

## Quarterly Report

(The 21<sup>st</sup> Year)

Business year from January 1, 2019 to September 30, 2019

To the Financial Services Commission

Korea Stock Exchange

November 13, 2019

Type of corporation for submission: Stock-listed Corporation

Occurrence of exemption: N/A

Company Name: Silicon Works Co., Ltd.

Representative Director: Boik Son

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

(Tel.) 02-3777-1114

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

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

(Tel.) 02-3774-1114

**[Confirmation by CEO]**

Confirmation and Signature of CEO

Letter of Confirmation

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

Furthermore, we hereby confirm that the company has established and run its internal accounting management system based on Article 8 of the [Act on External Auditors of Stock Companies].

Novemebr 13, 2019

Silicon Work Co., Ltd.

CEO Boik Son (Signature)

Director of Reporting Sung Kwan Choi (Signature)

## I. Company Overview

### 1. Company Overview

#### A. Outline of subsidiaries to be consolidated

(Unit: KRW)

Company name	Date of establishment	Address	Main businesses	Total asset at the end of the previous year	Basis of controlling relationship	Major subsidiary
Silicon Works Inc. (USA)	October 15, 2012	2952 BUNKER HILL LN #101 SANTA CLARA, CA 95054	Find and open new markets and support existing customers	298,468,756	Control over the investee (consolidated financial statements paragraph 5 to 18 of K-IFRS No. 1110)	N/A
Silicon Works China Co., LTD (China)	March 3, 2017	Room 609 Zhongchen Building No.1 Lizezhong 2Road, Wangjing Chaoyangqu, Beijing, 100102, China	Find and open new markets and support existing customers	2,869,034,174	Control over the investee (consolidated financial statements paragraph 5 to 18 of K-IFRS No. 1110)	N/A

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

#### (1) Changes of companies to be consolidated

- N/A

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

#### B. Legal and Commercial Name of the Company

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

#### C. Date of Establishment and period of survival

The company was established on November 11, 1999.

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

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

(1) Telephone: 02-3777-1114

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

E. SME Status

- N/A

F. Major Areas of Businesses

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

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

(1) Name of corporate group: LG affiliates

(2) Companies belonging to the corporate group (as of September 30, 2019)

① Domestic corporations

Division	Company Name	Corporate registration number	Major field of business	Note
Listed	LG Co., Ltd.	110111-0003543	Holding company (other service business)	
	LG Electronics Co., Ltd.	110111-2487050	Manufacturing business for broadcasting receivers and other image and sound devices	
	LG International Co.,Ltd.	110111-0004632	Manufacturing, wholesale, retail, service, construction and real estate	
	LG Chemicals Co., Ltd.	110111-2207995	Petrochemical and basic compound manufacturing business	
	LG Life & Health Co.,Ltd.	110111-2208000	Cosmetics and living product manufacturing business	
	LG Display Co., Ltd.	110111-0393134	Liquid crystal display device manufacturing business	
	LG U Plus Co., Ltd.	110111-1296676	Wire/wireless communication service	
	LG Innotech Co., Ltd.	110111-0192180	Other electronic component manufacturing business	
	GIIR Co., Ltd.	110111-0375398	Non-financial holding company	
	LG Hausys Co., Ltd.	110111-4071207	Construction plastic product manufacturing business	
	Silicon Works Co., Ltd.	160111-0089395	Flat display system IC designing and manufacturing	
	Robostar Co., Ltd.,	110111-1655393	Manufacture and sale of industrial robots	
Subtotal	12 companies			

Unlisted	LG CNS Co., Ltd.	110111-0516695	Other software consulting, development and supply business	
	LG Sports Co., Ltd.	110111-0359300	Professional baseball team operation	
	LG Institute of Management Development Co., Ltd.	110111-0423494	Institution for economy, management and environment research and construction	
	LG MMA Co., Ltd.	206211-0001805	Other basic organic compound manufacturing business	
	Media Log Co., Ltd.	110111-1905441	Value added communication business	
	Dacom Crossing Co., Ltd.	110111-2234683	International line rental	
	Serve One Co., Ltd.	110111-2411520	Vicarious purchase in company to company, other real estate lease business	
	Hiplaza Co., Ltd.	131111-0028801	Home appliance wholesale business	
	Seetech Co., Ltd.	110111-0589171	Electricity, gas, steam and air control and supply business	
	CS Leader Co., Ltd.	110111-2271924	Telemarketing service business	
	A-in Teleservice Co., Ltd.	180111-0367581	Telemarketing service business	
	Biz Tech Partners Co., Ltd.	110111-2689507	ERP consulting, development, outsourcing, business intelligence consulting, development, etc.	
	Coca Cola Beverages Co., Ltd.	110111-1342130	Manufacturing and selling of fresh beverages, etc.	
	Hi-M Solutek Co., Ltd.	110111-3371989	Selling and maintenance business for electric, electronic and air conditioning devices	
	CS One Partners Co., Ltd.	110111-3961756	Telemarketing service business	
	HS Ad Co., Ltd.	110111-3076662	Advertising production and agency business	
	L Best Co., Ltd.	110111-3806267	Advertising agency business	
	LG Tostem BM Co.,Ltd	110111-4080688	Manufacturing business for metallic doors, windows, shutter and related products	
	Hi-Teleservice Co., Ltd.	110111-4251552	Call center and telemarketing service business	
	Thefaceshop Co., Ltd.	110111-0386973	Cosmetics product manufacturing business	
	Korea Beverage Co.,Ltd.	211311-0005197	Food, beverage manufacturing, selling and exporting business	
Gonjiam Yewon Co.,Ltd.	134211-0111354	Agriculture, forestry, wholesale and retail business		
Hatai HTB Co., Ltd.	110111-0900004	Beverage manufacturing, selling and leasing business		
Sal de Vida Korea Co.,Ltd.	144811-0008169	Mining, wholesale and retail business		
Ace Freezing Air Conditioning Co., Ltd.	135111-0047493	Freezer and air conditioners manufacturing and selling business		

Hi-entech Co., Ltd.	110111-1799703	Environment facility management, engineering, etc.	
LG Hitachi Water Solution Co., Ltd.	110111-4777201	Water treatment business	
Nanum Nuri Co., Ltd.	176011-0075546	Social welfare service business	
Clean Soul LLC	110114-0113073	Soap and cleaner wholesale business	
LG Fuel Cell Systems Korea Co., Ltd.	110111-4922070	Business for solid oxidant and fuel cell systems	
Innowith Co., Ltd.	200111-0343156	Service business	
Hanuri Co., Ltd.	134811-0262254	Cleaning service, steam car washing, dormitory management service business, etc.	
Haengbok Nuri Co.,Ltd.	150111-0172829	Chemical product manufacturing, cleaning service and car washing business	
With You Co., Ltd.	110111-5145556	Service business	
CNP Cosmetics Co.,Ltd.	110111-1905318	Cosmetics sales business	
KNI Co., Ltd.	110111-2061581	Groceries sales business	
Pantos Logistics Co.,Ltd.	110111-0208127	Complex logistics brokerage and others	
Pantos Busan Newport Logistics Center Co.,Ltd.	180111-0641133	Warehousing and others	
Helistar Air Co., Ltd.	120111-0528086	General air cargo agency and others	
FMG Co., Ltd.	140111-0020096	Cosmetics manufacturing business	
Bargeunnuri Co., Ltd.	150111-0206876	Cleaning service business, car cleaning business	
Dangjin Tank Terminal Co., Ltd.	165011-0011709	Oil and chemical, gas storage and transportation business	
Farmhannong Co., Ltd.	110111-4362482	Manufacturing of pesticides and other agricultural chemicals, fertilizers and nitrogen compounds	
Haengbokmaru Co., Ltd	110111-6140993	General cleaning for buildings, operation of non-alcoholic beverage stores and specialized coffee stores	
LG Farouk Co., Ltd.	110111-6210647	Wholesale and retail of hair care products	
Migene Story Co., Ltd.	131111-0466580	Gene analysis information providing service	
Miraem Co., Ltd.	134211-0190259	Tourist hotel business, Tourist use facility business	
Dreamnuri Co., Ltd	110111-6560282	General cleaning for buildings	
Taegeuk Pharmaceutical Co., Ltd	134811-0004367	Pharmaceutical manufacturing	
JES Pharmaceutical Co., LTD	205911-0016611	Pharmaceutical manufacturing	
Greennuri Co., Ltd	230111-0286144	General cleaning for buildings	
Hanultari Co., Ltd	110111-6628337	Other general grocery retail businesses	

	Robomedi Co., Ltd	161511-0181019	Manufacture and wholesale of motor	
	Ugimag.,Ltd	154511-0032401	Manufacture and wholesale of Ferrite Magnet	
	Sejong green power.,Ltd	110111-5586065	Steam power and electricity sale	
	Woolleungsemool., Ltd	175811-0003526	Manufacture and sale of drinkable spring water	
	Rucipello Korea Co., Ltd	110111-5089316	Pharmaceutical manufacturing and sale	
	SNICM Co.,Ltd.	110111-7030507	Construction & civil engineering service	
Subtotal	59 companies			
Total	71 companies			

