue of liability securities

Issue of liability Securities

[Basic date: March 31, 2019]

(Unit : 1000KRW)

Type	Method of issue	Type of issue	Date of issue	Total amount	Interest rate	Rating grade	Date of Maturity	Repayment	Undertaking company
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

Outstanding Balance of corporate paper

[Basic date: March 31, 2019]

(Unit : 1000KRW)

Remaining to maturity		10 days or less	Exceeding 10 days Not more than 30 days	Exceeding 30 days Not more than 90 days	Exceeding 90 days Not more than 180 days	Exceeding 180 days Not more than a year	Exceeding a year Not more than 2 years	Exceeding 2 years Not more than 3 years	Exceeding 3 years	Total
Unpaid balance	Public offering		-	-	-	-	-	-	-	-
	Private offering		-	-	-	-	-	-	-	-
	Total		-	-	-	-	-	-	-	-

Outstanding Balance of Electronic Short-term Bond

[Basic date: March 31, 2019]

(Unit : 1000KRW)

Remaining to maturity		10 days or less	Exceeding 10 days Not more than 30 days	Exceeding 30 days Not more than 90 days	Exceeding 90 days Not more than 180 days	Exceeding 180 days Not more than a year	Exceeding a year Not more than 2 years	Exceeding 2 years Not more than 3 years	Exceeding 3 years	Total
Unpaid balance	Public offering		-	-	-	-	-	-	-	-
	Private offering		-	-	-	-	-	-	-	-
	Total		-	-	-	-	-	-	-	-

Outstanding Balance of Corporate Bonds

[Basic date: March 31, 2019]

(Unit : 1000KRW)

Remaining to maturity		10 days or less	Exceeding 10 days Not more than 30 days	Exceeding 30 days Not more than 90 days	Exceeding 90 days Not more than 180 days	Exceeding 180 days Not more than a year	Exceeding a year Not more than 2 years	Exceeding 2 years Not more than 3 years	Exceeding 3 years	Total
Unpaid balance	Public offering		-	-	-	-	-	-	-	-
	Private offering		-	-	-	-	-	-	-	-
	Total		-	-	-	-	-	-	-	-

Outstanding Balance of Hybrid Securities

[Basic date: March 31, 2019]

(Unit : 1000KRW)

Remaining to maturity		10 days or less	Exceeding 10 days Not more than 30 days	Exceeding 30 days Not more than 90 days	Exceeding 90 days Not more than 180 days	Exceeding 180 days Not more than a year	Exceeding a year Not more than 2 years	Exceeding 2 years Not more than 3 years	Exceeding 3 years	Total
Unpaid balance	Public offering		-	-	-	-	-	-	-	-
	Private offering		-	-	-	-	-	-	-	-
	Total		-	-	-	-	-	-	-	-

Outsourcing Balance of Conditional Capital Securities

[Basic date: March 31, 2019]

(Unit : 1000KRW)

Remaining to maturity		10 days or less	Exceeding 10 days Not more than 30 days	Exceeding 30 days Not more than 90 days	Exceeding 90 days Not more than 180 days	Exceeding 180 days Not more than a year	Exceeding a year Not more than 2 years	Exceeding 2 years Not more than 3 years	Exceeding 3 years	Total
Unpaid balance	Public offering		-	-	-	-	-	-	-	-
	Private offering		-	-	-	-	-	-	-	-
	Total		-	-	-	-	-	-	-	-

IV. Director's management diagnosis and opinion

The company do not enter this item in the quarterly, semi-reports in accordance with Article 6 of the Standards for Preparation of the Corporate.

V. Auditor's opinion

1. Audit opinion of auditor

A. Name and audit opinion of auditor

Business year	Auditor	Audit opinion	Special remarks in the
Q1 of 21 st year (current)	Samjung KPMG, Inc.	-	-
20 th year (previous)	Samjung KPMG, Inc.	Appropriate	-
19 th year (previous before the last)	Samjung KPMG, Inc.	Appropriate	-

※ 21st Year 1Q review opinion – Items that were not presented fairly in terms of importance have not been found in accordance with K-IFRS.

B. Audit service contract status

(Unit : 1,000KRW)

Business year	Auditor	Subject	Remune	Total required
Q1 of 21 st year (current)	Samjung KPMG, Inc.	Consolidated financial statements, financial statements,	200,000	-
20 th year (previous)	Samjung KPMG, Inc.	Consolidated financial statements, financial statements,	165,000	1,783
19 th year (previous before the last)	Samjung KPMG, Inc.	Consolidated financial statements, financial statements,	105,000	1,174

C. Status of non-audit service contracts with auditor

(Unit : 1,000KRW)

Business year	Contract date	Services	Period	Remuneratio	Remark
Q1 of 21 st year (current)	-	-	-	-	-
20 th year (previous)	-	-	-	-	-
19 th year (previous before the last)	-	-	-	-	-

D. Auditor's opinion on subsidiaries

There is no subsidiary which has received any audit opinion other than appropriate from auditor during the current quarter.

2. Change of auditor

The Audit Committee of the company approved Samjung KPMG, Inc. as the company's external auditor for the period from the 19th year to the 21st year on February 28, 2017, following the 18th year.

The change of external auditors was reported to the 18th regular general shareholders' meeting of the company in accordance with Article 4-3 of the Act on the External Auditor of Limited Liability Company, and Article 4 and 53 of the company's Articles of Incorporation.

