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Semiannual Report

(The 22nd year)

Business year from 01 January 2020
 to 30 June 2020

To: The Financial Services Commission

Korea Stock Exchange

14 August 2020

Type of corporation for submission: Listed company

Occurrence of exemption reason: Not applicable

Company Name: Silicon Works Co., Ltd.

Representative Director: Son Bo-Ik

Address of the Headquarters: 222 Techno Techno 2-ro, Yuseong-gu, Daejeon, Korea
(Tel) 02-3777-1114

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

Person responsible for this report: (Position) CFO (Name) Choi Sung-Kwan
(Tel) 02-3777-1114

【Confirmation by Representative Director】

Confirmation and Signature of Representative Director

Letter of Confirmation

We are representative director and others responsible for reporting. Based on the review and confirmation of this annual report with significant care, we confirm that all the important matters to be provided have been given without omission, falsification or any such signs and that nothing inducing critical misunderstanding of users of this report has been provided or expressed.

We also hereby confirm that the company has established and manages 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).

14 August 2020

Silicon Works Co., Ltd.

Son Bo-Ik (Signature)
Representative Director

Choi Sung-Kwan (Signature)
Director of Reporting

I. Company Overview

1. Company Overview

A. Outline of subsidiaries to be consolidated

(Unit: Million won)

Company name	Foundation	Address	Main businesses	Total asset at the end of the previous year	Basis of controlling relationship	Whether it is major subsidiary
Silicon Works Inc. (USA)	15.10.2012	2952 BUNKER HILL LN #101 SANTA CLARA, CA 95054	Open new markets and support existing customers	467	Control over the investee (paragraph 5 to 18 of K IFRS No. 1110 consolidated financial statements)	N/A
Silicon Works China Co., Ltd. (China)	03.03.2017	Room 609 Zhongchen Building No.1 Lizezhong 2Road, Wangjing Chaoyangqu, Beijing, 100102, China	Open new markets and support existing customers	3,205	Control over the investee (paragraph 5 to 18 of K IFRS No. 1110 consolidated financial statements)	N/A

Note) The total assets of Silicon Works Inc. (USA) and Silicon Works China Co., LTD (China) at the end of the current fiscal year are based on as of 31 December 2019.

(1) Changes of companies to be consolidated

- Not applicable

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

B. Legal and commercial name of the Company

The Company's name is Silicon Works Co., Ltd., or SiW shortly.

C. Date of establishment and period of survival

The Company was established on 11 November 1999.

D. Address, telephone number and website of the headquarters

(1) Address: (H.Q) 222 Techno 2 ro, Yuseong gu, Daejeon

(2) Telephone: +82 42 712 7700

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

E. Whether the Company is an SME

- Not applicable

F. Major areas of businesses

The Company develops, manufactures and sells semiconductors as major business activity. For details of the Company's major business activities, please refer to "II. Business Activities".

G. Total number of subsidiaries, name and listed status of major subsidiaries

(1) Name of corporate group: LG affiliates

(2) Companies belonging to the corporate group (as of 30.06.2020)

1) Domestic corporations

Division	Company name	Business Reg. No.	Major business types	Remarks
Listed	LG Corp.	110111-0003543	Holding company	
	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 products 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 Corporation	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	
	LG HelloVision Co., Ltd.	110111-1144297	Cable broadcasting	
Sub-total	13 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	
S&I Corporation Co., Ltd.	110111-2411520	Other property leasing 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	
Hatai HTB Co., Ltd.	110111-0900004	Beverage manufacturing, selling and leasing business	

Sal de Vida Korea Co., Ltd.	144811-0008169	Mining, wholesale and retail	
Ace Freezing Air Conditioning Co., Ltd.	135111-0047493	Freezer and air conditioners manufacturing and selling business	
Nanum Nuri Co., Ltd.	176011-0075546	Social welfare service business	
Clean Soul LLC	110114-0113073	Soap and cleaner wholesale business	
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	
	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 wholesaler of electric security equipment	
	Ujimag Korea Co., Ltd.	154511-0032401	Manufacture and sale of ferrite magnets	
	Sejong Green Power Co., Ltd.	110111-5586065	Steam and power sales	
	Ulleung Saemmul Co. Ltd.	175811-0003526	Manufacture and sale of spring water to drink	
	Rucipello Korea Inc.	110111-5089316	Manufacturing and sales of quasi-drugs	
	S&I CM Co., Ltd.	110111-7030507	Construction and civil engineering services	
	Hana Broadcasting Co., Lt.	190111-006610	Cable broadcasting business	
	Uplus Home Service Co., Ltd.	110111-7343215	Information and telecommunications services	
	ZKW Lighting Systems Korea Co., Ltd.	120111-1013094	Vehicle lighting device	
Sub-total	57 companies			
Total Amount	70 companies			

- * Silicon Works Co., Ltd. was included in our affiliates on 1 July 2014.
- * Hibusiness Logistics Co., Ltd. changed its name into High Logistics Co., Ltd. on 4 August 2014.
- * Picsdics Co., Ltd. was excluded from our affiliates on 18 November 2014.
- * CNP Cosmetics Co., Ltd. was included in our affiliates on 2 January 2015.
- * Gumi Ochang Solar Power Plant Co., Ltd. was included in our affiliates on 2 January 2015.
- * Gumi Ochang Solar Power Plant Co., Ltd. was merged to Serve One Co., Ltd. on 25 February 2015.
- * KNI Co., Ltd. was included in our affiliates on 2 March 2015.
- * Pantos Co., Ltd. was included in our affiliates on 1 August 2015.
- * Pantos Busan Newport Logistics Center Co., Ltd. was included in our affiliates on 1 August 2015.
- * Helistar Air Co., Ltd. was included in our affiliates on 1 August 2015.
- * Janice Co., Ltd. was included in our affiliates on 1 September 2015.
- * Bargeunnuri Co., Ltd. was included in our affiliates on 1 October 2015.
- * Dangjin Tank Terminal Co., Ltd. was included in our affiliates on 1 October 2015.
- * LG Solar Energy Co., Ltd. was merged to Serve One Co., Ltd. on 21 October 2015.
- * Sarangnuri Co., Ltd. was included in our affiliates on 1 November 2015.
- * LG Toyo Engineering Co., Ltd. was included in our affiliates on 22 December 2015.
- * Future Co., Ltd. was excluded from our affiliates on 17 March 2016.
- * One Seen Sky Tech was excluded from our affiliates on 3 May 2016.
- * Haitai Beverage Co., Ltd. changed its company name to Haitai HTB Co., Ltd. on 30 May 2016.
- * Farmhannong Co., Ltd. was included in our affiliates on 1 June 2016.
- * Saemangeum Farm Co., Ltd. was included in our affiliates on 1 June 2016.

- * Cecil Co., Ltd. was included in our affiliates on 1 June 2016.
- * Agrotech Co., Ltd. was included in our affiliates on 1 June 2016.
- * Farm Biotech Co., Ltd. was included in our affiliates on 1 June 2016.
- * Farm Ceres Co., Ltd. was included in our affiliates on 1 June 2016.
- * Farm PFI Co., Ltd. was included in our affiliates on 1 June 2016.
- * Farm Hwaong Co., Ltd. was included in our affiliates on 1 June 2016.
- * Farm Heungnong Co., Ltd. was included in our affiliates on 1 June 2016.
- * Chem Green Energy Co., Ltd. was included in our affiliates on 1 June 2016.
- * Hi Logistics Co., Ltd. was excluded from our affiliates on 23 August 2016.
- * Haengbokmaru Co., Ltd. was included in our affiliates on 1 October 2016.
- * Farm Heungnong Co., Ltd. and Chem Green Energy Co., Ltd. were excluded from our affiliates on 5 October 2016.
- * Biz Tech Partners Co., Ltd. was included in our affiliates on 1 November 2016.
- * Saemangeum Farm Co., Ltd., Farm PFI Co., Ltd., Hausys Interpane Co., Ltd. and Everon Co., Ltd. were excluded from our affiliates on 18 November 2016.
- * LG Farouk Co., Ltd. was included in our affiliates on 1 December 2016.
- * Farm Ceres Co., Ltd. was excluded from our affiliates on 22 December 2016.
- * Gene Story Co., Ltd. was included in our affiliates on 30 December 2016.
- * B&E Partners Co., Ltd. changed its company name to Biz Tech Partners Co., Ltd. on 3 January 2017.
- * (Former) Biz Tech Partners Co., Ltd. was excluded from our affiliates on 18 January 2017.
- * LG Life Science Co., Ltd. and Ucess Partners Co., Ltd. were excluded from our affiliates on 18 January 2017.
- * Pantos Logistics Co., Ltd. changed its company name to Pantos Co., Ltd. on 21 March 2017.
- * Pantos Busan Newport Logistics Center Co., Ltd. changed its company name to Pantos Busan Newport Center Co., Ltd. on 27 March 2017.
- * Gene Story Co., Ltd. changed its company name to Migene Story Co., Ltd. on 27 March 2017.
- * Farm Biotech was excluded from our affiliates on 29 March 2017.
- * Miraem Co., Ltd. was included in our affiliates on 1 July 2017.
- * Agrotech Co., Ltd. was excluded from our affiliates on 5 March 2017.
- * Dreamnuri Co., Ltd. was included in our affiliates on 1 January 2018.
- * SK Silitron(formerly LG Silitron) was excluded from our affiliates on 3 January 2018.
- * Cecil Co., Ltd. was excluded from our affiliates on 3 January 2018.
- * Taegeuk Pharmaceutical Co., Ltd. was included in our affiliates on 1 February 2018.
- * JES Pharmaceutical Co., LTD was included in our affiliates on 1 February 2018.
- * Promotion of the development of the spring water Ulleung Chusan Yongchunsu was included in our affiliates on 1 February 2018.
- * Greennuri Co., Ltd. was included in our affiliates on 1 February 2018.
- * Hanultari Co., Ltd. was included in our affiliates on 1 February 2018.
- * LG Nsys Co., Ltd. was excluded from our affiliates on 12 April 2018.
- * LBLusem Co., Ltd. (formerly Lusem Co., Ltd.) was excluded from our affiliates on 18 April 2018.
- * Hausys ENG Co., Ltd. was excluded from our affiliates on 10 July 2018.
- * Janice Co., Ltd. changed its company name to FMG Co., Ltd. on 25 July 2018.
- * Sarangnuri Co., Ltd. was excluded from our affiliates on 27 August 2018.
- * Robostar Co., Ltd. was included in our affiliates on 1 September 2018.
- * Robomedi Co., Ltd. was included in our affiliates on 1 September 2018.
- * Ujimag Korea Co., Ltd. was included in our affiliates on 1 November 2018.
- * Serveone Co., Ltd. changed its name to S&I Corporation Co., Ltd. on 3 December 2018.
- * Jiheung Co., Ltd. was excluded from our affiliates on 26 December 2018.
- * Farm Hwaong, Ltd. was excluded from our affiliates on 26 December 2018.
- * The former Serveone Co., Ltd. carried out its drop down for the MRO business division as of 3 December 2018, and divided into a 100% subsidiary Serveone Co., Ltd. which was newly incorporated then, and it was included in our affiliates as of 1 January 2019.
- * Sejong Green Power Co., Ltd. was included in our affiliates on 1 September 2018.
- * East Arrow Partners LLC was included in our affiliates on 1 February 2019.

- * Ulleung Saemmul Co. Ltd. was included in our affiliates on 1 March 2019.
- * Rucipello Korea Inc. was included in our affiliates on 1 March 2019.
- * S&I CM Co., Ltd. was included in our affiliates on 1 April 2019.
- * East Arrow Partners LLC was excluded from our affiliates on 20 June 2019.
- * Promotion of the development of the spring water Ulleung Chusan Yongchunsu was excluded from our affiliates on 21 June 2019.
- * Serveone Co., Ltd. was excluded from our affiliates on 24 July 2019.
- * Korea Elecom Co., Ltd. was excluded from our affiliates on 30 August 2019.
- * Global Dynasty Overseas Resource Development Private Offering Investment Company was excluded from our affiliates on 1 November 2019.
- * LG Fuel Cell Systems Korea Co., Ltd. was excluded from our affiliates on 13 December 2019.
- * Hi-entech Co., Ltd. was excluded from our affiliates on 30 December 2019.
- * LG Hitachi Water Solution Co., Ltd. was excluded from our affiliates on 31 December 2019.
- * LG HelloVision Co., Ltd. was included in our affiliates on 3 February 2020.
- * Hana Broadcasting Co., Ltd. was included in our affiliates on 3 February 2020.
- * Uplus Home Service Co., Ltd. was included in our affiliates on 3 February 2020.
- * JS Pharm. Co., Ltd. was excluded from our affiliates on 14 April 2020.
- * ZKW Lighting Systems Korea Co., Ltd. was included in our affiliates on 1 May 2020.
- * Sal de Vida Korea Co., Ltd. was excluded from our affiliates on 13 July 2020.

2) Overseas corporations

No.	Name of affiliate	Country
1	Arcelik-LG Klima Sanayi ve Ticaret A.S.	Turkey
2	BEIJING LG HOUSEHOLD CHEMICAL CO., LTD.	China
3	Beijing Yuanzhimeng Advertising Co.,LTD.	China
4	DACOM AMERICA,INC.	USA
5	EIC PROPERTIES PTE, LTD.	Singapore
6	LG CNS BRASIL SERVICOS DE TI LTDA	Brazil
7	GIIR America Inc.	USA
8	GIIR Communications India Private Limited	India
9	GIIR UK Limited	UK
10	Hangzhou LG Cosmetics Co.,Ltd.	China
11	Hi Logistics China Co., Ltd.	China
12	Inspur LG Digital Mobile Communications Co., Ltd.	China
13	KM Resources Inc.	Malaysia
14	Korea Carbon International Co., Ltd.	China
15	L&T Display Technology (Fujian) Limited	China
16	LG Chem (China) Investment Co.,Ltd.	China
17	LG Chem (Nanjing) Information & Electronics Materials Co.,Ltd.	China
18	LG Chem (Taiwan), Ltd.	Taiwan
19	LG Chem (Tianjin) Engineering Plastics Co.,Ltd.	China
20	LG Chem America, Inc.	USA
21	LG Chem BRASIL INTERMEDIACAO DE NEGOCIOS DO SETOR QUIMICO LTDA.	Brazil
22	LG Chem Display Materials (Beijing) Co.,Ltd.	China

23	LG Chem Europe Gmbh	Germany
24	LG Chem Michigan Inc.	USA
25	LG Chem Poland Sp. z o.o.	Poland
26	LG Chemical (Guangzhou) Engineering Plastics Co.,Ltd.	China
27	LG Chemical India Pvt. Ltd	India
28	LG CNS America Inc.	USA
29	LG CNS China Inc.	China
30	LG CNS Europe B.V	Netherlands
31	LG CNS India Pvt. Ltd	India
32	LG CNS PHILIPPINES, INC.	Philippines
33	LG Consulting corp.	Panama
34	LG Display America,Inc.	USA
35	LG Display Germany GmbH	Germany
36	LG Display Guangzhou Co., Ltd	China
37	LG Display Japan Co.,Ltd.	Japan
38	LG Display Nanjing Co.,Ltd.	China
39	LG Display Shanghai Co.,Ltd.	China
40	LG Display Shenzhen Co., Ltd	China
41	LG Display Singapore Pte. Ltd	Singapore
42	LG Display Taiwan Co.,Ltd.	Taiwan
43	LG Display Yantai Co., Ltd.	China
44	LG Electronics (Hangzhou) Co., Ltd.	China
45	LG Electronics (China) Co., Ltd.	China
46	LG Electronics (China) Research and Development Center Co., Ltd.	China
47	LG Electronics (Levant) Jordan	Jordan
48	LG Electronics Alabama Inc.	USA
49	LG Electronics Algeria SARL	Algeria
50	LG Electronics Almaty Kazakhstan	Kazakhstan
51	LG Electronics Argentina S.A.	Argentina
52	LG Electronics Australia Pty, Ltd.	Australia
53	LG Electronics Benelux Sales B.V.	Netherlands
54	LG Electronics Canada, Inc.	Canada
55	LG Electronics Colombia Limitada	Columbia
56	LG Electronics do Brasil Ltda.	Brazil
57	LG Electronics Deutschland GmbH	Germany
58	LG Electronics Dubai FZE	UAE
59	LG Electronics Egypt S.A.E	Egypt
60	LG Electronics Espana S.A	Spain
61	LG Electronics European Holding B.V.	Netherlands
62	LG Electronics European Shared Service Center B.V.	Netherlands

63	LG Electronics France S.A.S.	France
64	LG Electronics Guatemala S.A.	Guatemala
65	LG Electronics Gulf FZE	UAE
66	LG Electronics Hellas S.A.	Greece
67	LG Electronics HK Ltd.	China
68	LG Electronics Honduras S.de R.L.	Honduras
69	LG Electronics Huizhou Ltd.	China
70	LG Electronics Inc Chile Limitada	Chile
71	LG Electronics India Pvt. Ltd	India
72	LG Electronics Italia S.P.A.	Italy
73	LG Japan Lab. Inc.	Japan
74	LG Electronics Japan, Inc.	Japan
75	LG Electronics Latvia, Ltd	Latvia
76	LG Electronics Magyar K.F.T.	Hungary
77	LG Electronics M Sdn. Bhd	Malaysia
78	LG Electronics Mexicali S.A.DE C.V.	Mexico
79	LG Electronics Mexico S.A.DE C.V.	Mexico
80	LG Electronics Middle East Co., Ltd.	UAE
81	LG Electronics Mlawa Sp. z.O.O.	Poland
82	LG Electronics Mobile Research U.S.A.,LLC.	USA
83	LG Electronics Monterrey Mexico S.A. de C.V	Mexico
84	LG Electronics Morocco S.A.R.L.	Morocco
85	LG Electronics Nanjing New Technology co.,LTD	China
86	LG Electronics Nigeria Limited	Nigeria
87	LG Electronics Nordic AB	Sweden
88	LG Electronics North Africa Service Company SARL	Tunisia
89	LG Electronics Overseas Trading FZE	UAE
90	LG Electronics Panama, S.A.	Panama
91	LG Electronics Peru S.A.	Peru
92	LG Electronics Philippines Inc.	Philippines
93	LG Electronics Polska Sp. Z.O.O	Poland
94	LG Electronics Portugal S.A.	Portugal
95	LG Electronics Qinhuangdao Co.,LTD	China
96	LG Electronics Reynosa S.A. DE C.V.	Mexico
97	LG Electronics RUS, LLC	Russia
98	LG Electronics S.A. (Pty) Ltd.	South Africa
99	LG Electronics Shenyang Inc.	China
100	LG Electronics Singapore PTE LTD	Singapore
101	LG Electronics Taiwan Taipei Co.,Ltd.	Taiwan
102	LG Electronics Thailand Co., Ltd.	Taiwan

103	LG Electronics Tianjin Appliances Co., Ltd.	China
104	LG Electronics Ticaret A.S.	Turkey
105	LG Electronics U.S.A., Inc.	USA
106	LG Electronics Ukraine	Ukraine
107	LG Electronics U.K. Ltd	UK
108	LG Electronics Venezuela S.A	Venezuela
109	LG Electronics Wroclaw Sp.z.O.O.	Poland
110	LG Electronics(Shanghai) Research and Development Center Co., Ltd.	China
111	LG Electronics (Kunshan) Co., Ltd.	China
112	LG Electronics Africa Logistics FZE	UAE
113	LG Electronics Miami Inc.	USA
114	LG Hausys America, Inc.	USA
115	LG Hausys Europe GmbH	Germany
116	LG Hausys India Private Limited	India
117	LG Hausys RUS, LLC.	Russia
118	LG Hausys Trading Co., Ltd.	China
119	LG Household & Health Care (Taiwan), Ltd.	Taiwan
120	LG H&H USA, Inc.	USA
121	LG Household & Health Care Trading (Shanghai) Co., Ltd	China
122	LG Innotek (Taiwan) Co., Ltd.	Taiwan
123	LG Innotek Huizhou Co., Ltd.	China
124	PT. LG Innotek Indonesia	Indonesia
125	LG Innotek Poland Sp. z o.o.	Poland
126	LG Innotek USA, Inc.	USA
127	LG Innotek Yantai Co., Ltd.	China
128	LG International Yakutsk	Russia
129	LG International(America) Inc.	USA
130	Bowen Investment(Australia) Pty Ltd	Australia
131	LG International(China) Corp.	China
132	LG International(Deutschland) GmbH.	Germany
133	LG International(Hong Kong) Ltd.	China
134	LG International(Japan) Ltd.	Japan
135	LG International(Saudi) LLC	Saudi Arabia
136	LG International(Singapore) Pte. Ltd	Singapore
137	LG Chem Life Sciences (Beijing) Co., Ltd.	China
138	LG Chem Life Sciences India Pvt. Ltd	India
139	LG Chem Life Sciences Poland Ltd.	Poland
140	LG Polymers India Pvt. Ltd	India
141	LG Soft India Private Limited	India
142	LG VINA Chemical Co., Ltd.	Vietnam

143	LG VINA COSMETICS COMPANY LIMITED	Vietnam
144	LG-Shaker Co. Ltd	Saudi Arabia
145	Nanjing LG-Panda Appliances Co., Ltd.	China
146	Ningbo LG Yongxing Chemical Co.,Ltd.	China
147	Ningbo Zhenhai LG Yongxing Trade Co.,Ltd.	China
148	P.T. LG Electronics Indonesia	Indonesia
149	Philco Resources Ltd.	Malaysia
150	PT. LG CNS Indonesia	Indonesia
151	PT. Batubara Global Energy	Indonesia
152	PT. Green Global Lestari	Indonesia
153	PT. Indonesia Renewable Resources	Indonesia
154	PT. Mega Global Energy	Indonesia
155	Qingdao LG Inspur Digital Communication Co., Ltd.	China
156	Resources Investment (H.K) Limited	China
157	S&I Nanjing Company Limited	China
158	Servicios Integrales LG S.A DE C.V	Mexico
159	Servicios LG Monterrey Mexico S.A. de C.V.	Mexico
160	Steel Flower Electric Machinery (Tianjin) Co., Ltd.	China
161	Taizhou LG Electronics Refrigeration Co., Ltd.	China
162	THEFACESHOP(SHANGHAI) CO., LTD	China
163	Tianjin LG Bohai Chemical Co.,Ltd.	China
164	Tianjin LG Botian Chemical Co.,Ltd.	China
165	LG Hausys Tianjin Co., Ltd.	China
166	Tianjin Li Jie Cartridge Heater co.,Ltd	China
167	V-ENS (M) Sdn. Bhd.	Malaysia
168	Zenith Electronics LLC	USA
169	Zenith Electronics Corporation of Pennsylvania	USA
170	LG Chem(HUIZHOU) Petrochemical Co., Ltd.	China
171	GIIR Rus LLC	Russia
172	GIIR Do Brasil Ltda	Brazil
173	LG Hausys (Wuxi) Co., Ltd.	China
174	Yantai VMI HUB LG International	China
175	PT. Mega Prima Persada	Indonesia
176	PT. Parna Agromas	Indonesia
177	LG Electronics Air-Conditioning(Shandong) Co.,Ltd.	China
178	LG Electronics Angola Limitada	Angola
179	Colmineral S.A. de C.V	Mexico
180	Ginza Stefany Inc.	Japan
181	LG CNS COLOMBIA SAS	Columbia
182	LHC Solar. LLC	USA

183	LG Hausys Mongolia LLC	Mongolia
184	PANTOS LOGISTIC SOLUTIONS INDIA PRIVATE LIMITED	India
185	LG Electronics Saudi Arabia LLC	Saudi Arabia
186	GIIR Thailand Ltd.	Taiwan
187	PT. Ganda Alam Makmur	Indonesia
188	LG Innotek Trading (Shanghai) Co., Ltd	China
189	Global OLED Technology LLC.	USA
190	GIIR Germany GmbH	Germany
191	GIIR Ukraine LLC	Ukraine
192	LG Display (China) Co., Ltd.	China
193	LG Chem Life Sciences (Thailand) Ltd.	Taiwan
194	Everlife Co., Ltd.	Japan
195	TFS Singapore Private Limited	Singapore
196	Everlife Agency Co., Ltd.	Japan
197	Everlife H&B Co., Ltd.	Taiwan
198	LG Electronics Pasig Inc.	Philippines
199	LG Innotek Mexico S.A. de C.V.	Mexico
200	LGC Petrochemical India Private Ltd.	India
201	LG International India Private Limited	India
202	LG Electronics Vietnam Haiphong Co Ltd	Vietnam
203	Fertilizer Resources Investment Limited	China
204	LG CHEM TK Kimya SANAYI VE TIC. Ltd STI.	Turkey
205	LG CNS MALAYSIA SDN BHD	Malaysia
206	LG Hausys(Tianjin) Engineering Co., Ltd.	China
207	LG CNS Saudi Arabia LLC	Saudi Arabia
208	LG CNS JAPAN Co., Ltd.	Japan
209	HI LOGISTICS RUS. LIMITED LIABILITY COMPANY	Russia
210	LG Chem Japan Co.,Ltd.	Japan
211	UNIFIED INNOVATIVE TECHNOLOGY, LLC	USA
212	LG NanoH2O, LLC	USA
213	LG Holdings Japan Co., Ltd	Japan
214	PT. Binsar Natorang Energi	Indonesia
215	PT.LG Electronics Service Indonesia	Indonesia
216	Farmhannong America, Inc.	USA
217	Silicon Works Inc.	USA
218	Hi Logistics Egypt	Egypt
219	HS Ad MEA FZ-LLC	UAE
220	HSAD LATIN AMERICA,S.A.	Panama
221	Nanjing LG Chem New Energy Battery Co.,Ltd.	China
222	Combustion Synthesis Co., Ltd.	Japan

223	LG Chem (Chongqing) Engineering Plastics Co.,Ltd.	China
224	LG Chem Malaysia SDN.BHD	Malaysia
225	LG CNS UZBEKISTAN, LLC	Uzbekistan
226	LG Electronics Finland Lab Oy	Finland
227	LG Display Guangzhou Trading Co., Ltd.	China
228	Haiphong Steel Flower Electrical & Machinery Company Limited	Vietnam
229	Pantos Logistics (China) Co., Ltd.	China
230	FNS (Beijing) Logistics Co., Ltd.	China
231	Pantos Logistics (Shanghai) Co., Ltd.	China
232	Pantos Logistics (Ningbo) Co., Ltd.	China
233	Pantos Logistics (Shenzhen) Co., Ltd.	China
234	Pantos Logistics (HK) Company limited	China
235	Pantos Logistics (Taiwan) Co., Ltd.	Taiwan
236	PT. Pantos Logistics Indonesia	Indonesia
237	PT. Pantos Logistics Jakarta	Indonesia
238	PT. Pantos Express Indonesia	Indonesia
239	Pantos Logistics SINGAPORE PTE. LTD.	Singapore
240	Pantos Logistics (Thailand) Co., Ltd.	Taiwan
241	Pantos Logistics MALAYSIA SDN. BHD.	Malaysia
242	PANTOS LOGISTICS (INDIA) PRIVATE LIMITED	India
243	Pantos Logistics (CAMBODIA) Co., Ltd.	Cambodia
244	Pantos Logistics Vietnam Co., Ltd.	Vietnam
245	Pantos Logistics AUSTRALIA PTY LTD.	Australia
246	Pantos Logistics Philippines Inc.	Philippines
247	Pantos Holdings (Thailand) Co., Ltd.	Taiwan
248	Pantos Logistics Myanmar Co., Ltd.	Myanmar
249	Pantos Logistics U.K Ltd.	UK
250	Pantos Logistics Benelux B.V	Netherlands
251	Pantos Logistics France	France
252	Pantos Logistics Poland Sp.z o.o.	Poland
253	Pantos Logistics Germany GmbH	Germany
254	Pantos Logistics Spain S.L.	Spain
255	Pantos Logistics DIS TICARET SANAYI VE TICARET LIMITED SIRKETI	Turkey
256	Pantos Logistics Mexico S.A DE C.V	Mexico
257	Pantos Do Brasil Logistica Ltda	Brazil
258	Pantos Logistics Colombia S.A.S	Columbia
259	Pantos Logistics Chile SPA	Chile
260	Pantos Logistics Panama S.A.	Panama
261	FNS CIS LLC	Russia
262	Pantos Logistics Kazakhstan	Kazakhstan

263	Pantos Logistics UKRAINE LTD.	Ukraine
264	Pantos Customs Services LLC	Russia
265	ZAO Contrans	Russia
266	Pantos Logistics L.L.C (DUBAI)	UAE
267	PANTOS LOGISTICS L.L.C OMAN	Oman
268	PANTOS LOGISTICS CO., LTD. SAUDI ARABIA	Saudi Arabia
269	Pantos Logistics Japan Inc.	Japan
270	LG Electronics Nanjing Battery Pack Co.,Ltd.	China
271	LG Electronics Nanjing Vehicle Components Co.,Ltd.	China
272	HI M SOLUTEK HVAC SERVICE AND MAINTENANCE L.L.C	UAE
273	Highland Cement International Co., Ltd.	Myanmar
274	S&I POLAND sp.z o.o.	Poland
275	Pantos North America, Inc.	USA
276	LG Display Vietnam Haiphong Co., Ltd.	Vietnam
277	Farm Hannong (Heilongjiang) Chemical Co., Ltd.	China
278	LG H&H HK LIMITED	China
279	HI-M SOLUTEK PHILIPPINES INC.	Philippines
280	LG Chem Wroclaw Energy sp. z o.o.	Poland
281	Suzhou Lehui Display Co., Ltd.	China
282	Toiletry Japan Inc.	Japan
283	LG Innotek Vietnam Haiphong Co., Ltd	Vietnam
284	LG HOUSEHOLD AND HEALTH CARE COSMETICS R AND D(SHANGHAI) CO.,LTD	China
285	HI LOGISTICS BRASIL SERVICOS DE LOGISTICA LTDA	Brazil
286	PANTOS LOGISTICS AR S.A.	Argentina
287	HI-M SOLUTEK VIETNAM CO., LTD.	Vietnam
288	c2i(s.r.o)	Slovakia
289	FJ Composite Material Co., Ltd.	Japan
290	LG CNS VIETNAM CO., LTD	Vietnam
291	LG Corp. U.S.A.	USA
292	LG Hausys Canada, Inc.	Canada
293	Silicon Works China Co., Ltd.	China
294	LGEUS Power, LLC	USA
295	LG Electronics Vehicle Component U.S.A., LLC	USA
296	LG Chem Hai Phong Vietnam Co., Ltd.	Vietnam
297	LG HOUSEHOLD & HEALTH CARE MALAYSIA SDN. BHD.	Malaysia
298	HS AD VIETNAM CO., LTD.	Vietnam
299	LG Chem Austrailia Pty Ltd.	Australia
300	CCP-LGE OWNER, LLC	USA
301	LG Chem Mexico S.A. de C.V.	Mexico