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

- \* Hi-Logistics Co., Ltd. was excluded from our affiliates on August 23, 2016.
- \* Haengbokmaru Co., Ltd. was included in our affiliates on October 1, 2016.
- \* Farm Heungnong Co., Ltd. and Chem Green Energy Co., Ltd. were excluded from our affiliates on October 5, 2016.
- \* Biz Tech Partners Co., Ltd. was included in our affiliates on November 1, 2016.
- \* Saemangeum Farm Co., Ltd. Farm PFI Co., Ltd. Hausys Interpane Co., Ltd. and Everon Co., Ltd. were excluded from our affiliates on November 18, 2016.
- \* LG Farouk Co., Ltd. was included in our affiliates on December 1, 2016.
- \* Farm Ceres Co., Ltd. was excluded from our affiliates on December 22, 2016.
- \* Gene Story Co., Ltd. was included in our affiliates on December 30, 2016.
- \* B&E Partners Co., Ltd. changed its company name to Biz Tech Partners Co., Ltd. on January 3, 2017.
- \* (Former) Biz Tech Partners Co., Ltd. was excluded from our affiliates on January 17, 2017.
- \* LG Life Science Co., Ltd. and Ucess Partners Co., Ltd. were excluded from our affiliates on January 18, 2017.
- \* Pantos Logistics Co., Ltd. changed its company name to Pantos Co., Ltd. on March 21, 2017.
- \* Pantos Busan Newport Logistics Center Co., Ltd. changed its company name to Pantos Busan Newport Center Co., Ltd. on March 27, 2017.
- \* Gene Story Co., Ltd. changed its company name to Migene Story Co., Ltd. on March 27, 2017.
- \* Farm Biotech was excluded from our affiliates on March 29, 2017.
- \* Miraem Co., Ltd. was included in our affiliates on July 1, 2017.
- \* Agrotech Co., Ltd. was excluded from our affiliates on December 5, 2017
- \* Dreamnuri Co., Ltd. was included in our affiliates on January 1, 2018
- \* SK Silitron(formerly LG Silitron) was excluded from our affiliates on January 3, 2018
- \* Cecil Co., Ltd. was excluded from our affiliates on January 3, 2018
- \* Taegeuk Pharmaceutical Co., Ltd. was included in our affiliates on February 1, 2018
- \* JES Pharmaceutical Co., LTD was included in our affiliates on February 1, 2018
- \* Promotion of the development of the spring water Ulleung Chusan Yongchunsu was included in our affiliates on Feb 1, 2018
- \* Greennuri Co., Ltd. was included in our affiliates on Feb 1, 2018
- \* Hanultari Co., Ltd. was included in our affiliates on Feb 1, 2018
- \* LG Nsys Co., Ltd. was excluded from our affiliates on April 12, 2018
- \* LBLusem Co., Ltd. (formerly Lusem Co., Ltd.) was excluded from our affiliates on April 18, 2018
- \* Hausys ENG Co., Ltd. was excluded from our affiliates on July 10, 2018
- \* Janice Co., Ltd. changed its company name to FMG Co., Ltd. on July 25, 2018
- \* Sarangnuri Co., Ltd. was excluded from our affiliates on August 27, 2018
- \* Robostar Co., Ltd. was included in our affiliates on September 1, 2018
- \* Robomedi Co., Ltd. was included in our affiliates on September 1, 2018
- \* Ugimac Korea Co., Ltd. was included in our affiliates on November 1, 2018
- \* Serve One Co., Ltd. changed its company name to SNI Co., Ltd. on December 3, 2018.
- \* Jiheung Co., Ltd. was excluded from our affiliates on December 26, 2018.

- \* Farmhwaong Co., Ltd. was excluded from our affiliates on December 26, 2018.
- \* (Former) Serve One Co., Ltd. established Serve One Co., Ltd. as 100% subsidiary by physically dividing the MRO business department on December 3, 2018. Newly established Serve One Co., Ltd. was integrated to the affiliate on January 1, 2019.
- \* Sejon Green Power Co., Ltd. was included in our affiliates on February 1, 2019.
- \* East Arrow Partners Co., Ltd was included in our affiliates on February 1, 2019.
- \* Woolleungsem Ltd. was included in our affiliates on March 1, 2019.
- \* Rucipello Korea Ltd. was included in our affiliates on March 1, 2019.
- \* SNICM Ltd. was included in our affiliates on April 1, 2019
- \* East Arrow Partners Co., Ltd was excluded from our affiliates on June 20, 2019
- \* Wolleng choosan yong chun soo reseach organization Co., Ltd was excluded from our affiliates on June 21, 2019
- \* Serve One Co, Ltd. was excluded in our affiliates on July 24th, 2019
- \* Korea Elecom Co Ltd. was excluded in our affiliates on August 30<sup>th</sup>, 2019
- \* Global Dynasty Overseas Resource Development Private Offering Investment Company was excluded in our affiliates on November 1st, 2019.

② Overseas corporations

No.	Company Name	Country
1	Arcelik-LG Klima Sanayi ve Ticaret A.S.	Turkey
2	Beijing LG Building Development Company	China
3	BEIJING LG HOUSEHOLD CHEMICAL CO., LTD.	China
4	Beijing Yuanzhimeng Advertising Co.,LTD.	China
5	DACOM AMERICA,INC.	USA
6	EIC PROPERTIES PTE, LTD.	Singapore
7	Entrue Brasil Servicos de T.I. Ltda	Brazil
8	GIIIR America Inc.	USA
9	GIIIR Communications India Private Limited	India
10	GIIIR UK Limited	England
11	Hangzhou LG Cosmetics Co.,Ltd.	China
12	Hi Logistics China Co., Ltd.	China
13	Inspur LG Digital Mobile Communications Co., Ltd.	China
14	KM Resources Inc.	Malaysia
15	Korea Carbon International Co., Ltd.	China

No.	Company Name	Country
16	L&T Display Technology (Fujian) Limited	China
17	LG Chem (China) Investment Co.,Ltd.	China
18	LG Chem (Nanjing) Information & Electronics Materials Co.,Ltd.	China
19	LG Chem (Taiwan), Ltd.	Taiwan
20	LG Chem (Tianjin) Engineering Plastics Co.,Ltd.	China
21	LG Chem America, Inc.	USA
22	LG Chem BRASIL INTERMEDIACAO DE NEGOCIOS DO SETOR QUIMICO LTDA.	Brazil
23	LG Chem Display Materials (Beijing) Co.,Ltd.	China
24	LG Chem Europe GmbH	Germany
25	LG Chem Michigan Inc.	USA
26	LG Chem Poland Sp. z o.o.	Poland
27	LG Chemical (Guangzhou) Engineering Plastics Co.,Ltd.	China
28	LG Chem HK Ltd.	China
29	LG Chemical India Pvt. Ltd.	India
30	LG CNS America Inc.	USA
31	LG CNS China Inc.	China
32	LG CNS Europe B.V	Netherlands
33	LG CNS India Pvt. Ltd.	India
34	LG CNS PHILIPPINES, INC.	Philippines
35	LG Consulting corp.	Panama
36	LG Display America,Inc.	USA
37	LG Display Germany GmbH	Germany
38	LG Display Guangzhou Co., Ltd	China
39	LG Display Japan Co.,Ltd.	Japan
40	LG Display Nanjing Co.,Ltd.	China
41	LG Display Poland Sp.zo.o.	Poland
42	LG Display Shanghai Co.,Ltd.	China
43	LG Display Shenzhen Co., Ltd	China

No.	Company Name	Country
44	LG Display Singapore Pte. Ltd.	Singapore
45	LG Display Taiwan Co.,Ltd.	Taiwan
46	LG Display Yantai Co., Ltd.	China
47	LG Electronics (Hangzhou) Co., Ltd.	China
48	LG Electronics (China) Co., Ltd.	China
49	LG Electronics (China) Research and Development Center Co., Ltd.	China
50	LG Electronics (Levant) Jordan	Jordan
51	LG Electronics Alabama Inc.	USA
52	LG Electronics Algeria SARL	Algeria
53	LG Electronics Almaty Kazakhstan	Kazakhstan
54	LG Electronics Argentina S.A.	Argentina
55	LG Electronics Australia Pty, Ltd.	Australia
56	LG Electronics Benelux Sales B.V.	Netherlands
57	LG Electronics Canada, Inc.	Canada
58	LG Electronics Colombia Ltda	Columbia
59	LG Electronics do Brasil Ltda.	Brazil
60	LG Electronics Deutschland GmbH	Germany
61	LG Electronics Dubai FZE	UAE
62	LG Electronics Egypt S.A.E	Egypt
63	LG Electronics Espana S.A	Spain
64	LG Electronics European Holdings B.V.	Netherlands
65	LG Electronics European Shared Service Center B.V.	Netherlands
66	LG Electronics France S.A.S.	France
67	LG Electronics Guatemala S.A.	Guatemala
68	LG Electronics Gulf FZE	UAE
69	LG Electronics Hellas S.A.	Greece
70	LG Electronics HK Ltd.	China
71	LG Electronics Honduras S.de R.L.	Honduras

No.	Company Name	Country
72	LG Electronics Huizhou Ltd.	China
73	LG Electronics Inc Chile Ltda.	Chile
74	LG Electronics India Pvt. Ltd.	India
75	LG Electronics Italia S.P.A.	Italy
76	LG Japan Lab. Inc.	Japan
77	LG Electronics Japan, Inc.	Japan
78	LG Electronics Latvia, LLC	Latvia
79	LG Electronics Magyar K.F.T.	Hungary
80	LG Electronics Malaysia SDN.BHD	Malaysia
81	LG Electronics Mexicali S.A.DE C.V.	Mexico
82	LG Electronics Mexico S.A.DE C.V.	Mexico
83	LG Electronics Middle East Co., Ltd.	UAE
84	LG Electronics Mlawa Sp. z.O.O.	Poland
85	LG Electronics Mobile Research U.S.A.,LLC.	USA
86	LG Electronics Monterrey Mexico S.A. de C.V	Mexico
87	LG Electronics Morocco S.A.R.L.	Morocco
88	LG Electronics Nanjing New Technology co.,LTD	China
89	LG Electronics Nigeria Limited	Nigeria
90	LG Electronics Nordic AB	Sweden
91	LG Electronics North Africa Service Company SARL	Tunisia
92	LG Electronics Overseas Trading FZE	UAE
93	LG Electronics Panama, S.A.	Panama
94	LG Electronics Peru S.A.	Peru
95	LG Electronics Philippines Inc.	Philippines
96	LG Electronics Polska Sp. Z.O.O	Poland
97	LG Electronics Portugal S.A.	Portugal
98	LG Electronics Qinhuangdao Inc.	China
99	LG Electronics Reynosa S.A. DE C.V.	Mexico

No.	Company Name	Country
100	LG Electronics RUS, LLC	Russia
101	LG Electronics S.A. (Pty) Ltd.	Republic of South Africa
102	LG Electronics Shenyang Inc.	China
103	LG Electronics Singapore PTE LTD	Singapore
104	LG Electronics Taiwan Taipei Co.,Ltd.	Taiwan
105	LG Electronics Thailand Co., Ltd.	Thailand
106	LG Electronics Tianjin Appliances Co., Ltd.	China
107	LG Electronics Ticaret A.S.	Turkey
108	LG Electronics U.S.A., Inc.	USA
109	LG Electronics Ukraine Inc.	Ukraine
110	LG Electronics United Kingdom Ltd.	England
111	LG Electronics Venezuela S.A	Venezuela
112	LG Electronics Wroclaw Sp.z.O.O.	Poland
113	LG Electronics(Shanghai) Research and Development Center Co., Ltd.	China
114	LG Electronics (Kunshan) Co., Ltd.	China
115	LG Electronics Africa Logistics FZE	UAE
116	LG Electronics Miami Inc.	USA
117	LG Hausys America,Inc.	USA
118	LG Hausys Europe GmbH	Germany
119	LG Hausys India Private Limited	India
120	LG Hausys RUS,LLC.	Russia
121	LG Hausys Trading Co., Ltd.	China
122	LG HOLDINGS (HK) LIMITED	China
123	LG Household & Health Care (Taiwan), Ltd.	Taiwan
124	LG HOUSEHOLD AND HEALTH CARE AMERICA, INC	USA
125	LG Household & Health Care TRADING(Shanghai)Co.,Ltd	China
126	LG Innotek (Taiwan) Co., Ltd.	Taiwan