3. Internal Accounting Management System

A. Status of operation of internal accounting management system

(1) Report by the Internal Accounting Manager

Business year	Reporting date	Report	Comment
20 th year	2019.1.30.	The company's internal accounting control system as of January 30, 2019 is thought to be effectively designed and operated in terms of importance, considering the standard regulations on the internal accounting control system.	-
19 th year	2018.2.1.	The company's internal accounting control system as of February 1, 2018 is thought to be effectively designed and operated in terms of importance, considering the standard regulations on the internal accounting control system.	-
18 th year	2017.2.1.	The company's internal accounting control system as of February 1, 2017 is thought to be effectively designed and operated in terms of importance, considering the standard regulations on the internal accounting control system.	-

(2) Overall opinions represented in the audit report by auditor

There were no comments from the auditor on the first quarter of the 21st year. As a result of the review by the external auditors, it has been found that the contents of the report on the operation of the IACS of the 20th, 19th and 18th IAMS have not been prepared in accordance with the provisions of the IAMS I expressed my opinion that it was not.

VI. Company's Organizations such as the Board of Directors

1. Board of Directors

A. Overview of the Structure of Board of Directors

As of the day this report is prepared, the board of directors comprises of 2 full-time directors, 1 uncategorized non-executive director and 3 independent directors. Boik Son, chairperson of the audit committee and was elected as chairperson according to Article 5 of the company's regulations.

With regard to the history and roles of each director, please refer to "VIII. Executives and Employees - 1. Executives and Employees".

B. Major Resolutions

No.	Date	Detail	Approval status	Name							
				Boik Son (Attendance rate: 100%)	Sungkwan Choi (Attendance rate: 100%)	Hyeonok Jeong (Attendance rate: 100%)	Nyunchae Jeong (Attendance rate: 0%)	Ilgoo Yoon (Attendance rate: 100%)	Yongsu Shin (Attendance rate: 67%)	Namju Lee (Attendance rate: 100%)	Kyungwoo Wi (Attendance rate: 100%)
				Accordance status							
1	2019.1.30	Report on the management performance of the 4 th quarter of 2018 and the annual performance of the 18 th year	Report	-	-	-	-	-	-	-	-
		Report on the operation status of internal accounting management system	Report	-	-	-		-	-	-	
		Approval of the 20th year financial statements and sales reports	Approved	Agree	Agree	Agree		Agree	Agree	Agree	
		Approval of the revision of the internal accounting management regulations	Approved	Agree	Agree	Agree		Agree	Agree	Agree	
2	2019.2.28	Report on the evaluation results of the internal accounting management system	Report	-	-	-	-	-	-	-	-
		Report on compliance with the law control standard	Report	-	-	-		-	-	-	
		Agreement on the gathering of the 20th annual meeting of shareholders and approval of the meeting's purpose	Approved	Agree	Agree	Agree		Agree	-	Agree	
3	2019.3.15	Approval of the revision of the personnel management regulations for executive officers	Approved	Agree	Agree	-	Absent	Agree	Agree	-	Agree
		Approval of executive officers' special bonuses	Approved	Agree	Agree		Absent	Agree	Agree		Agree
		Approval of maintaining advisor contracts	Approved	Agree	Agree		Absent	Agree	Agree		Agree
		Approval of the board's remuneration	Approved	Agree	Agree		Absent	Agree	Agree		Agree

Note) Nyeonchae Jeong was elected in the 20th annual shareholders' meeting and the term is 3 years. Also serves as executive director at LG Corp and as non-executive director at LG Innotek Co., Ltd.

Note) Outside director and audit committee member Kyungwoo Wi was elected from the 20th year's general shareholders meeting, and his term is 3 years.

C. Committees within the Board of Directors

The audit committee was excluded in accordance with preparation standards of corporate disclosure forms.

D. Independence of Directors

The directors are elected at the shareholders' meeting, and the candidates for the directors to be elected at the general shareholders' meeting are selected by the board of directors and confirmed as agenda to be submitted to the general shareholders' meeting. If there is shareholder's opinion based on related law regarding the election the director, the board submits it to the shareholders' meeting within appropriate scope.

As the total amount of assets of the company is less than 2 trillion won at the end of the business year, the company does not have an obligation to set up a committee to recommend candidates for outside directors. In order to secure fairness and independence in the appointment of outside directors, the company will appoint outside directors at the shareholders meeting. The directors appointed through such procedure are as follows.

As of March 31, 2019, each of the current six directors has the following recommendations and background:

Position	Name	Elected background	Recom- mender	Duty	Deal with the company	Relationship with the largest shareholder or major shareholder	Term	Term status (number of consecutive terms)
Executive director	Bok Son	to perform internal and external affairs	Board	Board chairman, CEO	N/A	Registered executives of affiliated company	3 yrs	-
Executive director	Sungkwan Choi	to carry out overall works on finance	Board	CFO		Registered executives of affiliated company		-
Non-executive director	Nyeonchae Jeong	to carry out all management tasks	Board	Advisor on system semiconductor development and commercialization		Registered executives of affiliated company		-
Outside director	Kyeongwoo Wi	qualified as a financial and accounting specialist	Board	chairman of the audit committee		Registered executives of		-
Outside director	Bigoon Yoon	qualified as an expert in the company's business field	Board	audit committee		Registered executives of		-
Outside director	Youngsoo Shi	qualified as an expert in the company's business field	Board	audit committee		Registered executives of		-

Note) Nyeonchae Jeong was elected in the 20th annual shareholders' meeting and the term is 3 years. Also serves as executive director at LG Corp and as non-executive director at LG Innotek Co., Ltd.

Note) Outside director and audit committee member Kyungwoo Wi was elected from the 20th year's general shareholders meeting, and his term is 3 years.