302	FarmHannong(Thailand) Ltd.	Taiwan
303	Pantos Logistics Nigeria Limited	Nigeria
304	LG ELECTRONICS FUND I LLC	USA
305	LG Technology Ventures LLC	USA
306	LG Chem Hai Phong Engineering Plastics LCC.	Vietnam
307	LG Chem (Guangzhou) Information & Electronics Materials Co.,Ltd.	China
308	LG CHEM FUND I LLC	USA
309	LG UPLUS FUND I LLC	USA
310	LG DISPLAY FUND I LLC	USA
311	HS GTM Germany GmbH	Germany
312	LEYOU NEW ENERGY MATERIALS(WUXI)CO.,LTD	China
313	PT. Grand Utama Mandiri	Indonesia
314	PT. Tintin Boyok Sawit Makmur	Indonesia
315	PT. Tintin Boyok Sawit Makmur Dua	Indonesia
316	LG Household & Health Care (Thailand) Limited	Taiwan
317	FMG & MISSION Company Limited	Japan
318	ZKW Holding GmbH	Austria
319	ZKW Group GmbH	Austria
320	ZKW Lichtsysteme GmbH	Austria
321	ZKW Elektronik GmbH	Austria
322	KES - kablove a elektricke systemy spol. s.r.o.	Czech Republic
323	KES Poland Sp.z o.o.	Poland
324	ZKW Slovakia s.r.o.	Slovakia
325	ZKW Lighting Systems USA, Inc.	USA
326	ZKW Mexico, S.A. de C.V.	Mexico
327	ZKW Mexico Inmobiliaria, S.A. de C.V.	Mexico
328	ZKW Mexico Servicios, S.A. de C.V.	Mexico
329	ZKW Lighting Systems (Dalian) Co. Ltd	China
330	ZKW Austria Immobilien Holding GmbH	Austria
331	ZKW Austria Immobilien GmbH	Austria
332	HIPLAZA (Shenyang) Trading Co., Ltd.	China
333	LG Display High-Tech (China) Co., Ltd.	China
334	Live & Life Company Limited	Japan
335	Fleuve Beaute Inc.	Japan
336	ROBOSTAR (SHANGHAI) CO.,LTD	China
337	LG CNS FUND I LLC	USA
338	S&I Vietnam construction Co., Ltd	Vietnam
339	PANTOS LOGISTICS SWEDEN AB.	Sweden
340	Uniseal, Inc.	USA
341	LG Chem Nanjing Energy Solution Co., Ltd.	China

342	LG Chem Life Science Innovation Center, Inc.	USA
343	Avon Manufacturing (Guangzhou), Ltd.	China
344	QINGGONGLIAN ELECTRICAL INSTALLATION ENGINEERING CO.,LTD	China
345	Uniseal Europe Ltd.	UK
346	PANTOS LOGISTICS HUNGARY KFT.	Hungary
347	S&I CM NANJING	China
348	S&I CM POLAND SP. Z o. o	Poland
349	FarmHannong(Malaysia) SDN. BHD.	Malaysia
350	S&I CM VIETNAM COMPANY LIMITED	Vietnam
351	New Avon Company	USA
352	Avon Canada Inc.	Canada
353	LG H&H Tokyo R&D Center Inc.	Japan
354	Onecube International Logistics Co., Ltd.	China
355	PT Farm Hannong Indonesia	Indonesia
356	PT. Green Global Utama	Indonesia
357	Ultium Cells LLC	USA

H. Credit rating

In the past three years, the company has not requested credit ratings to domestic or overseas credit rating agencies which offer ratings and private rating agency's interest rates not as in the credit inquiry business.

I. Listing (or registration and designation) and special listing of the company's stock certificates

Whether stock certificates are listed (or registered or designate d)	Date of stock listing (or registration / designation)	Whether special listing is applied	Applicable regulations such as special listing
KOSDAQ market	08 June 2010	Not applicable	Not applicable

2. History of the Company

A. The following is the company's major historical events.

Date	Information
Apr. 2015	Acquired part of system IC business from Lusem Co., Ltd.
Jul. 2015	Acquired part of System IC business from LG Electronics Co., Ltd.
Oct. 2016	Awarded the prize of sales tower KRW 500 billion (Daejeon City)
Mar. 2017	Change of representative director (Dae-Keun Han --> Bo Ik Son)
Oct. 2017	Awarded the prize of sales tower KRW 600 billion (Daejeon City)
May. 2018	Acquired part of System IC business from LG Electronics Co., Ltd. (Entire assets and manpower related to T-Con chips for OLED TV)

Jun. 2018	The 10th Korea KOSDAQ Award (KOSDAQ Association) (Best Job Creating Company Prize awarded)
Oct. 2019	Awarded the prize of sales tower KRW 700 billion (Daejeon City)

B. The following are the major historical events of Silicon Works Inc. (USA), one of the company's subsidiaries.

Date	Information
Oct. 2012	Establishment of legal entity (Paid in capital USD 500,000)

C. The following are the major historical events of Silicon Works China Co., LTD(China), one of the company's subsidiaries.

Date	Information
Mar. 2017	Establishment of legal entity (Paid in capital CNY 4,085,400)
May. 2018	Capital increase with consideration (CNY 4,085,400 -> CNY 13,012,920)

D. The Headquarters and Changes of the Address

11 November 1999: 4th Fl., Jeil Bank Building, 1299 Dunsan-dong, Seo gu, Daejeon, Korea

15 December 2000: 5th Fl., Semyung Hoekwan Building, 1299 Dunsan-dong, Seo gu, Dae jeon, Korea

10 April 2005: 104-13 Munji dong, Yuseong gu, Daejeon, Korea

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

E. Major changes to the Management

Date	Before change			After change		
	Internal director	Non-executive director	Outside director	Executive director	Non-executive director	Outside Director
Jun. 2015	Han Dae-Keun (representative director), Bae Dong-Su	-	Moon Geon-Woo, Lee Sang-Guk, Lee Nam-Joo	Han Dae-Keun (representative director), Bae Dong-Su	Son Bo-Ik	Moon Geon Woo, Lee Sang Guk, Lee Nam Joo
Mar. 2017	Han Dae-Keun (representative director), Bae Dong-Su	Son Bo-Ik	Moon Geon-Woo, Lee Sang-Guk, Lee Nam-Joo	Son Bo-Ik (representative director), Bae Dong-Su	Min Byeong-Hun	Moon Geon-Woo, Lee Nam-Joo, Yoon Il-Goo
Mar. 2018	Son Bo-Ik (representative director), Bae Dong-Su	Min Byeong-Hun	Moon Geon-Woo, Lee Nam-Joo, Yoon Il-Goo	Son Bo-Ik (representative director), Choi Sung-Kwan	Jeong Hyeon-Ok	Lee Nam-Joo, Yoon Il-Goo, Shin Yeong-Soo
Mar. 2019	Son Bo-Ik (representative director), Choi Sung-Kwan	Jeong Hyeon-Ok	Lee Nam-Joo, Yoon Il-Goo, Shin Yeong-Soo	Son Bo-Ik (representative director), Choi Sung-Kwan	Jeong Yeon-Chae	Yoon Il-Goo, Shin Yeong-Soo, Wi Kyung-Woo

Note 1) Please refer to "VIII. Executives and Employees" for more details on change in management.

Note 2) After the change in March 2019 due to the re-appointment of internal director Son Bo-ik and outside director Yoon Il-Goo on 26 March 2020, the management is consistent with the date of submission of the semiannual report.

F. Changes of the largest shareholder

Please refer to “2. Changes of the Largest Shareholder VII. Matters Pertaining to Shareholders” in this public disclosure document with regard to this matter.

3. Changes to Paid in Capital

Capital increase (decrease) status

(Basic date: 30.06.2020)

(Unit: KRW, share)

Date of stock issue (decrease)	Issue (decrease) type	Details of issued (decreased) shares				
		Type of stock	Number	Par value per share	Issued (decreased) price per share	Remarks
-	-	-	-	-	-	-

※ The Company has not been applicable for the last 5 years.

4. Total Number of Shares

Total Number of Shares

(Basic date: 30.06.2020)

(Unit: share)

Division		Type of stock			Remarks
		Common shares	Preferred shares	Total	
I. Total number of shares to be issued		-	-	50,000,000	-
II. Total number of shares issued so far		16,264,300	-	16,264,300	-
III. Total number of shares decreased so far		-	-	-	-
	1. Capital decrease	-	-	-	-
	2. Interest distribution	-	-	-	-
	3. Redemption of redeemable shares	-	-	-	-
	4. Others	-	-	-	-
IV. Total number of shares issued (II-III)		16,264,300	-	16,264,300	-
V. Number of treasury shares		-	-	-	-
VI. Number of outstanding shares (IV-V)		16,264,300	-	16,264,300	-

Note) The total shares of our company to be issued is 50 million shares, of which the issuing limit of preferred stock is 7 million shares.

5. Status of Voting Rights

(Basic date: 30.06.2020)

(Unit: share)

Division	Type of stock	Number of shares	Remarks
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Total number of shares issued (A)	Common share	16,264,300	-
	Preferred share	-	-
Number of shares without voting rights (B)	Common share	-	-
	Preferred shares	-	-
Number of shares with restricted voting rights based on the Articles of Association laws (C)	Common shares	-	-
	Preferred shares	-	-
Number of shares with restricted voting rights based on other laws (D)	Common shares	-	-
	Preferred shares	-	-
Number of shares with resurrected voting rights (E)	Common shares	-	-
	Preferred shares	-	-
Number of issued shares with voting rights (F = A - B - C - D + E)	Common shares	16,264,300	-
	Preferred shares	-	-

6. Dividend

A. Dividend

The Company, pursuant to its Articles of Incorporation, is distributing dividends through the Decisions by the board of directors and from shareholders' meetings and determines reasonable amount 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.

Article 55 of the Articles of Incorporation [Profit Distribution]

- ① The dividend of profits may be carried out with money or other properties than money.
- ② If the dividend of profit is carried out with shares, the company may use other types of stocks upon a resolution of the general meeting of shareholders when it issues a number of shares.
- ③ The dividend under ① shall be paid to the shareholders listed in the Register of Shareholders as of the end of each fiscal year or registered pledgees.

Article 57 [Extinctive Prescription of Claims for the Payment of Dividend]

- ① The extinctive prescription of the right to request the payment of dividends shall be completed if it is not exercised for five years.
- ② The dividends resulting from the completion of the extinctive prescription under ① shall belong to the company.

B. Dividends over the recent three business years

Major dividend indexes

Division	Type of stock	Current year	Last year	Year before last year
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		Half-year the 22nd year	The 21st year	The 20th year
Face value per share (Won)		500	500	500
(Consolidated) Current net profit (Million won)		19,556	38,539	48,960
(Individual) Current net profit (Million won)		19,654	38,240	48,931
(Consolidated) earnings per share (Won)		1,202	2,370	3,010
Total dividends in cash (Million won)		-	13,499	13,499
Total amount of dividends (Million won)		-	-	-
(Consolidated) Cash dividend (%)		-	35.0	27.6
Cash dividend rate (%)	Common shares	-	2.1	2.5
	Preferred shares	-	-	-
Share dividend rate (%)	Common shares	-	-	-
	Preferred shares	-	-	-
Dividend in cash per share (Won)	Common shares	-	830	830
	Preferred shares	-	-	-
Share allocation per share (shares)	Common shares	-	-	-
	Preferred shares	-	-	-

II. Business Activities

1. Business Overview

A. System IC

The Company is in the business of producing and selling core parts (System IC) that drive display panels, and consists of a single display business division.

(1) Characteristics of the industry

The products have been growing in scale with the development of the display industry as a key component to drive the display panel. The key competitive factor in the display parts market is to strengthen technological competitiveness based on the original technology and to enter the market in the early stage of display technology development. As the complex product designing technology is required recently, technology gap is getting bigger between companies that have differentiated technology and those who have not.

(2) Market size and growth

The medium and large sized (TV/IT/automotive) display IC market is growing in size thanks to qualitative growth due to the increasing proportion of premium products such as high-resolution (8K) LCDs and OLED TVs, as well as aggressive investments by Chinese panel makers in LCD TVs. In addition, in the small (smart phone/smart watch) display IC market, starting with Apple's first P-OLED phone release (2017), Chinese panel producers are accelerating their entry into the P-OLED market, and growth centered on P-OLED products is expected to continue in the future. As such, the display IC market is expected to grow continuously due to the rapid growth of Chinese panel makers and the trend of panel generation conversion.

[Annual panel sales]

(Unit : M units)	2018	2019	2020(E)	2021(E)	2022(E)	2023(E)	2024(E)	2025(E)	2026(E)	2027(E)
TV	291.5	290.5	261.7	272.3	275.8	268.5	269.5	269.5	270.1	271.1
Monitor	150.4	143.6	159.2	153.8	152.1	151.0	151.8	151.5	151.9	151.7
Notebook	184.5	190.1	214.8	203.9	201.3	201.1	203.6	204.5	206.1	206.4
Tablet	207.6	229.6	271.2	268.7	269.8	268.5	272.8	272.4	273.3	274.5
Automotive Display	246.2	224.8	178.2	195.3	210.1	220.7	228.5	232.0	234.4	236.5
Large Panel Total	1,080.1	1,078.6	1,085.2	1,094.0	1,109.1	1,109.8	1,126.2	1,130.0	1,135.8	1,140.1
Featurephone	326.2	287.8	241.4	249.3	242.3	236.7	229.6	225.3	222.1	219.1
Smartphone	1,596.5	1,595.7	1,443.8	1,576.2	1,706.5	1,773.0	1,839.9	1,877.7	1,908.4	1,928.3
Smartwatch	148.7	191.1	161.8	191.2	221.5	249.7	268.9	282.6	292.2	300.5
HeadMountDisplay	3.7	4.6	3.1	8.3	13.8	16.3	17.1	18.1	19.0	19.4
Small Panel Total	2,075.1	2,079.2	1,850.1	2,025.0	2,184.2	2,275.6	2,355.4	2,403.8	2,441.7	2,467.3

1) Medium and large sized (TV/ IT/automobile) Display IC

The display IC market for LCD TVs is growing on the rise of the number of ICs per panel due to the increase in panel volume due to aggressive investments by Chinese panel makers and the increase in the proportion of UHD panels. The UHD TV penetration rate in 2020 is expected to be about 53% on a global average, and in particular, the spread of 8K TVs is also growing, leading the growth of display ICs

for LCD TVs.

In addition, the proportion of OLED TVs in the premium TV market is steadily increasing, and the number of TV set makers who have selected OLED panels as a strategy for product differentiation is increasing, and the display IC market for large OLED TVs is also showing high growth. The market size is small as LG Display is the only company that is mass-producing OLED TV panels so far. However, rapid growth is expected in the future as Chinese panel producers are making aggressive facility investments based on enormous capital power. Unlike LCD products, display ICs for OLED TVs are based on panel compensation technology in addition to driving technology, so companies with competitiveness are expected to lead the market.

Due to the maturation of the market, it is difficult to expect growth in IT products without changes in new form factors. However, some premium brands are increasing the added value by adding new functions such as increasing the resolution and utilizing the touch panel.

2) Small (smart phone/smart watch) Display IC

The smartphone market has entered the stage of maturity. The smartphone panel market size was about 1.7 billion units in 2017 and 1.6 billion units in 2018 and 2019, and is expected to reach 1.4 billion units in 2020 due to a decrease in demand due to the global economic downturn. The smartphone market in developed countries is expected to grow less than that of the emerging market, and the growth of the emerging market is driving the growth of the overall smartphone market. In particular, global mobile demand is greatly affected by the trend of the Chinese domestic market. In addition, as the market share of local set makers in the Chinese market is increasing, the importance of Chinese set customers is emerging.

Major global set makers are actively pursuing form factor evolution strategies to create new demand, so the proportion of smartphones equipped with P-OLED panels is expected to continue to increase. Domestic and overseas panel makers are expanding investment in P-OLED facilities. Currently, domestic panel makers are leading the P-OLED market due to the technological gap between Korean and Chinese panel makers, but Chinese makers' share in the P-OLED panel market is expected to gradually increase as Chinese panel makers expand their capacity.

Unlike the decline in demand in the smartphone market, the smart watch market is expected to continue to grow at a high level every year, and the size of the related market is expected to continue to increase through services linked to various devices such as IoT in the future.

(3) Characteristics of economic fluctuations and competitive elements

The core competitive element in the display component market is the market entry at the initial stage with the development of display, as well as the strengthening technological competitiveness based on original technologies. It is to create a barrier to entry through differentiation through technological competitiveness by securing a meaningful share in a new market where new technologies are applied.

The display industry is a field that requires both technology and capital-intensive characteristics and economies of scale, and has the characteristic that the barrier to entry increases as the degree of technical completion increases. In the past, the supply capacity has improved through fierce competition among panel makers, and in line with the increase in demand, the overall display industry has recorded a high growth rate. However, in recent years, due to the high maturity of the market and limited demand, it has entered a low-growth phase. Due to its high sensitivity to economic fluctuations, replacement demand does not increase significantly. Without creating new demand through innovative products, it is difficult

to expect continuous growth in the market.

(4) Market share

According to Omdia, a market research firm, in 2019, we entered the 60th place in the global semiconductor companies ranking, and ranks in the top 3 by display driver IC companies. In recent years, securing competitiveness in new technologies rather than the size of sales itself has become an important criterion for determining the company's competitive advantage, so we successfully enter the premium market such as OLED/P-OLED through close cooperation with panel and set customers. In addition to the display, we are also continuing to expand our business to new areas such as home appliances and automobiles.

(5) Strength of the company

Company not only provide the core components of Display System Semiconductor as a total solution, but also localize the products that have been highly dependent on imports, contributing to stable parts procurement and price competitiveness of domestic downstream companies. We are also actively supporting customer's market by providing customized premium products through continuous technology development. The win-win strategy based on trust with forward looking companies plays a major role in our competitiveness.

Through these efforts, we have secured technological response power to comply with market change in more prompt and flexible ways than other companies from new product development to delivery. Accordingly, our company is realizing customer diversification through securing domestic and overseas customers based on our unique designing technological power.

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

Our company has overseas subsidiaries in the US and China to open up new markets and support existing customers. Please refer to "A. System IC" for the characteristics of the two overseas subsidiaries and the size of their markets.

C. Summary of financial status for each business activity

(1) Financial status for each business activity

[Basic date: 30.06.2020]

(Unit: Million won)

Category	Location	Title	Half-year the 22nd year	The 21st year	The 20th year
Semiconductor	Daejeon	Assets	678,569	629,733	607,559
		Liabilities	200,220	157,526	160,945
		Equity	478,349	472,207	446,614

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

(2) Profit or loss for each business activity

[Basic date: 30.06.2020]

(Unit: Million won)

Division	Location	Title	Half-year the 22nd year	The 21st year	The 20th year
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Semiconductor	Daejeon	Sales	431,709	867,122	791,818
		Operating profit	21,018	47,255	55,797
		Net income	19,556	38,539	48,960

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

2. Major Products

[Basic date: 30.06.2020]

(Unit: Million won)

Business sector	Product	Product details	Major product	Half-year the 22nd year		The 21st year		The 20th year	
				Sales	Ratio(%)	Sales	Ratio(%)	Sales	Ratio(%)
Semiconductor	System IC	Panel driver IC and others	Driver - IC	364,226	84.37	723,567	83.44	664,232	83.89
			Driver - IC, etc.	67,483	15.63	143,555	16.56	127,586	16.11
Total				798,926	100.00%	867,122	431,709	100.00	100.00

3. Major Raw Materials

[Basic date: 30.06.2020]

(Unit: Million won)

Raw material	Purchase	Major supplier
Wafer, etc.	222,563	SK Hynix Co., Ltd.LG Innotek Co., Ltd., etc.
Processing Cost, etc.	141,819	LB Semicon Co., Ltd., LB Lusem Co., Ltd. etc.

Note) LG Innotech Co., Ltd. among our company's suppliers belong to LG affiliates.

As our company is a fabless company placing orders and commissioning semiconductor manufacturing processes and the cost for the purchase of wafers is a very important element for the management performance and it is considered to be confidential. Hence, the company will not provide the unit cost and trends of wafer prices.

4. Manufacturing and Facilities

A. Manufacturing capacity and facilities

Our company is a fabless company and has no manufacturing facilities. All the necessary manufacturing is commissioned to professional semiconductor manufacturers (foundries). Accordingly, it has no separate manufacturing facilities and the details are not provided.

B. Commissioned Manufacturing

Fabless companies depend on commissioned processing from wafer manufacturing to package and testing. As wafer manufacturing foundries, package and testing businesses involve large scaled investment due the characteristics of semiconductor industry, the businesses are divided accordingly.

5. Sales

A. Sales performance

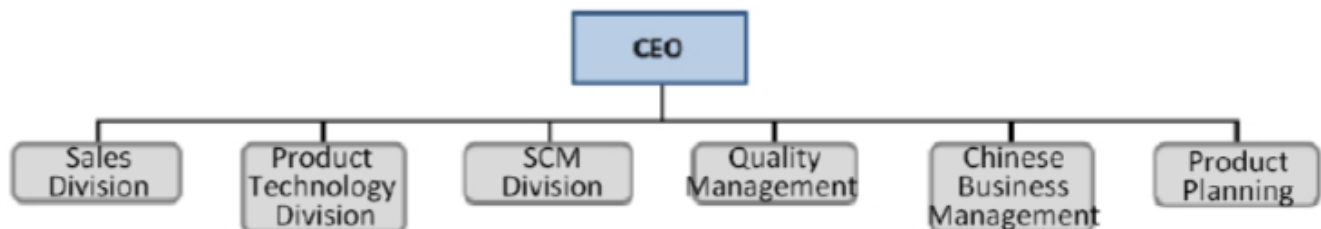
[Basic date: 30.06.2020]

(Unit: Million won)

Business sector	Sales type	Product		Half-year the 22nd year	The 21st year	The 20th year
Semiconductor	Products and others	System IC	Exports	413,759	835,913	755,006
			Domestic	17,950	31,209	36,812
Total			Total	431,709	867,122	791,818

B. Sales channels, methods, strategies, and major customers

(1) Sales and mass production support organizations



[Businesses by sales organizations]

Division	Operational span
TI sales division	<ul style="list-style-type: none"> – Establishment of sales strategy for each customer and expansion of sales – Advancement of product mix centered on strategic products such as OLED and In-Touch – Increase the proportion of external sales and diversify customers – Building strategic partnerships for expanding Chinese business and sustainable growth – Fostering members and managing process change
MS sales division	<ul style="list-style-type: none"> – Establishment of sales strategy for each customer and strengthen Biz – Full-scale expansion of business to the US and strengthening of response – Build a foundation for stable growth of the Chinese/Korean mobile business and diversify customers – Expansion of mobile/IT sales and establishment of sales base for Japan
MP sales division	<ul style="list-style-type: none"> – Building a microcontroller development platform that enables rapid market response – Microcontroller-based portfolio expansion – Advanced output stage technology and mediated business expansion – Expansion of power semiconductor business

SCM division	<ul style="list-style-type: none"> - Improving management performance by establishing/operating single plan based on demand/sale plan - Securing cost competitiveness - Timely/appropriate production supply and stable (appropriate) inventory operation - Response to development schedules and customer samples by managing development products and suppliers' production information
Production and technology division	<ul style="list-style-type: none"> - Securing competitiveness in all processes and aiming for stable mass production - Securing advance quality and technology for post-processing - Maximization of quality and profitability through optimization of test environment and conditions - Standardization and quantification of work to improve productivity
Quality management	<ul style="list-style-type: none"> - Establishment of quality assurance and management system for customers - Providing customers with the best shipping quality and high reliability products - Achieve customer satisfaction with continuous improvement and prompt customer service

(2) Sales channels

Most of our sales are direct sales. The company develops and sells products based on consistent discussions on the product specifications and characteristics with electronic companies which are most of the buyers.

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

(3) Sales strategy

The company is expected to maintain its competitiveness in the market through the development of new products and technologies as well as differentiated customer support to strengthen the customer base and to expand subjects of new customers. Also, it will keep its market status by providing the optimum solutions requested by customers as tailor made products.

6. Order Situation

Driver chips for displays manufactured by the company vary according to the size and characteristics of display panels. Based on the characteristics of purchase policies of major panel providers, order in a cycle of about 10 weeks is placed as the necessary amount is decided, followed by additional requests at any given time thereafter.

7. Market Risk and Risk Management

The Group is exposed to credit risk, liquidity risk and market risk with regard to financial products. Information on the aforesaid risk to which the Group is exposed is disclosed in the notes with the goal, policy, risk evaluation and management procedure, and capital management of the Group. Additional

quantitative information is also disclosed throughout these financial statements.

A. Credit Risk Management

Credit risk refers to risk where the Group 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 Group to credit risk in the current half-year is maximum 4,024 billion KRW, including cash, cashable assets, trade receivables and other receivables.

B. Liquidity Risk Management

Maintaining and managing adequate liquidity is a very important matter for the company. The Company currently maintains non-debt management and has an adequate cash level. In addition, we are making every effort to maintain and manage appropriate liquidity through periodic forecasting of funds balance, estimating the required cash level, and managing income and expenses.

Separately, we are actively communicating with the financial market to secure early liquidity in preparation for liquidity risks. We are actively reviewing overdraft and other borrowing limits to secure abundant liquidity.

C. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices.

(1) Exchange rate risk management

The Group is exposed to the exchange rate risk related to the sales profits and costs indicated in KRW, which is the functioning currency. The major presentation currency for these transactions is 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 and last terms as follows.

(Unit: Million won)

Division	Current half-year				End of the last term		
	USD	JPY	CNY	EUR	USD	JPY	CNY
Assets in foreign currency	95,414.3	-	-	-	81,228.8	0.0	0.0
Liabilities in foreign currency	37,628.3	0.3	0.2	14.6	19,536.8	0.4	0.2

The effect of the changes in foreign exchange rate for Korean won (before corporate tax) for the current and last terms on the losses and gains are as follows.

(Unit: million won)

Division	Current half-year	End of the last term
	(If 5% changed)	(If 5% changed)
USD	±2,889	±3,085
JPY	±0	±0
CNY	±0	±0

(2) Interest Rate Risk Management

The Group 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 Group are actually independent of variations in the market interest rate.

D. Capital Risk Management

The capital management of the Group 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 Group is managing its capital based on the liability ratio. The Group manages the capital based on the ratio of liability, which is calculated by dividing the total liability in the financial statement with capital. In the current half-year, the Group maintains a proper debt ratio at 41.86%.

8. Transaction of Derivatives

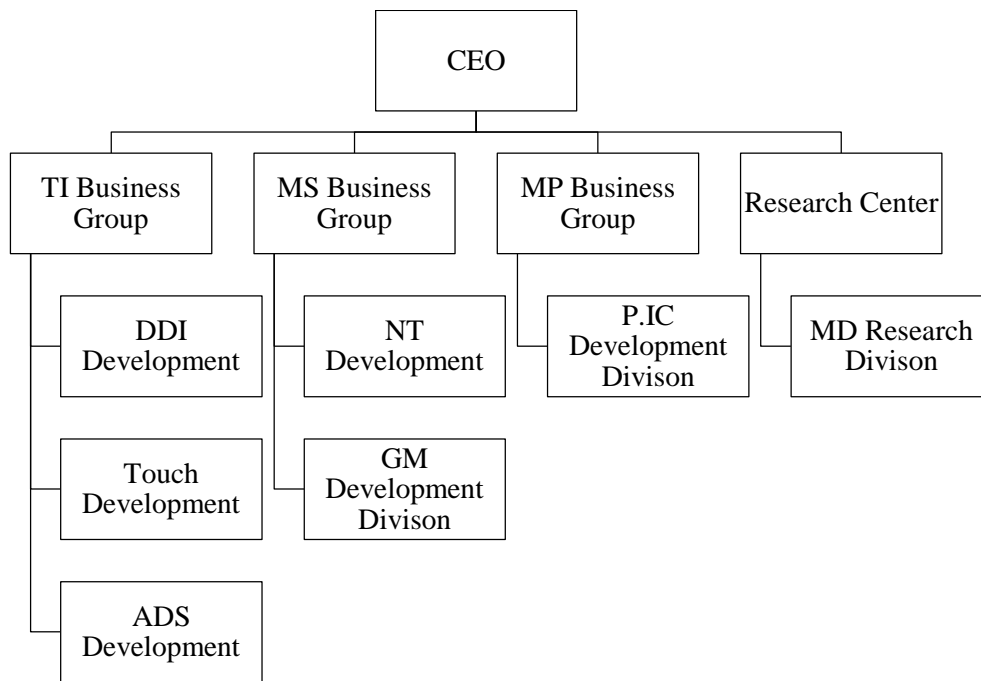
As of the reporting day, there is no relevant information.