No.	Company Name	Country
127	LG Innotek Huizhou Co., Ltd.	China
128	PT. LG Innotek Indonesia	Indonesia
129	LG Innotek Poland Sp. z o.o.	Poland
130	LG Innotek USA, Inc.	USA
131	LG Innotek Yantai Co., Ltd.	China
132	LG International Yakutsk	Russia
133	LG International(America) Inc.	USA
134	Bowen Investment(Australia) Pty Ltd	Australia
135	LG International(China) Corp.	China
136	LG International(Deutschland) GmbH.	Germany
137	LG International(Hong Kong) Ltd.	China
138	LG International(Japan) Ltd.	Japan
139	LG International(Saudi) LLC	Saudi Arabia
140	LG International(Singapore) Pte. Ltd.	Singapore
141	LG Chem Life Sciences (Beijing) Co.,Ltd.	China
142	LG Chem Life Sciences India Pvt. Ltd.	India
143	LG Chem Life Sciences Poland Ltd.	Poland
144	LG Polymers India Pvt. Ltd.	India
145	LG Soft India Private Limited	India
146	LG VINA Chemical Co.,Ltd.	Vietnam
147	LG Vina Cosmetics Co.,Ltd.	Vietnam
148	LG-Shaker Co. Ltd.	Saudi Arabia
149	Nanjing LG International VMI Ltd. Co.	China
150	Nanjing LG-Panda Appliances Co., Ltd.	China
151	Ningbo LG Yongxing Chemical Co.,Ltd.	China
152	Ningbo Zhenhai LG Yongxing Trade Co.,Ltd.	China
153	P.T. LG Electronics Indonesia	Indonesia
154	Philco Resources Ltd.	Malaysia

No.	Company Name	Country
155	PT. LG CNS Indonesia	Indonesia
156	PT. Batubara Global Energy	Indonesia
157	PT. Green Global Lestari	Indonesia
158	PT. Indonesia Renewable Resources	Indonesia
159	PT. Mega Global Energy	Indonesia
160	Qingdao LG Inspur Digital Communication Co., Ltd.	China
161	Resources Investment (H.K) Limited	China
162	S&I Nanjing Company Limited	China
163	Servicios Integrales LG S.A DE C.V	Mexico
164	Servicios LG Monterrey Mexico S.A. de C.V.	Mexico
165	Steel Flower Electric Machinery (Tianjin) Co., Ltd.	China
166	Taizhou LG Electronics Refrigeration Co., Ltd.	China
167	THEFACESHOP(SHANGHAI) CO., LTD	China
168	Tianjin LG Bohai Chemical Co.,Ltd.	China
169	Tianjin LG Botian Chemical Co.,Ltd.	China
170	LG Hausys Tianjin Co., Ltd.	China
171	Tianjin Li Jie Cartridge Heater co.,Ltd	China
172	UCESS PHILIPPINES, INC.	Philippines
173	United Copper & Moly LLC	USA
174	V-ENS (M) Sdn. Bhd.	Malaysia
175	Zenith Electronics Corporation	USA
176	Zenith Electronics Corporation of Pennsylvania	USA
177	LG Chem(HUIZHOU) Petrochemical Co., Ltd.	China
178	GILR Rus LLC	Russia
179	GILR Do Brasil Ltda	Brazil
180	LG Hausys (Wuxi) Co., Ltd.	China
181	Yantai VMI HUB LG International	China
182	PT. Mega Prima Persada	Indonesia

No.	Company Name	Country
183	PT. Parna Agromas	Indonesia
184	LG Electronics Air-Conditioning(Shandong) Co.,Ltd.	China
185	LG Electronics Angola Limitada	Angola
186	Guangzhou Steel Flower Electric & Machinery Co., Ltd.	China
187	Colmineral S.A. de C.V	Mexico
188	Ginza Stefany Inc.	Japan
189	LG CNS COLOMBIA SAS	Columbia
190	LHC Solar. LLC	USA
191	LG Hausys Mongolia LLC	Mongolia
192	PANTOS LOGISTIC SOLUTIONS INDIA PRIVATE LIMITED	India
193	LG Electronics Saudi Arabia Limited Company	Saudi Arabia
194	LG Fuel Cell Systems Inc.	USA
195	GIIR Thailand Ltd.	Thailand
196	PT. Ganda Alam Makmur	Indonesia
197	LG Innotek Trading (Shanghai) Co., Ltd	China
198	Global OLED Technology LLC.	USA
199	GIIR Germany GmbH	Germany
200	GIIR Ukraine LLC	Ukraine
201	LG Display (China) Co., Ltd.	China
202	LG Chem Life Sciences (Thailand) Ltd.	Thailand
203	Everlife Co.,Ltd.	Japan
204	TFS Singapore Private Limited	Singapore
205	Everlifeagency Co.,Ltd.	Japan
206	Everlife H&B Co.,Ltd.	Taiwan
207	LG Electronics Pasig Inc.	Philippines
208	HiEntech (Tianjin) Co., LTD.	China
209	LG Innotek Mexico S.A. de C.V.	Mexico
210	LGC Petrochemical India Private Ltd.	India

No.	Company Name	Country
211	LG International India Private Limited	India
212	LG Electronics Vietnam Haiphong Co Ltd	Vietnam
213	Fertilizer Resources Investment Limited	China
214	LG CHEM TK Kimya SANAYI VE TIC. Ltd. STI.	Turkey
215	FRUITS & PASSION BOUTIQUES INC.	Canada
216	Fruits & Passion Immobilier Inc.	Canada
217	3390306 Canada Inc.	Canada
218	THE FACE SHOP TRADE (GUANGDONG) Co., Ltd	China
219	LG CNS MALAYSIA SDN BHD	Malaysia
220	LG Hausys(Tianjin) Engineering Co., Ltd.	China
221	LG CNS Saudi Arabia LLC	Saudi Arabia
222	LG CNS JAPAN Co., Ltd.	Japan
223	HI LOGISTICS RUS. LIMITED LIABILITY COMPANY	Russia
224	LG Chem Japan Co.,Ltd.	Japan
225	UNIFIED INNOVATIVE TECHNOLOGY, LLC	USA
226	LG NanoH2O, LLC	USA
227	LG Holdings Japan Co., Ltd	Japan
228	PT. Binsar Natorang Energi	Indonesia
229	PT.LG Electronics Service Indonesia	Indonesia
230	Farmhannong America, Inc.	USA
231	Silicon Works Inc.	USA
232	Hi Logistics Egypt	Egypt
233	HS Ad MEA FZ-LLC	UAE
234	HSAD LATIN AMERICA,S.A.	Panama
235	Nanjing LG Chem New Energy Battery Co.,Ltd.	China
236	NanoH2O (Jiangsu) Water Processing Technology Co. LTD.	China
237	Combustion Synthesis Co., Ltd.	Japan
238	LG Chem (Chongqing) Engineering Plastics Co.,Ltd.	China

No.	Company Name	Country
239	LG Chem Malaysia SDN.BHD	Malaysia
240	LG CNS UZBEKISTAN, LLC	Uzbekistan
241	LG Electronics Finland Lab Oy	Finland
242	LG Display Guangzhou Trading Co., Ltd.	China
243	Haiphong Steel Flower Electrical & Machinery Company Limited	Vietnam
244	Pantos Logistics (China) Co., Ltd.	China
245	FNS (Beijing) Logistics Co., Ltd.	China
246	Pantos Logistics (Shanghai) Co., Ltd.	China
247	Pantos Logistics (Ningbo) Co., Ltd.	China
248	Pantos Logistics (Shenzhen) Co., Ltd.	China
249	Pantos Logistics (HK) Company limited	China
250	Pantos Logistics (Taiwan) Co., Ltd.	Taiwan
251	PT. Pantos Logistics Indonesia	Indonesia
252	PT. Pantos Logistics Jakarta	Indonesia
253	PT. Pantos Express Indonesia	Indonesia
254	Pantos Logistics SINGAPORE PTE. LTD.	Singapore
255	Pantos Logistics (Thailand) Co., Ltd.	Thailand
256	Pantos Logistics MALAYSIA SDN. BHD.	Malaysia
257	PANTOS LOGISTICS (INDIA) PRIVATE LIMITED	India
258	Pantos Logistics (CAMBODIA) Co., Ltd.	Cambodia
259	Pantos Logistics Vietnam Co., Ltd.	Vietnam
260	Pantos Logistics AUSTRALIA PTY LTD.	Australia
261	Pantos Logistics Philippines Inc.	Philippines
262	Pantos Holdings (Thailand) Co., Ltd.	Thailand
263	Pantos Logistics Myanmar Co., Ltd.	Myanmar
264	Pantos Logistics U.K Ltd.	England
265	Pantos Logistics Benelux B.V	Netherlands
266	Pantos Logistics France	France

No.	Company Name	Country
267	Pantos Logistics Poland Sp.z o.o.	Poland
268	Pantos Logistics Germany GmbH	Germany
269	Pantos Logistics Spain S.L.	Spain
270	Pantos Logistics DIS TICARET SANAYI VE TICARET LIMITED SIRKETI	Turkey
271	Pantos Logistics Mexico S.A DE C.V	Mexico
272	Pantos Do Brasil Logistica Ltda	Brazil
273	Pantos Logistics Colombia S.A.S	Columbia
274	Pantos Logistics Chile SPA	Chile
275	Pantos Logistics Panama S.A.	Panama
276	FNS CIS LLC	Russia
277	Pantos Logistics Kazakhstan	Kazakhstan
278	Pantos Logistics UKRAINE LTD.	Ukraine
279	Pantos Customs Services LLC	Russia
280	ZAO Contrans	Russia
281	Pantos Logistics L.L.C (DUBAI)	UAE
282	PANTOS LOGISTICS L.L.C OMAN	Oman
283	PANTOS LOGISTICS CO., LTD. SAUDI ARABIA	Saudi Arabia
284	Pantos Logistics Japan Inc.	Japan
285	LG Electronics Nanjing Battery Pack Co.,Ltd.	China
286	LG Electronics Nanjing Vehicle Components Co.,Ltd.	China
287	HI M SOLUTEK HVAC SERVICE AND MAINTENANCE L.L.C	UAE
288	Highland Cement International Co., Ltd.	Myanmar
289	S&I POLAND sp.z o.o.	Poland
290	Pantos North America, Inc.	USA
291	LG Display Vietnam Haiphong Co., Ltd.	Vietnam
292	Farm Hannong (Heilongjiang) Chemical Co., Ltd.	China
293	LG H&H HK LIMITED	China
294	HI-M SOLUTEK PHILIPPINES INC.	Philippines