■ Authorities of the board of directors

- 1) The board of directors Decides important corporate issues pursuant to Chapter 5 of the Articles of Incorporation.
- 2) The board of directors must review and Decide the following issues pursuant to Article 393-2 of the Commercial Law:
 - Proposal of issues requiring the approval of the general shareholders' meeting
 - Appointment of CEO and Decision of co-representatives
 - Decisions on appointment, term, position, and remuneration of executives
 - Other important matters as to the company's basic policies and operating activities

E. Expertise of outside directors

1) Organization in support of outside **director**

- CFO Finance Team
- Main task : Support the operation of the board of directors and the performance of outside directors
- Team employee status : 2 people

2) Status of the training for the outside directors

Training status for outside directors	Reasons
Not implemented	Note)

Note) On April 17, 2019, a training session was conducted for the outside director Kyungwoo Wi who was elected on the 20th year's regular shareholders' meeting on the subject of board of directors roles and key matters related to the company management, which was organized by the LG Management Development Institute.

2.Audit System

A. Audit Committee

(1) The composition of the Audit Committee and director status

[Basic date: March 31 2019]

Name	Background	Director Status	Comments
Kyungwoo, Wi	Ph.D. of Business Administration, UCLA (Current) Professor of Business School at Sookmyung W. University	Outside Director	Auditor Chairperson
Yoonil, Gu	Ph.D. Georgia Institute of Technology (Current) Professor of Electrical and Electronics Engineering at Yonsei University	Outside Director	-
Youngsu, Shin	Ph.D. of Electronic Engineering at Seoul National University (Current) Professor of Electrical and Electronics Engineering at KAIST	Outside Director	-

Note) Auditor chairperson director Wi has 5 years of experience in the related field of work

Note) Director Wi and Audit Committee members were elected in the annual meeting of shareholder in the 20th year and term of office is 3 years.

(2) Independence of the members of the Audit Committee

Audit Committee maintains independence by consisting its members (3 persons) as independent directors who do not have any reasons for disqualification according to the Commercial Act. The appointment of the members has been made after a thorough review by the board of directors and the final approval by the general meeting of shareholders.

The company is complying with the procedures set forth in the Commercial Act and other relevant laws. Also, the organization, authority, and the scope of works are clearly stated in the relevant rules in order to carry out the auditory works.

Criteria	Qualification	Related Laws
Consist of 3 directors	Qualified (3 members)	Article 415.2, Section 2 of Commercial Act
2/3 of the member must be outside directors	Qualified (all members outside directors)	
One or more member must be expert in finance and accounting	Qualified (1 person, Kyunwoo Wi)	Article 542.11, Section 2 of Commercial Act

Auditor chairperson must be an outside director	Qualified	
No other disqualifications (relationship with the largest shareholder, etc.)	Qualified	Article 542.11, Section 3 of Commercial Act

(3) Activities of the Audit Committee

No.	Date	Agenda	Pass/ Decline	Approval				Note
				Namju Lee	Gyeong woo Wi	Ilgoo Yoon	Youn gsoo Shin	
				Approval Status				
1	2019. 01.30	Report on the operation status of the internal accounting management system	Report	-	-	-	--	-
		Report on the 20 th year’s financial statements and sales report	Report	-		-	-	-
		Report on the audit progress by external auditors	Report	-		-	-	-
		Revision approval of the internal accounting management regulations	Passed	Agree		Agree	Agree	-
2	2019. 02.28	Approval of audit reports by the audit committee on financial statements and operating reports	Passed	Agree		Agree	Abse nt	-
		Approval of the audit committee’s evaluation report on the actual conditions of the internal accounting management system	Passed	Agree		Agree	Abse nt	-
		Approval of the Audit Committee’s opinion on the operation status of the internal monitoring system	Passed	Agree		Agree	Abse nt	-
3	2019. 03.15	Appointment of the chairman of the audit committee	Passed	-	Agree	Agree	Agree	-

(4) Training Plan and Status

The company plans training for the audit committee.

Audit Committee training status

Training Date	Training Body	Participated Director	Reason for Absence	Training Agenda
-	-	-	-	-

(5) Audit Committee's Organizational Status

Team	Number of Personnel	Position (years of service)	Role
------	------------------------	-----------------------------	------

Finance Team	4	1 Manager, 1 Senior employee (average 3 years and 6 months)	Support the operation and job performance of the audit committee
Precision Management Team	2	1 Manager, 1 Senior employee (average 9 months)	Major issues related to the management of internal accounting management systems

Note) Years of service was measured according to one's tenure of office in the company.

B. Compliance Assistant

(1) Information of the compliance assistants and etc. (including major background)

Name	DOB	Major Career	Date of Appointment
Jinbok Kim	October 1960	Undergraduate in Law at Chungnam National University Head of Management Law Team, Head of Contract Legal Team at LG Electronics (Current) Head of Legal Team at Siliconworks	2018.05.29

Note) Jinbok Kim, the compliance assistant, has total of over 10 years of experience in audit/audit committee/compliance assistant or related legal team at a listed company

(2) Major activities and results of the compliance assistant

After evaluating the validity of our compliance control standards and checking their compliance, our compliance control standards are prepared and complied with in accordance with the following laws and standards.

Date of compliance	Major check point	Result
At all times	Check that the provisions stipulated in the Commercial Act are stipulated in the compliance control standard	content of compliance control standard - It was appropriately stipulated in accordance with the content of compliance control standard
	Ensure that the compliance control system, procedures, equipment, education, and compliance support personnel are appropriately implemented	Assessment and management of legal risks - Legal risks were being classified; detailed items for each type are being prepared
		Independent working system for a compliance personnel
		A compliance personnel was appointed by the board of directors and the person's term is guaranteed
		A system of sanctions against violations - The system reflects employment law and disciplinary regulations appropriately

		Compliance inspection and report system - The system reflects employment law and disciplinary regulations appropriately
	Check the process of classification of risks, compliance inspection and compliance personnel	Compliance inspection and report system - The company is preparing the annual compliance inspection system; the result will be reported to the board of directors

(3) Compliance support personnel status

Department	# of employee	position (working year)	Major issue
Legal team	2	1 Manager, 1 Senior member (average 8 months)	Major Issues related to the operation of compliance

Note) The working year was calculated based on the period of work in our company.