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: million won)

Category		Half-year the 22nd year	The 21st year	The 20th year
Total R&D expenses		59,770	100,030	85,879
(Government subsidies)		0	(196)	(170)
Total R&D expenses after deducting government subsidies		59,770	99,834	85,709
Accounting	Sales and management expenses	59,770	99,834	85,709
	Manufacturing cost	-	-	-
	Development cost (intangible assets)	-	-	-
R&D expenses/sales ratio [R&D expenses ÷ current sales × 100]		13.8	11.5	10.8

Note) The percentage of sales was calculated based on the total amount of R&D expenses before deducting government subsidies.

C. Performances in research and development

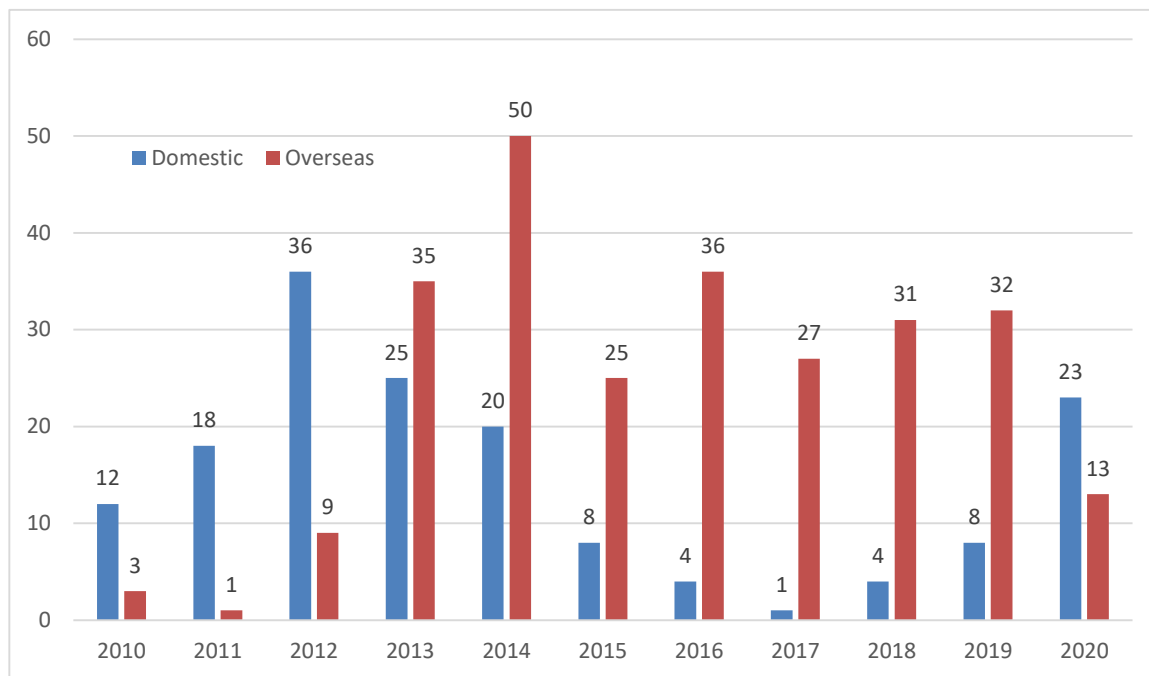
The company is specializing in display components and has secured a variety of product technologies over the entire area of displays from components for IT products such as laptop computers, monitors and tablet PC's to other components for TV and mobile devices during the recent years.

Our main products are Driver-IC, T-CON, and PMIC, and we are growing sales by expanding our product lineup with mobile-oriented P-OLED Driver-IC and Touch Controller. In addition, we are developing power ICs, MCUs, and BMS ICs, which are system semiconductors for home appliances and

electronic devices, by expanding our technology to various application areas other than displays.

11. Other Matters Necessary for Investment Decision Making

A. Intellectual Property in Possession



Division		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Registration	Domestic	12	18	36	25	20	8	4	1	4	8	23
	Overseas	3	1	9	35	50	25	36	27	31	32	13
Application	Domestic	-	-	-	7	29	40	42	47	49	96	50
	Overseas	-	-	-	1	-	14	18	32	40	104	28

Division	2010		2011		2012		2013		2014		2015		2016		2017		2018		2019		2020	
	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas
Large Diver IC	9	0	7	0	11	3	7	17	3	18	0	10	0	13	0	3	0	8	2	8	7	3
Touch IC	0	0	3	0	3	0	2	0	2	3	0	1	0	3	0	2	2	3	2	2	6	3
T-CON	1	0	3	0	8	2	3	7	2	20	1	7	0	4	0	2	0	4	2	3	2	2
Small DDI	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	2	5	0	2
PMIC	1	2	2	0	5	1	7	2	0	6	0	3	0	1	0	1	0	1	0	3	3	1
RCL/APS IC	0	0	0	0	0	0	1	0	8	0	0	0	0	1	0	2	0	5	0	4	0	2
BMIC	0	0	0	0	0	0	0	0	1	0	0	0	0	2	0	2	2	2	0	2	1	0
LED BLU Drive IC	0	0	0	0	2	0	0	1	0	0	0	0	0	0	0	2	0	0	0	0	0	0
Lighting Driver IC	0	0	0	0	1	0	4	0	2	1	6	2	4	11	1	13	0	8	0	5	3	0
MCU	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BLDC Motor Driver	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SoC etc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Others	1	1	3	1	6	3	1	7	1	2	1	2	0	1	0	0	0	0	0	0	1	1
Total	12	3	18	1	36	9	25	35	20	50	8	25	4	36	1	27	4	31	8	32	13	5

III. Financial Matters

1. Summarized Financial Information

A. Summarized consolidated financial information

Our consolidated financial statements for the half-year of the 22nd fiscal year were prepared in accordance with the Korean International Financial Reporting Standards (K-IFRS) and were reviewed by an external auditor. The consolidated financial statements for the 21st and 20th years presented for comparison were prepared in accordance with the K-IFRS.

(Unit: Million won)

	Half-year the 22nd year	The 21st year	The 20th year
	30.06.2020	31.12.2019	31.12.2018
[Current assets]	569,020	519,233	508,163
• Quick assets	403,538	400,390	404,072
• Inventory assets	165,482	118,843	104,091
[Non-current assets]	109,549	110,500	99,395
• Transferrable financial assets	-	-	1,026
• Tangible assets	32,072	31,623	22,953
• Intangible assets	53,613	52,680	56,895
• Other non-current assets	23,864	26,197	18,522
Total assets	678,569	629,733	607,558
[Current liabilities]	184,033	144,852	155,224
[Non-current liabilities]	16,187	12,674	5,721
Total liabilities	200,220	157,526	160,945
[Capital]	8,132	8,132	8,132
[Capital surplus]	76,343	76,343	76,343
[Capital adjustment]	(347)	(433)	(487)
[Retained earnings]	394,221	388,165	362,626
[Non-controlling equity]	-	-	-
Total equities	478,349	472,207	446,614
	(01.01.2020 ~ 30.06.2020)	(01.01.2019 ~ 31.12.2019)	(01.01.2018 ~ 31.12.2018)
Sales	431,709	867,122	791,818
Operating profit	21,018	47,255	55,797
Net income	19,556	38,539	48,960

Owners of the parent company	19,556	38,539	48,960
Non-controlling interest	-	-	-
Net earnings per share (KRW)	1,202	2,370	3,010
Net diluted earnings per share (KRW)	1,202	2,370	3,010
Number of companies included in the consolidation	2	2	2

B. Summarized financial information

The financial statements for the half-year of the 22nd fiscal year were prepared in accordance with the Korean International Financial Reporting Standards (K-IFRS) and were reviewed by an external auditor. The financial statements for the 21st and 20th years presented for comparison were prepared in accordance with the K-IFRS.

(Unit: Million won)

Division	Half-year the 22nd year	The 21st year	The 20th year
	30.06.2020	31.12.2019	31.12.2018
[Current assets]	566,757	517,493	506,873
• Quick assets	401,275	398,650	402,782
• Inventory assets	165,482	118,843	104,091
[Non-current assets]	110,762	111,771	100,376
• Transferrable financial assets	-	-	1,026
• Tangible assets	30,831	30,647	21,718
• Intangible assets	53,417	52,619	56,895
• Other non-current assets	26,514	28,505	20,737
Total assets	677,519	629,264	607,249
[Current liabilities]	184,113	145,432	155,611
[Non-current liabilities]	16,094	12,675	5,721
Total liabilities	200,207	158,107	161,332
[Capital]	8,132	8,132	8,132
[Capital surplus]	76,343	76,343	76,343
[Capital adjustment]	(381)	(381)	(381)
[Retained earnings]	393,218	387,063	361,823
Total equities	477,312	471,157	445,917
Evaluation method for investment securities of dependent joint company	Cost method	Cost method	Cost method

	(01.01.2020 ~ 30.06.2020)	(01.01.2019 ~ 31.12.2019)	(01.01.2018 ~ 31.12.2018)
Sales	431,709	867,122	791,818
Operating profit (loss)	20,788	46,811	55,686
Current net profit (loss)	19,654	38,240	48,931
Net earnings (loss) per share (KRW)	1,208	2,351	3,009
Net diluted earnings (loss) per share (KRW)	1,208	2,351	3,009

2. Consolidated Financial Statements

Consolidated statement of financial position

Half-year, the 22nd year as of 30.06.2020

The 21st year as of 31.12.2019

(Unit : KRW)

	Half-year, the 22nd year	The 21st year
Assets		
Current assets	569,020,199,031	519,232,824,508
Cash and cash equivalents	58,154,676,832	109,686,194,681
Short-term financial instruments	170,000,000,000	100,000,000,000
Trade receivables	148,562,640,766	159,275,850,982
Other payables	12,900,060,703	4,571,715,172
Other current assets	13,618,355,675	26,584,770,094
Short investment assets	302,152,438	270,925,629
Inventories	165,482,312,617	118,843,367,950
Non-Current assets	109,549,081,575	110,500,465,809
Non-current other receivables	12,443,870,662	11,551,657,859
Investments in associates	3,966,784,752	4,295,935,074
Premises and equipment	21,787,405,286	21,852,294,197
Licensed assets	10,284,839,852	9,770,863,312
Intangible assets	53,613,363,236	52,680,432,003
Non-current other assets	453,697,428	2,393,994,075
Deferred tax assets	6,999,120,359	7,955,289,289
Total assets	678,569,280,606	629,733,290,317
Liabilities		
Current liabilities	184,033,125,039	144,851,947,627
Trade liabilities	147,733,139,218	112,842,199,455
Other liabilities	24,420,845,403	17,722,080,835
Other current liabilities	5,591,695,709	9,490,866,003
Current lease liabilities	3,002,613,169	2,800,707,185
Current tax liabilities	3,284,831,540	1,996,094,149
Non-current liabilities	16,186,724,555	12,674,547,196
Non-current other payables	2,047,720,925	0
Non-current lease liabilities	6,765,715,854	7,077,760,245
Defined benefit liabilities	7,373,287,776	3,979,922,496

Total liabilities	200,219,849,594	157,526,494,823
Equity		
Proportion reverted to owners of parent company	478,349,431,012	472,206,795,494
Capital	8,132,150,000	8,132,150,000
Capital surplus	76,343,170,500	76,343,170,500
Other capital items	(346,628,789)	(433,012,471)
Retained earnings (deficits)	394,220,739,301	388,164,487,465
Non-controlling interest		0
Total equities	478,349,431,012	472,206,795,494
Total equities and liabilities	678,569,280,606	629,733,290,317

Consolidated Comprehensive Profit and Loss Statement

Half-year, the 22nd year: from 01.01.2020 to 30.06.2020

Half-year, the 21st year: from 01.01.2019 to 30.06.2019

(Unit : KRW)

	Half-year, the 22nd year		Half-year, the 21st year	
	3 months	Accumulated	3 months	Accumulated
Revenue (Sales)	219,130,510,361	431,708,981,150	196,301,633,006	373,668,013,854
Cost of goods sold("COGS")	161,525,508,707	316,421,545,332	149,098,310,850	286,759,060,567
Gross profit	57,605,001,654	115,287,435,818	47,203,322,156	86,908,953,287
Selling and management expenses	48,273,388,327	94,268,988,372	40,970,297,673	78,912,966,752
Operating profit (loss)	9,331,613,327	21,018,447,446	6,233,024,483	7,995,986,535
Financial income	421,574,381	1,590,458,853	1,041,120,991	2,087,738,370
Financial expense	247,041,971	300,097,726	79,480,777	163,134,475
Other non-operating income	1,335,714,723	6,798,690,268	1,054,568,063	1,884,074,604
Other non-operating losses	3,280,913,186	4,504,262,577	940,299,283	1,219,099,829
Equity method gains and losses	47,578,895	(329,150,322)	25,147,959	(7,064,145)
Income (loss) before income tax	7,608,526,169	24,274,085,942	7,334,081,436	10,578,501,060
Income tax expenses	862,708,412	4,718,465,106	1,327,892,306	1,714,674,140
Current net profit (loss)	6,745,817,757	19,555,620,836	6,006,189,130	8,863,826,920
Attribution of half-year net income (loss)				
Half-year net income (loss) attributable to the owners of the parent company	6,745,817,757	19,555,620,836	6,006,189,130	8,863,826,920
Earnings per share				
Basic earnings (loss) per share (Unit: KRW)	415	1,202	369	545
Diluted earnings (loss) per share (Unit: KRW)	415	1,202	369	545

Consolidated Comprehensive Profit and Loss Statement

Half-year, the 22nd year: from 01.01.2020 to 30.06.2020

Half-year, the 21st year: from 01.01.2019 to 30.06.2019

(Unit : KRW)

	Half-year, the 22nd year		Half-year, the 21st year	
	3 months	Accumulated	3 months	Accumulated
Current net profit (loss)	6,745,817,757	19,555,620,836	6,006,189,130	8,863,826,920
Other comprehensive income	(62,949,044)	86,383,682	(9,101,966)	96,989,421
Items that can be reclassified to current profit or loss (other comprehensive profit or loss before tax)	(62,949,044)	86,383,682	(9,101,966)	96,989,421
Foreign exchange difference in translation at overseas business sites (Other comprehensive income before tax)	(62,949,044)	86,383,682	(9,101,966)	96,989,421
Total comprehensive income	6,682,868,713	19,642,004,518	5,997,087,164	8,960,816,341
Attribution of total comprehensive income				
Total comprehensive income, equity attributable to the owners of the parent company	6,682,868,713	19,642,004,518	5,997,087,164	8,960,816,341

Consolidated Statement for Changes in Capital

Half-year, the 22nd year: from 01.01.2020 to 30.06.2020

Half-year, the 21st year: from 01.01.2019 to 30.06.2019

(Unit : KRW)

		Equity					
		Owners' equity					Non-controlling interest
		Capital	Capital surplus	Other components of capital	Retained earnings	Total capital attributable to owners of the parent company	
2019.01.01 (Term beginning capital)		8,132,150,000	76,343,170,500	(487,551,847)	362,625,799,686	446,613,568,339	0
Total comprehensive income	Half-year net income				8,863,826,920	8,863,826,920	
	Overseas business profit and loss			96,989,421		96,989,421	
Transactions with shareholders recognized directly in equity	Annual dividends				13,499,369,000	13,499,369,000	0
30.06.2019 (Term-end capital)		8,132,150,000	76,343,170,500	(390,562,426)	357,990,257,606	442,075,015,680	
01.01.2020 (Term beginning capital)		8,132,150,000	76,343,170,500	(433,012,471)	388,164,487,465	472,206,795,494	
Total comprehensive income	Half-year net income				19,555,620,836	19,555,620,836	
	Overseas business profit and loss			86,383,682		86,383,682	
Transactions with shareholders recognized directly in equity	Annual dividends				(13,499,369,000)	(13,499,369,000)	
30.06.2020 (Term-end capital)		8,132,150,000	76,343,170,500	(346,628,789)	394,220,739,301	478,349,431,012	

Consolidated Cash Flow Statement

Half-year, the 22nd year: from 01.01.2020 to 30.06.2020

Half-year, the 21st year: from 01.01.2019 to 30.06.2019

(Unit : KRW)

	Half-year, the 22nd year	Half-year, The 21st year
Operating cash flows	41,382,939,877	(593,525,325)
Cash flows from operating activities	42,307,167,922	8,283,498,996
Hal-year net profit (loss)	19,555,620,836	8,863,826,920
Increase or decrease for adjustment to current net profit	17,462,893,958	8,980,153,840
Change to equities/liabilities on sales operations	5,288,653,128	(9,560,481,764)
Gain on interest	1,670,725,569	1,927,608,411
Payment on interest	(114,728,727)	(28,272,589)
Payment of corporate tax (return)	(2,480,224,887)	(10,776,360,143)
Cash flows from investing activities	(77,759,965,789)	(75,599,315,303)
Increase in short term financial products	(160,000,000,000)	(70,000,000,000)
Decrease in short term financial products	90,000,000,000	
Increase in other trade receivables	(2,793,489,350)	(1,652,167,948)
Decrease in other trade receivables	1,021,741,425	1,148,333,368
Increase in advances	(577,903,883)	(287,518,240)
Acquisition of tangible assets	(3,503,265,045)	(1,660,849,181)
Acquisition of intangible assets	(1,921,365,436)	(3,857,244,302)
Disposal of tangible assets	14,316,500	95,131,000
Disposition of financial assets measured at FVTPL:		615,000,000
Cash flows from financing activities	(15,090,764,351)	(14,987,728,215)
Payment of lease fees	(1,591,395,351)	(1,488,359,215)
Dividend payment	(13,499,369,000)	(13,499,369,000)
Net increase in cash and cash equivalents before the effect of exchange rate fluctuations	(51,467,790,263)	(91,180,568,843)
Cash and cash equivalents at the beginning	109,686,194,681	222,527,311,948
Effects of exchange rate changes on cash and cash equivalents	(63,727,586)	4,152,635
Cash and cash equivalents at the end	58,154,676,832	131,350,895,740

3. Notes to Consolidated Financial Statements

1. Company overview

(1) Summary of the parent company

Silicon Works Co., Ltd. (hereinafter referred to as the “controlling company”) was established on 11 November 1999 for the purpose of manufacturing and designing FPD (flat panel display) semiconductor IC. And the Company is located at 222 Techno 2-ro, Daedeok-gu, Daejeon, 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 19 October 2001. The 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 23 October 2011.C

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

The shareholders of the controlling company at the end of the current half-year are as follows;

(Unit: shares)			
Shareholders	No. of shares held	Ownership stake	Remarks
LG Corp.	5,380,524	33.08%	Largest shareholder
National Pension Service	916,212	5.63%	-
Others	9,967,564	61.29%	-
Total Amount	16,264,300	100.00%	

The current consolidated financial statements for the reporting period ending on 30 June 2020 are comprised of shares in the controlling company and its subsidiaries (hereinafter the "Group").

(2) Overview of subsidiaries subject to consolidation

Company name	Address	Major business activity	Month of account closing	Controlling interest rate at the end of the current half-year	Controlling interest rate at the end of the last term
Silicon Works Inc.	USA	Semiconductor manufacturing and designing	12	100.00%	100.00%
Silicon Works China Co., Ltd.	China	Semiconductor manufacturing and designing	12	100.00%	100.00%

(3) Summarized financial information of subsidiaries

The financial information of subsidiaries as of the end of the current half-year and the end of the previous year is as follows.

(Unit: KRW)

Division	Silicon Works Inc.		Silicon Works China Co., Ltd.	
	End of the current half-year	Last term	End of the current half-year	Last term
Assets	565,573,238	466,586,141	3,763,536,381	3,204,750,570
Liabilities	22,979,200	14,230,311	508,728,295	176,803,636
Equity	542,594,038	452,355,830	3,254,808,086	3,027,946,934
Sales	997,227,474	2,172,907,391	2,287,421,760	4,098,799,678
Net Income	73,868,701	160,956,176	156,846,977	261,108,933
Total comprehensive income	90,238,208	168,563,277	226,861,152	308,041,208

2. Financial statement preparation standards and significant accounting policies

(1) Standards for preparing half-year consolidated financial statements

The consolidated financial statements of the controlling company and its subsidiaries (hereinafter referred to as the "Group") are summarized interim financial statements prepared by applying K-IFRS No. 1034 'Interim financial report' for a part of the period to which the annual financial statements belong. In order to understand the summary interim financial statements, the annual consolidated financial statements for the fiscal year ending 31 December 2019 prepared in accordance with the K-IFRS should be used together.

The important accounting policies applied in the preparation of the interim financial statements are the same as those adopted in the preparation of the annual consolidated financial statements for the fiscal year ending 31 December 2019, except for impacts related to the introduction of the standard or interpretation described below.

1) The new standards and interpretations introduced from current half-year and the resulting changes in accounting policies are as follows.

- Business definition under K-IFRS 1103 (revision)

This amendment clarifies that although projects generally have deliverables, outputs are not essential for an integrated set of activities and assets to meet the definition of a business. In order for the set of acquired activities and assets to be considered a business, they must at least contain inputs and substantive processes that have the ability to contribute significantly together in the creation of outputs. It also provides guidelines for judgment to help you decide whether or not a substantial course has been acquired.

This amendment introduces an optional intensive test that can briefly evaluate whether a set of acquired activities and assets is not a business. In this selective concentration test, if the fair value of the total assets acquired is substantially concentrated in a single identifiable asset or a group of identifiable similar assets, this is not a business.

- Reference to the 'Conceptual System' in the K-IFRS (revision)

In addition to the fully revised 'Conceptual System' (2018) introduced with the announcement on 21 December 2018, the International Accounting Standards Board ("IASB") also announced the 'Revision of Reference to the Conceptual System in the Corporate Accounting Standard'. This document contains revisions to K-IFRS 1102, 1103, 1106, 1114, 1001, 1008, 1034, 1037, 1038, 2112, 2119, 2120, 2122 and 2032.

However, not all revisions will require that phrases related to such references or citations refer to the fully revised 'Conceptual System' (2018). Some phrases indicate whether the referenced 'Conceptual System' is a 'Conceptual System' for the preparation and presentation of financial statements' (2007), a 'Conceptual System' (2010), or a newly revised Conceptual System' (2018). Revised for clarity, some other text has been revised to clarify that the definition in the K-IFRS has not been changed to the new definition developed in the full revised 'Conceptual System' (2018).

- K-IFRS 1109 financial instruments and K-IFRS 1107 financial instruments: disclosure (revision)

The revisions are made with the addition of exception rules so that hedging accounting can be applied even while uncertainties exist due to the reform of interest rate indicators. This revision assumes that the interest rate indicator on which cash flows are based is not changed by reform when reviewing the probability of expected transactions, and that the interest rate indicator on which the hedged items and means and the hedged risk are based will not be changed by the interest rate indicator reform when conducting a prospective evaluation. In addition, in the case of a hedging for an interest rate risk factor not specified in the contract, the risk component applies only at the initiation of the hedging relationship for the requirement to be separately identifiable. On the other hand, the application of the exceptions under this revision ends when the uncertainty arising from the interest rate indicator reform no longer appears in relation to the timing and amount of cash flows based on the interest rate indicator, or the hedging relationship ceases.

- 2) The following are K-IFRS that have been enacted and promulgated but have not yet been applied because the effective date has not yet arrived.

- Lease under K-IFRS 1116 (revision)

This amendment provides a practical and simple method for lessees to not evaluate whether rent concession, which occurred as a result of the COVID-19 pandemic, corresponds to a lease change. Lessees who choose to apply this practical simplified method are accounted for consistently with the method prescribed by this Standard. Unless such changes are lease changes. On the other hand, the practical simple method according to the amendment is not provided to the lessor.

The practical simple method according to the amendment applies only to rental discount, etc. that satisfy all of the following conditions.

- ① The lease consideration corrected due to the change in lease payments is substantially the same as or less than the lease consideration before the change.
- ② The lease fee reduction only affects the lease payments due before 30 June 2021.
- ③ Other lease terms and conditions are not substantially changed.

3. Important judgment and the major source of estimated uncertainty

In preparing interim financial statements, management should make decisions (except for matters relating to the estimates) that have a significant effect on the amounts recognized in the financial statements, and make estimates and assumptions about the book value of assets and liabilities that cannot be easily identified from other sources. The estimates and related assumptions are based on past experience and other factors deemed relevant. Additionally, actual results may differ from these estimates.

The important judgments made in the application of the Group's accounting policies to prepare the interim financial statements and the major sources of uncertainty are the same as those for the fiscal year ending 31 December 2019 except as noted below.

(1) Uncertainty of the impact of COVID-19

The spread of the COVID-19 pandemic, which began in the first quarter of 2020, is having a significant impact on the domestic and international economy. This can have a negative impact on the company's business overall, such as a downturn in the economy, a decrease or delay in sales, and the collection of existing bonds. In particular, it can have a great impact on the goodwill of the Group. This may adversely affect the financial position and financial performance of the Group, and this effect may persist in the 2020 annual consolidated financial statements.

1) Damage to goodwill

As of the end of the current half-year, the Group's goodwill is KRW 27,913 million. The Group recognizes impairment in cases where it affects the estimated future cash flows of the net investment that can be estimated reliably and objective evidence of a significant event after the net investment in a single cash-generating unit. As of the end of the current half-year, the consolidated financial statements include uncertainties in the estimation of estimated future cash flows due to COVID-19.

The material future assumptions used in preparing the interim financial statements and the estimated uncertainty at the end of the reporting period may be corrected as the spread of the COVID-19 pandemic, and the ultimate impact on the Group's business, financial position and management performance is currently unpredictable.

4. Sales division

The Group consists of a single research and development organization, while applying the same marketing strategy. It also identifies a single sales division and provides reporting on such a basis. In the current

Two companies account for more than 10% of sales from a single external customer during the current half-year. Sales for the current half-year are KRW 196,729 million (46%) and KRW 103,501 million (24%), respectively.

5. Classification of financial products by category

(1) Financial products by category

Details of the book value of financial instruments by category as of the end of the current and last terms are as follows.

(Unit: KRW)		
Division	End of the current half-year	End of the last term
Financial assets:		
Financial assets at FVTPL	302,152,438	270,925,629
Financial assets measured at amortized cost		
Cash and cash equivalents	58,154,676,832	109,686,194,681
Short-term financial instruments	170,000,000,000	100,000,000,000
Trade receivables	148,562,640,766	159,275,850,982
Other payables	19,851,357,908	9,998,891,281
Sub total	396,568,675,506	378,960,936,944
Lease receivables	5,492,573,457	6,124,481,750
Total	402,363,401,401	385,356,344,323
Financial liabilities:		
Financial liabilities measured at amortized cost		
Trade liabilities	147,733,139,218	112,842,199,455
Other liabilities(*)	10,719,991,680	11,706,534,042
Sub total	158,453,130,898	124,548,733,497
Lease liabilities	9,768,329,023	9,878,467,430
Total	168,221,459,921	134,427,200,927

(*) Employee related liabilities not included in financial liabilities are excluded.

(2) Financial incomes and costs by category

Details of financial incomes and financing costs recognized in the current profit or loss in the current and last terms are as follows;

(Unit: KRW)				
Division	Interest revenue (costs)		Other income (*)	
	Current half-year	Last half-year	Current half-year	Last half-year
Financial assets at FVTPL	-	-	31,226,809	(113,538,684)
Financial assets measured at amortized cost	1,486,564,276	2,074,344,444	3,533,699,364	666,306,551
Lease receivables	65,651,707	-	-	-
Financial liabilities measured at amortized cost	-	-	(52,395,247)	(384,446,319)
Lease liabilities	(114,728,727)	(28,272,589)	-	-
Total	1,437,487,256	2,046,071,855	3,512,530,926	168,321,548

(*) Other profits and losses consist of profits and losses on financial instruments measured at FVTPL, losses on disposition of accounts receivable arising from financial assets measured at amortized cost and financial liabilities measured at amortized cost, profits and losses on foreign currency translation, and profits and losses on foreign exchange differences.

(3) Transfer of financial assets

The Group transferred account receivables according to the account receivable factoring contract with the Export-Import Bank. In this transaction, if the relevant trade receivables are not recovered at maturity, the Group is not obligated to pay the unrecovered amount of trade receivables to banks.

There is no book value of trade receivables accounted for as collateralized borrowing because the Group transferred all or part of the transferred financial assets through factoring of accounts receivable as of the end of the current half-year.

6. Cash and cash equivalents

The details of cash and cash equivalents as of the end of the current and last terms are as follows.

(Unit: KRW)		
Division	End of the current half-year	End of the last term
Demand deposit	25,254,676,832	15,686,194,681
Term deposit, etc.(*)	32,900,000,000	94,000,000,000
Total Amount	58,154,676,832	109,686,194,681

(*) This is a financial instrument whose maturity is within 3 months from the acquisition date, has very high liquidity, is easy to convert to a fixed amount, and has a slight risk of value fluctuation.

7. Short-term financial instruments

The details of short-term financial instruments as of the end of the current and last terms are as follows.

(Unit: KRW)		
Division	End of the current half-year	End of the last term
Term deposit	170,000,000,000	100,000,000,000

8. Trade and other payables

(1) Trade and other receivables as of the end of the current and last terms are as follows.