No.	Company Name	Country
295	LG Chem Wroclaw Energy sp. z o.o.	Poland
296	Suzhou Lehui Display Co., Ltd.	China
297	Toiletry Japan Inc.	Japan
298	LG Innotek Vietnam Haiphong Co., Ltd	Vietnam
299	LG HOUSEHOLD AND HEALTH CARE COSMETICS R AND D(SHANGHAI) CO.,LTD	China
300	HI LOGISTICS BRASIL SERVICOS DE LOGISTICA LTDA	Brazil
301	PANTOS LOGISTICS AR S.A.	Argentina
302	HI-M SOLUTEK VIETNAM CO., LTD.	Vietnam
303	c2i(s.r.o)	Slovakia
304	FJ Composite Material Co., Ltd.	Japan
305	LG CNS VIETNAM CO., LTD	Vietnam
306	LG Corp. U.S.A.	USA
307	LG Hausys Canada, Inc.	Canada
308	Silicon Works China Co., Ltd	China
309	LGEUS Power, LLC	USA
310	LG Electronics Vehicle Component U.S.A., LLC	USA
311	LG Chem Hai Phong Vietnam Co., Ltd.	Vietnam
312	LG HOUSEHOLD & HEALTH CARE MALAYSIA SDN. BHD.	Malaysia
313	HS AD VIETNAM CO., LTD.	Vietnam
314	LG Chem Austrailia Pty Ltd.	Australia
315	CCP-LGE OWNER, LLC	USA
316	LG Chem Mexico S.A. de C.V.	Mexico
317	FarmHannong(Thailand) Ltd.	Thailand
318	Pantos Logistics Nigeria Limited	Nigeria
319	LG ELECTRONICS FUND I LLC	USA
320	LG Technology Ventures LLC	USA
321	LG Chem Hai Phong Engineering Plastics LCC.	Vietnam
322	LG Chem (Guangzhou) Information & Electronics Materials Co.,Ltd.	China

No.	Company Name	Country
323	LG CHEM FUND I LLC	USA
324	LG UPLUS FUND I LLC	USA
325	LG DISPLAY FUND I LLC	USA
326	HS GTM Germany GmbH	Germany
327	LEYOU NEW ENERGY MATERIALS(WUXI)CO.,LTD	China
328	PT. Grand Utama Mandiri	Indonesia
329	PT. Tintin Boyok Sawit Makmur	Indonesia
330	PT. Tintin Boyok Sawit Makmur Dua	Indonesia
331	LG Household & Health Care (Thailand) Limited	Thailand
332	FMG & MISSION CO., Ltd.	Japan
333	ZKW Holding GmbH	Austria
334	ZKW Group GmbH	Austria
335	ZKW Lichtsysteme GmbH	Austria
336	ZKW Elektronik GmbH	Austria
337	KES - kablove a elektricke systemy spol. s.r.o.	Czech
338	KES Poland Sp.z o.o.	Poland
339	ZKW Slovakia s.r.o.	Slovakia
340	ZKW Lighting Systems USA, Inc.	USA
341	ZKW Mexico, S.A. de C.V.	Mexico
342	ZKW Mexico Inmobiliaria, S.A. de C.V.	Mexico
343	ZKW Mexico Servicios, S.A. de C.V.	Mexico
344	ZKW Lighting Systems (Dalian) Co. Ltd.	China
345	ZKW Austria Immobilien Holding GmbH	Austria
346	ZKW Austria Immobilien GmbH	Austria
347	HIPLAZA (Shenyang) Trading Co., Ltd.	China
348	LG Display High-Tech (China) Co., Ltd.	China
349	Live & Life Co., Ltd.	Japan
350	Fleuve Beaute Inc.	Japan

No.	Company Name	Country
351	ROBOSTAR (SHANGHAI) CO.,LTD	China
352	LG CNS FUND I LLC	USA
353	S&I Vietnam construction Co., Ltd	Vietnam
354	PANTOS LOGISTICS SWEDEN AB.	Sweden
355	Uniseal, Inc.	USA
356	LG Chem Nanjing Energy Solution Co., Ltd.	China
357	LG Chem Life Science Innovation Center, Inc.	USA
358	Avon Manufacturing (Guangzhou),Ltd	China
359	QINGGONGLIAN ELECTRICAL INSTALLATION ENGINEERING CO.,LTD	China
360	Uniseal Europe Ltd.	England
361	PANTOS LOGISTICS HUNGARY KFT.	Hungary
362	S&I CM NANJING	China
363	S&I CM POLAND SP. Z o. o	Poland
364	FarmHannong(Malaysia) SDN. BHD.	Malaysia
365	S&I CM VIETNAM COMPANY LIMITED	Vietnam
366	New Avon Company	USA
367	Avon Canada Inc.	Canada
368	LG H&H Tokyo R&D Center Inc.	Japan
369	Onecube International Logistics Co., Ltd.	China

#### H. Credit Rating

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

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

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

## 2. Corporate History

A. The major events of Silicon Works Co., Ltd are written below:

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

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

Date	Major event
October 2012	Establishment of legal entity (capital of USD 500,000)

C. The following is the major corporate history of Silicon Works China Co., LTD(China), one of the company's subsidiaries.

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

D, The address changes of headquarters

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

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

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

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

E. Significant changes in management

Date	Before			After		
	executive director	Nonexecutive director	Outside director	executive director	Nonexecutive director	Outside director
March 2015	Daekeun Han (CEO), Daesung Kim, Hyungseok Oh	-	Kunwoo Moon, Sanggook Lee, Namjoo Lee	Daekeun Han (CEO), Dongsoo Bae	-	Kunwoo Moon, Sanggook Lee, Namjoo Lee

June 2015	Daekeun Han (CEO), Dongsoo Bae	-	Kunwoo Moon, Sanggook Lee, Namjoo Lee	Daekeun Han (CEO), Dongsoo Bae	Boik Son	Kunwoo Moon, Sanggook Lee, Namjoo Lee
March 2017	Daekeun Han (CEO), Dongsoo Bae	Boik Son	Kunwoo Moon, Sanggook Lee, Namjoo Lee	Boik Son(CEO), Dongsoo Bae	Byunghoo Min	Kunwoo Moon, Namjoo Lee, Ilgoo Yoon
March 2018	Boik Son(CEO), Dongsoo Bae	Byunghoo Min	Kungwoo Moon, Namjoo Lee, Ilgoo Yoon	Boik Son (CEO), Sungkwan Choi	Hyungok Jeong	Namjoo Lee, Ilgoo Yoon, Yongsoo Shin
March 2019	Boik Son (CEO), Sungkwan Choi	Hyungok Jeong	Namjoo Lee, Ilgoo Yoon, Yongsoo Shin	Boik Son (CEO), Sungkwan Choi	Nyunchae Jeong	Ilgoo Yoon, Youngsoo Shin, Kyungwoo Wi

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

#### F. Changes in the largest shareholder

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

### 3. Changes in capital

- N/A

#### Increase of Capital

(Basic date: September 30, 2019)

(Unit: KRW, share)

Date of Issue of shares	Issue type	Details of issued share				
		Share type	Quantity	Face amount per share	Issue price per share	note
-	-	-	-	-	-	-

### 4. Total Number of Shares

#### Status of Total Number of Shares

(Basic date: September 30, 2019)

(Unit: share)

Classification	Type of share			note
	Common share	Preferred share	Total	

I. Total number of shares to be issued	-	-	50,000,000	-
II. Total number of shares issued	16,264,300	-	16,264,300	-
III. Total number of shares that have been decreased	-	-	-	-
	1. Capital Decrease	-	-	-
	2. Cancellation of shares	-	-	-
	3. Redemption of redeemable shares	-	-	-
	4. Others	-	-	-
IV. Total number of issued shares (II-III)	16,264,300	-	16,264,300	-
V. Number of treasury shares	-	-	-	-
VI. Number of shares ready to trade (IV –V)	16,264,300	-	16,264,300	-

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

## 5. Status of Voting Right

(Basic date: September 30, 2019)

(Unit: share)

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

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

## 6. Dividends related issues

### A. Dividend

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

Articles of association Clause 55 [Dividend]

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

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

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

### B. Dividends over the recent 3 business years

Major Dividend index

Classification	Type of share	Current year	Previous year	The year before previous year
		3Q of 21st year	20th year	19th year
Face value per share (KRW)		500	500	500
(Consolidated) Current net profit (One Million KRW)		19,337	48,960	47,064

(Non-Consolidated) Net profit during the term (One Million KRW)		18,993	48,931	46,458
Net income per share (KRW)		1,189	3,010	2,894
Total cash dividend (Million KRW)		-	13,499	11,385
Total share dividend (Million KRW)		-	-	-
(Consolidated) Cash dividend payout ratio (%)		-	27.6	24.2
Return on cash dividend (%)	Common shares	-	2.5	1.4
	Preferred shares	-	-	-
Return on share dividend (%)	Common shares	-	-	-
	Preferred shares	-	-	-
Cash dividend per share (KRW)	Common shares	-	830	700
	Preferred shares	-	-	-
Share dividend per share (Share)	Common shares	-	-	-
	Preferred shares	-	-	-

## II. Content of Business

### 1. Business Overview

#### A. System IC

##### (1) Characteristics of the industry

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

##### (2) Market size and growth prospect

Medium and large (TV/ IT/ Auto) Display IC market is growing with aggressive capacity expansion by the Chinese panel manufacturers and increasing focus on premium products such as 8K LCD and OLED TV etc. Moreover, small (Smartphone/ Smartwatch) Display IC market is prospected to sustain its growth on P-OLED products in the future, as Chinese panel manufacturers are accelerating their entry into the P-OLED market since the introduction of Apple's first P-OLED phone release in 2017. Therefore, the Display IC market will continue to grow due to the rapid growth in Chinese panel manufacturers and shift in panel generation (LCDaOLED, 4Ka8K) and etc.

[Yearly panel sales]

#### WW Panel Forecast

(Unit: Munits)	2015	2016	2017	2018(E)	2019(E)	2020(E)	2021(E)	2022(E)	2023(E)	2024(E)	2025(E)
<b>MNT</b>	140.2	140.9	140.1	149.7	149.5	138.9	138.0	138.0	137.7	137.5	137.2
Notebook	179.6	168.7	179.9	185.7	191.0	178.0	178.8	178.4	177.3	177.0	175.6
Tablet	271.9	235.3	215.1	209.6	183.0	160.1	150.3	142.3	168.6	165.4	162.1
TV	274.2	265.4	266.6	287.1	293.1	276.4	274.8	275.9	277.1	278.7	280.0
Automotive	137.5	144.5	153.8	171.0	183.2	192.8	201.6	210.5	218.3	221.7	224.6
<b>Large Total</b>	<b>1,003.4</b>	<b>954.8</b>	<b>955.5</b>	<b>1,003.0</b>	<b>999.7</b>	<b>946.2</b>	<b>943.7</b>	<b>945.0</b>	<b>978.9</b>	<b>980.2</b>	<b>979.4</b>
Featurephone	410	333	322	325	338	345	348	350	350	349	348
Smartphone	1,548	1,609	1,682	1,632	1,710	1,719	1,734	1,751	1,758	1,762	1,771
Smart Watch	47.7	75.3	105.1	121.2	135.2	142.8	145.8	147.7	148.8	149.6	149.8
Head Mound Display(VR/AR)	-	2.6	3.5	6.3	11.2	13.6	16.3	19.2	20.5	20.7	20.9
<b>Small Panel Total</b>	<b>2,005</b>	<b>2,020</b>	<b>2,112</b>	<b>2,084</b>	<b>2,195</b>	<b>2,220</b>	<b>2,244</b>	<b>2,268</b>	<b>2,277</b>	<b>2,281</b>	<b>2,289</b>

[Source- Estimation of ihs and Silicon Works]

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

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

Moreover, the importance of OLED TV among premium TV market is continuously growing, and display IC market for OLED TV is also showing high growth as there has been an increase in TV set makers who chose OLED panel as their product differentiation strategy. Although the market size is fairly small as LG Display is currently the only manufacturer that mass produces OLED TV panels, but the market's rapid growth is expected within 3 years as Chinese panel manufacturers are doing heavy investments on production facilities and equipment with their huge capital. Display IC for OLED TV has panel compensation technology in its core rather than the drive technology unlike LCD products. Therefore, manufacturers with such competitiveness will likely to lead the market.