3.Shareholders' Exercise of Voting Rights

A. Voting system

(1) Selecting from concentrated voting system, voting in writing or electronic voting

system As of the day that the company prepared the report, there is no relevant information.

B. Exercise of the Right of the Minority Shareholders

As of the day that the company prepared the report, there is no relevant information.

C. Competition over Management Right

As of the day that the company prepared the report, there is no competition over management right.

VII. Shareholders

1. Shareholding status of the largest shareholder and its special interest parties

A. Shares held by the largest shareholder and its special interest parties

(Basic date: March 31 2019)

(Unit : share, %)

Name	Relation	Type of Share	Number of shares owned and stake				note
			Beginning of the them		End of the term		
			# of Shares	stake	# of shares	stake	
LG Crop.	The largest shareholder	Common	5,380,524	33.08	5,380,524	33.08	-
Boik Son	Executive	Common	1,826	0.01	1,826	0.01	-
Total		Common	5,382,350	33.09	5,382,350	33.09	-
		-	-	-	-	-	-

Note) Refer to 『VII. Executives and Employees』 for details on the change of management』

B. Major issues related to the largest shareholder

(1) Basic information of the largest shareholder (as of March 31, 2019)

Name	# of investors	CEO (Representative member)		Business executive (Business executive member)		The largest shareholder (The largest investor)	
		Name	Portion (%)	Name	Portion (%)	Name	Portion (%)
LG Corp.	32,583	Kwangmo Koo	15.00	-	-	Kwangmo Koo	15.00
		Yongsoo Kwon	0.00	-	-	-	-

Note 1) Stake is based on common stock

Note 2) The number of investors and portion listed above is based on the closing date, December 31st 2018.

Changes in CEO, business executive and the largest shareholder

Date of change	CEO (Representative member)		Business executive (Business executive member)		The largest shareholder (The largest investor)	
	Name	Portion (%)	Name	Portion (%)	Name	Portion (%)
2018.06.29	Kwangmo Koo	6.24	-	-	-	-
2018.08.29	Yongsoo Kwon	-	-	-	-	-

2018.11.01	Kwangmo Koo	15.00	-	-	Kwangmo Koo	15.00
2019.03.25	Yongsoo Kwon	0.00	-	-	-	-

Note 1) CEO Bonmoo Koo resigned on May 20, 2018 due to his death, and CEO Kwangmo Koo was newly appointed through the board meeting on June 29, 2018.

Note 2) CEO Hyunhwoi Ha resigned on August 29th 2018, and CEO Yongsoo Kwon was newly appointed.

Note 3) Prior to the change on November 1, 2018, the largest shareholder was changed to CEO Koo Kwang-mo due to the inheritance of the shares of Bonmoo Koo.

Note 4) On March 25, 2019, CEO Youngsoo Kwon acquired the stake through takeover in the market

Note 5) The reset date is the settlement date in the stock market.

Note 6) The portion is based on common stock

2) Financial status

This is the latest financial status of LG Corp., our largest shareholder.

(Unit: Million KRW)

Criteria	
Organization name	LG Corp.
Total assets	22,835,911
Total liabilities	4,671,434
Total capital	18,164,478
Sales and profit or loss under equity method	7,743,356
Operating income	1,821,257
Current net profit	1,882,897

Note 1) Based on consolidated financial statements of December 2018; MRO business part has been restated by classifying it as a discontinued operation.

Note 2) Refer to the Current quarter reports of LG Corp., which are disclosed on May 15 2019, for financial status as of the end of March 2019.

(3) Business status

Our company's largest shareholder LG Corp. was established on January 5, 1947 and listed on the stock market on February 13, 1970. LG Corp. is a holding company which owns 13 subsidiaries such as LG Electronics, LG

Chemicals, LG U Plus at the end of March 2019. Major income sources of LG Corp. consist of dividend income, trademark use income, rental income, etc.

2. Changes to the Largest Shareholders

A. Details for changes to the largest shareholder

- Not applicable

3. Distribution of Shares

Status of shares held

(Basic date: March. 31, 2019)

(Unit: share)

Classification	Name of shareholder	Number of shares owned	Stake	Notes
5% or higher shareholders	LG Corporation	5,380,524	33.08%	-
	Templeton Asset Management, Ltd.	1,041,399	6.40%	(*)
	National Pension Service (NPS)	830,848	5.11%	
	BlackRock Fund Advisors	816,703	5.02%	(**)
Employee stock ownership association		6,493	0.04%	-

(*) The number of shares owned by Templeton Asset Management, Ltd. includes the share owned by three funds within the company.

(**) The number of shares owned by BlackRock Fund Advisors includes the ownership interests of the four funds within the company.

Minority Shareholder Status

(Basic date: December.31, 2018)

(Unit: shares)

Classification	Shareholder		Shares hold		Note
	Number of shareholders	Stake	Number of	Stake	

			shares		
Minority shareholders	8,919	99.82%	7,612,055	46.79%	Shareholders having shares under 1/100 of the total shares issued