(Unit: KRW)				
Division	End of the current half-year		End of the last term	
	Current	Non-Current	Current	Non-Current
Trade receivables	148,562,640,766	-	159,275,850,982	-
Receivables	9,523,326,505	-	1,327,302,014	-
Accrued income	903,786,305	-	1,022,295,891	-
Loans	1,187,719,848	6,784,028,594	951,190,198	5,602,299,669
Security deposits	-	1,452,496,656	-	1,095,803,509
Lease receivables	1,285,228,045	4,207,345,412	1,270,927,069	4,853,554,681
Total Amount	161,462,701,469	12,443,870,662	163,847,566,154	11,551,657,859

(2) The changes in investment properties during the current and last terms are as follows.

(Unit: KRW)		
Division	Current half-year	Last term
Beginning	6,124,481,750	-
Increase	-	6,593,290,800
Interest income	65,651,707	59,986,441
Recall	(697,560,000)	(528,795,491)
Ending	5,492,573,457	6,124,481,750

(3) Maturity analysis of lease receivables as of the end of the current and last terms are as follows.

(Unit: KRW)		
Division	End of the current half-year	End of the last term
Less than 1 year	1,395,120,000	1,395,120,000
Over 1 year and less than 2 years	1,395,120,000	1,395,120,000
Over 2 years and less than 3 years	1,395,120,000	1,395,120,000
Over 3 years and less than 4 years	1,395,120,000	1,395,120,000
Over 4 years	116,260,000	813,820,000
Total undiscounted lease	5,696,740,000	6,394,300,000
Unrealized financial income	(204,166,543)	(269,818,250)
Net lease investment	5,492,573,457	6,124,481,750

9. Financial liabilities at FVTPL

Financial liabilities at FVTPL as of the end of the current and last terms are as follows.

(Unit: KRW)		
Division	End of the current half-year	End of the last term
Items measured at FVTPL		
LB Investment	302,152,438	270,925,629

10. Other assets

The details of other assets at the end of current and the last terms are as follows.

(Unit: KRW)				
Division	End of the current half-year		End of the last term	
	Current	Non-Current	Current	Non-Current
Advance payment	474,788,344	251,350,566	338,796,434	1,856,537,794
Prepaid expenses	8,120,433,826	202,346,862	15,279,741,890	537,456,281
Loans of value added taxes	5,023,133,505	-	10,966,231,770	-
Total Amount	13,618,355,675	453,697,428	26,584,770,094	2,393,994,075

11. Inventories

(1) The details of inventories as of the end of the current and last terms are as follows.

(Unit: KRW)		
Division	End of the current half-year	End of the last term
Products in process	183,104,072,361	134,002,182,039
Products in process return assets	130,657,371	117,492,806
Allowance for evaluated loss on products in process	(17,752,417,115)	(15,276,306,895)
Total Amount	165,482,312,617	118,843,367,950

(2) Recognized valuation losses of the current and last terms are as follows.

(Unit: KRW)		
Division	Current half-year	Last half-year
Cost of goods sold		
Return (establishment) of evaluated loss for inventory assets	(13,164,565)	21,714,287
Establishment (return) of allowance for valuation of inventory assets	2,476,110,220	(2,230,835,763)

12. Investments in associates

(1) The details of investments of associates as of the end of the current and last terms are as follows.

(Unit: KRW)							
Company name	Address	Major business activity	Month of account closing	End of the current half-year		End of the last term	
				Ownership stake(%)	Book value	Ownership stake(%)	Book value
Advance Power Device Technology	Korea	R&D and design of semiconductor devices	3	49.00%	3,966,784,752	49.00%	4,295,935,074

(2) Changes in the stocks of associates during the current and last terms are as follows.

① Current half-year

(Unit: KRW)		
Beginning	Equity method gains and losses	End of the current half-year
4,295,935,074	(329,150,322)	3,966,784,752

② Last half-year

(Unit: KRW)		
Beginning	Equity method gains and losses	End of the last half-year
4,419,269,914	(7,064,145)	4,412,205,769

(3) The summary financial information of associates during the current and last terms is as follows.

(Unit: KRW)		
Division	Advanced Power Device Technology Co., Ltd.	
	Current half-year	Last term
Assets	8,391,268,637	9,125,860,361
Liabilities	295,789,551	358,645,925
Equity	8,095,479,086	8,767,214,436
Sales	854,484,555	4,581,696,640
Net income	(671,735,350)	(519,166,911)
Total comprehensive income	(671,735,350)	(519,166,911)

(4) The amount of financial information of an associate is adjusted to the book value of the stake in the associate as of the end of the current and last terms as follows.

① End of the current half-year

(Unit: KRW)				
Company name	Net assets at the end (A)	Group's share (B)	Net asset equity (A*B)	Book value at the end
Advanced Power Device Technology Co. Ltd.	8,095,479,086	49.00%	3,966,784,752	3,966,784,752

② End of the last term

(Unit: KRW)				
Company name	Net assets at the end (A)	Consolidated entity's share (B)	Net asset equity (A*B)	Book value at the end
Advanced Power Device Technology Co. Ltd.	8,767,214,436	49.00%	4,295,935,074	4,295,935,074

13. Premises and equipment

(1) The details of tangible assets as of the end of the current and last terms are as follows.

① End of the current half-year

(Unit: KRW)							
Division	Land	Buildings	Structures	Machinery	Equipment	Other tangible assets	Total
Acquisition cost	5,015,382,334	4,847,249,181	188,300,000	22,921,156,935	14,605,458,108	4,892,500,046	52,470,046,604
Accumulated amortization	-	(2,330,713,217)	(9,415,008)	(14,934,223,166)	(9,985,060,854)	(2,560,749,789)	(29,820,162,034)
Accumulated impairment loss	-	-	-	(564,056,013)	-	-	(564,056,013)
Government subsidies	-	-	-	(2,011,955)	(11,411,316)	(285,000,000)	(298,423,271)
Book value	5,015,382,334	2,516,535,964	178,884,992	7,420,865,801	4,608,985,938	2,046,750,257	21,787,405,286

(*) Other tangible assets include facility equipment, leasehold improvement assets and assets under construction.

② End of the last term

(Unit: KRW)							
Division	Land	Buildings	Structures	Machinery	Equipment	Other tangible assets	Total
Acquisition cost	5,015,382,334	4,847,249,181	188,300,000	21,113,745,225	13,829,895,918	4,689,004,675	49,683,577,333
Accumulated amortization	-	(2,209,531,982)	(7,061,256)	(13,636,508,568)	(8,997,405,952)	(2,400,074,478)	(27,250,582,236)
Accumulated impairment loss	-	-	-	(564,056,013)	-	-	(564,056,013)
Government subsidies	-	-	-	(3,551,429)	(13,093,458)	-	(16,644,887)
Book value	5,015,382,334	2,637,717,199	181,238,744	6,909,629,215	4,819,396,508	2,288,930,197	21,852,294,197

(*) Other tangible assets include facility equipment, leasehold improvement assets and assets under construction.

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

① Current half-year

(Unit: KRW)							
Division	Land	Buildings	Structures	Machinery	Equipment	Other tangible assets	Total
Book value at the beginning	5,015,382,334	2,637,717,199	181,238,744	6,909,629,215	4,819,396,508	2,288,930,197	21,852,294,197
Acquisition during the year	-	-	-	837,870,016	959,344,790	1,460,458,148	3,257,672,954
Disposition during the year	-	-	-	(2,000)	(192,015)	(410,559,310)	(410,753,325)
Substitution of assets under construction	-	-	-	974,597,603	-	(974,597,603)	-
Depreciation	-	(121,181,235)	(2,353,752)	(1,324,626,489)	(1,169,433,603)	(317,481,175)	(2,935,076,254)
Other increase/decrease	-	-	-	23,397,456	(129,742)	-	23,267,714
Book value at the end	5,015,382,334	2,516,535,964	178,884,992	7,420,865,801	4,608,985,938	2,046,750,257	21,787,405,286

(*) Other tangible assets include facility equipment, leasehold improvement assets and assets under construction.

② Last term

(Unit: KRW)							
Division	Land	Buildings	Structures	Machinery(*1)	Equipment	Other tangible assets(*2)	Total
Book value at the beginning	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 during the year	-	-	-	7,725,683,543	2,610,235,536	364,129,865	10,700,048,944
Disposition during the year	-	-	-	(6,593,294,800)	(2,798,610)	-	(6,596,093,410)
Depreciation	-	(355,911,542)	(4,707,504)	(2,475,971,852)	(2,090,556,738)	(637,505,826)	(5,564,653,462)
Other increase/decrease	13,774,740	320,872,550	-	24,953,329	788,834	-	360,389,453
Book value at the end of the last term	5,015,382,334	2,637,717,199	181,238,744	6,909,629,215	4,819,396,508	2,288,930,197	21,852,294,197

(*1) KRW 6,593 million of machinery and equipment was disposed of due to financial lease contracts, and financial lease receivables were recognized during the last term.

(*2) Other tangible assets include facility equipment, leasehold improvement assets and assets under construction.

14. Intangible assets

(1) The details of intangible assets as of the end of the current and last terms are as follows.

① End of the current half-year

(Unit: KRW)							
Division	Goodwill	Industrial property rights	Software	Membership	Other intangible assets (*)	Intangible assets under construction	Total
Acquisition cost	27,913,122,677	3,048,103,079	12,176,546,344	3,885,815,400	34,882,988,673	2,347,771,960	84,254,348,133
Accumulated amortization	-	(1,196,987,897)	(6,308,516,782)	-	(22,790,804,008)	-	(30,296,308,687)
Accumulated impairment loss	-	-	-	(316,282,200)	-	-	(316,282,200)
Government subsidies	-	(10,409,649)	-	-	-	(17,984,361)	(28,394,010)
Book value	27,913,122,677	1,840,705,533	5,868,029,562	3,569,533,200	12,092,184,665	2,329,787,599	53,613,363,236

(*) Other intangible assets consist of intangible assets related to customer relationships arising from business succession, technological capabilities, etc.

② End of the last term

(Unit: KRW)							
Division	Goodwill	Industrial property rights	Software	Membership	Other intangible assets (*)	Intangible assets under construction	Total
Acquisition cost	27,913,122,677	2,626,926,679	12,302,679,314	2,761,615,400	34,703,000,000	110,435,919	80,417,779,989
Accumulated amortization	-	(1,059,983,751)	(6,029,970,832)	-	(20,328,999,997)	-	(27,418,954,580)
Accumulated impairment loss	-	-	-	(316,282,200)	-	-	(316,282,200)
Government subsidies	-	-	(2,111,206)	-	-	-	(2,111,206)
Book value	27,913,122,677	1,566,942,928	6,270,597,276	2,445,333,200	14,374,000,003	110,435,919	52,680,432,003

(*) Other intangible assets consist of intangible assets related to customer relationships arising from business succession, technological capabilities, etc.

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

① Current half-year

(Unit: KRW)							
Division	Goodwill	Industrial property rights	Software	Membership	Other intangible assets (*)	Intangible assets under construction	Total
Book value at the beginning	27,913,122,677	1,566,942,928	6,270,597,276	2,445,333,200	14,374,000,003	110,435,919	52,680,432,003
Acquisition during the year	-	368,760,911	288,862,536	1,124,200,000	-	2,759,889,593	4,541,713,040
Disposition during the year	-	-	-	-	-	(143,193,792)	(143,193,792)
Substitution	-	40,296,580	356,926,247	-	-	(397,222,827)	-
Reclassification of account	-	-	(179,988,673)	-	179,988,673	-	-
Amortization of intangible assets	-	(135,294,886)	(868,572,869)	-	(2,461,804,011)	-	(3,465,671,766)
Others	-	-	205,045	-	-	(121,294)	83,751
Book value at the end	27,913,122,677	1,840,705,533	5,868,029,562	3,569,533,200	12,092,184,665	2,329,787,599	53,613,363,236

(*) Other intangible assets consist of intangible assets related to customer relationships arising from business succession, technological capabilities, etc.

② Last term

(Unit: KRW)							
Division	Goodwill	Industrial property rights	Software	Membership	Other intangible assets (*)	Intangible assets under construction	Total
Book value at the beginning	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 during the year	-	402,922,263	921,889,820	689,383,200	-	4,445,240,484	6,459,435,767
Disposition during the year	-	(7,404,991)	-	-	-	-	(7,404,991)
Amortization of intangible assets	-	(246,077,107)	(1,540,486,691)	-	(4,844,000,003)	-	(6,630,563,801)
Impairment of intangible assets	-	-	-	(13,838,800)	-	(3,722,357,762)	(3,736,196,562)
Substitution	-	-	3,043,790,000	(299,214,200)	-	(3,043,790,000)	(299,214,200)
Others	-	-	-	-	-	(683,211)	(683,211)
Book value at the end of the last term	27,913,122,677	1,566,942,928	6,270,597,276	2,445,333,200	14,374,000,003	110,435,919	52,680,432,003

(*) Other intangible assets consist of intangible assets related to customer relationships arising from business succession, technological capabilities, etc.

(3) Intangible assets with indefinite useful life

The Group classifies goodwill and membership among intangible assets as intangible assets with indefinite useful lives and is not amortized, and reviews impairment annually along with intangible assets under construction, which are intangible assets that have not yet been used. No impairment amount was recognized for goodwill in both the current and last terms. There is no impairment amount recognized in the current half-year for intangible assets and membership rights under construction, and the amount of impairment recognized during the last term was KRW 3,722 million and KRW 14 million, respectively.

15. Government subsidies

The Group has concluded the technology development agreements with the managing organizations regarding the following new technology development projects as national projects.

The Group spent the government subsidy provided under the above mentioned program for purchase of various tangible and intangible assets, while recognizing the transactions as decreasing in the relevant subsidy asset entry.

Government project	Coordinating company
Development of micro liquid lens array panel for the implementation of 3D image in the eyeball adaptive type	Korea Advanced Institute of Science and Technology

16. Lease

(1) The Group leased buildings and vehicles, and the average lease period is about 3 years.

(2) The book value of licensed assets as of the end of the current and last terms is as follows.

① End of the current half-year

(Unit: KRW)

Division	Buildings	Vehicles	Total Amount
Acquisition amount	13,925,211,602	733,042,920	14,658,254,522
Accumulated depreciation	(4,052,019,075)	(321,395,595)	(4,373,414,670)
Book value	9,873,192,527	411,647,325	10,284,839,852

② End of the last term

(Unit: KRW)

Division	Buildings	Vehicles	Total Amount
Acquisition amount	11,957,041,339	533,062,386	12,490,103,725
Accumulated depreciation	(2,511,565,149)	(207,675,264)	(2,719,240,413)
Book value	9,445,476,190	325,387,122	9,770,863,312

(3) Changes in the book value of licensed assets during the current and last terms are as follows.

① Current half-year

(Unit: KRW)

Division	Buildings	Vehicles	Total Amount
Beginning balance	9,445,476,190	325,387,122	9,770,863,312
Acquisition cost	2,000,556,568	274,851,273	2,275,407,841
Decrease (Termination of contract)	(22,286,638)	(15,940,916)	(38,227,554)
Depreciation	(1,551,867,492)	(173,178,767)	(1,725,046,259)
Other increase/decrease	1,313,899	528,613	1,842,512
The amount at the end	9,873,192,527	411,647,325	10,284,839,852

② Last term

(Unit: KRW)

Division	Buildings	Vehicles	Total Amount
Beginning balance	12,197,494,072	380,679,049	12,578,173,121
Acquisition cost	194,778,186	174,050,223	368,828,409
Decrease (Termination of contract)	(274,923,763)	(18,416,854)	(293,340,617)
Depreciation	(2,671,872,305)	(210,925,296)	(2,882,797,601)
The amount at the end of the last term	9,445,476,190	325,387,122	9,770,863,312

(4) The amounts recognized in profit or loss during the current and last terms are as follows.

(Unit: KRW)

Division	Current half-year	Last term
Depreciation of licensed assets	1,725,046,259	2,882,797,601
Interest expense on lease liabilities	114,728,727	251,687,433
Expenses related to short-term leases and small assets lease	279,821,311	1,030,666,665

(5) The Group's total cash outflow due to leases for the current half-year and the previous year is KRW 1,985 million and KRW 4,593 million.

(6) The details of lease liabilities as of the end of the current and last terms are as follows.

(Unit: KRW)

Division	End of the current half-year		End of the last term	
	Minimum lease	Present value of minimum lease	Minimum lease	Present value of minimum lease
Less than 1 year	3,188,334,631	3,002,613,169	2,840,300,888	2,800,707,185
Over 1 year and less than 5 years	6,962,300,354	6,765,715,854	7,266,617,280	7,077,760,245
Total Amount	10,150,634,985	9,768,329,023	10,106,918,168	9,878,467,430

(7) The current components of lease liabilities as of the end of the current and last terms are as follows.

(Unit: KRW)

Division	End of the current half-year	End of the last term
Current liabilities	3,002,613,169	2,800,707,185
Non-current liabilities	6,765,715,854	7,077,760,245
Total Amount	9,768,329,023	9,878,467,430

17. Trade and other payables

The details of trade and other receivables as of the end of the current and last terms are as follows.

(Unit: KRW)		
Division	End of the current half-year	End of the last term
	Current	Current
Trade liabilities	147,733,139,218	112,842,199,455
Payables	9,418,393,670	13,446,931,140
Unpaid expenses	15,002,451,733	4,275,149,695
Total Amount	172,153,984,621	130,564,280,290

18. Other liabilities

(1) The details of other liabilities at the end of current and the last terms are as follows.

(Unit: KRW)				
Division	End of the current half-year		End of the last term	
	Current	Non-Current	Current	Non-Current
Advances	2,371,660,206	-	4,057,544,846	-
Withholdings	520,155,800	-	1,327,544,350	-
Provisions	2,699,879,703	-	4,105,776,807	-
Long-term employee salary liabilities	-	1,118,265,473	-	1,034,499,281
Provision for recovery	-	929,455,452	-	582,365,174
Total Amount	5,591,695,709	2,047,720,925	9,490,866,003	1,616,864,455

(2) Changes in the provisions during the current and last terms are as follows.

① Current half-year

(Unit: KRW)					
Division	Beginning	Established	Returned	Used	Ending
Provision for sales warrant	3,946,189,306	29,430,097	(1,373,890,533)	(80,697,198)	2,521,031,672
Provision for return	159,587,501	903,554,857	(884,294,327)	-	178,848,031
Provision for recovery	582,365,174	347,090,278	-	-	929,455,452
Total Amount	4,688,141,981	1,280,075,232	(2,258,184,860)	(80,697,198)	3,629,335,155

② Last term

(Unit: KRW)					
Division	Beginning	Established	Returned	Used	Ending
Provision for sales warrant	3,778,854,699	1,462,255,605	(1,107,058,520)	(187,862,478)	3,946,189,306
Provision for return	162,999,112	85,788,369	(89,199,980)	-	159,587,501
Provision for recovery	498,300,000	84,065,174	-	-	582,365,174

Total Amount	4,440,153,811	1,632,109,148	(1,196,258,500)	(187,862,478)	4,688,141,981
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The Group recognizes warranty expense in the provision for product warranties as expected to be borne by the Group related to sales guarantee for the products, and recognizes the corresponding transferred amount in selling and administrative expenses. On the other hand, the Group 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 K-IFRS 1115.

19. Capital and capital surplus

(1) The details of capital at the end of current and the last terms are as follows.

(Unit: KRW)		
Division	End of the current half-year	End of the last term
Number of authorized shares	50,000,000	50,000,000
Price per share	500	500
Total number of issued shares	16,264,300	16,264,300
Capital	8,132,150,000	8,132,150,000

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

(3) The details of capital surplus at the end of current and the last terms are as follows.

(Unit: KRW)		
Division	End of the current half-year	End of the last term
Premium on capital shares	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

The details of other capital items at the end of current and the last terms are as follows.

(Unit: KRW)		
Division	End of the current half-year	End of the last term
Overseas business profit and loss	34,178,942	(52,204,740)
Gains and losses on financial assets measured at FVOCI	(380,807,731)	(380,807,731)
Total	(346,628,789)	(433,012,471)

21. Retained earnings

(1) The details of current retained earnings at the end of current and the last terms are as follows.

(Unit: KRW)		
Division	End of the current half-year	End of the last term
Legal reserves	4,066,075,000	4,066,075,000
Undisposed retained earnings	390,154,664,301	384,098,412,465
Total	394,220,739,301	388,164,487,465

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

(Unit: KRW)		
Division	Current half-year	Last half-year
Beginning balance	384,098,412,465	358,559,724,686
Payment of dividends	(13,499,369,000)	(13,499,369,000)
Half-year net income	19,555,620,836	8,863,826,920
The amount at the end	390,154,664,301	353,924,182,606

22. Earnings per share

(1) Basic earnings per share

① The calculation details of basic earnings per share in the current and last terms are as follows.

(Unit: KRW, shares)				
Division	Current half-year		Last half-year	
	3 months	Accumulated	3 months	Accumulated
Half-year net income for common share	6,745,817,757	19,555,620,836	6,006,189,130	8,863,826,920
Weighted average number of common shares	16,264,300	16,264,300	16,264,300	16,264,300
Basic earnings per share	415	1,202	369	545

② Calculation of weighted average number of common shares at the current half-year

Division	Number of issued shares(1)	Number of treasury shares(2)	Number of outstanding common shares (1-2)	Weight		Weighted average Number of outstanding common shares
				3 months	Accumulated	
Beginning	16,264,300	-	16,264,300	91days/91days	182days/182days	16,264,300

③ Details of calculations on the number of weighted average outstanding common shares for the last term

Division	Number of issued shares(1)	Number of treasury shares(2)	Number of outstanding common shares (1-2)	Weight		Weighted average Number of outstanding common shares
				3 months	Accumulated	
Beginning	16,264,300	-	16,264,300	91days/91days	182days/182days	16,264,300

(2) Diluted earnings per share

The controlling company does not have any dilutive securities in the current and last terms. Therefore, the diluted earnings per share is the same as the basic earnings per share.

23. Financial revenues and expenses

(1) The details of financial revenues in the current and last terms are as follows.

(Unit: KRW)				
Division	Current half-year		Last half-year	
	3 months	Accumulated	3 months	Accumulated
Interest income	750,174,998	1,552,215,983	1,041,120,991	2,074,344,444
Gain from foreign exchange rate (financial)	-	-	-	10,520,000
Gain on foreign exchange(financial)	(328,600,617)	6,962,040	(4,687,994)	2,873,926
Gain on valuation of financial assets measured at FVTPL	-	31,280,830	-	-
Total	421,574,381	1,590,458,853	1,036,432,997	2,087,738,370

(2) The details of financial expenses in the current and last terms are as follows.

(Unit: KRW)				
Division	Current half-year		Last half-year	
	3 months	Accumulated	3 months	Accumulated
Interest expenses	61,672,973	114,728,727	12,333,825	28,272,589
Loss on foreign exchange(financial)	107,484,374	107,484,375	9,875,545	21,323,202
Loss on disposal of accounts receivables	77,830,603	77,830,603	-	-
Loss on valuation of financial assets measured at FVTPL	54,021	54,021	52,583,413	113,538,684
Total	247,041,971	300,097,726	74,792,783	163,134,475

24. Other non-operating income and expenses

(1) The details of other non-operating income in the current and last terms are as follows.

(Unit: KRW)				
Division	Current half-year		Last half-year	
	3 months	Accumulated	3 months	Accumulated
Profit on foreign exchange(non-financial)	3,966,990,219	6,358,515,866	652,279,204	740,853,008
Profit on foreign currency conversion (non-financial)	(2,700,086,875)	371,220,460	461,539,788	676,624,090
Gain on disposal of tangible assets	16,444,762	15,173,153	7,989,681	110,054,637
Miscellaneous profits	52,366,617	53,780,789	(67,240,610)	356,542,869
Total	1,335,714,723	6,798,690,268	1,054,568,063	1,884,074,604

(2) The details of other non-operating expenses in the current and last terms are as follows.

(Unit: KRW)				
Division	Current half-year		Last half-year	
	3 months	Accumulated	3 months	Accumulated
Loss on foreign exchange(non-financial)	1,187,373,323	1,897,144,798	733,070,581	818,364,967
Loss on foreign currency conversion (non-financial)	662,905,173	1,172,934,473	118,084,819	309,279,102
Loss on disposal of premises and equipment	5,704,000	5,704,000	-	1,887,206
Loss on disposal of intangible assets	143,193,792	143,193,792	-	-
Donations	2,638,400	4,643,815	-	-
Miscellaneous losses	1,279,098,498	1,280,641,699	89,143,883	89,568,554
Total	3,280,913,186	4,504,262,577	940,299,283	1,219,099,829

25. Operating profit

The main items and amounts included in operating profit calculation for the current and last terms are as follows.

(Unit: KRW)				
Division	Current half-year		Last half-year	
	3 months	Accumulated	3 months	Accumulated
Sales	219,130,510,361	431,708,981,150	196,301,633,006	373,668,013,854
Sales from sales of goods	215,608,193,716	427,052,117,611	193,225,992,569	368,775,921,162
Other sales	3,522,316,645	4,656,863,539	3,075,640,437	4,892,092,692
Cost of goods sold("COGS")	161,525,508,707	316,421,545,332	149,098,310,850	286,759,060,567
Cost of goods sold	159,845,463,731	314,407,304,933	147,478,595,902	284,494,097,230
Other sales costs	1,680,044,976	2,014,240,399	1,619,714,948	2,264,963,337
Selling and management expenses	48,273,388,327	94,268,988,372	40,970,297,673	78,912,966,752
Salary and bonuses	8,971,058,332	17,644,922,702	7,429,301,370	14,289,137,323
Retirement allowances	775,909,981	1,449,276,394	571,858,913	1,136,975,639
Employee benefits	1,923,282,944	3,757,402,411	1,486,235,526	2,884,886,957
Travel expenses	159,140,472	392,365,444	623,937,839	1,082,656,071
Rent paid	190,267,535	623,943,777	411,951,139	832,235,854
Service fees	3,050,049,540	5,747,947,866	2,722,309,745	5,287,915,187
Depreciation	1,640,712,695	3,038,015,924	1,440,503,260	2,928,192,196
Amortization of intangible assets	440,600,966	859,662,998	350,894,910	685,064,784
Transfer of provision for sales guarantee (reversal)	(46,319,221)	(1,344,460,436)	(141,700,320)	(856,878,560)
Ordinary R&D expenses	30,116,572,511	59,769,885,926	24,838,530,954	48,370,952,112
Others	1,052,112,572	2,330,025,366	1,236,474,337	2,271,829,189
Operating profit	9,331,613,327	21,018,447,446	6,233,024,483	7,995,986,535

26. Employee benefits

The Group pays its 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) The details of defined benefit liabilities as of the end of the current and last terms are as follows.

(Unit: KRW)		
Division	End of the current half-year	End of the last term
Present value of defined benefit obligation	41,707,882,904	39,248,760,042
Fair value of plan assets	(34,334,595,128)	(35,268,837,546)
Defined benefit obligations	7,373,287,776	3,979,922,496

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

(Unit: KRW)		
Division	Current half-year	Last half-year
Beginning balance of defined benefit obligation	39,248,760,042	32,571,648,690
Current service cost	3,311,087,214	2,857,285,168
Interest cost	408,021,114	409,626,296
Transfers between associates	162,019,574	967,292,332
Retirement benefit payment	(1,422,005,040)	(957,744,460)
Ending balance of defined benefit obligation	41,707,882,904	35,848,108,026

(3) Changes in the fair value of plan assets during the current and last terms are as follows.

(Unit: KRW)		
Division	Current half-year	Last half-year
Beginning balance of externally deposited assets	35,268,837,546	28,174,546,825
Interest income	320,723,802	310,171,554
Transfers between associates	-	4,095,000
Retirement benefit payments from externally deposited assets	(1,254,966,220)	(846,349,100)
Ending balance of externally deposited assets	34,334,595,128	27,642,464,279

- (4) The expenses recognized in the current profit or loss regarding the defined benefit plans during the current and last terms are as follows.

(Unit: KRW)		
Division	Current half-year	Last half-year
Current service cost	3,311,087,214	2,857,285,168
Net interest cost	87,297,312	99,454,742
Total	3,398,384,526	2,956,739,910

- (5) The composition of plan assets as of the end of current and the last terms are as follows.

(Unit: KRW)		
Division	End of the current half-year	End of the last term
Short-term financial product, etc.	34,334,595,128	35,268,837,546

27. Income tax expenses

Income tax expense was calculated by adjusting the adjustments recognized for the current term from the current income tax expense for the past period, deferred income tax expense resulting from the occurrence or extinguishment of temporary differences, and income tax expense related to items recognized outside profit or loss. The average effective tax rates for the current and last half-years' income tax expenses are 19.44% and 16.21%, respectively.

28. Cash flow statement

(1) The details of reconciliation of income and expenses during business activities in the current and last terms are as follows.

(Unit: KRW)		
Division	Current half-year	Last half-year
Income tax expenses	4,718,465,106	1,714,674,140
Depreciation	4,660,122,513	4,254,078,304
Establishment of allowance for valuation of inventory assets	2,476,110,220	-
Establishment of allowance for return of inventory assets	(13,164,565)	-
Establishment of provision for return	19,260,530	-
Gain on disposal of tangible assets	(15,173,153)	(110,054,637)
Loss on disposal of premises and equipment	5,704,000	1,887,206
Loss on disposal of intangible assets	143,193,792	-
Amortization of intangible assets	3,465,671,766	3,252,088,931
Retirement allowances	3,422,894,785	2,956,739,910
Gain on foreign currency translation	(378,182,500)	(679,498,016)
Loss on foreign currency translation	1,280,418,848	330,602,304
Interest income	(1,552,215,983)	(2,074,344,444)
Interest expenses	114,728,727	28,272,589
Reversal of provision for sales guarantee	(1,344,460,436)	(856,878,560)
Long-term employee benefits	83,766,192	77,416,374
Gain on valuation of financial assets measured at FVTPL	(31,280,830)	-
Loss on valuation of financial assets measured at FVTPL	54,021	113,538,684
Loss under equity method	329,150,322	7,064,145
Loss on disposal of accounts receivables	77,830,603	-
Others	-	(35,433,090)
Total Amount	17,462,893,958	8,980,153,840

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

(Unit: KRW)		
Division	Current half-year	Last half-year
Trade receivables	9,558,691,362	(36,363,601,113)
Other payables	(8,196,020,656)	(373,196,189)
Other current assets	13,055,481,191	(3,422,969,529)
Other non-current assets	(6,120,927)	4,530,287
Inventories	(49,101,890,322)	(23,770,566,928)
Trade liabilities	35,175,436,306	50,523,262,892
Other current liabilities	(2,573,968,775)	(2,372,535,397)
Other liabilities	6,774,666,161	5,381,793,521
Other non-current liabilities	-	(19,001,280)
Net defined benefit liabilities	(29,529,505)	851,801,972
Lease receivables	631,908,293	-
Total Amount	5,288,653,128	(9,560,481,764)

(3) Cash flows from operating activities on the consolidated 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 terms are as follows.