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

#### ② Small (Smartphone/ Smartwatch) Display IC

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

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

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

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

### (3) Characteristics of economic fluctuations and competitive factors

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

Display industry has a characteristic where the technological completeness increases, the entry barrier becomes higher. Supply capacity has improved through fierce competition between panel makers in the past, and recorded high growth rate among overall display industry as it met with high demand. However, currently, it is now in the slow growth phase with high market maturation and limited demand, and changing need has not increased in big numbers due to high sensitivity in economic fluctuation. It is hard to expect sustainable market growth unless creating new demand through innovative products.

### (4) Market share

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

### (5) Strength of the company

The company not only provides the core components of display system semiconductor as a total solution, but also localize the products that have been highly dependent on overseas imports, contributing to stable components procurement and price competitiveness of domestic downstream companies. We are also actively supporting customers' market lead by providing customized premium products through continuous technology development. The win-win strategy based on trust with downstream companies plays a major role in our

competitiveness. As a result, we have secured technology responsiveness that enables us to respond fast and flexibly to market changes, from new product developments to supply. The company is diversifying customer through procuring domestic and overseas partners base on independent design technology.

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

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

C. Financial status summary for each business segment

(1) Financial status for each business segment

[Base date: September 30, 2019]

(Unit : 1,000 KRW)

Category	Location	Title	3Q of 21 <sup>st</sup> year	20 <sup>th</sup> year	19 <sup>th</sup> year
Semiconductor	Daejeon	Assets	635,510,638	607,558,306	544,294,125
		Liabilities	182,939,231	160,944,738	132,068,704
		Capital	452,571,406	446,613,568	412,225,422

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

(2) Profit / loss for each business segment

[Base date: September 30, 2019]

(Unit : 1,000 KRW)

Category	Location	Title	3Q of 21 <sup>st</sup> year	20 <sup>th</sup> year	19 <sup>th</sup> year
Semiconductor	Daejeon	Assets	623,394,412	791,818,132	692,761,282
		Operating profit	22,042,796	55,797,059	45,521,509
		Net profit	19,336,532	48,960,453	47,064,354

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

**2. Information on major products and etc.**

[Base date: September 30, 2019]

(Unit : 1,000KRW)

Business Sector	Product	Product Detail	Major Product	3Q of 21 <sup>st</sup> year		20 <sup>th</sup> year		19 <sup>th</sup> year	
				Sales	Rate(%)	Sales	Rate(%)	Sales	Rate(%)
Semiconductor	System IC	Panel driver IC and etc.	Driver - IC	517,233,031	82.97	664,231,979	83.89	585,037,467	84.45
			Non-Driver-IC	106,161,381	17.03	127,586,153	16.11	107,723,815	15.55
Total				623,394,412	100.00	791,818,132	100.00	692,761,282	100.00

**3. Main materials**

[Basic date: September 30, 2019]

(Unit : 1,000KRW)

Material	Purchase price	Major supplier
WAFER, etc.	311,505,968	SK Hynix Co., Ltd., LG Innotek Co., Ltd. etc
Processing cost, etc.	192,711,896	LB Semicon Co., Ltd., LB Lusem Co., Ltd. etc.

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

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

#### 4. Information on manufacture and facilities

##### A. Manufacturing ability and facilities

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

##### B. Outsourcing manufacture

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

#### 5. Sales

##### A. Sales performance

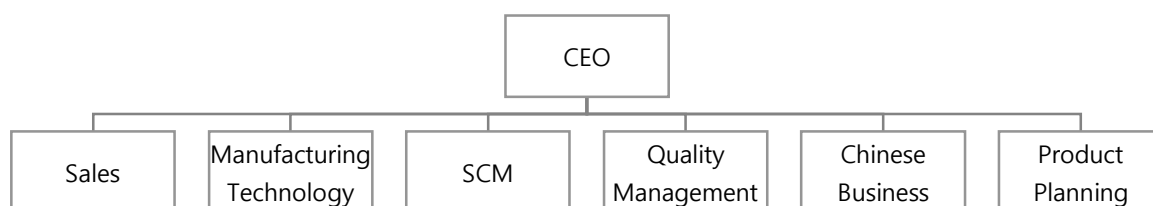
[Basic date: September 30, 2019]

(Unit : 1,000KRW)

Business	Sales type	Product		3Q of 21 <sup>st</sup> year	20 <sup>th</sup> year	19 <sup>th</sup> year
Semiconductor	Product, etc.	System IC	Domestic	21,913,446	36,811,776	30,104,137
			Export	601,480,966	755,006,355	662,657,145
Total			Total	623,394,412	791,818,132	692,761,282

##### B. Sale channel and method, strategy, major customers

###### (1) Sales and mass production support divisions



organization chart

[Job tasks per sales division]

Division	Job tasks
Sales	- Market and customer analysis, strengthening benchmark - Seek opportunity for market entering by sector/ secure orders
Manufacturing Technology	- Secure product reliability - Secure post-manufacture pre-quality and technology - Establish quality management system
SCM	- Establish and implement medium and long-term purchase strategy to counteract on production cost and internal and external environment changes - Management of developed products' supply chain - Timely/ proper production and supply
Quality Management	- Establish quality assurance and management system for customers - Provide best shipping quality and highly reliable products - Provide satisfaction with continuous developments and fast CS
Chinese Business	- Business diversification and enlarge overseas business through Chinese region (China, Taiwan) customer focused strategy
Product Planning	- Plan product, plan short and long-term product technology strategy

## (2) Marketing channel

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

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

## (3) Marketing strategy

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

## 6. Order Situation

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

## 7. Market Risk and Risk Management

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

## A. Credit Risk Management

Credit risk refers to risk where the consolidated entity may have financial losses as customers or transactional counterpart fails to fulfill contractual obligations for financial products, and it may mainly break out from account receivables for customers and investment assets. Our company is trading with customers with the certain level or higher of credit rating in an effort to reduce financial losses due to default, while reviewing the credit ratings of customers with exposure to credit risk periodically. Credit risk may break out even from transactions with financial institutions as well, and our company is in principle trading only with the banks of higher credit ranking in an effort to reduce this risk. Our company ensures that new transactions are carried out for deposits with the higher likelihood of credit risk such as trust deposits only after approval by the executive in charge. The exposure level of the consolidated entity to credit risk in the current half year is maximum 4,211 billion KRW, including cash, cashable assets, trade receivables and other receivables.

## B. Liquidity Risk Management

Proper liquidity maintenance and management are very important in running a company. The company currently maintain non-borrowing management and have adequate cash levels. In addition, the company is fully committed to maintaining and managing proper liquidity by regularly predicting the amount of cash flow, estimating the required level of cash, and managing income and spending. In addition, the company is communicating with the financial market in order to secure early liquidity in case of liquidity risk. The company is also actively reviewing current overdrafts and other borrowing limits to secure adequate level of liquidity.

## C. Market risk

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

### (1) Exchange rate risk management

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

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

(Unit: 1000 KRW)

Classification	Quarter of the year			End of previous year		
	USD	JPY	CNY	USD	JPY	CNY
Assets in foreign Currency (Cash and cashable assets, receivable)	34,466,358	3,607,416	8,224	11,801,375	-	106,160

Liabilities in foreign Currency (liabilities, payable)	17,443,586	3,715,809	160	19,858,116	72,949	155
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The influence of changes in foreign exchange rate for KRW on the profits (before corporate tax) at the end of the current half year and the previous year is shown below.

(Unit: 1000 KRW)

Division	Quarter of the year	End of previous year
	(If 5% changed)	(If 5% changed)
USD	±851,139	±402,837
JPY	±5,420	±3,647
CNY	±403	±5,300

## (2) Interest Rate Risk Management

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

## D. Capital Risk Management

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

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

## 8. Transaction of Derivatives

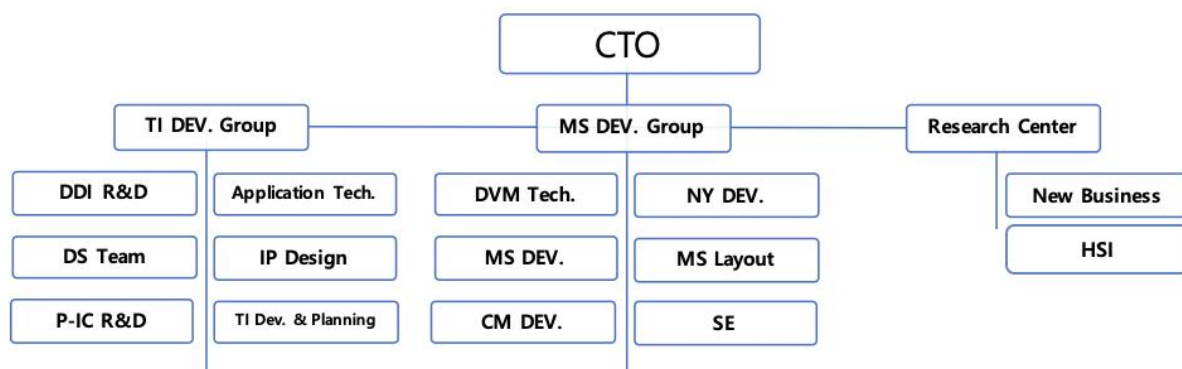
As of the reporting day, there is no relevant information.