4.Operations for Shares

Classification	Information
Preemptive rights based on the Articles of Association	<p>① Shareholders have the rights to receive new shares in proportion to the number of shares held by themselves.</p> <p>② Despite Clause 1, the company may distribute new shares in the event of the following,</p> <ol style="list-style-type: none"> 1. When the company issues new shares via the general capital increase by public offering based on their solution of the board of directors according to Article 165-6 of 「the Act on Capital Market and Financial Investment」 2. When the company issues new shares via stock option according to Article 542-3 of 「Commercial Law」 3. Primary distribution to the members of the Employee Stock Ownership Association within 20% of the total number of shares issued. 4. When necessary to achieve the management goals such as the introduction of new technology and improvement of the financial structure according to Article 418 of the Commerce Act 5. When collecting new shares or having the acquirers take over the shares to be listed in the security market or KOSDAQ 6. When the company issues new shares for foreigners' investment based on the reasons of management according to the Foreigners Investment Promotion Act. 7. When issuing new shares according to the issuance of depository receipts(DR) within 50% of the total number of shares issued, <p>③ the way of handling single share arose from the assignment of new shares and shares caused by waiver shall be determined by the board of directors.</p> <p>④ Pursuant to Section 2, in the event one other than a shareholder assigns a new stock, he/she must notify the shareholder at least two weeks prior to the date of payment the provisions prescribed in Sections 1,2 and 2(2), 3 and 4 of Article 416 of the Commercial Law.</p>
Settlement date	December 31
Regular shareholders' general meeting	Within three months after the closing of each business year
Period closing the Shareholders' list	January 1 ~ January 7, every year (Date shareholders' list is closed: December 31 every year)
Type of shares	One-share, 5-share, 10-share, 50-share, 100-share, 500-share, 1000-share, and 10,000-share certificates (8 types)
Transfer agent	The Korea Securities Depository / Busan International Finance Center (BIFC), 40, Munhyeon Geumyeung Road, Nam-gu, Busan, Korea / (Tel) 051-519-1500
Public notices	The company's public announcement is posted at its Website (www.siliconworks.co.kr). When network glitches or other unavoidable factors prevent the posting at its Website, the company makes notices at the Maeil Economic Daily published in Seoul.

5.Stock Price and Stock Trading

A. Domestic Stock Market

(Unit: KRW, share)

Type			2019			2018		
			March	February	January	December	November	October
Silicon Works (A108320) Common Stock	Stock price	Maximum	44,600	44,050	38,500	36,750	39,050	40,800
		Minimum	40,300	38,100	31,000	32,500	34,550	34,300
		Average	41,948	40,359	35,516	34,408	37,132	37,119
	Volume of Transaction	Maximum (day)	185,638	211,618	180,828	97,373	143,500	253,435
		Minimum (day)	39,929	61,854	32,480	32,038	37,318	37,847
		Monthly	2,035,981	1,989,566	1,669,193	1,048,809	1,606,478	1,973,756

※ The maximum and minimum share prices as well as the amount of trade are based on the closing price and the amount of daily transaction of the day.

B. Overseas Stock Market

As of the day that prepared for the report, the company has nothing to report on this matter.

VII. Executives and Employees

1. Status of the Executives and Employees

Status of Executives

(Basic date: March 31, 2019)

(Unit: shares)

Name	Gender	DOB	Title	Registered/ Unregistered	Regular/ Not Regular	Duty	Experience and education background	Number of shares		Relation to the largest shareholder	Service term	Term expiry
								W/ voting right	WO/ voting right			
Bolk, Son	M	1 9 6 1. 0 9	CEO	Registered	Regular	CEO	MIT (Master) LG Electronics, Director of System IC Center	1,826	-	Registered executive member of affiliates	'15.06.10 ~present	Mar. 16, 2020
Sun gkw an Choi	M	1 9 7 3. 0 2	Exe cuti ve Dir ect or	Registered	Regular	CFO	Yonsei University, School of Business Administration LG Corp, Senior Manager of Financial department	-	-	Registered executive member of affiliates	'18.01.01 ~ Present	2021.03. 15
Nyeon chae Jeong	M	1 9 6 3. 0 8	Executive Director	Registered	Regular	LG Corp.	Hankuk University of Foreign Studies, School of Business Administration LG Electronics, Business management	-	-	Registered executive member of affiliates	'19.03.15 ~ Present	2022.03. 14
Ilgu Yoon	M	1967.06	Independe nt director	Registered	Not Regular	Memb er of Audit commi ttee	Georgia Tech(Ph.D) Yonsei University, Electrical Engineering Professor	-	-	Registered executive member of affiliates	'17.03.17 ~Present	2020.03. 16
Youngso o Shon	M	19 67. 08	Indep ende nt direct or	Registered	Not Regular	Me mb er of Aud it com mitt ee	Seoul National University Electrics Engineering (Ph.D.) KAIST, Electrics Engineering professor	-	-	Registered executive member of affiliates	'18.03.16 ~ Present	2021.03. 15
Kyung woo Wi	M	1962.07	Indep ende nt direct or	Registered	Not Regular	Head of Audit com mitte e	UCLA School of Business(Ph.D) Sookmyung w. University, Professor of School of Business	-	-	Registered executive member of affiliates	'19.03.15 ~ Present	2022.03. 14
Minse ok Hong	M	19 69. 07	Execu tive Direct or	Unregistered	Regular	CHO	Cornell Univ. MLR(Master) LG Electronics MC HR	-	-	Unregistere d executive member of affiliates	'18.12.01 ~ Present	-
Joonho Na	M	1968.09	Exe cuti ve Dir ect or	Unregistered	Regular	R&D	Inha University, Electrics Engineering (Master) LG Semiconductors	20,636	-	Unregistere d executive member of affiliates	'11.05.18 ~ Present	-
Daehyu p Ko	M	19 65. 09	Exe cuti ve Dir	Unregistered	Regular	R & D	Seoul National University, Electrics Engineering (Master) LG Electronics, SIC Center, DTV SoC R&D Team Leader	-	-	Unregistere d executive member of affiliates	'17.07.31 ~ Present	-

			Director									
Yongsun Na	M	1971.05	Executive Director	Unregistered	Regular	R & D	Hanyang University, Electronics Engineering (Ph.D) LG Electronics SIC center, DIC Business Team	299	-	Unregistered executive member of affiliates	'15.07.01 ~ Present	-
Chulkyo Seo	M	1963.01	Director	Unregistered	Regular	Sales Representative	Techno MBA(Master) LG Electronics SIC center, DIC Business Team leader	1,262	-	Unregistered executive member of affiliates	'15.07.01 ~ Present	-
Hyunkyu Jeon	M	1971.02	Director	Unregistered	Regular	R & D	Korea Advanced Institute of Science and Technology (Ph.D.) Telecommunication Research Institute	20,691	-	Unregistered executive member of affiliates	'03.09.01 ~ Present	-
Youngjin Woo	M	1977.02	Director	Unregistered	Regular	R&D	Korea Advanced Institute of Science and Technology (Ph.D.) Korea Advanced Institute of Science and Technology	-	-	Unregistered executive member of affiliates	'11.02.10 ~ Present	-

Note) The number of shares owned includes allocations of shares under the employee-stock-ownership plan to unregistered members (Joonho Na, Hyunkyu Jeon).