(Unit: KRW)		
Division	Current half-year	Last half-year
Increase (Decrease) of accrued expenses relating to acquisition of tangible assets	(245,592,091)	632,438,545
Increase of accrued expenses relating to acquisition of intangible assets	179,785,000	65,109,763
Increase of accrued expenses relating to disposal of tangible assets	5,700,000	-
Substitution of advance payments into intangible assets	2,440,562,604	153,892,915
Increase of licensed assets due to restoration obligation	347,090,278	-
Recognition of lease liabilities due to lease contracts and licensed assets	1,522,284,023	3,952,769,448
Reduction of lease liabilities due to termination in the middle of the lease contract	39,274,222	134,775,223
Reduction of licensed assets due to termination in the middle of the lease contract	38,227,554	119,373,644
Liquidity substitution for lease liabilities	1,832,575,557	2,982,646,862
Liquidity substitution for lease receivables	646,209,269	-
Liquidity substitution for loans	682,686,941	457,499,300

(4) Cash flow from financing activities

Changes in liabilities arising from financial activities during the current and last terms are as follows.

① Current half-year

(Unit: KRW)				
Division	Beginning	Cash flow from financing activities	Non-cash transaction	End of the current half-year
Dividends payable	-	(13,499,369,000)	13,499,369,000	-
Lease liabilities (current)	2,800,707,185	(1,591,395,351)	1,793,301,335	3,002,613,169
Lease liabilities (non-current)	7,077,760,245	-	(312,044,391)	6,765,715,854

② Last half-year

(Unit: KRW)					
Division	Beginning	Adjustment according to the first application of K-IFRS 1116	Cash flow from financing activities	Non-cash transaction	End of the last half-year
Dividends payable	-	-	(13,499,369,000)	13,499,369,000	-
Lease liabilities (current)	-	-	(1,488,359,215)	2,847,871,639	1,359,512,424
Lease liabilities (non-current)	-	3,864,089,781	-	(2,893,967,195)	970,122,586

29. Restricted financial instruments

The restricted financial instruments as of the current half-year are as follows.

(Unit: KRW)		
Division	Amount	Restrictions
Cash and cash equivalents	96,363,228	Government subsidies

30. Specially related party

(1) The details of special interest parties as of the end of the current and last terms are as follows.

Type of special interest	End of the current half-year	End of the last term
Associates	Advanced Power Device Technology Co., Ltd.	Advanced Power Device Technology Co., Ltd.
Companies exercising significant influence on the Group	LG Corp.	LG Corp.
Others	Affiliates of LG Corp.	Affiliates of LG Corp.
	Large business group affiliated company (*)	Large business group affiliated company (*)

(*) Not included in scope of related party pursuant to K-IFRS 1024 'Disclosure of related parties', but it belongs to the same large corporate group under the monopolistic regulation and fair trade law.

(2) Transactions with related parties during the current and last terms are as follows.

(Unit: KRW)						
Special relationship	Name	Details	Current half-year		Last half-year	
			3 months	Accumulated	3 months	Accumulated
Associates	Advance Power Device Technology	Acquisition of tangible/intangible assets	-	-	744,907,548	1,446,308,695
Other affiliates of LG Corp.	LG CNS Co., Ltd.	Sales expenses	1,908,927,172	2,060,971,868	1,102,919,848	1,402,523,224
		Acquisition of tangible/intangible assets	553,133,000	831,745,712	677,545,818	1,926,623,802
	S&I Co., Ltd.	Sales expenses	251,418,090	550,715,069	220,699,939	468,209,100
	Serveone Co., Ltd.(*)	Sales expenses	-	-	8,838,640	28,497,427
	LG Management Development Institute	Sales expenses	284,261,100	391,827,400	224,329,050	398,132,200
Other corporations belonging to the large conglomerate group	LG Electronics USA Inc.	Sales	447,766,380	783,538,677	377,365,635	624,387,285
	LG Display (China) Co., Ltd.	Sales	1,376,194,922	3,412,699,284	50,009,429	50,009,429
	LG Display (Guangzhou) Co., Ltd.	Sales	50,646,049,190	103,500,649,905	-	-
	LG Display Yantai	Sales	222,644,971	222,644,971	-	-
	LG Display Co., Ltd.	Sales	100,396,022,067	197,192,903,183	155,344,678,068	305,636,338,174
		Sales expenses	-	36,125,353	-	92,314,736
		Other income	-	800,437,227	869,281,918	869,281,918
	LG Electronics Co., Ltd.	Sales	2,901,251,481	5,682,108,325	2,001,348,053	4,822,491,829
		Sales expenses	1,310,439,421	2,589,710,193	1,302,530,437	2,679,843,255
	LG Innotek Co., Ltd.	Sales expenses	6,351,580,965	11,898,550,822	6,294,125,553	11,813,323,104
	LG Chem Co., Ltd.	Sales	-	-	212,000,000	212,000,000
	LG Uplus	Sales expenses	30,341,555	67,389,825	36,671,235	58,129,557
	Pantos Co., Ltd.	Sales expenses	463,699,415	769,602,899	363,589,653	694,442,754
	Biz Tech Partners Co., Ltd.	Sales expenses	57,498,000	114,996,000	48,251,250	117,842,379
	HS Ad Co., Ltd.	Sales expenses	-	25,000,000	-	-

	Hi-Teleservice Co., Ltd.	Sales expenses	684,999	2,696,557	-	-
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(*) As the Fair Trade Commission excluded Servone Co., Ltd. from affiliates of large-scale enterprise groups (LG), it was excluded from related parties as of 24 July.

(3) The receivables and payables of related parties as of the end of the current and last terms are as follows.

(Unit: KRW)					
Special relationship	Name	End of the current half-year		End of the last term	
		Trade receivables, etc.	Trade payables, etc.	Trade receivables, etc.	Trade payables, etc.
Other affiliates of LG Corp.	LG CNS Co., Ltd.	-	828,603,267	-	937,206,367
	LG Management Development Institute	-	48,936,140	-	15,628,305
	S&I Co., Ltd.	900,000,000	99,369,090	300,000,000	88,449,068
Other corporations belonging to the large conglomerate group	LG Electronics USA Inc.	332,617,914	-	257,934,780	-
	LG Display (China) Co., Ltd.	1,436,151,122	-	1,360,104,351	-
	LG Display (Guangzhou) Co., Ltd.	17,856,990,973	-	37,141,444,928	-
	LG Display Yantai	220,068,763	-	-	-
	LG Display Co., Ltd.	69,076,492,284	-	88,354,795,384	-
	LG Electronics Co., Ltd.(*)	3,038,248,278	439,609,544	3,249,019,544	472,555,262
	LG Innotek Co., Ltd.	-	4,589,679,384	-	3,598,523,920
	Pantos Co., Ltd.	-	307,572,135	-	202,957,347
	Biz Tech Partners Co., Ltd.	-	21,082,600	-	17,692,125
	Hi-Teleservice Co., Ltd.	-	201,000	-	-

(*) As of the end of the current half-year, in addition to the above receivables and liabilities, KRW 8,229 million in lease liabilities and KRW 8,595 million in licensed assets have been recorded as a result of the office lease contract signed with LG Electronics.

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

(Unit: KRW)			
Special relationship	Name	Current half-year	Last term
		Payment of dividends	Payment of dividends
Companies exercising significant influence on the Group	LG Corp.	4,465,834,920	4,465,834,920

- (5) The details of the compensation for major management of the parent company during the current and last terms are as follows.

(Unit: KRW)				
Division	Current half-year		Last half-year	
	3 months	Accumulated	3 months	Accumulated
Short-term salaries	1,200,476,892	2,428,094,380	860,114,432	1,759,826,245
Retirement allowances	189,259,324	324,626,411	87,162,867	195,629,934
Total Amount	1,389,736,216	2,752,720,791	947,277,299	1,955,456,179

The key executives of the Group include the auditors and the registered directors (including outside directors).

- (6) The Company has no security and guarantee detail providing to or provided by special interest parties at the end of current year and last terms.

31. Contingency and agreement

- (1) The Group is receiving payment and payment guarantee of KRW 404 million from Seoul Guarantee Insurance as of the end of the current half-year.
- (2) The Group has a credit limit contract with some financial institutions such as Shinhan Bank, and the Group's credit limit details as of the end of the current half-year are as follows.

(Unit: USD)		
Division	Financial institution name	Foreign currency (USD)
Purchase foreign exchange	Shinhan Bank	14,000,000
Purchase foreign exchange	NH Bank	14,000,000

- (3) The Group has no details of providing collateral for financial assets as of the end of the current half-year.
- (4) The Group has no ongoing litigation or disputes as of the end of the current half-year.

4. Financial Statements

Statement of financial position

Half-year, the 22nd year as of 30.06.2020
The 21st year as of 31.12.2019

(Unit : KRW)

	Half-year, the 22nd year	The 21st year
Assets		
Current assets	566,756,650,348	517,493,203,044
Cash and cash equivalents	56,051,328,322	108,327,650,225
Short-term financial instruments	170,000,000,000	100,000,000,000
Trade receivables	148,562,640,766	159,275,850,982
Other payables	12,899,663,487	4,571,332,149
Other current assets	13,458,552,718	26,204,076,109
Short investment assets	302,152,438	270,925,629
Inventories	165,482,312,617	118,843,367,950
Non-Current assets	110,762,595,532	111,770,974,942
Non-current other receivables	12,334,356,720	11,428,837,064
Investments of subsidiaries	2,316,636,045	2,316,636,045
Investments in associates	4,410,000,000	4,410,000,000
Premises and equipment	20,806,708,789	20,876,464,073
Licensed assets	10,024,701,927	9,770,863,312
Intangible assets	53,417,374,264	52,618,891,084
Non-current other assets	453,697,428	2,393,994,075
Deferred tax assets	6,999,120,359	7,955,289,289
Total assets	677,519,245,880	629,264,177,986
Liabilities		
Current liabilities	184,112,983,753	145,432,437,089
Trade liabilities	147,733,139,218	112,842,199,455
Other liabilities	24,674,228,341	18,302,570,297
Other current liabilities	5,591,393,133	9,490,866,003
Current lease liabilities	2,832,676,213	2,800,707,185
Current tax liabilities	3,281,546,848	1,996,094,149
Non-current liabilities	16,094,381,946	12,674,547,196
Non-current other liabilities	2,047,720,925	1,616,864,455
Non-current lease liabilities	6,673,373,245	7,077,760,245
Defined benefit obligations	7,373,287,776	3,979,922,496
Total liabilities	200,207,365,699	158,106,984,285
Equity		
Capital	8,132,150,000	8,132,150,000
Capital surplus	76,343,170,500	76,343,170,500
Other capital items	(380,807,731)	(380,807,731)
Retained earnings (deficits)	393,217,367,412	387,062,680,932
Total equities	477,311,880,181	471,157,193,701
Total equities and liabilities	677,519,245,880	629,264,177,986

Income statement

Half-year, the 22nd year: from 01.01.2020 to 30.06.2020

Half-year, the 21st year: from 01.01.2019 to 30.06.2019

(Unit : KRW)

	Half-year, the 22nd year		Half-year, the 21st year	
	3 months	Accumulated	3 months	Accumulated
Revenue (Sales)	219,130,510,361	431,708,981,150	196,301,633,006	373,668,013,854
Cost of goods sold("COGS")	161,525,508,707	316,421,545,332	149,098,310,850	286,759,060,567
Gross profit	57,605,001,654	115,287,435,818	47,203,322,156	86,908,953,287
Selling and management expenses	48,382,303,190	94,499,847,903	41,072,182,001	79,132,521,579
Operating profit (loss)	9,222,698,464	20,787,587,915	6,131,140,155	7,776,431,708
Financial income	421,844,163	1,581,468,272	1,040,355,219	2,083,469,373
Financial expense	240,903,381	293,959,136	88,722,449	161,028,856
Other non-operating income	1,328,076,522	6,789,691,929	1,054,568,013	1,884,070,641
Other non-operating losses	3,280,425,885	4,503,254,648	940,299,280	1,219,099,826
Income (loss) before income tax	7,451,289,883	24,361,534,332	7,197,041,658	10,363,843,040
Income tax expenses	857,145,350	4,707,478,852	1,337,535,133	1,707,827,259
Current net profit (loss)	6,594,144,533	19,654,055,480	5,859,506,525	8,656,015,781
Earnings per share				
Basic earnings (loss) per share (Unit: KRW)	405	1,208	360	532
Diluted earnings (loss) per share (Unit: KRW)	405	1,208	360	532

Comprehensive income statement

Half-year, the 22nd year: from 01.01.2020 to 30.06.2020

Half-year, the 21st year: from 01.01.2019 to 30.06.2019

(Unit : KRW)

	Half-year, the 22nd year		Half-year, the 21st year	
	3 months	Accumulated	3 months	Accumulated
Current net profit (loss)	6,594,144,533	19,654,055,480	5,859,506,525	8,656,015,781
Other comprehensive income				
Total comprehensive income	6,594,144,533	19,654,055,480	5,859,506,525	8,656,015,781

Statement for changes in capital

Half-year, the 22nd year: from 01.01.2020 to 30.06.2020

Half-year, the 21st year: from 01.01.2019 to 30.06.2019

(Unit : KRW)

		Equity				
		Capital	Capital surplus	Other components of capital	Retained earnings	Total capital
2019.01.01 (Term beginning capital)		8,132,150,000	76,343,170,500	(380,807,731)	361,822,723,422	445,917,236,191
Total comprehensive income	Half-year net income	0	0	0	18,992,931,480	18,992,931,480
Transactions with shareholders recognized directly in equity	Annual dividends	0	0	0	(13,499,369,000)	(13,499,369,000)
30.06.2019 (Term-end capital)		8,132,150,000	76,343,170,500	(380,807,731)	367,316,285,902	451,410,798,671
01.01.2020 (Term beginning capital)		8,132,150,000	76,343,170,500	(380,807,731)	387,062,680,932	471,157,193,701
Total comprehensive income	Half-year net income	0	0	0	56,531,297,097	56,531,297,097
Transactions with shareholders recognized directly in equity	Annual dividends	0	0	0	(13,499,369,000)	(13,499,369,000)
30.06.2020 (Term-end capital)		8,132,150,000	76,343,170,500	(380,807,731)	430,094,609,029	514,189,121,798

Cash flow statement

Half-year, the 22nd year: from 01.01.2020 to 30.06.2020

Half-year, the 21st year: from 01.01.2019 to 30.06.2019

(Unit : KRW)

	Half-year, the 22nd year	Half-year, the 21st year
Operating cash flows	40,241,677,605	(995,110,520)
Cash flows from operating activities	41,147,427,937	7,788,763,736
Half-year net profit (loss)	19,654,055,480	8,656,015,781
Increase or decrease for adjustment to current net profit	16,759,125,179	8,829,516,509
Change to equities/liabilities on sales operations	4,734,247,278	(9,696,768,554)
Gain on interest	1,668,697,028	1,926,213,340
Payment on interest	(108,590,137)	(28,272,589)
Payment of corporate tax (return)	(2,465,857,223)	(10,681,815,007)
Cash flows from investing activities	(77,499,010,985)	(75,509,781,441)
Increase in short term financial products	(160,000,000,000)	(70,000,000,000)
Decrease in short term financial products	90,000,000,000	
Increase in other trade receivables	(2,810,000,000)	(1,575,000,000)
Decrease in other trade receivables	1,021,741,425	1,148,333,368
Increase in advances	(577,903,883)	(287,518,240)

Acquisition of tangible assets	(3,374,307,501)	(1,648,483,267)
Acquisition of intangible assets	(1,772,857,526)	(3,857,244,302)
Disposal of tangible assets	14,316,500	95,131,000
Disposition of financial assets measured at FVTPL:	0	615,000,000
Cash flows from financing activities	(14,911,504,148)	(14,987,728,215)
Payment of lease fees	(1,412,135,148)	(1,488,359,215)
Dividend payment	(13,499,369,000)	(13,499,369,000)
Net increase in cash and cash equivalents before the effect of exchange rate fluctuations	(52,168,837,528)	(91,492,620,176)
Cash and cash equivalents at the beginning	108,327,650,225	221,572,194,951
Effects of exchange rate changes on cash and cash equivalents	(107,484,375)	(19,217,583)
Cash and cash equivalents at the end	56,051,328,322	130,060,357,192

5. Notes on Financial Statements

1. Company overview

Silicon Works Co., Ltd. (hereinafter referred to as the “controlling company”) was established on 11 November 1999 for the purpose of manufacturing and designing FPD (flat panel display) semiconductor IC. And the Company is located at 222 Techno 2-ro, Daedeok-gu, Daejeon, Korea. The 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 19 October 2001. The 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 23 October 2011.

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

The shareholders of the Company at the end of the current half-year are as follows;

(Unit: shares)			
Shareholder	No. of shares held	Ownership stake	Remarks
LG Corp.	5,380,524	33.08%	Largest shareholder
National Pension Service	916,212	5.63%	-
Others	9,967,564	61.29%	-
Total	16,264,300	100.00%	

2. Financial statement preparation standards and significant accounting policies

(1) Standards for the preparation of financial statements

These financial statements are summarized interim financial statements prepared by applying K-IFRS 1034 'Interim Financial Report' for a part of the period to which the annual financial statements belong, and separate financial statements by K-IFRS 1027 'Separate Financial Statements'. In order to understand the summary interim financial statements, the annual consolidated financial statements for the fiscal year ending 31 December 2019 prepared in accordance with the K-IFRS should be used together.

The important accounting policies applied in the preparation of the interim financial statements are the same as those adopted in the preparation of the annual financial statements for the fiscal year ending 31 December 2019, except for impacts related to the introduction of the standard or interpretation described below.

1) The new standards and interpretations introduced from current half-year and the resulting changes in accounting policies are as follows.

- Business definition under K-IFRS 1103 (revision)

This amendment clarifies that although projects generally have deliverables, outputs are not essential for an integrated set of activities and assets to meet the definition of a business. In order for the set of acquired activities and assets to be considered a business, they must at least contain inputs and substantive processes that have the ability to contribute significantly together in the creation of outputs. It also provides guidelines for judgment to help you decide whether or not a substantial course has been acquired.

This amendment introduces an optional intensive test that can briefly evaluate whether a set of acquired activities and assets is not a business. In this selective concentration test, if the fair value of the total assets acquired is substantially concentrated in a single identifiable asset or a group of identifiable similar assets, this is not a business.

- Reference to the 'Conceptual System' in the K-IFRS (revision)

In addition to the fully revised 'Conceptual System' (2018) introduced with the announcement on 21 December 2018, the International Accounting Standards Board ("IASB") also announced the 'Revision of Reference to the Conceptual System in the Corporate Accounting Standard'. This document contains revisions to K-IFRS 1102, 1103, 1106, 1114, 1001, 1008, 1034, 1037, 1038, 2112, 2119, 2120, 2122 and 2032.

However, not all revisions will require that phrases related to such references or citations refer to the fully revised 'Conceptual System' (2018). Some phrases indicate whether the referenced 'Conceptual System' is a 'Conceptual System' for the preparation and presentation of financial statements' (2007), a 'Conceptual System' (2010), or a newly revised 'Conceptual System' (2018). Revised for clarity, some other text has been revised to clarify that the definition in the K-IFRS has not been changed to the new definition developed in the full revised 'Conceptual System' (2018).

- K-IFRS 1109 financial instruments and K-IFRS 1107 financial instruments: disclosure (revision)

The revisions are made with the addition of exception rules so that hedging accounting can be applied even while uncertainties exist due to the reform of interest rate indicators. This revision assumes that the interest rate indicator on which cash flows are based is not changed by reform when reviewing the probability of expected transactions, and that the interest rate indicator on which the hedged items and means and the hedged risk are based will not be changed by the interest rate indicator reform when conducting a prospective evaluation. In addition, in the case of a hedging for an interest rate risk factor not specified in the contract, the risk component applies only at the initiation of the hedging relationship for the requirement to be separately identifiable. On the other hand, the application of the exceptions under this revision ends when the uncertainty arising from the interest rate indicator reform no longer appears in relation to the timing and amount of cash flows based on the interest rate indicator, or the hedging relationship ceases.

2) There are no K-IFRS that have been enacted and promulgated but have not yet been applied because the effective date has not yet arrived.

- Lease under K-IFRS 1116 (revision)

This amendment provides a practical and simple method for lessees to not evaluate whether rent concession, which occurred as a result of the COVID-19 pandemic, corresponds to a lease change. Lessees who choose to apply this practical simplified method are accounted for consistently with the method prescribed by this Standard unless such changes are lease changes. On the other hand, the practical simple method according to the amendment is not provided to the lessor.

The practical simple method according to the amendment applies only to rental discount, etc. that satisfy all of the following conditions.

- ① The lease consideration corrected due to the change in lease payments is substantially the same as or less than the lease consideration before the change.
- ② The lease fee reduction only affects the lease payments due before 30 June 2021.
- ③ Other lease terms and conditions are not substantially changed.

3. Important judgment and the major source of estimated uncertainty

In preparing interim financial statements, management should make decisions (except for matters relating to the estimates) that have a significant effect on the amounts recognized in the financial statements, and make estimates and assumptions about the book value of assets and liabilities that cannot be easily identified from other sources. The estimates and related assumptions are based on past experience and other factors deemed relevant. Additionally, actual results may differ from these estimates.

The important judgments made in the application of the Company's accounting policies to prepare the interim financial statements and the major sources of uncertainty are the same as those for the fiscal year ending 31 December 2019 except as noted below.

(1) Uncertainty of the impact of COVID-19

The spread of the COVID-19 pandemic, which began in the first quarter of 2020, is having a significant impact on the domestic and international economy. This can have a negative impact on the company's business overall, such as a downturn in the economy, a decrease or delay in sales, and the collection of existing bonds. In particular, it can have a great impact on the goodwill of the Company. This may adversely affect the financial position and financial performance of the Company, and this effect may persist in the 2020 annual financial statements.

1) Damage to goodwill

As of the end of the current half-year, the Group's goodwill is KRW 27,913 million. The Company recognizes impairment in cases where it affects the estimated future cash flows of the net investment that can be estimated reliably and objective evidence of a significant event after the net investment in a single cash-generating unit.

As of the end of the current half-year, the financial statements include uncertainties in the estimation of estimated future cash flows due to COVID-19.

The material future assumptions used in preparing the interim financial statements and the estimated uncertainty at the end of the reporting period may be corrected as the spread of the COVID-19 pandemic, and the ultimate impact on the Company's business, financial position and management performance is currently unpredictable.

4. Classification of financial products by category

(1) Financial products by category

Details of the book value of financial instruments by category as of the end of the current and last terms are as follows.

(Unit: KRW)		
Division	End of the current half-year	End of the last term
Financial assets:		
Financial assets at FVTPL	302,152,438	270,925,629
Financial assets measured at amortized cost		
Cash and cash equivalents	56,051,328,322	108,327,650,225
Short-term financial instruments	170,000,000,000	100,000,000,000
Trade receivables	148,562,640,766	159,275,850,982
Other payables	19,741,446,750	9,875,687,463
Sub-total	394,355,415,838	377,479,188,670
Lease receivables	5,492,573,457	6,124,481,750
Total Amount	400,150,141,733	383,874,596,049
Financial liabilities:		
Financial liabilities measured at amortized cost		
Trade liabilities	147,733,139,218	112,842,199,455
Other liabilities(*)	10,973,374,618	12,287,023,504
Sub-total	158,706,513,836	125,129,222,959
Lease liabilities	9,506,049,458	9,878,467,430
Total Amount	168,212,563,294	135,007,690,389

(*) Employee related liabilities not included in financial liabilities are excluded.

(2) Financial incomes and costs by category

Details of financial incomes and financing costs recognized in the current profit or loss in the current and last terms are as follows;

(Unit: KRW)				
Division	Interest revenue (costs)		Other income (*)	
	Current half-year	Last half-year	Current half-year	Last half-year
Financial assets at FVTPL	-	-	31,226,809	(113,538,684)
Financial assets measured at amortized cost	1,484,535,735	2,072,949,373	3,526,737,324	663,432,625
Lease receivables	65,651,707	-	-	-
Financial liabilities measured at amortized cost	-	-	(52,395,247)	(382,340,700)
Lease liabilities	(108,590,137)	(28,272,589)	-	-
Total Amount	1,441,597,305	2,044,676,784	3,505,568,886	167,553,241

(*) Other profits and losses consist of profits and losses on financial instruments measured at FVTPL, losses on disposition of accounts receivable arising from financial assets measured at amortized cost and financial liabilities measured at amortized cost, profits and losses on foreign currency translation, and profits and losses on foreign exchange differences.

(3) Transfer of financial assets

The Company transferred account receivables according to the account receivable factoring contract with the Export-Import Bank. In this transaction, if the relevant trade receivables are not recovered at maturity, the Company is not obligated to pay the unrecovered amount of trade receivables to banks.

There is no book value of trade receivables accounted for as collateralized borrowing because the Company transferred all or part of the transferred financial assets through factoring of accounts receivable as of the end of the current half-year.

5. Cash and cash equivalents

The details of cash and cash equivalents as of the end of the current and last terms are as follows.

(Unit: KRW)		
Division	End of the current half-year	End of the last term
Demand deposit	23,151,328,322	14,327,650,225
Term deposit, etc.(*)	32,900,000,000	94,000,000,000
Total Amount	56,051,328,322	108,327,650,225

(*) This is a financial instrument whose maturity is within 3 months from the acquisition date, has very high liquidity, is easy to convert to a fixed amount, and has a slight risk of value fluctuation.

6. Short-term financial instruments

The details of short-term financial instruments as of the end of the current and last terms are as follows.

(Unit: KRW)		
Division	End of the current half-year	End of the last term
Term deposit	170,000,000,000	100,000,000,000

7. Trade and other payables

(1) Trade and other receivables as of the end of the current and last terms are as follows.

(Unit: KRW)				
Division	End of the current half-year		End of the last term	
	Current	Non-Current	Current	Non-Current
Trade receivables	148,562,640,766	-	159,275,850,982	-
Receivables	9,522,929,289	-	1,326,918,991	-
Accrued income	903,786,305	-	1,022,295,891	-
Loans	1,187,719,848	6,784,028,594	951,190,198	5,602,299,669
Security deposits	-	1,342,982,714	-	972,982,714
Lease receivables	1,285,228,045	4,207,345,412	1,270,927,069	4,853,554,681
Total Amount	161,462,304,253	12,334,356,720	163,847,183,131	11,428,837,064

(2) The changes in investment properties during the current and last terms are as follows.

(Unit: KRW)		
Division	Current half-year	Last term
Beginning	6,124,481,750	-
Increase	-	6,593,290,800
Interest income	65,651,707	59,986,441
Recall	(697,560,000)	(528,795,491)
Ending	5,492,573,457	6,124,481,750

(3) Maturity analysis of lease receivables as of the end of the current and last terms are as follows.

(Unit: KRW)		
Division	End of the current half-year	End of the last term
Less than 1 year	1,395,120,000	1,395,120,000
Over 1 year and less than 2 years	1,395,120,000	1,395,120,000
Over 2 years and less than 3 years	1,395,120,000	1,395,120,000
Over 3 years and less than 4 years	1,395,120,000	1,395,120,000
Over 4 years	116,260,000	813,820,000
Total undiscounted lease	5,696,740,000	6,394,300,000
Unrealized financial income	(204,166,543)	(269,818,250)
Net lease investment	5,492,573,457	6,124,481,750

8. Financial liabilities at FVTPL

Financial liabilities at FVTPL as of the end of the current and last terms are as follows.

(Unit: KRW)		
Division	End of the current half-year	End of the last term
Items measured at FVTPL		
LB Investment	302,152,438	270,925,629

9. Other assets

Other assets at the end of current and last terms are as follows.

(Unit: KRW)				
Division	End of the current half-year		End of the last term	
	Current	Non-Current	Current	Non-Current
Advance payment	459,518,944	251,350,566	328,157,675	1,856,537,794
Prepaid expenses	7,993,277,391	202,346,862	14,909,686,664	537,456,281
Loans of value added taxes	5,005,756,383	-	10,966,231,770	-
Total Amount	13,458,552,718	453,697,428	26,204,076,109	2,393,994,075

10. Inventories

(1) The details of inventories as of the end of the current and last terms are as follows.

(Unit: KRW)		
Division	End of the current half-year	End of the last term
Products in process	183,104,072,361	134,002,182,039
Products in process return assets	130,657,371	117,492,806
Allowance for evaluated loss on products in process	(17,752,417,115)	(15,276,306,895)
Total Amount	165,482,312,617	118,843,367,950

(2) Recognized valuation profits and losses of the current and last terms are as follows.