## 9. Major Contracts in Management

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

## 10. Research and Development

### A. Research and Development Organization



Organization Chart – Research & Development

B. Research and Development cost

(Unit:1,000 KRW)

Classification		3Q of 21 <sup>st</sup> year	20th year	19 <sup>th</sup> year
Total of Research and Development Cost		77,173,756	85,878,664	79,335,583
(Government subsidy)		(177,602)	(169,805)	(121,372)
Balance of research and development cost after subtracting government subsidy		76,996,154	85,708,859	79,214,211
Accounting	Sales cost and management cost	76,996,154	85,708,859	79,214,211
	Manufacturing cost	-	-	-
	Development cost (Intangible capital)	-	-	-
R&D cost/ sales ratio [total of R&D cost÷Current proceeds×100]		12.4	10.8	11.4

note) The sales ratio is calculated based on the total of R&D cost before subtracting government subsidy.

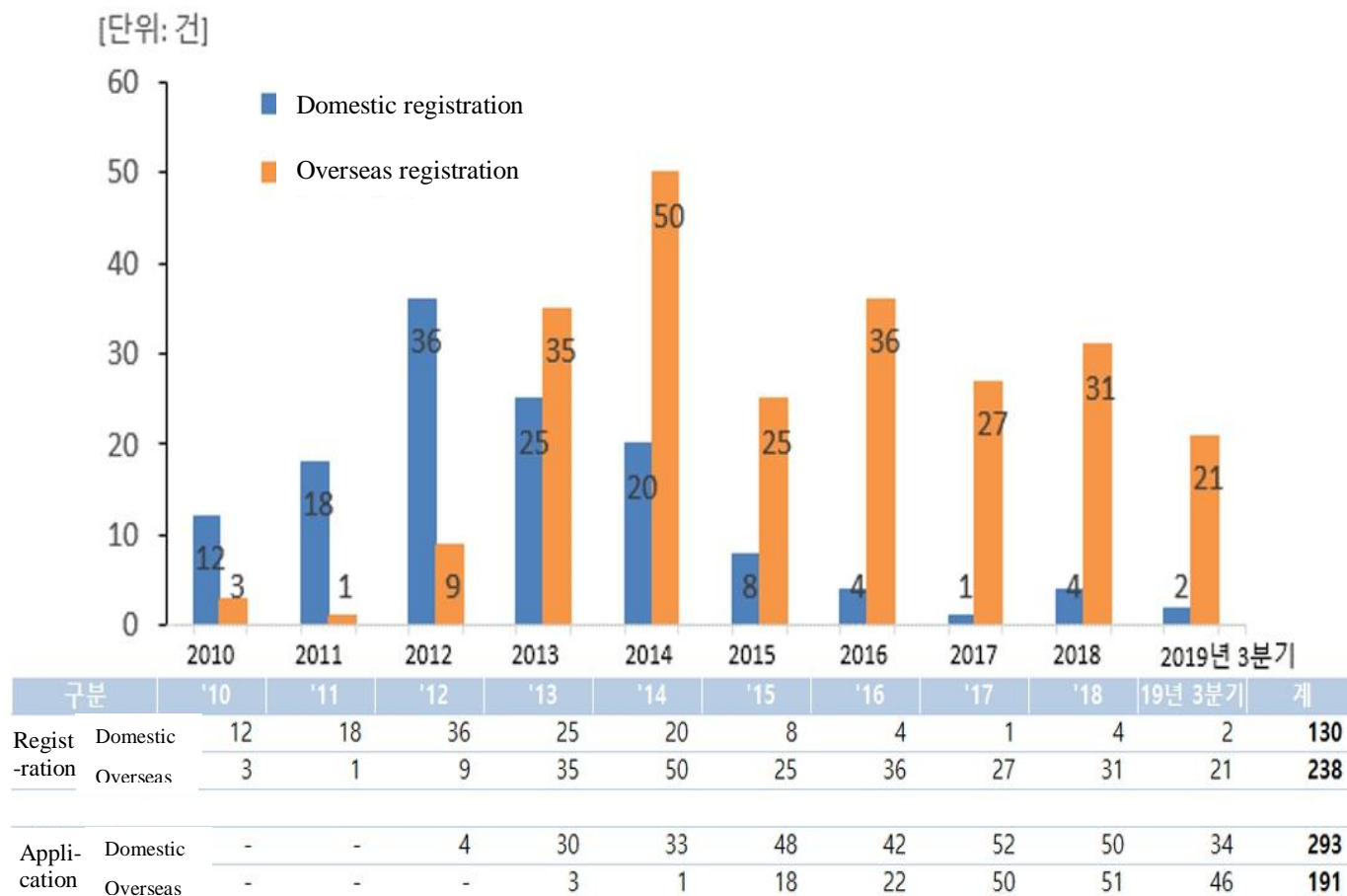
C. Performances in research and development

The company is specializing in display components and has secured a variety of product technologies over the entire area of displays from components for IT products such as laptop computers, monitors and tablet PC's to other components for TV and mobile devices during the recent years. Our company's main products include Driver-IC, T-CON and PMIC while increasing sales through expanding product lineup to Mobile GID ,POLED DDI and Touch Controller etc. In addition to these products, the company is carrying out the mass production or

development of some analog semiconductors for electric fittings and OA machines such as power IC, MCU, BMS IC and others through expanding technologies to various application areas other than displays.

## 11. Other Matters Necessary for Investment Decision Making

### A. Intellectual Property in Possession



Patent registration and application status

## III. Financial Related Matters

### 1. Summarized Financial Information

#### A. Summarized consolidated financial information

The company's consolidated financial statements for the 3<sup>rd</sup> quarter of the 21<sup>st</sup> year are written based on Korea - International Financial Reporting Standards (K-IFRS) and inspected by external financial inspector. The Company's 20<sup>th</sup> and 19<sup>th</sup> consolidated financial statements also have been written based on K-IFRS for comparison.

(Unit: 1,000 KRW)

Classification	3Q of 21 <sup>st</sup> year	20 <sup>th</sup> year	19 <sup>th</sup> Year
	Sep 30 <sup>th</sup> , 2019	Dec 31 <sup>st</sup> , 2018	Dec 31 <sup>st</sup> , 2017

[Current Assets]	527,885,727	508,162,893	497,749,254
• Quick Assets	391,182,781	404,071,783	436,737,980
• Inventory Assets	136,702,946	104,091,110	61,011,274
[Non-Floating Assets]	107,624,911	99,395,413	46,544,871
• Transferrable Financial Assets	0	1,025,845	3,358,369
• Tangible Assets	24,006,731	22,952,603	15,208,687
• Intangible Assets	57,267,246	56,895,059	17,715,664
• Other Non-Current Assets	26,350,934	18,521,906	10,262,151
Total Assets	635,510,638	607,558,306	544,294,125
[Current Liabilities]	170,425,661	155,223,703	129,360,440
[Non-Current Liabilities]	12,513,570	5,721,034	2,708,263
Total liabilities	182,939,231	160,944,738	132,068,704
[Capital Stock]	8,132,150	8,132,150	8,132,150
[Capital Surplus]	76,343,171	76,343,170	76,343,170
[Other Capital]	△366,876	△487,552	1,645,781
[Retained Earnings]	368,462,962	326,625,800	326,104,320
[Non-Controlling Equity]	0	0	0
Total Equities	452,571,406	446,613,568	412,225,422
	Jan 1 <sup>st</sup> , 2019 - Sep 30 <sup>th</sup> , 2019	Jan 1 <sup>st</sup> , 2018 - Dec 31 <sup>st</sup> , 2018	Jan 1 <sup>st</sup> , 2017 - Dec 31 <sup>st</sup> , 2017
Sales	623,394,412	791,818,132	692,761,282
Operating Profit	22,042,796	55,797,059	45,521,509
Net profit	19,336,532	48,960,453	47,064,354
Controlling Company's equity	19,336,532	48,960,453	47,064,354
Non-Controlling Company's Equity	0	0	0
Net Earnings per Share (KRW)	1,189	3,010	2,894
Net Diluted Earnings per Share (KRW)	1,189	3,010	2,894
Number of company included in the consolidation	2	2	2

## B. Summarized Financial Information

The company's financial statements for the 3<sup>rd</sup> quarter of the 21<sup>st</sup> year are written based on Korea - International Financial Reporting Standards (K-IFRS) and reviewed by external inspector. The Company's 20<sup>th</sup> and 19<sup>th</sup> consolidated financial statements also have been written based on K-IFRS for comparison.

(Unit: 1,000 KRW)

Classification	3Q of 21 <sup>st</sup> year	20 <sup>th</sup> year	19 <sup>th</sup> Year
	Sep 30 <sup>th</sup> , 2019	Dec 31 <sup>st</sup> , 2018	Dec 31 <sup>st</sup> , 2017
[Current Assets]	526,111,976	506,873,236	496,552,390

• Quick Assets	389,409,030	402,782,126	435,541,116
• Inventory Assets	136,702,946	104,091,110	61,011,274
[Non-Current Assets]	108,700,706	100,375,583	47,293,891
• Transferrable Financial Assets	0	1,025,845	3,358,369
• Tangible Asset	22,924,073	21,717,533	15,188,032
• Intangible Asset	57,267,246	56,895,059	17,715,664
• Other Non-Current Assets	28,509,387	20,737,146	11,031,826
Total Assets	634,812,681	607,248,819	543,846,281
[Current Liabilities]	170,888,313	155,610,549	129,626,588
[Non-Current Liabilities]	12,513,570	5,721,034	2,708,263
Total Liabilities	183,401,882	161,331,583	132,334,851
[Capital Stock]	8,132,150	8,132,150	8,132,150
[Capital Surplus]	76,343,171	76,343,170	76,343,170
[Other Capital]	△380,808	△380,808	1,705,780
[Retained Earnings]	367,316,286	361,822,723	325,330,329
Total Equities	451,410,799	445,917,236	411,511,429
Evaluation method for Subsidiaries, Relational and Common Company's investment	Cost Methods	Cost Methods	Cost Methods
	Jan 1 <sup>st</sup> , 2019 ~ Sep 30 <sup>th</sup> , 2019	Jan 1 <sup>st</sup> , 2018 ~ Dec 31 <sup>st</sup> , 2018	Jan 1 <sup>st</sup> , 2017 ~ Dec 31 <sup>st</sup> , 2017
Sales	623,394,412	791,817,912	692,756,756
Operating Profit (loss)	21,732,422	55,686,047	44,713,714
Net Profit (loss)	18,992,931	48,931,368	46,457,534
Net Earnings (loss) per Share (KRW)	1,168	3,009	2,856
Net Diluted Earnings (loss) per Share (KRW)	1,168	3,009	2,856

## 2.Consolidated Financial Statements

### Consolidated Statement of Financial Position, Balance Sheet

End of 3Q of 21<sup>st</sup> Year, 2019.09.30 current

End of of 20<sup>th</sup> Year, 2018.12.31 current

(Unit: KRW)

	End of 3Q of 21 <sup>st</sup> Year	End of 20 <sup>th</sup> Year
Assets		
Current Assets	527,885,726,917	508,162,893,203
Cash and Cash Equivalent	63,326,175,270	222,527,311,948
Short-Term Financial Products	110,000,000,000	
Sales Receivables	178,422,316,337	158,800,076,125