Note) Executive director Minsuk Hong, Executive director Yongsun Na, 이사 Youngjin Woo were newly elected on January 1st 2019.

Note) Executive director (Not-regular) Nyeonchae Jung was elected in the 20th Regular General Shareholders' Meeting, and has 3 years term; He is also Executive director of LG Corp. and Executive director(not-regular) of LG Innotek.

Note) Kyunwoo Wi was elected as an independent director and a member of Audit Committee in the 20th Regular General Shareholders' Meeting, and has 3 years term

Note) Sungkwan Choi, a regular director, is also a director of Advanced Powerdevice Technology Ltd.

Note) Hyungyu Jeon, a regular director, is also a director of Advanced Powerdevice Technology Ltd.

Status of employees

(Basic date: March 31, 2019)

(Unit: 1,000 KRW)

Business area	Gender	Number of employees					Average working years	Total annual salary	Average salary per person	Remarks
		Employees without defined term		Term-based employees		Total				
		All	(Short-term employees)	All	(Short-term employees)					
All	M	781	-	8	8	789	4.34	14,025,932	17,777	-
All	F	124	-	6	6	130	3.59	1,551,408	11,934	-
Total		905	-	14	14	919	4.23	15,577,340	16,950	-

Remuneration status of unregistered executive member

(Basic date: March 31, 2019)

(Unit: 1,000 KRW)

Classification	# of member	Total	Average per capita remuneration person	Remarks
Unregistered member	8	1,073,334	134,167	-

2. Remuneration to Executives

<Remuneration to all directors and auditors>

1. Amount Approved by Shareholders' Meeting

(Unit: 1,000KRW)

Division	Number	Amount approved in the shareholders' meeting	Comment
Registered directors	3	-	The approved amount is based on the sum of registered executive members'.
independent directors	-	-	The approved amount is based on the sum of registered executive members'.
The Audit Committee or Auditor	3	-	The approved amount is based on the sum of registered executive members'.
Total	6	5,000,000	-

2. Amount paid

2-1. All directors & auditors

(Unit: 1,000KRW)

Number of people	Total remuneration	Average per capita remuneration	Remarks
6	492,850	82,142	-

Note) The number of people on the chart is based on the day of the report is written.

Note) The total amount of remuneration above is the amount of income based on the income tax law paid to re-elected or retired registered directors, outside directors and auditors in that business year pursuant to Article 159 and 168 of the Capital Markets and Financial Investment Industry Act.

(Unit: 1,000KRW)

Classification	Number of people	Total remuneration	Average per capita remuneration	Remarks
Registered director (Excluding independent directors, members of the Audit Committee)	3	452,850	150,950	-
Independent director (Excluding members of the Audit Committee)	-	-	-	-
Member of the Audit Committee	3	40,000	13,333	-
Auditor	-	-	-	-

Note) The number of people on the chart is based on the day of the report is written.

Note) The total amount of remuneration above is the amount of income based on the income tax law paid to re-elected or retired registered directors, outside directors and auditors in that business year pursuant to Article 159 and 168 of the Capital Markets and Financial Investment Industry Act.

Note) An non-executive director, Hyunok Jeon resigned on March 15, 2019.

Note) Independent Director and Audit Committee member, Namjoo Lee resigned on March 17, 2019.

3. Remuneration Standard of Directors and Auditors

The remuneration of directors and auditors is executed in accordance with the criteria set by the board of directors, considering their positions and responsibilities within the amount approved by the shareholders' general meeting.

< Remuneration Status of Directors and Auditors >

The company does not report on this section in accordance with the standard for preparation of the corporate disclosure form.

<Status on the grant and exercise of stock options>

No stock option has yet to be exercised by executives and employees as of the reporting reference date.