(Unit: KRW)		
Division	Current half-year	Last half-year
Cost of goods sold		
Return (establishment) of evaluated loss for inventory assets	(13,164,565)	21,714,287
Establishment (return) of allowance for valuation of inventory assets	2,476,110,220	(2,230,835,763)

11. Investments in subsidiaries and associates

(1) The details of investments of subsidiaries as of the end of the current and last terms are as follows.

(Unit: KRW)							
Company name	Addresses	Major business activity	Month of account closing	End of the current half-year		End of the last term	
				Ownership stake(%)	Book value	Ownership stake(%)	Book value
Silicon Works Inc.	USA	Semiconductor manufacturing and designing	12	100.00	137,322,045	100.00	137,322,045
Silicon Works China Co., Ltd.	China	Semiconductor manufacturing and designing	12	100.00	2,179,314,000	100.00	2,179,314,000
Total					2,316,636,045		2,316,636,045

(2) The details of investments of associates as of the end of the current and last terms are as follows.

(Unit: KRW)							
Company name	Address	Major business activity	Month of account closing	End of the current half-year		End of the last term	
				Ownership stake(%)	Book value	Ownership stake(%)	Book value
Advance Power Device Technology	Korea	R&D and design of semiconductor devices R&D and design	3	49.00	4,410,000,000	49.00	4,410,000,000

12. Premises and equipment

(1) The details of tangible assets as of the end of the current and last terms are as follows.

① End of the current half-year

(Unit: KRW)							
Division	Land	Buildings	Structures	Machinery	Equipment	Other tangible assets	Total
Acquisition cost	5,015,382,334	4,847,249,181	188,300,000	21,586,942,964	14,401,334,237	4,892,500,046	50,931,708,762
Accumulated amortization	-	(2,330,713,217)	(9,415,008)	(14,419,680,926)	(9,941,961,749)	(2,560,749,789)	(29,262,520,689)
Accumulated impairment loss	-	-	-	(564,056,013)	-	-	(564,056,013)
Government subsidies	-	-	-	(2,011,955)	(11,411,316)	(285,000,000)	(298,423,271)
Book value	5,015,382,334	2,516,535,964	178,884,992	6,601,194,070	4,447,961,172	2,046,750,257	20,806,708,789

(*) Other tangible assets include facility equipment, leasehold improvement assets and assets under construction.

② End of the last term

(Unit: KRW)							
Division	Land	Buildings	Structures	Machinery	Equipment	Other tangible assets	Total
Acquisition cost	5,015,382,334	4,847,249,181	188,300,000	19,810,358,312	13,755,198,370	4,689,004,675	48,305,492,872
Accumulated amortization	-	(2,209,531,982)	(7,061,256)	(13,264,193,539)	(8,967,466,644)	(2,400,074,478)	(26,848,327,899)
Accumulated impairment loss	-	-	-	(564,056,013)	-	-	(564,056,013)
Government subsidies	-	-	-	(3,551,429)	(13,093,458)	-	(16,644,887)
Book value	5,015,382,334	2,637,717,199	181,238,744	5,978,557,331	4,774,638,268	2,288,930,197	20,876,464,073

(*) Other tangible assets include facility equipment, leasehold improvement assets and assets under construction.

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

① Current half-year

(Unit: KRW)							
Division	Land	Buildings	Structures	Machinery	Equipment	Other tangible assets	Total
Book value at the beginning	5,015,382,334	2,637,717,199	181,238,744	5,978,557,331	4,774,638,268	2,288,930,197	20,876,464,073
Acquisition during the year	-	-	-	837,870,016	830,387,246	1,460,458,148	3,128,715,410
Disposition during the year	-	-	-	(2,000)	(192,015)	(410,559,310)	(410,753,325)
Substitution of assets under construction	-	-	-	974,597,603	-	(974,597,603)	-
Depreciation	-	(121,181,235)	(2,353,752)	(1,189,828,880)	(1,156,872,327)	(317,481,175)	(2,787,717,369)
Book value at the end	5,015,382,334	2,516,535,964	178,884,992	6,601,194,070	4,447,961,172	2,046,750,257	20,806,708,789

(*) Other tangible assets include facility equipment, leasehold improvement assets and assets under construction.

② Last term

(Unit: KRW)							
Division	Land	Buildings	Structures	Machinery(*1)	Equipment	Other tangible assets(*2)	Total
Book value at the beginning	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 during the year	-	-	-	7,725,683,543	2,589,835,530	364,129,865	10,679,648,938
Disposition during the year	-	-	-	(6,593,294,800)	(2,798,610)	-	(6,596,093,410)
Depreciation	-	(355,911,542)	(4,707,504)	(2,190,436,213)	(2,070,710,162)	(637,505,826)	(5,259,271,247)
Substitution	13,774,740	320,872,550	-	-	-	-	334,647,290
Book value at the end of the last term	5,015,382,334	2,637,717,199	181,238,744	5,978,557,331	4,774,638,268	2,288,930,197	20,876,464,073

(*1) KRW 6,593 million of machinery and equipment was disposed of due to financial lease contracts, and financial lease receivables were recognized during the last term.

(*2) Other tangible assets include facility equipment, leasehold improvement assets and assets under construction.

13. Intangible assets

(1) The details of intangible assets as of the end of the current and last terms are as follows.

① End of the current half-year

(Unit: KRW)							
Division	Goodwill	Industrial property rights	Software	Membership	Other intangible assets (*)	Intangible assets under construction	Total
Acquisition cost	27,913,122,677	3,048,103,079	11,966,558,162	3,885,815,400	34,882,988,673	2,347,771,960	84,044,359,951
Accumulated amortization	-	(1,196,987,897)	(6,294,517,572)	-	(22,790,804,008)	-	(30,282,309,477)
Accumulated impairment loss	-	-	-	(316,282,200)	-	-	(316,282,200)
Government subsidies	-	(10,409,649)	-	-	-	(17,984,361)	(28,394,010)
Book value	27,913,122,677	1,840,705,533	5,672,040,590	3,569,533,200	12,092,184,665	2,329,787,599	53,417,374,264

(*) Other intangible assets consist of intangible assets related to customer relationships arising from business succession, technological capabilities, etc.

② End of the last term

(Unit: KRW)							
Division	Goodwill	Industrial property rights	Software	Membership	Other intangible assets (*)	Intangible assets under construction	Total
Acquisition cost	27,913,122,677	2,626,926,679	12,302,679,314	2,761,615,400	34,703,000,000	48,895,000	80,356,239,070
Accumulated amortization	-	(1,059,983,751)	(6,029,970,832)	-	(20,328,999,997)	-	(27,418,954,580)
Accumulated impairment loss	-	-	-	(316,282,200)	-	-	(316,282,200)
Government subsidies	-	-	(2,111,206)	-	-	-	(2,111,206)
Book value	27,913,122,677	1,566,942,928	6,270,597,276	2,445,333,200	14,374,000,003	48,895,000	52,618,891,084

(*) Other intangible assets consist of intangible assets related to customer relationships arising from business succession, technological capabilities, etc.

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

① Current half-year

(Unit: KRW)							
Division	Goodwill	Industrial property rights	Software	Membership	Other intangible assets (*)	Intangible assets under construction	Total
Book value at the beginning	27,913,122,677	1,566,942,928	6,270,597,276	2,445,333,200	14,374,000,003	48,895,000	52,618,891,084
Acquisition during the year	-	368,760,911	142,581,248	1,124,200,000	-	2,757,662,971	4,393,205,130
Disposition during the year	-	-	-	-	-	(143,193,792)	(143,193,792)
Substitution of assets under construction	-	40,296,580	293,280,000	-	-	(333,576,580)	-
Reclassification of account	-	-	(179,988,673)	-	179,988,673	-	-
Amortization of intangible assets	-	(135,294,886)	(854,429,261)	-	(2,461,804,011)	-	(3,451,528,158)
Book value at the end	27,913,122,677	1,840,705,533	5,672,040,590	3,569,533,200	12,092,184,665	2,329,787,599	53,417,374,264

(*) Other intangible assets consist of intangible assets related to customer relationships arising from business succession, technological capabilities, etc.

② Last term

(Unit: KRW)							
Division	Goodwill	Industrial property rights	Software	Membership	Other intangible assets (*)	Intangible assets under construction	Total
Book value at the beginning	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 during the year	-	402,922,263	921,889,820	689,383,200	-	4,383,016,354	6,397,211,637
Disposition during the year	-	(7,404,991)	-	-	-	-	(7,404,991)
Amortization of intangible assets	-	(246,077,107)	(1,540,486,691)	-	(4,844,000,003)	-	(6,630,563,801)
Impairment of intangible assets	-	-	-	(13,838,800)	-	(3,722,357,762)	(3,736,196,562)
Substitution	-	-	3,043,790,000	(299,214,200)	-	(3,043,790,000)	(299,214,200)
Book value at the end of the last term	27,913,122,677	1,566,942,928	6,270,597,276	2,445,333,200	14,374,000,003	48,895,000	52,618,891,084

(*) Other intangible assets consist of intangible assets related to customer relationships arising from business succession, technological capabilities, etc.

(3) Intangible assets with indefinite useful life

The Company classifies goodwill and membership among intangible assets as intangible assets with indefinite useful lives and is not amortized, and reviews impairment annually along with intangible assets under construction, which are intangible assets that have not yet been used. No impairment amount was recognized for goodwill in both the current and last terms. There is no impairment amount recognized in the current half-year for intangible assets and membership rights under construction, and the amount of impairment recognized during the last term was KRW 3,722 million and KRW 14 million, respectively.

14. Government subsidies

The Company has concluded the technology development agreements with the managing organizations regarding the following new technology development projects as national projects. The Company spent the government subsidy provided under the above mentioned program for purchase of various tangible and intangible assets, while recognizing the transactions as Decreasing in the relevant subsidy asset entry.

Government project	Coordinating company
Development of micro liquid lens array panel for the implementation of 3D image in the eyeball adaptive type	Korea Advanced Institute of Science and Technology

15. Lease

(1) The Company leased buildings and vehicles, and the average lease period is about 3 years.

(2) The book value of licensed assets as of the end of the current and last terms is as follows.

① End of the current half-year

(Unit: KRW)

Division	Buildings	Vehicles	Total Amount
Acquisition amount	13,562,926,472	656,561,195	14,219,487,667
Accumulated depreciation	(3,924,638,401)	(270,147,339)	(4,194,785,740)
Book value	9,638,288,071	386,413,856	10,024,701,927

② End of the last term

(Unit: KRW)

Division	Buildings	Vehicles	Total Amount
Acquisition amount	11,957,041,339	533,062,386	12,490,103,725
Accumulated depreciation	(2,511,565,149)	(207,675,264)	(2,719,240,413)
Book value	9,445,476,190	325,387,122	9,770,863,312

(3) Changes in the book value of licensed assets during the current and last terms are as follows.

① Current half-year

(Unit: KRW)

Division	Buildings	Vehicles	Total Amount
Beginning balance	9,445,476,190	325,387,122	9,770,863,312
Acquisition cost	1,638,271,438	198,369,548	1,836,640,986
Decrease (Termination of contract)	(22,286,638)	(15,940,916)	(38,227,554)
Depreciation	(1,423,172,919)	(121,401,898)	(1,544,574,817)
The amount at the end	9,638,288,071	386,413,856	10,024,701,927

② Last term

(Unit: KRW)

Division	Buildings	Vehicles	Total Amount
Beginning balance	12,197,494,072	380,679,049	12,578,173,121
Acquisition cost	194,778,186	174,050,223	368,828,409
Decrease (Termination of contract)	(274,923,763)	(18,416,854)	(293,340,617)
Depreciation	(2,671,872,305)	(210,925,296)	(2,882,797,601)
The amount at the end of the last term	9,445,476,190	325,387,122	9,770,863,312

(4) The amounts recognized in profit or loss during the current and last terms are as follows.

(Unit: KRW)

Division	Current half-year	Last term
Depreciation of licensed assets	1,544,574,817	2,886,203,181
Interest expense on lease liabilities	108,590,137	251,687,433
Expenses related to short-term leases and small assets lease	55,374,795	1,030,666,665

(5) The Company's total cash outflow due to leases for the current half-year and the last term is KRW 1,576 million and KRW 4,050 million.

(6) The details of lease liabilities as of the end of the current and last terms are as follows.

(Unit: KRW)

Division	End of the current half-year		End of the last term	
	Minimum lease	Present value of minimum lease	Minimum lease	Present value of minimum lease
Less than 1 year	3,015,035,553	2,832,676,213	2,840,300,888	2,800,707,185
Over 1 year and less than 5 years	6,869,180,510	6,673,373,245	7,266,617,280	7,077,760,245
Total Amount	9,884,216,063	9,506,049,458	10,106,918,168	9,878,467,430

(7) The current components of lease liabilities as of the end of the current and last terms are as follows.

(Unit: KRW)

Division	End of the current half-year	End of the last term
Current liabilities	2,832,676,213	2,800,707,185
Non-current liabilities	6,673,373,245	7,077,760,245
Total Amount	9,506,049,458	9,878,467,430

16. Trade and other payables

The details of trade and other receivables as of the end of the current and last terms are as follows.

(Unit: KRW)		
Division	End of the current half-year	End of the last term
	Current	Current
Trade liabilities	147,733,139,218	112,842,199,455
Payables	9,685,424,737	14,027,420,602
Unpaid expenses	14,988,803,604	4,275,149,695
Total Amount	172,407,367,559	131,144,769,752

17. Other liabilities

(1) The details of other liabilities at the end of current and the last terms are as follows.

(Unit: KRW)				
Division	End of the current half-year		End of the last term	
	Current	Non-Current	Current	Non-Current
Advances	2,371,660,206	-	4,057,544,846	-
Withholdings	519,853,224	-	1,327,544,350	-
Provisions	2,699,879,703	-	4,105,776,807	-
Long-term employee salary liabilities	-	1,118,265,473	-	1,034,499,281
Provision for recovery	-	929,455,452	-	582,365,174
Total Amount	5,591,393,133	2,047,720,925	9,490,866,003	1,616,864,455

(2) Changes in the provisions during the current and last terms are as follows.

① Current half-year

(Unit: KRW)					
Division	Beginning	Established	Returned	Used	Ending
Provision for sales warrant	3,946,189,306	29,430,097	(1,373,890,533)	(80,697,198)	2,521,031,672
Provision for return	159,587,501	903,554,857	(884,294,327)	-	178,848,031
Provision for recovery	582,365,174	347,090,278	-	-	929,455,452
Total Amount	4,688,141,981	1,280,075,232	(2,258,184,860)	(80,697,198)	3,629,335,155

② Last term

(Unit: KRW)					
Division	Beginning	Established	Returned	Used	Ending
Provision for sales warrant	3,778,854,699	1,462,255,605	(1,107,058,520)	(187,862,478)	3,946,189,306
Provision for return	162,999,112	85,788,369	(89,199,980)	-	159,587,501
Provision for recovery	498,300,000	84,065,174	-	-	582,365,174
Total Amount	4,440,153,811	1,632,109,148	(1,196,258,500)	(187,862,478)	4,688,141,981

The Company counted guarantee expenses to be borne for product sales guarantee as provision for sales guarantee, and recognized its equivalent transfer as the 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 K-IFRS 1115.

18. Capital and capital surplus

(1) The details of capital at the end of current and the last terms are as follows.

(Unit: KRW)		
Division	End of the current half-year	End of the last term
Number of authorized shares	50,000,000	50,000,000
Price per share	500	500
Total number of issued shares	16,264,300	16,264,300
Capital	8,132,150,000	8,132,150,000

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

(3) The details of capital surplus at the end of current and the last terms are as follows.

(Unit: KRW)		
Division	End of the current half-year	End of the last term
Premium on capital shares	66,560,617,129	66,560,617,129
Other capital surplus	9,782,553,371	9,782,553,371
Total Amount	76,343,170,500	76,343,170,500

19. Other capital items

The details of other capital items at the end of current and the last terms are as follows.

(Unit: KRW)		
Division	End of the current half-year	End of the last term
Gains and losses on financial assets measured at FVOCI	(380,807,731)	(380,807,731)

20. Retained earnings

(1) The details of current retained earnings at the end of current and the last terms are as follows.

(Unit: KRW)		
Division	End of the current half-year	End of the last term
Legal reserves	4,066,075,000	4,066,075,000
Undisposed retained earnings	389,151,292,412	382,996,605,932
Total Amount	393,217,367,412	387,062,680,932

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

(Unit: KRW)		
Division	Current half-year	Last half-year
Beginning balance	382,996,605,932	357,756,648,422
Payment of dividends	(13,499,369,000)	(13,499,369,000)
Half-year net income	19,654,055,480	8,656,015,781
The amount at the end	389,151,292,412	352,913,295,203

21. Earnings per share

(1) Basic earnings per share

① The calculation details of basic earnings per share in the current and last terms are as follows.

(Unit: KRW, shares)				
Division	Current half-year		Last half-year	
	3 months	Accumulated	3 months	Accumulated
Half-year net income for common share	6,594,144,533	19,654,055,480	5,859,506,525	8,656,015,781
Weighted average number of common shares	16,264,300	16,264,300	16,264,300	16,264,300
Basic earnings per share	405	1,208	360	532

② Calculation of weighted average number of common shares at the current half-year

Division	Number of issued shares(1)	Number of treasury shares(2)	Number of outstanding common shares (1-2)	Weight		Weighted average Number of outstanding common shares
				3 months	Accumulated	
Beginning	16,264,300	-	16,264,300	92days/92days	274days/274days	16,264,300

③ Details of calculations on the number of weighted average outstanding common shares for the last term

Division	Number of issued shares(1)	Number of treasury shares(2)	Number of outstanding common shares (1-2)	Weight		Weighted average Number of outstanding common shares
				3 months	Accumulated	
Beginning	16,264,300	-	16,264,300	92days/92days	273days/273days	16,264,300

(2) Diluted earnings per share

The Company does not have any dilutive securities in the current and previous year. Therefore, the diluted earnings per share is the same as the basic earnings per share.

22. Financial revenues and expenses

(1) The details of financial revenues in the current and last terms are as follows.

(Unit: KRW)				
Division	Current half-year		Last half-year	
	3 months	Accumulated	3 months	Accumulated
Interest income	749,122,615	1,550,187,442	1,040,355,219	2,072,949,373
Gain from foreign exchange rate (financial)	-	31,280,830	-	-
Gain on foreign exchange(financial)	-	-	-	10,520,000
Gain on valuation of financial assets measured at FVTPL	(327,278,452)	-	(4,724,461)	-
Total Amount	421,844,163	1,581,468,272	1,035,630,758	2,083,469,373

(2) The details of financial expenses in the current and last terms are as follows.

(Unit: KRW)				
Division	Current half-year		Last half-year	
	3 months	Accumulated	3 months	Accumulated
Interest expenses	55,534,383	108,590,137	12,333,825	28,272,589
Loss on foreign exchange(financial)	107,484,374	107,484,375	23,805,211	19,217,583
Loss on disposal of accounts receivables	77,830,603	77,830,603	-	-
Loss on valuation of financial assets measured at FVTPL	54,021	54,021	52,583,413	113,538,684
Total Amount	240,903,381	293,959,136	88,722,449	161,028,856

23. Other non-operating revenues and expenses

(1) The details of other non-operating income in the current and last terms are as follows.

(Unit: KRW)				
Division	Current half-year		Last half-year	
	3 months	Accumulated	3 months	Accumulated
Profit on foreign exchange(non-financial)	3,966,990,219	6,358,515,866	652,279,204	740,853,008
Profit on foreign currency conversion (non-financial)	(2,700,086,875)	371,220,460	461,539,788	676,624,090
Gain on disposal of tangible assets	16,444,762	15,173,153	7,989,681	110,054,637
Miscellaneous profits	44,728,416	44,782,450	(67,240,660)	356,538,906
Total Amount	1,328,076,522	6,789,691,929	1,054,568,013	1,884,070,641

(2) The details of other non-operating expenses in the current and last terms are as follows.

(Unit: KRW)				
Division	Current half-year		Last half-year	
	3 months	Accumulated	3 months	Accumulated
Loss on foreign exchange(non-financial)	1,187,373,323	1,897,144,798	733,070,581	818,364,967
Loss on foreign currency conversion (non-financial)	662,905,173	1,172,934,473	118,084,819	309,279,102
Loss on disposal of premises and equipment	5,704,000	5,704,000	-	1,887,206
Loss on disposal of intangible assets	143,193,792	143,193,792	-	-
Donations	2,638,400	4,643,815	-	-
Miscellaneous losses	1,278,611,197	1,279,633,770	89,143,880	89,568,551
Total Amount	3,280,425,885	4,503,254,648	940,299,280	1,219,099,826

24. Operating profit

The main items and amounts included in operating profit calculation for the current and last terms are as follows.

(Unit: KRW)				
Division	Current half-year		Last half-year	
	3 months	Accumulated	3 months	Accumulated
Sales	219,130,510,361	431,708,981,150	196,301,633,006	373,668,013,854
Sales from sales of goods	215,608,193,716	427,052,117,611	193,225,992,569	367,904,317,962
Other sales	3,522,316,645	4,656,863,539	3,075,640,437	5,763,695,892
Cost of goods sold("COGS")	161,525,508,707	316,421,545,332	149,098,310,850	286,759,060,567
Cost of goods sold	159,845,463,731	314,407,304,933	147,478,595,902	284,494,097,230
Other sales costs	1,680,044,976	2,014,240,399	1,619,714,948	2,264,963,337
Selling and management expenses	48,382,303,190	94,499,847,903	41,072,182,001	79,132,521,579
Salary and bonuses	8,149,185,960	15,882,585,877	6,702,145,530	12,696,590,165
Retirement allowances	751,399,722	1,424,766,135	571,858,913	1,136,975,639
Employee benefits	1,820,151,359	3,524,881,255	1,479,165,139	2,866,283,744
Travel expenses	137,790,499	313,528,074	499,025,911	920,112,806
Rent paid	192,420,246	423,467,190	281,206,132	577,708,016
Service fees	4,542,077,256	8,951,540,433	4,161,508,757	8,178,600,221
Depreciation	1,384,851,383	2,710,185,597	1,369,941,422	2,789,302,512
Amortization of intangible assets	429,981,914	845,519,390	350,894,910	685,064,784
Transfer of provision for sales guarantee (reversal)	(46,319,221)	(1,344,460,436)	(141,700,320)	(856,878,560)
Ordinary R&D expenses	30,116,572,511	59,769,885,926	24,838,530,954	48,370,952,112
Others	904,191,561	1,997,948,462	959,604,653	1,767,810,140
Operating profit	9,222,698,464	20,787,587,915	6,131,140,155	7,776,431,708

25. Employee benefits

The Company pays its 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) The details of defined benefit liabilities as of the end of the current and last terms are as follows.

(Unit: KRW)		
Division	End of the current half-year	End of the last term
Present value of defined benefit obligation	41,707,882,904	39,248,760,042
Fair value of plan assets	(34,334,595,128)	(35,268,837,546)
Defined benefit obligations	7,373,287,776	3,979,922,496

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

(Unit: KRW)		
Division	Current half-year	Last half-year
Beginning balance of defined benefit obligation	39,248,760,042	32,571,648,690
Current service cost	3,311,087,214	2,857,285,168
Interest cost	408,021,114	409,626,296
Transfers between associates	162,019,574	967,292,332
Retirement benefit payment	(1,422,005,040)	(957,744,460)
Ending balance of defined benefit obligation	41,707,882,904	35,848,108,026

(3) Changes in the fair value of plan assets during the current and last terms are as follows.

(Unit: KRW)		
Division	Current half-year	Last half-year
Beginning balance of externally deposited assets	35,268,837,546	28,174,546,825
Interest income	320,723,802	310,171,554
Transfers between associates	-	4,095,000
Retirement benefit payments from externally deposited assets	(1,254,966,220)	(846,349,100)
Ending balance of externally deposited assets	34,334,595,128	27,642,464,279

- (4) The expenses recognized in the current profit or loss regarding the defined benefit plans during the current and last terms are as follows.

(Unit: KRW)		
Division	Current half-year	Last half-year
Current service cost	3,311,087,214	2,857,285,168
Net interest cost	87,297,312	99,454,742
Total	3,398,384,526	2,956,739,910

- (5) The composition of plan assets as of the end of current and the last terms are as follows.

(Unit: KRW)		
Division	End of the current half-year	End of the last term
Short-term financial product, etc.	34,334,595,128	35,268,837,546

26. Income tax expenses

Income tax expense was calculated by adjusting the adjustments recognized for the current term from the current income tax expense for the past period, deferred income tax expense resulting from the occurrence or extinguishment of temporary differences, and income tax expense related to items recognized outside profit or loss. The average effective tax rates for the current and last term's income tax expenses are 19.32%, and 16.48%, respectively.

27. Cash flow statement

(1) The details of reconciliation of income and expenses during business activities in the current and last terms are as follows.

(Unit: KRW)		
Division	Current half-year	Last half-year
Income tax expenses	4,707,478,852	1,707,827,259
Depreciation	4,332,292,186	4,115,188,621
Establishment of allowance for valuation of inventory assets	2,476,110,220	-
Establishment of allowance for return of inventory assets	(13,164,565)	-
Establishment of provision for return	19,260,530	-
Gain on disposal of tangible assets	(15,173,153)	(110,054,637)
Loss on disposal of premises and equipment	5,704,000	1,887,206
Loss on disposal of intangible assets	143,193,792	-
Amortization of intangible assets	3,451,528,158	3,252,088,931
Retirement allowances	3,398,384,526	2,956,739,910
Gain on foreign currency translation	(371,220,460)	(676,624,090)
Loss on foreign currency translation	1,280,418,848	328,496,685
Interest income	(1,550,187,442)	(2,072,949,373)
Interest expenses	108,590,137	28,272,589
Reversal of provision for sales guarantee	(1,344,460,436)	(856,878,560)
Gain on valuation of financial assets measured at FVTPL	(31,280,830)	-
Loss on valuation of financial assets measured at FVTPL	54,021	113,538,684
Long-term employee benefits	83,766,192	77,416,374
Loss on disposal of accounts receivables	77,830,603	-
Others	-	(35,433,090)
Total Amount	16,759,125,179	8,829,516,509

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

(Unit: KRW)		
Division	Current half-year	Last half-year
Trade receivables	9,535,426,908	(36,382,197,142)
Other payables	(8,196,020,656)	(373,196,189)
Other current assets	12,823,214,869	(3,530,473,038)
Other non-current assets	(6,120,927)	4,530,287
Inventories	(49,101,890,322)	(23,770,566,928)
Trade liabilities	35,175,436,306	50,523,266,157
Other current liabilities	(2,574,272,964)	(2,372,535,397)
Non-current other liabilities	-	(19,001,280)
Other liabilities	6,451,585,017	5,371,603,004
Net defined benefit liabilities	(5,019,246)	851,801,972
Lease receivables	631,908,293	-
Total Amount	4,734,247,278	(9,696,768,554)

(3) Cash flows from operating activities on the consolidated 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 terms are as follows.

(Unit: KRW)		
Division	Current half-year	Last half-year
Increase (Decrease) of accrued expenses relating to acquisition of tangible assets	(245,592,091)	632,438,545
Increase of accrued expenses relating to acquisition of intangible assets	179,785,000	65,109,763
Increase of accrued expenses relating to disposal of intangible assets	5,700,000	
Substitution of advance payments into intangible assets	2,440,562,604	-
Increase of licensed assets due to restoration obligation	347,090,278	153,892,915
Recognition of lease liabilities due to lease contracts and licensed assets	1,078,991,398	-
Reduction of lease liabilities due to termination in the middle of the lease contract	39,274,222	3,952,769,448
Reduction of licensed assets due to termination in the middle of the lease contract	38,227,554	134,775,223
Liquidity substitution for lease liabilities	1,483,378,398	119,373,644
Liquidity substitution for lease receivables	646,209,269	2,982,646,862
Liquidity substitution for loans	682,686,941	457,499,300

(4) Cash flow from financing activities

Changes in liabilities arising from financial activities during the current and last terms are as follows.

① Current half-year

(Unit: KRW)				
Division	Beginning	Cash flow from financing activities	Non-cash transaction	End of the current half-year
Dividends payable	-	(13,499,369,000)	13,499,369,000	-
Lease liabilities (current)	2,800,707,185	(1,412,135,148)	1,444,104,176	2,832,676,213
Lease liabilities (non-current)	7,077,760,245	-	(404,387,000)	6,673,373,245

② Last half-year

(Unit: KRW)					
Division	Beginning	Adjustment according to the first application of K-IFRS 1116	Cash flow from financing activities	Non-cash transaction	End of the last half-year
Dividends payable	-	-	(13,499,369,000)	13,499,369,000	-
Lease liabilities (current)	-	-	(1,488,359,215)	2,847,871,639	1,359,512,424
Lease liabilities (non-current)	-	3,864,089,781	-	(2,893,967,195)	970,122,586

28. Financial products with the restricted use

The details of financial products whose use is limited at the end of end of the current half-year are as follows.

(Unit: KRW)		
Division	Amount	Restrictions
Cash and cash equivalents	96,363,228	Government subsidies

29. Specially related party

(1) The details of special interest parties as of the end of the current and last terms are as follows.

Type of special interest	End of the current half-year	End of the last term
Subsidiaries	Silicon Works Inc.	Silicon Works Inc.
	Silicon Works China Co., Ltd	Silicon Works China Co., Ltd
Associates	Advanced Power Device Technology Co., Ltd.	Advanced Power Device Technology Co., Ltd.
Companies exercising significant influence on the Company	LG Corp.	LG Corp.
Others	Affiliates of LG Corp.	Affiliates of LG Corp.
	Large business group affiliated company (*)	Large business group affiliated company (*)

(*) Not included in scope of related party pursuant to K-IFRS 1024 'Disclosure of related parties', but it belongs to the same large corporate group under the monopolistic regulation and fair trade law.