Other Receivables	5,359,698,347	2,245,032,543
Short-Term Investment Assets	293,936,453	
Other Current Assets	33,780,654,541	20,499,362,783
Inventory Assets	136,702,945,969	104,091,109,804
Non-Current Assets	107,624,910,654	99,395,412,661
Long-Term Investment Assets		1,025,845,393
Other Non-Current Receivables	12,257,529,217	6,700,853,051
Investments in Relational Companies	4,448,630,104	4,419,269,914
Tangible Assets	24,006,730,852	22,952,602,672
Intangible Assets	57,267,245,741	56,895,059,001
Other Non-Current Assets	2,506,323,240	1,521,850,250
Deferred Tax Assets	7,138,451,500	5,879,932,380
Total Assets	635,510,637,571	607,558,305,864
Liabilities		
Current Liabilities	170,425,661,461	155,223,703,292
Expense Payables	127,278,022,422	114,566,795,190
Other Payables	30,222,597,895	19,970,296,461
Other Current Liabilities	8,094,431,564	10,120,587,970
Payable Tax Liabilities	4,830,609,580	10,566,023,671
Non-Current Liabilities	12,513,569,627	5,721,034,233
Other Non-Current Payables	766,267,547	
Other Non-Current Liabilities	1,502,961,623	1,323,932,368
Fixed Salaries Liability	10,244,340,457	4,397,101,865
Total Liabilities	182,939,231,088	160,944,737,525
Capital		
Capital Reverted to Owners of Controlling company	452,571,406,483	446,613,568,339
Capital	8,132,150,000	8,132,150,000
Capital Surplus	76,343,170,500	76,343,170,500
Other Capital Accounts	(366,876,321)	(487,551,847)
Retained Earnings (Deficit)	368,462,962,304	362,625,799,686
Non-Controlling Shares		
Total Equities	452,571,406,483	446,613,568,339
Total Equities and Liabilities	635,510,637,571	607,558,305,864

### Consolidated Profit and Loss Statement

3Q of 21<sup>st</sup> Year, 2019.01.01- 2019.09.30

3Q of 20<sup>th</sup> Year, 2018.01.01 - 2018.09.30

(Unit: KRW)

	3Q of 21 <sup>st</sup> Year		3Q of 20 <sup>th</sup> Year	
	3 Months	Accumulated	3 Months	Accumulated
Revenue	249,726,398,443	623,394,412,297	213,925,475,317	555,804,285,392
Cost of Goods Sold	188,491,256,311	475,250,316,878	157,796,489,111	416,979,239,670
Gross Profit	61,235,142,132	148,144,095,419	56,128,986,206	138,825,045,722
Selling and Maintenance Expenses	47,188,332,246	126,101,298,998	34,876,272,216	103,886,612,095
Operating Profit (loss)	14,046,809,886	22,042,796,421	21,252,713,990	34,938,433,627
Financial Income	993,362,134	3,081,100,504	993,475,493	3,216,389,270
Financial Cost	7,576,139	170,710,614	10,237,915	668,084,019
Other Profit	1,494,078,046	3,041,689,201	1,112,425,066	2,096,242,130
Other Expenses	987,924,719	1,870,561,099	680,854,035	1,578,626,775
Equity Method Profit and Loss	36,424,335	29,360,190	2,662,451	3,493,239
Net Profit (loss) excluding Income Tax Expense	15,575,173,543	26,153,674,603	22,670,185,050	38,007,847,472
Income Tax Expense	5,102,468,845	6,817,142,985	4,921,186,744	5,418,661,255
Half Year Net Profit (loss)	10,472,704,698	19,336,531,618	17,748,998,306	32,589,186,217
Reverted Current Half year Net Profit (loss)				
Current Half year Net Profit (loss) reverted to Owners of Controlling Company	10,472,704,698	19,336,531,618	17,748,998,306	32,589,186,217
Earnings per Share				
Basic Earnings (loss) per Share (Unit: KRW)	644	1,189	1,091	2,004
Diluted Earnings (loss) per Share (Unit: KRW)	644	1,189	1,091	2,004

**Comprehensive Consolidated Profit and Loss Statement**3Q of 21<sup>st</sup> Year, 2019.01.01~2019.09.303Q of 20<sup>th</sup> Year, 2018.01.01~2018.09.30

(Unit: KRW)

	3Q of 21 <sup>st</sup> Year		3Q of 20 <sup>th</sup> Year	
	3 Months	Accumulated	3 Months	Accumulated
Half year Net Profit (loss)	10,472,704,698	19,336,531,618	17,748,998,306	32,589,186,217
Other Comprehensive Profit or Loss	23,686,105	120,675,526	(129,229,567)	(68,912,847)
Accounts not reclassified as Profit and Loss (Pre-tax Other Comprehensive Income)			(1,807,731)	(1,807,731)
Profit (loss) on hedge of net investment in foreign operations (other comprehensive profit or loss before tax)			(2,384,869)	(2,384,869)
Accounts can be reclassified as Profit and Loss (Pre-tax Other Comprehensive Income)			577,138	577,138
Currency Exchange Rate for Overseas Branches (Pre-tax Other Comprehensive Income)	23,686,105	120,675,526	(127,421,836)	(67,105,116)
Total Comprehensive Profit and Loss	23,686,105	120,675,526	(127,421,836)	(67,105,116)
Converted Total Comprehensive Income				
Total Comprehensive Income converted to the Owners of Controlling Companies	10,496,390,803	19,457,207,144	17,619,768,739	32,520,273,370

**Consolidated Statement of Changes in Equity**3Q of 21<sup>st</sup> Year, 2019.01.01~2019.09.303Q of 20<sup>th</sup> Year, 2018.01.01~2018.09.30

(Unit: KRW)

	Capital	
	Capital attributable to owners of the controlling company	Total capital

		Capital	Capital surplus	Other capital	Consolidated retained earnings	Total equity converted to owner of the controlling company	Non-Controlling Share	
2018.01.01 (Fundamental Capital)		8,132,150,000	76,343,170,500	1,645,780,697	326,104,320,415	412,225,421,612		412,225,421,612
Changes of Accounting Policy (KIFRS-No.9)				(1,705,779,692)	1,705,779,692			
Changes of Accounting Policy (KIFRS-No.15)					(1,576,974,791)	(1,576,974,791)		(1,576,974,791)
2018.1.1 (beginning) (Rewritten Amount)		8,132,150,000	76,343,170,500	(59,998,995)	326,233,125,316	410,648,446,821		410,648,446,821
Total Comprehensive Profit or Loss	Half year Net Profit				32,589,186,217	32,589,186,217		32,589,186,217
	Other Half year Net Profit – Fair Value Measured			(1,807,731)		(1,807,731)		(1,807,731)
	Currency Exchange Profit and Loss for Overseas Business			(67,105,116)		(67,105,116)		(67,105,116)
Transactions with shareholders directly recognized in capital, etc.	Annual dividend				(11,385,010,000)	(11,385,010,000)		(11,385,010,000)
2018.09.30 (Ending Capital)		8,132,150,000	76,343,170,500	(128,911,842)	347,437,301,533	431,783,710,191		431,783,710,191
2019..01.01 (Fundamental Capital)		8,132,150,000	76,343,170,500	(487,551,847)	362,625,799,686	446,613,568,339		446,613,568,339
Changes of Accounting Policy (KIFRS-No.9)								
Changes of Accounting Policy (KIFRS-No.15)								
2018.1.1 (beginning) (Rewritten Amount)		8,132,150,000	76,343,170,500	(487,551,847)	362,625,799,686	446,613,568,339		446,613,568,339
	Half year Net Profit				19,336,531,618	19,336,531,618		19,336,531,618

Total Comprehensive Profit or Loss	Other Half year Net Profit – Fair Value Measured							
	Currency Exchange Profit and Loss for Overseas Business			120,675,526		120,675,526		120,675,526
Transactions with shareholders directly recognized in capital	Annual Dividend				(13,499,369,000)	(13,499,369,000)		(13,499,369,000)
2019.06.30 (Ending Capital)		8,132,150,000	76,343,170,500	(366,876,321)	368,462,962,304	452,571,406,483		452,571,406,483

### Consolidated Cash Flow Statement

3Q of 21<sup>st</sup> Year, 2019.01.01~2019.09.30

3Q of 20<sup>th</sup> Year, 2018.01.01~2018.09.30

(Unit: KRW)

	3Q of 21 <sup>st</sup> year	3Q of 20 <sup>th</sup> year
Cash flow from sales operations	(21,797,921,946)	926,856,266
Cash generated from sales	(10,801,962,951)	(4,190,647,692)
Half year net profit (loss)	19,336,531,618	32,589,186,217
Addition or deduction for half year net profit adjustment	18,781,357,126	11,970,212,451
Change to equities/liabilities on sales operations	(48,919,851,695)	(48,750,046,360)
Receipt of interest (sales)	2,836,276,032	2,317,731,431
Payment of interest (sales)	(29,666,076)	
Payment of corporate tax (refund)	(13,802,568,951)	2,799,772,527
Cash flow of investments	(121,691,448,061)	(51,032,237,125)
Increase in short-term financial item	(140,000,000,000)	
Decrease in short-term financial item	30,000,000,000	15,000,000,000
Increase in other bonds	(2,175,891,970)	(3,652,119,126)
Decrease in other bonds	1,502,399,351	1,334,167,747
Increase in other liabilities		
Acquisition of tangible assets	(6,026,393,251)	(10,653,163,426)
Disposition of tangible assets	92,567,000	950,581,440
Acquisition of intangible assets	(5,181,047,121)	(3,977,586,555)
Disposition of intangible assets		231,545,455

The profits and losses for the current term -disposition of net income-fair value measured financial assets -	615,000,000	600,000,000
Other comprehensive income-disposition of net income-fair value measured financial assets -		97,615,131
Increase in advance payments	(518,082,070)	(423,281,180)
Acquisition of investments in equity securities of related companies		(4,410,000,000)
Cash flow caused by acquisition of business		(46,129,996,611)
Cash flow from financing activities	(15,737,281,990)	(11,385,010,000)
Payment of dividend	(13,499,369,000)	(11,385,010,000)
Payment of lease fees	(2,237,912,990)	
Increase of lease liabilities		
Net increase of case and cash equivalents before applying fluctuation of foreign exchange rate	(159,226,651,997)	(61,490,390,859)
Starting cash and cash equivalents	222,527,311,948	74,727,328,394
Foreign exchange rate fluctuation effect on cash and cash equivalents	25,515,319	(26,343,183)
Ending cash and cash equivalents	63,326,175,270	13,210,594,352

### 3. Notes on Consolidated Financial Statements

#### 1. Company overview

##### (1) Controlling company overview

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

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

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

(Unit: shares)			
Company name	Shares owned	Percentage	Comment
LG Inc.	5,380,524	33.08%	The largest share holder

Templeton Asset Management, Ltd.	1,041,399	6.40%	-
National Pension Service	1,023,357	6.29%	-
Etc.	9,025,674	55.50%	-
Total	16,264,300	100.00%	

Consolidated financial statement for the reporting period ending on September 30, 2019 is comprised of shares in the controlling company and its subsidiaries (hereinafter the "consolidated entity").