Note) The closing price as of December 28, 2018 was 33,600 KRW

IX. Affiliates

1. Name of the relevant corporate group and names of affiliates

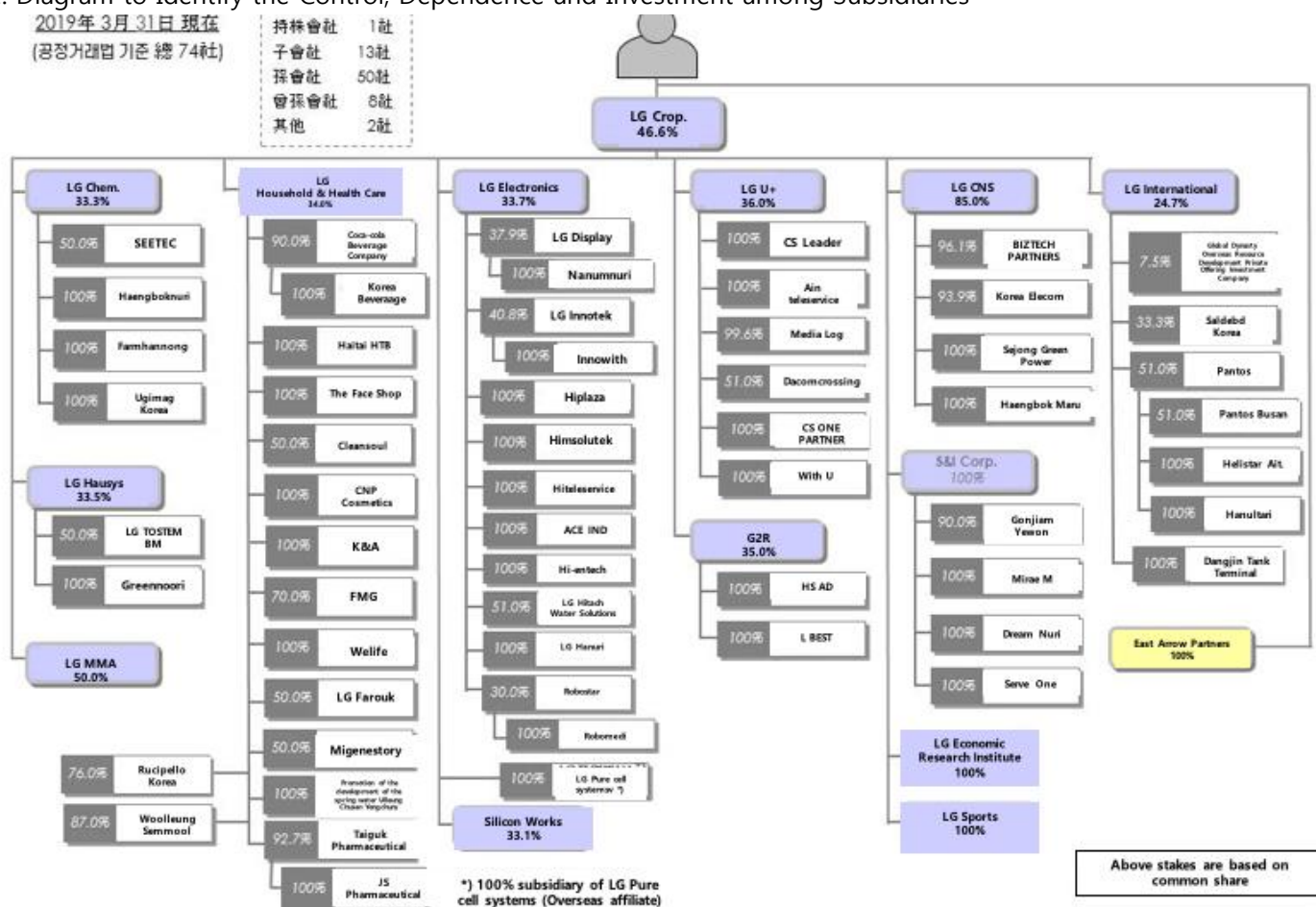
Name of corporate group: LG affiliates

Name of the belonging company: Silicon Works

- Corporate Registration No.: 160111-0089395
- Business Registration No.: 314-81-29147

Refer to "I. Company Overview, 1. Company Overview - G. Total Number of Affiliates, Name of Major Affiliates and their Listing Status" in the disclosure documents for more details on the corporate group and its belonging companies to which the company belongs.

2. Diagram to Identify the Control, Dependence and Investment among Subsidiaries



3. Name of companies and details if there is any company directly or indirectly affecting the management of the company among affiliates

LG Corporation: Holding company

4. Status of additional positions in the company and subsidiaries

[Basic date: March 31 2019]

Name	Position	Status of Additional Positions		
		Company	Position	Regular or not
Boik Son	CEO	Silicon Works Inc.(USA)	CEO	Non-regular
Sungkwan Choi	Registered Director	Advanced Powerdevice Technology Inc.	Director	Non-regular
Hyunkyu Jeon	Unregistered Director	Advanced Powerdevice Technology Inc.	Director	Non-regular
Nyeonchae Jeong	Registered Director	LG Corp	Executive director	Regular
		LG Inotek	Other non-permanent managing director	Non-regular

주) Registered director, Nyeonchae Jeong was elected on 20th general shareholders' meeting with 3 years term; he is also directors of LG Corp. and LG Innotek

5. Status of investment in other companies

(Basic date: March. 31, 2019)

(Unit: Million KRW, Thousand shares, %)

Company Name	First Acquisition Date	Purpose of Investment	Amount of the First Acquisition	Balance at the beginning			Increase (Decrease)			Balance at the end			Recent financial state	
				Quantity	Share	Book value	Acquisition (disposition)		Assessed profit or loss	Quantity	Share	Book Value	Total assets	Current net profit or loss
							Quantity	Amount						
Silicon Works Inc. (Not listed)	2012.10.15	Pioneering new markets	555	2,000	100	137	-	-	-	2,000	100	137	298	-49
Silicon Works China Co.,LTD (Not listed)	2017.03.03	Pioneering new markets	674	-	100	674	-	-	-	-	100	674	2,869	68
Advanced Power Device Technology (Not listed)	2018.03.12	Semiconductor chip development and design business	4,410	176	49	4,410	-	-	-	176	49	4,410	9,659	35
Total				2,176	-	5,221	-	-	-	2,176	-	5,221	12,826	54

Note) Net profit and total assets of companies to which the company made equity investments in the latest fiscal year are calculated as of December. 31, 2018

X. Transactions with Stakeholders

1. Credit Granting to Large Shareholders

Our company is not applicable as of the report preparing day.

2. Transfer or Succession of Assets to or from Large Shareholders

A. Business transfer

Division	Date of contract (Date of board resolution)	Contract party	Contract details	Amount for transfer (100 million KRW)	Date of transfer	Due date of major fact report
Business transfer	2018.05.29	LG Electronics Co., Ltd.	Entire assets and manpower related to T-Con chip business for OLED TV	461	2018.07.01	-

Note) Refer to 'XI. Other matters necessary for the protection of investors' -> 3. Other information such as sanctions -> Information after the merger -> (2) Comparison table of financial matters before and after the transfer of business" for profit or loss arising from the transactions.