(2) Transactions with related parties during the current and last terms are as follows.

(Unit: KRW)						
Special relationship	Name	Details	Current half-year		Last half-year	
			3 months	Accumulated	3 months	Accumulated
Subsidiaries	Silicon Works Inc.	Sales expenses	433,173,863	1,001,284,572	522,422,190	1,113,478,658
	Silicon Works China Co., Ltd	Sales expenses	1,165,846,196	2,426,837,681	1,016,259,884	1,963,832,222
Associates	Advance Power Device Technology	Acquisition of tangible/intangible assets	-	-	744,907,548	1,446,308,695
Other affiliates of LG Corp.	LG CNS Co., Ltd.	Sales expenses	1,908,927,172	2,060,971,868	1,102,919,848	1,402,523,224
		Acquisition of tangible/intangible assets	553,133,000	831,745,712	677,545,818	1,926,623,802
	S&I Co., Ltd.	Sales expenses	251,418,090	550,715,069	220,699,939	468,209,100
	Serveone Co., Ltd.(*)	Sales expenses	-	-	8,838,640	28,497,427
	LG Management Development Institute	Sales expenses	284,261,100	391,827,400	224,329,050	398,132,200
Other corporations belonging to the large conglomerate group	LG Electronics USA Inc.	Sales	447,766,380	783,538,677	377,365,635	624,387,285
	LG Display (China) Co., Ltd.	Sales	1,376,194,922	3,412,699,284	50,009,429	50,009,429
	LG Display (Guangzhou) Co., Ltd.	Sales	50,646,049,190	103,500,649,905	-	-
	LG Display Yantai	Sales	222,644,971	222,644,971	-	-
	LG Display Co., Ltd.	Sales	100,396,022,067	197,192,903,183	155,344,678,068	305,636,338,174
		Sales expenses	-	36,125,353	-	92,314,736
		Other income	-	800,437,227	869,281,918	869,281,918
	LG Electronics Co., Ltd.	Sales	2,901,251,481	5,682,108,325	2,001,348,053	4,822,491,829
		Sales expenses	1,310,439,421	2,589,710,193	1,302,530,437	2,679,843,255
	LG Innotek Co., Ltd.	Sales expenses	6,351,580,965	11,898,550,822	6,294,125,553	11,813,323,104
	LG Chem Co., Ltd.	Sales	-	-	212,000,000	212,000,000
	LG Uplus	Sales expenses	30,341,555	67,389,825	36,671,235	58,129,557
	Pantos Co., Ltd.	Sales expenses	463,699,415	769,602,899	363,589,653	694,442,754
	Biz Tech Partners Co., Ltd.	Sales expenses	57,498,000	114,996,000	48,251,250	117,842,379
	HS Ad Co., Ltd.	Sales expenses	-	25,000,000	-	-
	Hi-Teleservice Co., Ltd.	Sales expenses	684,999	2,696,557	-	-

(*) As the Fair Trade Commission excluded Servone Co., Ltd. from affiliates of large-scale enterprise groups (LG), it was excluded from related parties as of 24 July.

(3) The receivables and payables of related parties as of the end of the current and last terms are as follows.

(Unit: KRW)					
Special relationship	Name	End of the current half-year		End of the last term	
		Trade receivables, etc.	Trade payables, etc.	Trade receivables, etc.	Trade payables, etc.
Subsidiaries	Silicon Works Inc.	-	115,139,974	-	197,384,963
	Silicon Works China Co., Ltd.	-	404,083,626	-	574,138,446
Other affiliates of LG Corp.	LG CNS Co., Ltd.	-	828,603,267	-	937,206,367
	LG Management Development Institute	-	48,936,140	-	15,628,305
	S&I Co., Ltd.	900,000,000	99,369,090	300,000,000	88,449,068
Other corporations belonging to the large conglomerate group	LG Electronics USA Inc.	332,617,914	-	257,934,780	-
	LG Display (China) Co., Ltd.	1,436,151,122	-	1,360,104,351	-
	LG Display (Guangzhou) Co., Ltd.	17,856,990,973	-	37,141,444,928	-
	LG Display Yantai	220,068,763	-	-	-
	LG Display Co., Ltd.	69,076,492,284	-	88,354,795,384	-
	LG Electronics Co., Ltd.(*)	3,038,248,278	439,609,544	3,249,019,544	472,555,262
	LG Innotek Co., Ltd.	-	4,589,679,384	-	3,598,523,920
	Pantos Co., Ltd.	-	307,572,135	-	202,957,347
	Biz Tech Partners Co., Ltd.	-	21,082,600	-	17,692,125
	Hi-Teleservice Co., Ltd.	-	201,000	-	-

(*) As of the end of the current half-year, in addition to the above receivables and liabilities, KRW 8,822 million in lease liabilities and KRW 9,246 million in licensed assets have been recorded as a result of the office lease contract signed with LG Electronics.

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

(Unit: KRW)			
Special relationship	Name	Current half-year	Last term
		Payment of dividends	Payment of dividends
Companies exercising significant influence on the Company	LG Corp.	4,465,834,920	4,465,834,920

- (5) The details of the compensation for major management during the current and last terms are as follows.

(Unit: KRW)				
Division	Current half-year		Last half-year	
	3 months	Accumulated	3 months	Accumulated
Short-term salaries	1,200,476,892	2,428,094,380	860,114,432	1,759,826,245
Retirement allowances	189,259,324	324,626,411	87,162,867	195,629,934
Total	1,389,736,216	2,752,720,791	947,277,299	1,955,456,179

The key executives of the Company include the auditors and the registered directors (including outside directors).

- (6) The Company has no security and guarantee detail providing to or provided by special interest parties at the end of current and last terms.

30. Contingency and agreement

- (1) The Company is receiving payment and payment guarantee of KRW 349 million from Seoul Guarantee Insurance as of the end of the current half-year.
- (2) The Company has a credit limit contract with some financial institutions such as Shinhan Bank, and the Company's credit limit details as of the end of the current half-year are as follows.

(Unit: USD)		
Division	Financial institution name	Foreign currency (USD)
Purchase foreign exchange	Shinhan Bank	14,000,000
Purchase foreign exchange	NH Bank	14,000,000

- (3) The Company has no details of providing collateral for financial assets as of the end of the current half-year.
- (4) The Company has no ongoing litigation or disputes as of the end of the current half-year.

6. Other Financial Matters

A. Cautions such as reparation of financial statements

- (1) If the (consolidated) financial statements are reprepared, the reasons for the reparation, the contents and the impact on the (consolidated) financial statements
- Not applicable
- (2) Merger, division, asset transfer, business transfer

Division	Contract date	Contracting party	Contents	Transfer amount	Transferred date	Key items report
	Resolution date			(KRW billion)		Submission date

Business transfer	29.05.2018	LG Electronics Co., Ltd.	All of T-Con chip business related assets and personnel for OLED TV	461	01.07.2018	-
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Note) Refer to XI. Other matters necessary for the protection of investors --> 3. Other information such as sanctions --> Information after the merger --> B. Financial comparison tables before and after the business transfer.

B. Establishment of allowance for bad debts

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

(Basic date: 30.06.2020)

(Unit: million won, %)

Division	Account subject	Receivables amount	Allowance for bad debts	Ratio of allowance establishment
Half-year, the 22nd year	Trade receivables	148,563	-	0.0
	Other payables	12,900	-	0.0
	Non-current other receivables	12,444	-	0.0
	Total	173,907	-	0.0
The 21st year	Trade receivables	159,276	-	0.0
	Other payables	4,572	-	0.0
	Non-current other receivables	11,552	-	0.0
	Total	175,400	-	0.0
The 20th year	Trade receivables	158,800	-	0.0
	Other payables	2,245	-	0.0
	Non-current other receivables	6,701	-	0.0
	Total	167,746	-	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

The changes in the allowance for bad debts from account receivables in the year are as follows.

(Basic date: 30.06.2020)

(Unit: million won)

Division	Half-year, the 22nd year	The 21st year	The 20th year
1. Total allowance for bad debts at the beginning	-	-	-
2. Net recognition as bad debts(①+②±③)	-	-	-
① Amount processed as bad debts (receivables written off)	-	-	-
② Recollected receivables	-	-	-

③ Other increases/decreases	-	-	-
3. Amount in reflection of allowance for bad debts	-	-	-
4. Total allowance for bad debts at the end	-	-	-

Note) The consolidated subsidiaries of the Company have no change of establishing 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 the current half-year by their ages

(Basic date: 30.06.2020)

(Unit: million won)

Division	Elapsed period		Total
	Within 6 months	Over 6 months	
Trade receivables	148,563	-	148,563
Total	148,563	-	148,563
Ratio (%)	100.00	-	100.00

C. Inventory status

(1) Status on inventory asset per business division

(Basic date: 30.06.2020)

(Unit: million won)

Business sector	Account subject	Half-year, the 22nd year	The 21st year	The 20th year	Remarks
Semiconductor	Products	-	-	-	-
	Products in process	165,482	118,843	104,091	-
Total Amount		165,482	118,843	104,091	-
Portion of inventory over gross assets (%) [Total inventory ÷ total assets at the end × 100]		24.4	18.9	17.1	-
Inventory turnover ratio (recollection) [Converted annual sales cost ÷ {(Inventory at the beginning + Inventory at the end) ÷ 2}]		4.5 times	5.9 times	7.2 times	-

(2) Due diligence results on inventories

① 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.

② 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.

③ Status of long-term stagnant inventory, etc.

Loss due to obsolescence evaluation of inventory assets is determined, and the evaluation details of inventory assets as of 30 June 2020 are as follows.

(Basic date: 30.06.2020)

(Unit: million won)

Account subject	Acquisition cost	Holding amount	Valuation allowance	Balance at the end
Products in process	183,234	183,234	(17,752)	165,482

D. Contract status

- Not applicable

E. Evaluation details of fair value

(1) Summary of fair value evaluation procedures [Non-derivative financial assets]

The Group classifies non-derivative financial assets into four categories: financial assets recognized in the current profit or loss, financial assets held to maturity, loans and receivables, and transferable financial assets, which are recognized in the consolidated statement of financial position when it becomes a contractual party.

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

① Financial assets recognized in the current profit or loss

Financial assets carried at FVTPL at initial recognition are classified as financial assets at FVTPL. Financial assets recognized in the current profit or loss are measured at fair value after initial recognition, and changes in fair value are recognized in the current profit or loss. Meanwhile, transactional costs related to acquisition incurred at the time of initial recognition are recognized immediately in the current profit or loss as incurred.

② Financial assets held to maturity

They are classified as financial assets held to maturity if their maturity is fixed and the amounts to be paid are fixed or determinable for non-derivative financial assets when the Group has the aggressive intent and ability to hold to maturity. After initial recognition, are measured at amortized cost using the effective interest method.

③ Loans and receivables

Non-derivative financial assets with fixed or determinable payments and their transaction price not quoted in an active market are classified as loans and receivables. After initial recognition, they are measured at amortized cost using the effective interest rate method.

After initial recognition, are measured at amortized cost using the effective interest method.

④ AFS financial assets

Non-derivative financial assets designated as available for sale or not classified as financial assets recognized in the current profit or loss, financial assets held to maturity or loans and receivables are classified as transferable financial assets. They are measured at fair value after initial recognition, and changes in fair value are recognized in other comprehensive profit or loss. However, equity securities that do not have a quoted market price in an active market and whose fair value cannot be measured reliably are measured at cost.

⑤ Financial products by category

For this matter, refer to "III. Financial matters. 3. Notes to consolidated financial statements, 5. Classification of financial instruments by category.

F. Record on issue of liability securities

- Not applicable

Record on issue of liability securities

(Basic date: 30.06.2020)

Unit: million won, %)

Issuing company	Type of securities	Method of issue	Date of issue	Total amount (electronic registration)	Interest rate	Rating grade (Rating organization)	Date of maturity	Repayment	Undertaking company
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
Total Amount	-	-	-	-	-	-	-	-	-

Outstanding balance of corporate paper

(Basic date: 30.06.2020)

(Unit: million won)

Remaining to maturity		10 days or less	Over 10 days 30 days or less	Over 30 days 90 days or less	Over 90 days 180 days or less	Over 180 days 1 year or less	Over 1 year 2 years or less	Over 2 years 3 years or less	Over 3 years	Total Amount
Outstanding balance	Public offering	-	-	-	-	-	-	-	-	-
	Private offering	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-

Outstanding balance of short-term bonds

(Basic date: 30.06.2020)

(Unit: million won)

Remaining to maturity		10 days or less	Over 10 days 30 days or less	Over 30 days 90 days or less	Over 90 days 180 days or less	Over 180 days 1 year or less	Total Amount	Limit of issue	Remaining limit
Outstanding balance	Public offering	-	-	-	-	-	-	-	-
	Private offering	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-

Outstanding balance of corporate bonds

(Basic date: 30.06.2020)

(Unit: million won)

Remaining to maturity		1 year or less	Over 1 year 2 years or less	Over 2 years 3 years or less	Over 3 years 4 years or less	Over 4 years 5 years or less	Over 5 year 10 years or less	Over 10 years	Total Amount
Outstanding balance	Public offering	-	-	-	-	-	-	-	-
	Private offering	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-

Outstanding balance of hybrid securities

(Basic date: 30.06.2020)

(Unit: million won)

Remaining to maturity		1 year or less	Over 1 year 5 years or less	Over 5 years 10 years or less	Over 10 years 15 years or less	Over 15 years 20 years or less	Over 20 years 30 years or less	Over 30 years	Total Amount
Outstanding balance	Public offering	-	-	-	-	-	-	-	-
	Private offering	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-

Outstanding balance of conditional capital securities

(Basic date: 30.06.2020)

(Unit: million won)

Remaining to maturity		1 year or less	Over 1 year 2 years or less	Over 2 years 3 years or less	Over 3 years 4 years or less	Over 4 years 5 years or less	Over 5 year 10 years or less	Over 10 years 20 years or less	Over 20 years 30 years or less	Over 30 years	Total Amount
Outstanding balance	Public offering	-	-	-	-	-	-	-	-	-	-
	Private offering	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-

IV. Directors' Management Diagnoses and Analytic Opinions

The Company does not include this item in the quarterly/half-year report in accordance with the company disclosure form preparation standard.

V. Auditor's Audit Opinion

1. Auditor's Audit Opinion

A. Name and audit opinion of auditor

Business year	Auditor	Audit opinion	Special remarks	Key audit matters
Half-year, the 22nd year (Current)	Anjin Accounting Corp.	Not applicable	Not applicable	Not applicable
The 21st year (Previous)	KPMG Samjong Accounting Corp.	Appropriate	Not applicable	Evaluation of inventories
The 20th year (Previous before last)	KPMG Samjong Accounting Corp.	Appropriate	Not applicable	Not applicable

B. Status of audit service contract

(Unit: Million won)

Business year	Auditor	Contents	Audit contract details		Actual performance details	
			Remuneration	Hours	Remuneration	Hours
Half-year, the 22nd year (Current)	Anjin Accounting Corp.	Review of quarterly/half year Audit of separate and consolidated financial statements	379	3,443	152	1,300
The 21st year (Previous)	KPMG Samjong Accounting Corp.	Review of quarterly/half year Audit of separate and consolidated financial statements	200	2,145	200	2,587
The 20th year (Previous before last)	KPMG Samjong Accounting Corp.	Review of quarterly/half year Audit of separate and consolidated financial statements	165	1,650	165	1,783

C. Status of non-audit service contracts with auditor

Business year	Contract date	Services	Period	Remuneration	Remarks
Half-year, the 22nd year (Current)	-	-	-	-	-
The 21st year (Previous)	-	-	-	-	-
The 20th year (Previous before last)	-	-	-	-	-

D. Result of the internal audit organization's discussion with the accounting auditor on matters that may have a significant influence on the judgment of stakeholders in the financial statements

Division	Date	Attendees	Method	Main discussion
1	20.09.2019	Company: 3 members of the Audit Committee Auditor: executive director	In written	Report on audit plan
2	11.02.2020	Company: 3 members of the Audit Committee Auditor: executive director	Face to face	Report on audit result

E. Auditor's opinion on subsidiaries

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

2. Change of Auditors

The Company has been selected as a corporation subject to periodic designation from the 2020 business year, and has been subject to Article 11-1 and 11-2 of the Act on External Audit of Stock Companies, Article 17 of the Enforcement Decree of the Act on External Audit of Stock Companies, and in accordance with Articles 10 and 15-1 of the its enforcement. The Company was notified by the Financial Supervisory Service that an external auditor was designated as Anjin Accounting Firm and reported the above to the Audit Committee and the 21st general meeting of shareholders.

For reference, the designated audit period is from 2020 to the 2022 business year.

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	Details	Remarks
The 21st year	11.02.2020	The company's internal accounting control system as of 11 February 2020 is thought to be effectively designed and operated in terms of importance, considering the standard regulations on the internal accounting control system.	-
The 20th year	30.01.2019	The company's internal accounting control system as of 30 January 2019 is thought to be effectively designed and operated in terms of importance, considering the standard regulations on the internal accounting control system.	-
The 19th year	01.02.2018	The company's internal accounting control system as of 01 February 2018 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

As a result of review for the half-year, the 22nd year by the external auditor, the auditor presented the opinion for the 21st, 20th and 19th year that there is no discovery that the details of operating status report for the company's internal accounting control system have not been prepared in accordance with regulations on the internal accounting control system in terms of importance.

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 outside directors. executive director and 3 outside directors. Our representative director Shon Bo-Ik also takes charge of the chairman of the board of directors and he was elected as chairman in accordance with Article 5 of the Board of Directors Regulations. With regard to the history and roles of each director, please refer to “VIII. Executives and Employees 1. Executives and Employees”.

An Audit Committee has been established and operated within the board of directors.

Name of committee	Configuration	Name of director	Purpose and authority
Audit committee	3 outside directors	Wi Kyung-Woo, Yoon Il-Goo, Shin Yeong-Soo	Audit of overall company business including financial position

- Outside directors and their changes

(Unit: person)

No. of directors	No. of outside directors	Changes in outside directors		
		Appointment	Dismissal	Early retirement
6	3	-	-	-

Note) Yoon Il-Goo, an outside director and a member of the Audit Committee, was re-appointed at the 21st general meeting of shareholders in 2020 and has a term of three years.

B. Major Resolutions

No.	Date held	Agenda		Passed or not	Name of director					
					Son Bo-Ik (attendance rate: 100%)	Choi Sung-Kwan (attendance rate: 100%)	Jeong Yeon-Chae (attendance rate: 50%)	Yoon Il-Goo (attendance rate: 100%)	Shin Yeong-Soo (attendance rate: 100%)	Wi Kyung-Woo (attendance rate: 100%)
					Agreed or not					
1	11.02.2020	Report	1. Report on business performance and annual performance for the fourth quarter of 2019 2. Report on the operation status of the internal accounting management system	Reported matters	-	-	-	-	-	-
		Approved	1. Approval of the 21st financial statements and business report 2. Approval of the revision of executive officers' personnel management regulations	Approved	Agreed	Agreed	Not attended	Agreed	Agreed	Agreed
2	06.03.2020	Report	1. Report on the evaluation result of the operation status of the internal accounting management system 2. Report on the operational status of the compliance control system	Reported matters	-	-	-	-	-	-
		Approved	1. Approval of convocation and purpose of the 21st regular meeting of shareholders	Approved	Agreed	Agreed	Not attended	Agreed	Agreed	Agreed
3	26.03.2020	Approved	1. Appointment of the chairman of the board of directors	Approved	Agreed	Agreed	Agreed	Agreed	Agreed	Agreed

			2. Appointment of representative director 3. Approval of payment of special bonus for executive officers 4. Approval of execution of remuneration for directors							
4	2020.06.03	Report	1. Report on business performance for the 1st quarter of 2020	Reported matters	-	-	-	-	-	-
		Approved	1. Approval of the revision of the operating regulations of the Silicon Works Board of Directors	Approved	Agreed	Agreed	Agreed	Agreed	Agreed	Agreed

Note 1) Son Bo-Ik was re-appointed at the 21st general meeting of Shareholders and has a term of three years.

Note) Yoon Il-Goo, an outside director and a member of the Audit Committee, was re-appointed at the 21st general meeting of shareholders in 2020 and has a term of three years.

C. Committee 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 shareholders' meeting are appointed by the board of directors meeting and submitted to the general meeting shareholders as an agenda. If there is a shareholder's proposal pursuant to the relevant laws and regulations related to the election of directors, the Board of Directors shall submit it to the general meeting of shareholders within the legal scope.

As the total assets as of the end of the current business year are less than KRW 2 trillion, we have no obligation to establish a recommendation committee for outside directors. In order to secure fairness and obligation to establish a recommendation committee for outside directors.

The six directors elected in accordance with these procedures as of 30 June 2020 are as follows.

Job title	Name	Background of appointment	Recommender	Field of activity (business in charge)	Transactions with the company Transactions	Relationship with the largest or major shareholders	Term of office	Consecutive term or not (No. of consecutive terms)
Internal director	Son Bo-Ik	He served as the head of the SIC Center at LG Electronics, as the leading authority in the field of system semiconductors. Based on his abundant experience and competence, he was appointed as the CEO of Silicon Works from 2017 and has excellent capabilities in the overall operation of the company, such as continuing the company's growth. Therefore, he was appointed as the internal director.	Board of directors	Board chairman, representative director	N/A	Executives of affiliates (Silicon Works)	3 years	Reappointment (1)
Internal director	Choi Sung-Kwan	Since he was appointed CFO in 2018, he has demonstrated excellent capabilities in the overall operation of the company, and has made a lot of contributions to the profit creation of the company and shareholders even in the rapidly changing internal and external economic conditions, therefore, he was appointed as the executive director.	Board of directors	CFO, internal accounting manager		Executive of affiliates (Silicon Works)	3 years	
Non-executive director	Jeong Yeon-Chae	He has long-standing management and planning experience at LG and LG Electronics, and based on sufficient experience and knowledge in related fields and experience in justice management, he has been able to develop. He was expected to contribute and was appointed as other non-executive director.	Board of directors	Business for overall management		Executive of affiliates (LG Co., Ltd.)	3 years	
Outside director	Wi Kyung-Woo	He is currently a professor at the department of business administration at Sookmyung Women's University, and is expected to contribute to the company's development by providing advice on overall management and a lot of experience from the perspective of a financial expert.	Board of directors	Business for overall management, Chairman of the Audit Committee		Not applicable	3 years	
Outside director	Yoon Il-Goo	He is currently working in the department of electronic engineering at Yonsei university, and because of his expertise in the IT industry, he is expected to be able to appropriately serve as an outside director, such as reinforcing decision-making expertise and preparing for the future of Silicon Works.	Board of directors	Business for overall management, Audit Committee		Not applicable	3 years	Reappointment (1)
Outside director	Shin Yeong-Soo	He is a Ph.D. in electronic engineering at Seoul National University, and is currently serving as a professor in the department of electronic engineering at KAIST. He was appointed as an outside director because he was judged	Board of directors	Business for overall management, Audit Committee		Not applicable	3 years	

		to be able to contribute to the company's business development based on his knowledge and experience in the semiconductor business field.						
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Note 1) Son Bo-Ik was re-appointed at the 21st general meeting of Shareholders and has a term of three years.

Note) Yoon Il-Goo, an outside director and a member of the Audit Committee, was re-appointed at the 21st general meeting of shareholders in 2020 and has a term of three 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 Act:
 - Proposal of issues requiring the approval of the general meeting of shareholders
 - Appointment and dismissal of the CEO
 - Establishment of the committee and the appointment and dismissal of its members
 - Matters determined by the articles of association

E. Professionalism of outside directors

(1) Job performance support organizations for outside directors

- CFO finance team
- Main task: board of directors operation and outside director job performance support
- Team staff: 3 people

Department	No. of staff	Position (service years)	Work period	Major activities
Financial team	3 people	Senior manager (2Y) Junior manager (9Y), Staff (2Y)	Average 4 years	Pre-explanation of the board agenda for outside directors, Perform tasks such as support for requests necessary for the performance of outside director duties Establishment of outside director workshops and seminar training schedules

Note) The number of years of service is calculated based on the number of years of service at the Company.

(2) Education for outside directors

- Status of education implementation for outside directors

Education date	Organizer	Participating outside directors	Reason for absence	Key education details
25.04.20018	LG Management Development Institute Co., Ltd.	Shin Yeong-Soo	-	Activities of the board of directors and major items related to company management
17.04.2019	LG Management Development Institute Co., Ltd.	Wi Kyung-Woo	Education for outside directors	Activities of the board of directors and major items related to company management
10.05.2019	Financial, IR and business management team	Wi Kyung-Woo	Education for outside directors	Major items related to company management
22.08.2019	Financial, IR and lead product planning team	Wi Kyung-Woo, Yoon Il-Goo, Shin Yeong-Soo	-	Company's main product presentation

– Status of workshop implementation of outside directors

Date	Organizer	Participating outside directors	Reason for absence	Details
2020.02.11	Finance, Accounting and tax and Integrity management team	Wi Kyung-Woo, Yoon Il-Goo, Shin Yeong-Soo	-	Internal audit work plan, Matters concerning the independence of external auditors
06.03.2020	Finance, Accounting management and Integrity management team	Wi Kyung-Woo, Yoon Il-Goo, Shin Yeong-Soo	-	Evaluation results of the operation status of the internal accounting management system, Evaluation result of the internal accounting management system
03.06.2020	Finance, Accounting management and Integrity management team	Wi Kyung-Woo, Yoon Il-Goo, Shin Yeong-Soo	-	Operation schedule of the internal accounting management system, evaluation plan of the internal accounting management system, and support of the Audit Committee in 2020

2. Audit System

A. Audit report

(1) The composition of the Audit Committee and inclusion of outside directors

[Basic date: 30.06.2020]

Name	Outside director or not	Career Information	Accounting and financial experts		
			Yes or No	Type of expert	Related career
Wi Kyung-Woo	Yes	BA in Economics, SNU MA in Business Administration and Ph.D. Business Administration, UCLA Professor of Business Administration, Sookmyung Women's University (1997~present) Chairman of the Election Management Committee, Korean Finance Association (2006~Present) outside director, Mirae Asset Life Insurance (2020~Present)	Yes	Accounting and finance degree holders	BA in Economics, SNU MA in Business Administration and Ph.D. Business Administration, UCLA Professor of Business Administration, Sookmyung Women's University (1997~present) Chairman of the Election Management Committee, Korean Finance Association (2006~Present) outside director, Mirae Asset Life Insurance (2020~Present)

Yoon Il-Goo	Yes	<p>Bachelor of Electrical and Electronic Engineering, Yonsei University, Master of Electrical and Ph.D. Computer Engineering, Georgia Institute of Technology, USA</p> <p>Georgia Tech Microelectronics Research Center Research Fellow, USA (1997~1999),</p> <p>Senior Researcher, Source Technology Research Division, Electronics and Telecommunications Research Institute (1999~2000), Songdo Campus Coordination Team Leader (2009~2010)</p> <p>Professor of Electrical and Electronic Engineering, Yonsei University College of Engineering (2010~present), Dean of International Engineering College, Yonsei University (2010~2012)</p> <p>Member of the Internationalization Advisory Committee directly under the President of Yonsei University (2012-2014), Vice-Chairman of Yonsei University Industry-Academic Center (2012-present)</p> <p>Yonsei University Planning Office Vice President (2016~Present)</p>	-	-	-
Shin Yeong-Soo	Yes	<p>BS in Electronic Engineering, Seoul National University, MS in Electronic Engineering, Seoul National University, Ph.D. in Electronic Engineering, Seoul National University</p> <p>Research Staff Member, IBM T. J. Watson Research Center, Yorktown Heights, NY, USA (2001~2004)</p> <p>LG Electronics Future Technology Forum Advisory Professor (2011~2014), KAIST Electrical and Electronic Engineering Professor (2013~Present)</p>	-	-	-

Note) Yoon Il-Goo, an outside director and a member of the Audit Committee, was re-appointed at the 21st general meeting of shareholders in 2020 and has a term of three years.

(2) Independence of the members of the Audit Committee

The members of the Audit Committee (three persons) are all outside directors who do not have any reasons for disqualification in accordance with the Commercial Act. They are maintaining their independence and the appointment of the members has been made after a thoroughly 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.

Main contents of election criteria	Whether selection criteria are satisfied	Related laws
Consisting of three directors	Satisfied (3 people)	Article 415-2 (2) of the Commercial Act
Two thirds or more of outside directors as members	Satisfied (all are outside directors)	
One or more members as an accounting or financial expert	Satisfied (Wi Kyung-Woo)	Article 542-11 (2) of the Commercial Act
outside director as the representative of the Audit Committee	Satisfied	
Other disqualification requirements (specially related parties with the largest shareholder)	Satisfied (not applicable)	Article 542-11 (3) of the Commercial Act

Audit Committee	Background of appointment	Recommender	Deal with the Company	Relationship with the largest or major shareholders
Wi Kyung-Woo	Appointed as an expert in finance and accounting, judged as the right person	Board of directors	Not applicable	Not applicable
Yoon Il-Goo	Appointed as a semiconductor expert, judged as the right person	Board of directors	Not applicable	Not applicable
Shin Yeong-Soo	Appointed as a semiconductor expert, judged as the right person	Board of directors	Not applicable	Not applicable

(3) Activities of the Audit Committee

No.	Date held	Agenda		Agreed or not	Outside director			Remarks
					Wi Kyung-Woo (attendance rate: 100%)	Yoon Il-Goo (attendance rate: 100%)	Shin Yeong-Soo (attendance rate: 100%)	
					Agreed or not			
1	11.02.2020	Report	1. Report on business performance and annual performance for the fourth quarter of 2019 2. Report on the operation status of the internal accounting management system 3. Report of the 21st financial statements and business report 4. Report on the progress of the audit by an outside auditor	Reported matters	-	-	-	-
2	06.03.2020	Approved	1. Approval of the audit report by the Audit Committee for financial statements and business reports 2. Approval of the evaluation report by the Audit Committee on the operation status of the internal accounting management system 3. Approval of the Audit Committee's evaluation opinion on the operation status of the internal monitoring system	Approved	Agreed	Agreed	Agreed	-
3	03.06.2020	Report	1. Report on business performance for the 1st quarter of 2020	Reported matters	-	-	-	-

(4) Education implementation plan and status

-Details of education non-implementation for the Audit Committee

Status of education implementation for the Audit Committee	Reasons of education non-implementation for the Audit Committee
Non-implementation	Note)

Note) The company is establishing a plan to conduct education for the members of the Audit Committee.