3. Operational Transactions with Large Shareholders

[Basic date: March 31, 2019]

(Unit : 1000 KRW)

Classification	Company name	Sales	Purchase		
			Raw materials purchased	Outsourcing expense	Others
Affiliates and their subsidiaries	LG CNS				1,548,681
	SNI Corporation				247,509
	Serveone Co., Ltd.				19,659
	LG Management Development Institute Co., Ltd.				173,803
	LG Electronics USA Inc.	247,022			
	LG International japan Ltd.				
	LG Display Co., Ltd.	150,291,660			92,315
	LG Electronics Co., Ltd.	2,821,144			1,377,313
	LG INNOTEK Co., Ltd.		5,277,771		241,427
	LG U Plus				21,458
	Pantos Logistics Co., Ltd.				330,853
	HS Ad Co., Ltd.				

	Biz Tech Partners Co.,Ltd				69,591
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4.Transactions with stakeholders other than major shareholders

The company is not applicable as of the reporting date.

XI. Other matters necessary for the investors protection

1. Summary of minutes from the general shareholders' meeting

<Progress and change status of disclosure>

-Not applicable

<Summary of minutes of shareholders' meeting>

Date	Agenda	Resolution	Comment
20 th Regular General Shareholders' Meeting (2019.3.15)	Agenda 1: Approval of 20th (January 1- December 31, 2018) consolidated financial statements and financial statements Agenda 2: Approval of a change in the articles of association. Agenda 3: Appointment of directors Agenda 3-1: Appointment of other non-permanent director Nyeonchae Jeong Agenda 3-2: Appointment of Independent Director Kyungwoo Wi Agenda 4: Appointment of members of the Audit Committee [1 person candidate for Independent Director and Member of Audit Kyungwoo Wi] Agenda 5: Approval of remuneration limit for directors Agenda 6: Approval of executives' retirement payments policy	Agenda 1~6: Approved as original plans	-
19 th Regular General Shareholders' Meeting (2018.03.16)	Agenda 1: Approval of 19th (January 1 ~ Mar 31, 2017) consolidated financial statements and financial statements Agenda 2: Appointment of directors Agenda 2-1: Appointment of Director Sung Kwan Choi Agenda 2-2: Appointment of Other Non-Permanent Director Hyun-ok Jeong Agenda 2-3: Appointment of Independent Director Young-soo Shin Agenda 3: Appointment of members of the Audit Committee [1 person candidate for Independent Director and Member of Audit Young-soo Shin] Agenda 4: Approval of remuneration limit for directors	Agenda 1~4: Approved as original plans	-
18 th Regular General Shareholders' Meeting (2017.03.17)	Agenda 1: Approval of 18th (January 1 ~ Mar 31, 2016) consolidated financial statements and financial statements Agenda 2: Appointment of directors Agenda 2-1: Appointment of Director Bo-Ik Son Agenda 2-2: Appointment of Other Non-Permanent Director Byeong- Hun Min Agenda 2-3: Appointment of Independent Director Il-Gu Yoon Agenda 3: Appointment of members of the Audit Committee [1 person candidate for Independent Director and Member of Audit Il- Gu Yoon] Agenda 4: Approval of remuneration limit for directors	Agenda 1~4: Approved as original plans	-

2.Contingent liabilities

<Important litigations>

-None

<Status of Promissory Note, Notes and Checks as Collateral>

(Basic date: March 31, 2019)

(Unit: KRW)

Submitted to	Number	Amount	Remarks
Bank	-	-	-
Financial institution (except bank)	-	-	-
Incorporated entity	-	-	-
Others (individual)	-	-	-

<Status of debt guarantees and debt acceptance agreements, other contingent liabilities, etc.>

- None

3. Restriction and Other Situations

<Status of restriction>

There is no case of any violation against domestic and/or international financial and tax obligations from laws and regulations such as the Commercial Code, Capital Market Act, External Audit Act, Fair Trade Act.

< Significant Incidents after the Basic Date for Preparation > - Not applicable

<Use of directly financed funds>

- Not applicable

<Information after merger>

- Not applicable

A. General information

Division	Contents
Date of transfer	2018.07.01
Amount for transfer	48 billion KRW
Company name	LG Electronics Co., Ltd.
Representative director	DoHyun Jeong
Address of head office	LG Twin Tower, 128, Yeoui Road, Yeongdeungpo-gu, Seoul
Background of business transfer	Total solution construction for system semiconductors for OLED TV
Legal form	Business transfer and succession
Specific details	Related business on T-Con chip for OLED TV Acquisition of entire assets and manpower in exchange for 48 billion KRW
Key schedule	Date of contract: May 29, 2018

Note) The final acquisition amount was changed from 48 billion KRW to 46.1 billion KRW by settling the difference between the change in operating capital at the time of assessment and the acquisition.

B. Comparison table of financial matters before and after business transfer

(Unit: Million KRW)

Applicable company	Title of account	Projection		Performance				Comment
		1 st year	2 nd year	1st year		2 nd year		
				Performance	Difference rate	Performance	Difference rate	
LG Electronics Co., Ltd.	Sales	16,209	38,766	19,698	(22%)	-	-	-
	Operating income	1,888	4,755	1,622	14%	-	-	-
	Current net income	947	2,636	748	21%	-	-	-

Note) 1st year was July 1, 2018 (from the date of transfer) to December 31, 2018, and 2nd year was 2019.

Note) Difference rate: (projection – performance) / Projection

Note) The reason for the difference rate above 10% - The sales increased due to increased customers' demand compared to business environment predicted during acquisition; the operating profit decreased slightly due to prior investment for development expenses (to stabilize business in the initial stage).

[Confirmation of Expert]

1. Confirmation by experts

Not applicable

2. Interests with experts

Not applicable