(5) Status of support organizations for the Audit Committee

Dept. (team) name	No. of employees (persons)	Position (service years)	Major activity details
Financial team	3	1 senior manager (2Y) 1 junior manager (9Y) 1 staff (2Y)	Support for the operation and job performance of the Audit Committee and Establishment of Audit Committee workshops and seminar training schedules
Integrity management team	4	2 senior managers 2 junior managers (Average 2 years)	Internal accounting management system and Main matters related the business

Note) The number of years of service is calculated based on the number of years of service at the Company.

B. Compliance support person

(1) Personal information of compliance officers, etc. (including major experience)

Name	Date of Birth	Major career	Date of appointment
Kim Jin-Bok	Oct. 1960	BA of Law, Chungnam National University Team Leader of Management & Legal Team, Team Leader of Contract Legal Team, LG Electronics Current, Diagnostic / Legal Team / Legal, Silicon Works	29.05.2018

Note) The compliance officer Kim Jin-Bok has more than 10 years of experience in listed companies while working in the auditing, Audit Committee, compliance officer or related legal department.

(2) Major activities and results of the compliance officer

As a result of evaluating the effectiveness of our compliance control standards and checking compliance with them, our compliance control standards have been created and adhered to in accordance with all laws and regulations and control standards for compliance.

Check date & time	Main check details	Check results
Always	Ensure that matters specified by the Commercial Act are stipulated in the compliance control standards	Details compliance control standards - Appropriately established in accordance with the requirements of the Commercial Act and standard compliance control criteria.
	Ensure that compliance control systems, procedures, instruments, training and compliance support matters are effectively established	Evaluation and management system of legal risks - Formalizing legal risks and preparing detailed check items by type in progress
		Independent business performance system of compliance support officer - The compliance support officer has been appointed in

		the Board of Directors and his term of office is guaranteed.
		Sanctions system for violations - Relevant contents are appropriately reflected in the employment rules and disciplinary regulations.
		Compliance check and reporting system - Relevant contents are appropriately reflected in the employment rules and disciplinary regulations.
	Ensure that the categorization of risky actions, compliance check, matters relating to the compliance officer are effectively implemented	Compliance check and reporting system - Preparing to carry out the regular annual compliance check and prepare and operate a process to report to the board of directors.

(3) Status of support organizations for the compliance officer

Dept. (team) name	No. of employees (persons)	Position (service years)	Major activity details
Legal affairs team	3	2 senior managers, 1 junior manager (Average 2 years)	Important matters related to the operation of the compliance control criteria

3. Shareholders' Exercise of Voting Rights

A. Voting system

Adopting the intensive voting system, written voting system or the electronic voting system

In accordance with Article 382-2 of the Commercial Act, shareholders who own 3% of the total number of issued stocks may request that the directors be appointed by the intensive voting method. The Company does not stipulate matters concerning the written voting system in the articles of incorporation, and the electronic voting system can be implemented by the resolution of the board of directors.

B. Exercise of the right of the minority shareholders

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

C. Competition over management right

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

VII. Shareholders

1. Shareholding of the Largest Shareholder and its Special Interest Parties

A. Shareholding of the Largest Shareholder and its Special Interest Parties

(Basic date: 30.06.2020)

(Unit: share, %)

Name	Relation	Type of stock	Number of shares owned and the stake				Remarks
			At the beginning		At the end		
			Number of shares	Ownership stake	Number of shares	Ownership stake	
LG Corp.	Largest shareholder	Common shares	5,380,524	33.08	5,380,524	33.08	-
Son Bo-Ik	Executive	Common shares	1,826	0.01	1,826	0.01	-
Total		Common shares	5,382,350	33.09	5,382,350	33.09	-
		-	-	-	-	-	-

Note) Please refer to “VII. Executives and Employees” for more details on change in management.

B. Important issues related to the largest shareholder

(1) Basic information of the largest shareholder (as of 30.06.2020)

Name	Number of investors	CEO (Representative member)		Business executive (Business executive member)		Largest shareholder (The largest investor)	
		Name	Stake(%)	Name	Stake(%)	Name	Stake(%)
LG Corp.	30,213	Koo Kwang-Mo	15.95	-	-	Koo Kwang-Mo	15.95
		Kwon Young-Soo	0.01	-	-	-	-

Note 1) Stake is based on common shares.

Note 2) The above stake is based on 31 December 2019 which is the closing date of the shareholder list.

[Changes of representative directors, business executives, and largest shareholder of corporations or groups]

Date of change	CEO (Representative member)		Business executive (Business executive member)		Largest shareholder (The largest investor)	
	Name	Stake(%)	Name	Stake(%)	Name	Stake(%)
2018.06.29	Koo Kwang-Mo	6.24	-	-	-	-
2018.08.29	Kwon Young-Soo	-	-	-	-	-

2018.11.01	Koo Kwang-Mo	15.00	-	-	Koo Kwang-Mo	15.00
2019.03.25	Kwon Young-Soo	0.00	-	-	-	-
2019.04.08	Kwon Young-Soo	0.01	-	-	-	-
2020.06.25	Koo Kwang-Mo	15.95	-	-	Koo Kwang-Mo	15.95

Note 1) On 20 May 2018, Koo Bon-Mu resigned from office due to his death. On 29 June 2018, Koo Kwang-Mo was newly elected as the representative director through the board of directors meeting.

Note 2) On 29 August 2018, the representative director Ha Hyeon-Hee resigned and the representative director Kwon Yeong-Soo was newly elected.

Note 3) The largest shareholder was changed to the representative director Koo Bon-Mu due to the inheritance of shares from the largest shareholder (late Koo Bon-Mu) before change on 1 November 2018.

Note 4) On 25 March 2019, CEO Kwon Young-Soo acquired shares through in-trade purchase.

Note 5) On 08 April 2020, CEO Kwon Young-Soo acquired shares through in-trade purchase.

Note 6) On 25 June 2020, the largest shareholder, CEO Koo Kwang-Mo acquired additional shares through stock inheritance.

Note 7) The date of change is the date of settlement when shares are bought or sold in the stock market.

Note 8) Stake is based on common shares (after change).

(2) Financial status This is LG's current financial status as our largest shareholder.

(Unit: Million won)

Division	
Name of corporation or organization	LG Corp.
Total assets	22,434,630
Total liabilities	3,413,609
Total equities	19,021,021
Sales	6,575,339
Operating profit	1,024,098
Net income	1,106,755

Note) Based on consolidated financial statements at the end of December 2019.

(3) Major contents that may affect the stability of the company's business including business status

Our company's largest shareholder LG Corp. was established on 5 January 1947 and listed on the stock market on 13 February 1970. LG Corp. is a holding company which owns 14 subsidiaries such as LG Electronics, LG Chemicals, LG U-Plus at the end of September 2020. 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: 30.06.2020)

(Unit: share)

Division	Shareholder	No. of shares owned	Ownership stake	Remarks
5% or higher shareholders	LG Corp.	5,380,524	33.08%	-
	National Pension Service	916,212	5.63%	-
Employee stock ownership association		6,460	0.04%	-

Note) The number of shares owned and the share ratio are as of 31 December 2019, the date of the recent closing of the shareholders' list.

Minority shareholder status

(Basic date: 30.06.2020)

(Unit: share)

Division	Shareholders			Shares hold			Remarks
	Minority shareholders	Total shareholders	Stake(%)	Minority shares	Total number of shares issued	Stake(%)	
Minority shareholders	10,994	11,005	99.9	8,340,232	16,264,300	51.29	-

Shareholders having shares under 1/100 of the total shares issued Note 2) Based on 31 December 2019 which is the closing date of the shareholder list.

4. Operations for Shares

Division	Details
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"> 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」 When the company issues new shares via stock option according to Article 542-3 of the 「Commercial Act」 Primary distribution to the members of the Employee Stock Ownership Association within 20% of the total number of shares issued 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 Commercial Act When collecting new shares or having the acquirers take over the shares to be listed in the security market or KOSDAQ When the company issues new shares for foreigners' investment based on the reasons of management according to the Foreigners Investment Promotion Act When issuing new shares according to the issuance of depository receipts(DR) within 50% of the total number of shares issued <p>③ The handling of odd lots generated from the allocation of shares and new shares based on the abandonment or loss of preemptive rights shall be Decided based on the resolution of 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 Act.</p>

Settlement date	31 December
Regular general meeting of shareholders	Within three months after the closing of each business year
Period closing the shareholders' list	1 January ~ 7 January, every year(Date shareholders' list is closed: 31 December, 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 Geumyung Road, Namgu, Busan, Korea / (Tel) +82 51 519 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, shares)

Type			2020 years			2020 years		
			Jun.	May	Apr.	Mar.	Feb.	Jan.
Silicon Works (A108320) Common shares	Stock price	Maximum	41,800	35,800	38,900	42,800	38,250	30,650
		Minimum	36,200	24,000	32,950	37,100	29,600	26,950
		Average	39,048	30,495	37,178	40,197	34,100	29,283
	Volume of transaction	Maximum (days)	609,521	307,080	297,214	316,142	688,519	262,512
		Minimum (days)	95,498	67,480	66,062	86,334	86,818	97,495
		Monthly	5,124,082	4,105,858	2,510,559	3,021,133	4,288,544	3,066,594

※ 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 reporting day, there is no relevant information.

VIII. Executives and Employees

1. Status of Executives and Employees

A. Status of executives

(Basic date: 30.06.2020)

(Unit: share)

Name	Sex	Date of birth	Job title	Registered or not	Full time or not	Responsibilities	Major career	No. of shares owned		Relationship with the largest shareholder	Service period	Term expiration date
								Voting stocks	Non-voting stocks			
Son Bo-Ik	M	Sep. 1961	Representative Director	Registered director	Regular	Board chairman, representative director	MIT (MA) CTO SIC Center Director, LG Electronics Co., Ltd.	1,826	-	Executive of affiliates (Silicon Works) Registered director	01.12.16 ~present	25.03.2023
Choi Sung-Kwan	M	Feb. 1973	Internal director	Registered director	Regular	CFO, internal accounting manager	Yonsei University Department of Business Administration General manager of Finance Team, LG Co., Ltd.	-	-	Executive of affiliates (Silicon Works) Registered director	01.01.18 ~present	15.03.2021
Jeong Yeon-Chae	M	Aug. 1963	Other non-executive director	Registered director	Non-regular	Business for overall management	Hankuk University of Foreign Studies Department of Business Administration, Justice management, LG Electronics Co., Ltd.	-	-	Executive of affiliates (LG Co., Ltd.) Registered director	15.03.19 ~present	14.03.2022
Yoon Il-Goo	M	Jun. 1967	Outside director	Registered director	Non-regular	Business for overall management, chairman of the Audit Committee	Georgia Tech (Ph.D.), professor, Department of Electronic Engineering, College of Engineering, Yonsei University	-	-	Not applicable	17.03.17 ~present	25.03.2023
Shin Yeong-Soo	M	Aug. 1967	Outside director	Registered director	Non-regular	Business for overall management, member of Audit Committee	Ph.D. Department of Electronic Engineering, Seoul National University Professor, Department of Electrical and Electronics Engineering, KAIST	-	-	Not applicable	16.03.18 ~present	15.03.2021
Wi Kyung-Woo	M	Jul. 1962	Outside director	Registered director	Part-time	Business for overall management, member of Audit Committee	UCLA Business Administration (Ph.D) Professor of Business Administration, Sookmyung Women's University	-	-	Not applicable	15.03.19 ~present	14.03.2022
Hong Min-Seok,	M	Jul. 1969	Director	Unregistered director	Regular	CHO	Cornell Univ. MILR (MA) MC HR, LG Electronics	-	-	Unregistered director of affiliates	01.12.18 ~present	-
Na Joon_ho	M	Sep. 1968	Managing director	Unregistered director	Full-time	Product planning and research and development	Inha University, Department of Electronic Engineering (MA) LG Semiconductor	20,636	-	Unregistered director of affiliates	01.01.19 ~present	-
Go Dae-Hyeop	M	Sep. 1965	Director	Unregistered director	Full-time	Product planning and research and development	Seoul National University, Department of Electronic Engineering (MA) SIC Center DTV SoC development director, LG Electronics Co., Ltd.	-	-	Unregistered director of affiliates	31.07.17 ~present	-
Na Young-Sun	M	May 1971	Director	Unregistered director	Regular	R&D	Hanyang University Department of Electrical and Computer Engineering (Ph.D) SIC Center DIC business team, LG Electronics	527	-	Unregistered director of affiliates	01.07.15 ~present	-
Jeon Hyeon-Gyu	M	Feb. 1971	Director	Unregistered director	Regular	R&D	Department of Electrical and Electronics Engineering, KAIST (Phd.) Korea Advanced Institute of	20,691	-	Unregistered director of affiliates	01.09.03 ~present	-

							Science and Technology					
Woo Young-Jin	M	Feb. 1977	Director	Unregistered director	Regular	R&D	Department of Electrical and Electronics Engineering, KAIST (Phd.) Korea Advanced Institute of Science and Technology	-	-	Unregistered director of affiliates	10.02.11 ~present	-
Lee Jin-Gyu	M	Dec. 1969	Director	Unregistered director	Regular	R&D	Yonsei University, Department of Electronic Engineering (MA) Research Fellow, Intelligent SoC Development Room, SIC Center, LG Electronics	-	-	Unregistered director of affiliates	12.08.19 ~present	-
Jang Jae-Ryang	M	Jan. 1964	Director	Unregistered director	Regular	SCM division	KAIST, Techno management major (MA) SIC center business support Dept., LG Electronics	-	-	Unregistered director of affiliates	15.02.16 ~present	-

Note 1) The number of shares owned includes allocations of shares under the employee stock ownership plan to unregistered executives (NA, Joon Ho, Chun, Hyun kyu).

Note 2) Other non-executive director Jeong Yeon-Chae holds the positions of vice president of LG Co., Ltd. and other non-executive director positions of LG Innotek.

Note 3) Choi Sung-Kwan is the internal director of Advanced Power Device Technology Co., Ltd.

Note 4) Note) Jeon Hyeon-Gyu also serves the director of Advanced Power Device Technology Co., Ltd.

Note 5) Son Bo-Ik and Yoon Il-Goo internal directors were re-appointed at the 21st general meeting of Shareholders and has a term of three years.

Note 6) Directors Lee Jin-Gyu and Jang Jae-Ryang were newly appointed on 1 January 2020.

B. Status of Employees

(Basic date: 30.06.2020)

(Unit: million won)

Employees										Non-affiliated worker			Remarks
Business sector	Sex	Number of employees				Average service years	Total annual salary	Average salary per person	Male	Female	Total		
		Employees without defined term		Term based employees								Total Amount	
		Total	(Short term employees)	Total	(Short term employees)								
Total	Male	826	0	10	7	843	4.96	29,915	35	15	18	33	-
Total	Female	159	0	9	8	176	3.62	4,072	23				-
Total Amount		985	0	19	15	1004	4.73	33,988	34				-

C. Status of remuneration for non-registered executives

(Basic date: 30.06.2020)

(Unit: million won)

Division	Number of persons	Total annual salary	Average salary per person	Remarks
Unregistered directors	9	1,293	144	-

2. Remuneration to Executives

<Remuneration to all directors and auditors>

A. Amount approved by shareholders' meeting

(Unit: Million won)

Division	Number of persons	Amount approved by shareholders' meeting	Remarks
Registered director (Excluding outside directors and members of the Audit Committee)	3	-	The approval amount of the shareholders' meeting is based on the sum of registered executives.
Outside director (Excluding members of the Audit Committee)	-	-	The approval amount of the shareholders' meeting is based on the sum of registered executives.
Members of the Audit Committee or auditor	3	-	The approval amount of the shareholders' meeting is based on the sum of registered executives.
Total	6	3,000	-

Note) Since the Company pays directors' remuneration pay based on the "executive remuneration pay provisions" that have been resolved at the general shareholders' meeting in accordance with Article 38 of the Articles of Incorporation, severance pay is not included in the compensation limit approved by the general meeting of shareholders .

B. Amount of remuneration

(1) All directors and auditors

(Unit: Million won)

Number of persons	Total amount	Average per capita remuneration	Remarks
5	639	128	-

Note) Other non-executive directors (Jeong Yeon-Chae) are excluded from the number of people.

(2) Type

(Unit: Million won)

Division	Number of persons	Total amount	Average per capita remuneration	Remarks
Registered director (Excluding outside directors and members of the Audit Committee)	2	540	270	-
Outside directors (Excluding members of the Audit Committee)	-	-	-	-
Members of the Audit Committee	3	99	33	-
Auditor	-	-	-	-

Note1) The number of people is based on the reporting date.

Note2) The total amount of remunerations is based on the income on the Income Tax Act, which has been paid under the

qualification of the registered executive by the serving or resigned registered directors, outside directors and members of the Audit Committee pursuant to the provisions of Article 159 of the Capital Market and Financial Investment Services Act and Article 168 of the Enforcement Decree of the same Act.

Note 3) The average amount paid per member of the Audit Committee was calculated by dividing the total remuneration by the number of people (3).

Note4) Other non-executive directors (Jeong Yeon-Chae) are excluded from the number of people.

<Individual remuneration status of directors and auditors who paid KRW 500 million or more>

The Company does not include this item in the semiannual report in accordance with the Company disclosure form preparation standard.

A. Individual remuneration amount

(Unit: Million won)

Name	Job title	Total amount	Remuneration not included in the total remuneration
-	-	-	-

B. Calculation standard and method

(Unit: Million won)

Name	Type		Total amount	Calculation standard and method
-	Earned income	Salary	-	-
		Bonuses	-	-
		Profit from exercise of stock option	-	-
		Other earned income	-	-
	Retirement income		-	-
	Other income		-	-

<Remuneration status of the top 5 individuals among the remuneration payments of 500 million or more>

The Company does not include this item in the semiannual report in accordance with the Company disclosure form preparation standard.

A. Individual remuneration amount

(Unit: Million won)

Name	Job title	Total amount	Remuneration not included in the total remuneration
-	-	-	-

B. Calculation standard and method

(Unit: Million won)

Name	Type		Total amount	Calculation standard and method
	Earned income	Salary	-	-
		Bonuses	-	-
		Profit from exercise of stock option	-	-
		Other earned income	-	-
	Retirement income		-	-
	Other income		-	-

<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.

※ The closing price on 30 June 2020 was 38,600 KRW

IX. Affiliates

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

Name of corporate group: LG affiliates

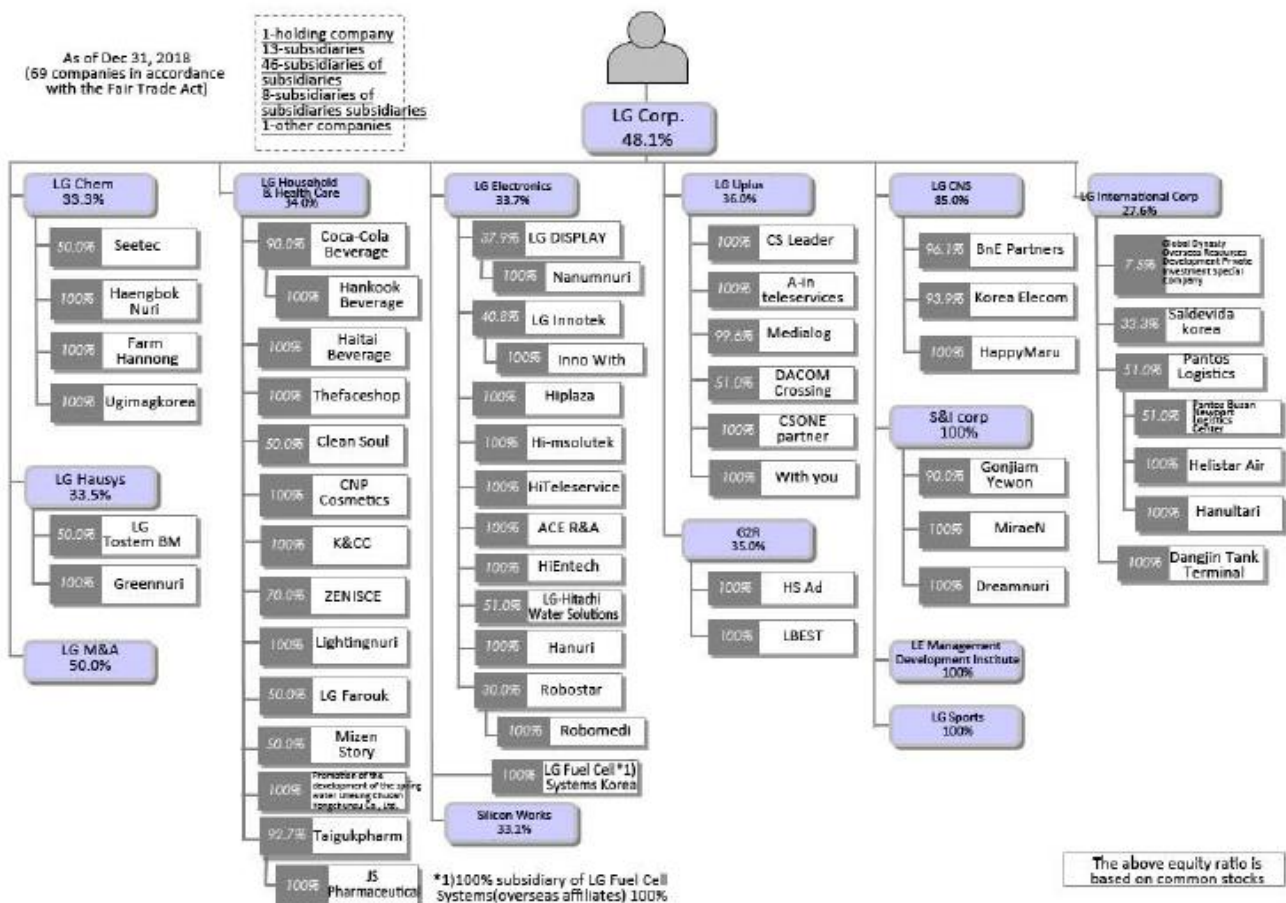
Name of the belonging company: Silicon Works

- 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: 30.06.2020]

Name	Job title	Status of additional positions		
		Company name	Position	Regular or not
Son Bo-Ik	Representative Director	Silicon Works Inc. (USA)	Representative Director	Non-regular
Jeong Yeon-Chae	Registered director	LG Corp.	Vice president	Full-time
		LG Innotek Co., Ltd.	Non-executive director	Non-regular

5. Status of investment in other companies

(Basic date: 30.06.2020)

(Unit: million won, thousand shares, %)

Company name	First acquisition date	Purpose of investment	Amount of the 1st acquisition	Beginning balance			Increase(decrease)			Ending balance			Recent financial state	
				Quantity	Ownership stake	Book value	Acquisition (disposition)		Assessed profit and loss	Quantity	Ownership stake	Book value	Total assets	Current net revenue
							Quantity	Amount						
Daedeok Investment (Unlisted)	20.05.2011	Simple investment	500	100	8.9	0	-	-	-	100	8.9	0	3,372	454
Silicon Works Inc. (Unlisted)	15.10.2012	Pioneering new markets	555	2,000	100	137	-	-	-	2,000	100	137	467	161
Silicon Works China Co., Ltd. (Unlisted)	03.03.2017	Pioneering new markets	674	-	100	2,179	-	-	-	-	100	2,179	3,205	261
Advanced Power Device Technology (Unlisted)	12.03.2018	Development and design business of semiconductor chips	4,410	176	49	4,296	-	-	-329	176	49	3,967	9,126	-519
Total Amount				2,276	-	6,612	-	-	-329	2,276	-	6,283	16,170	357

Note1) Net profit and total assets of companies to which the Company made equity investments in the latest fiscal year are calculated as of 31 December 2017 for Daedeok Investment. and other corporations are based on 31 December 2019.

X. Transactions with Stakeholders

1. Credit Granting to Large Shareholders

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

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

A. Business transfer

Division	Contract date Resolution date	Contracting party	Contents	Transfer amount (KRW billion)	Transferred date	Key items report Submission date
Business transfer	29.05.2018	LG Electronics Co., Ltd.	All of T-Con chip business related assets and personnel for OLED TV	461	01.07.2018	-

Note) Refer to XI. Other matters necessary for the protection of investors --> 3. Other information such as sanctions --> Information after the merger --> B. Financial comparison tables before and after the business transfer.

3. Operational Transactions with Large Shareholders

[Basic date: 30.06.2020]

(Unit: Million won)

Division	Company name	Profit transaction		Cost transaction	
		Sales	Others	Purchase	Others
Affiliates and their subsidiaries	LG CNS Co., Ltd.	-	-	2,061	832
	S&I Co., Ltd.	-	-	551	-
	LG Management Development Institute	-	-	392	-
	LG Electronics USA Inc.	784	-	-	-
	LG Display (China) Co., Ltd.	3,413	-	-	-
	LG Display (Guangzhou) Co., Ltd.	103,501	-	-	-
	LG Display Yantai	223	-	-	-
	LG Display Co., Ltd.	197,193	800	36	-
	LG Electronics Co., Ltd.	5,682	-	2,590	-
	LG Innotek Co., Ltd.	-	-	11,899	-
	LG Uplus	-	-	67	-
	Pantos Co., Ltd.	-	-	770	-
	Biz Tech Partners Co., Ltd.	-	-	115	-
	HS Ad Co., Ltd.	-	-	25	-
	Hi-Teleservice Co., Ltd.	-	-	3	-

4. Transactions with stakeholders other than major shareholders

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

XI. Other Matters Necessary for the Protection of Investors

1. Summary of Minutes from the General Meeting of Shareholders

<Progress and change status of disclosure>

- Not applicable

<Summary of minutes of shareholders' meeting>

Date	Agenda	Resolution
21st Regular general meeting of shareholders (26.03.2020)	1. Approval of the 21st consolidated financial statements and financial statements 2. Appointment of directors 2-1 Election of internal director Son Bo-Ik 2-2 Election of internal director Yoon Il-Goo 3. Appointment of members of the Audit Committee (Outside director Yoon Il-Goo) 4. Approval of limit of remuneration for directors	Approved
20th Regular general meeting of shareholders (15.03.2019)	1. Approval of the 20st consolidated financial statements and financial statements 2. Approval of amendment to the articles of incorporation 3. Appointment of directors 3-1 Election of other non-executive director Jeong Yeon-Chae 3-2 Election of outside director Wi Kyung-Woo 4. Appointment of members of the Audit Committee (Outside director Wi Kyung-Woo) 5. Approval of limit of remuneration for directors 6. Approval of the regulation for the payment of executive retirement pay	Approved
19th Regular general meeting of shareholders (16.03.2018)	1. Approval of the 19th consolidated financial statements and financial statements 2. Appointment of directors 2-1 Election of internal director Choi Sung-Kwan 2-2 Election of other non-executive director Jeong Hyeon-Ok 2-3 Election of outside director Shin Young-Soo 3. Appointment of members of the Audit Committee (Outside director Shin Young-Soo) 4. Approval of limit of remuneration for directors	Approved

2. Contingent liabilities

<Important Litigations>

As of the end of the current half-year, it is judged that there are no significant litigation cases that could have a significant impact on the company's business as a lawsuit has been filed against the Company's property.

<Status of promissory note, notes and checks as collateral>

(Basic date: 30.06.2020)

(Unit: won)

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

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

- Not applicable

3. Sanctions and Other Situations

<Status of sanctions>

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

<Significant incidents after the basic date for preparation>

- Not applicable

<Use of direct financed funds>

- Not applicable

<Information after merger> A. General matters

Division	Details
Transferred date	01.07.2018
Transfer amount	48 billion KRW
Company name	LG Electronics Co., Ltd.
Representative Director	Jeong Do-Hyun
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
Specific details	Acquired all assets and manpower related to OLED TV T-Con chip business for KRW 48 billion

Key schedule	Date of contract (date of resolution of the board of directors): 29.05.2018
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Note) The difference in the working capital between the valuation time and the acquisition time was settled, and the final acquisition amount was changed from KRW 48.0 billion to KRW 46.1 billion.

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

* Mergers, etc. (mergers, important business/asset transfers, comprehensive exchange and transfer of shares and division)

(Unit: Million won)

Applicable company	Account subject	Forecast		Performance				Remarks
		1st year	2nd year	1st year		2nd year		
				Performanc e	Difference rate	Performanc e	Difference rate	
LG Electronics Co., Ltd.	Sales	16,209	38,766	19,698	(22%)	38,210	1%	-
	Operating profit	1,888	4,755	1,622	14%	3,152	34%	-
	Net income	947	2,636	748	21%	2,589	2%	-

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

Note2) Difference rate: (Forecast-Performance)/Forecast

Note3) Reason for the difference ratio of over 10%

- Sales increased due to increased customer demand compared to the business environment predicted at the time of acquisition, but operating profit decreased due to increased development costs.

【Confirmation by Expert】

1. Confirmation by Expert

- Not applicable

2. Interests with experts

- Not applicable