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

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

(3) Subsidiaries' financial statement summary

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

(Unit: KRW)				
Category	Silicon Works Inc.		Silicon Works China Co., Ltd.	
	Current quarter	Last year	Current quarter	Last Year
Assets	442,083,349	298,468,756	3,072,579,481	2,869,034,174
Liabilities	13,523,070	14,676,203	62,526,007	149,128,448
Capital	428,560,279	283,792,553	3,010,053,474	2,719,905,726
Sales	1,614,916,702	1,646,388,473	2,832,332,474	2,789,621,315
Net profit	119,623,537	(48,605,613)	194,616,411	68,420,742
Total comprehensive income	144,767,726	(35,475,712)	290,147,748	8,545,720

2. Applied standards for writing the financial statements

(1) Accounting standards

This half year consolidated financial statement is a condensed interim financial statement written in accordance with K-IFRS. It is written in accordance with no.1034 'interim financial reporting' of the Statements of Korea Accounting Standards (SKAS), and includes less information than the requirements of the yearly consolidated financial statement. Selective comments contain descriptions of events that are significant in understanding the

changes in the financial position and management performance that occurred after the end of the previous annual reporting period.

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

## (2) Estimation and judgment

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

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

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

### ② Measuring fair value

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

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

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

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

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

### 3. Significant accounting policies

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

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

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

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

#### (1) Definition of lease

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

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

#### (2) Lease user

Consolidated entity leases many assets including buildings and automobiles.

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

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

Book value of user right asset is as follows:

(Unit: KRW)			
Category	User right asset		
	Buildings	Ground vehicles	Total
Beginning of the year	3,480,728,147	383,361,634	3,864,089,781
End of current quarter	1,240,003,993	298,150,265	1,538,154,258

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

#### ① Significant accounting policy

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

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

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

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

#### ② Transitional provision

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

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

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

(3) Effect on the financial statement

① Effect at the point of transition

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

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

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

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

② Effect at the transition period

After first applying no.1116 of the SFAS, consolidated entity recognized 1,538,154,000 KRW as user right assets for leases that were classified as operation lease as of September 30, 2019, and 1,545,494,000 KRW as lease liabilities. Moreover, regarding the lease according to no.1116 of the SFAS, consolidated entity recognized depreciation cost and interest fee instead of operating lease fee. Consolidated entity recognizes depreciation cost of 2,259,642,000 KRW and interest fee of 29,666,000 KRW for such lease during the quarter which ends on September 30, 2019.

4. Sales

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

There is 1 company that consists more than 10% of the consolidated entity sales for this quarter, and it consists 82% of the total sales. There is 1 company that consists more than 10% of the consolidated entity sales for the last quarter, and it consists 90% of the total sales.

## 5. Classification of financial products by category

### (1) Financial products by category

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

(Unit: KRW)		
Category	Current quarter-end	Last year-end
Financial assets:		
Net profit/loss-fair value measured financial asset	293,936,453	1,025,845,393
Financial assets measured at amortized cost		
Cash and cash equivalent assets	63,326,175,270	222,527,311,948
Short-term financial product	110,000,000,000	-
Accounts receivables	178,422,316,337	158,800,076,125
Other receivables	17,617,227,564	8,945,885,594
Subtotal	369,365,719,171	390,273,273,667
Total	369,659,655,624	391,299,119,060
Financial liabilities:		
Other financial liabilities		
Purchase liabilities	127,278,022,422	114,566,795,190
Other liabilities (*)	16,536,333,609	9,539,152,235
Total	143,814,356,031	124,105,947,425

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

### (2) Financial revenues and financial costs by category

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

(Unit: KRW)				
Category	Net interest margin		Other profit/loss (*)	
	Current quarter	Last quarter	Current quarter	Last quarter
Financial products measured at amortized cost	3,020,381,344	3,172,071,768	6,917,486	(82,464,916)
Net profit/loss-fair value measured financial asset	-	-	(116,908,940)	(638,463,571)
Total	3,020,381,344	3,172,071,768	(109,991,454)	(720,928,487)

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

② Financial revenues and costs that were recognized as the other profit and loss during current and last quarter are as follows.

(Unit: KRW))		
category	Valuation profit and loss	
	Current quarter	Last quarter
Other profit and loss- fair value measured	-	(2,384,869)

## 6. Financial risk management

### (1) Credit risk

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

#### ① Exposure to credit risk

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

(Unit: KRW)		
Category	Current quarter-end	Last year-end
Cash and cash equivalent assets	63,326,175,270	222,527,311,948
Short-term financial product	110,000,000,000	-
Account receivables	178,422,316,337	158,800,076,125
Other receivables	17,617,227,564	8,945,885,594
Net profit/loss-fair value measured	293,936,453	1,025,845,393
Total	369,659,655,624	391,299,119,060

#### ② Impairment loss

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

Account receivables are presented on the consolidated statement of financial position at net amounts where allowance for bad debt loan is deducted. The details of trade receivables and related allowance for bad debt loan

on the basis of total amounts before the deduction of allowance for bad debt loan as of the end of the current quarter end and last year end are as follows.

(Unit: KRW)		
Category	Current quarter-end	Last year-end
Account receivables	178,422,316,337	158,800,076,125
Other receivables	-	-
Net book value of account receivables	178,422,316,337	158,800,076,125

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

(Unit: KRW)						
Category	Current quarter-end			Last year-end		
	Total receivables	Impaired amount	Book value	Total receivables	Impaired amount	Book value
Within expire date	173,596,404,865	-	173,596,404,865	155,966,260,967	-	155,966,260,967
Expire date ~ 3 months	4,824,914,367	-	4,824,914,367	2,337,833,843	-	2,337,833,843
3 ~ 6 months	997,105	-	997,105	413,348,156	-	413,348,156
Over 6 months	-	-	-	82,633,159	-	82,633,159
Total	178,422,316,337	-	178,422,316,337	158,800,076,125	-	158,800,076,125

## (2) Fair value

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

### ① Current quarter-end

(Unit: KRW)					
Category	Book value	Level 1	Level 2	Level 3	Total
Fair value measured financial assets:					
Net profit/loss-fair value measured	293,936,453	-	-	293,936,453	293,936,453
Financial assets not measured as fair value:					
Cash and cash equivalent assets	63,326,175,270			-	-
Short-term financial product	110,000,000,000			-	-
Account receivables	178,422,316,337			-	-
Other receivables	17,617,227,564			-	-
Total	369,365,719,171			-	-
Financial liabilities not measured as fair value:					
Purchase liabilities	127,278,022,422			-	-
Other liabilities	16,536,333,609			-	-
Total	143,814,356,031			-	-

### ② Last year-end

(Unit: KRW)					
Category	Book value	Level 1	Level 2	Level 3	Total
Fair value measured financial assets:					

Net profit/loss-fair value measured financial assets	1,025,845,393	-	-	1,025,845,393	1,025,845,393
Financial assets not measured as fair value:					
Cash and cash equivalent assets	222,527,311,948	-	-	-	-
Account receivables	158,800,076,125	-	-	-	-
Other receivables	8,945,885,594	-	-	-	-
Total	390,273,273,667	-	-	-	-
Financial liabilities not measured as fair value:					
Purchase liabilities	114,566,795,190	-	-	-	-
Other liabilities	9,539,152,235	-	-	-	-
Total	124,105,947,425	-	-	-	-

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

(Unit: KRW)				
Category	Base	Evaluation (*)	Disposal	Current quarter end
Net profit/loss-fair value measured financial asset	1,025,845,393	(116,908,940)	(615,000,000)	293,936,453

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

#### 7. Cash and cash equivalent assets

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

(Unit: KRW)		
Category	Current quarter-end	Last year-end
Demand deposit	8,526,175,270	52,527,311,948
Regular deposit, etc. (*)	54,800,000,000	170,000,000,000
Total	63,326,175,270	222,527,311,948

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

#### 8. Short-term financial product

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

(Unit: KRW)		
Category	Current quarter-end	Last year-end
Regular deposit	110,000,000,000	-

#### 9. Account receivables and other receivables

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

(Unit: KRW)				
Category	Current quarter-end		Last year-end	
	Liquid	Illiquid	Liquid	Illiquid

Trade receivables	178,422,316,337	-	158,800,076,125	-
Unpaid amount	2,418,899,431	-	1,051,633,029	-
Uncollected profit	776,101,370	-	586,848,898	-
Lease fee	900,861,180	5,691,035,155	606,550,616	4,738,651,170
Deposit	-	1,392,536,203	-	1,962,201,881
Lease receivables	1,263,836,366	5,173,957,859	-	-
Total	183,782,014,684	12,257,529,217	161,045,108,668	6,700,853,051

#### 10. Short-term and long-term investment asset

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

(Unit: KRW)		
Category	Current quarter-end	Last year-end
Short-term investment assets:		
Net profit/loss-fair value measured liabilities		
LB Investment	293,936,453	-
Long-term investment assets:		
Net profit/loss-fair value measured liabilities		
LB Investment	-	1,025,845,393

#### 11. Other assets

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

(Unit: KRW)				
Category	Current quarter-end		Last year-end	
	Liquid	Illiquid	Liquid	Illiquid
Advance fee	849,424,386	1,632,479,770	941,258,979	1,521,850,250
Prepaid expenses	16,652,155,459	873,843,470	13,268,770,815	-
VAT fees	16,279,074,696	-	6,289,332,989	-
Total	33,780,654,541	2,506,323,240	20,499,362,783	1,521,850,250

#### 12. Inventory assets

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

(Unit: KRW)		
Category	Current quarter-end	Last year-end
Work in progress	150,917,959,299	112,091,770,740
Work in progress return assets	134,453,493	123,976,321
Work item valuation loss allowance	(14,349,466,823)	(8,124,637,257)
Total	136,702,945,969	104,091,109,804

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

(Unit: KRW)		
Category	Current quarter-end	Last year-end
Sales cost:		
Inventory asset valuation loss	6,224,829,566	434,824,819

### 13. Associated company's investment share

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

(Unit: KRW)							
Name	Country	Main sales division	Closing month	Current quarter-end		Last year-end	
				Shares (%)	Book value	Shares (%)	Book value
Advanced Power-Device Technologies Co. Ltd (*)	Korea	R&D and design of semiconductor device	March	49.00	4,448,630,104	49.00	4,419,269,914

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

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

#### ① Current quarter

(Unit: KRW)		
Base	Gains or losses from equity method	Current quarter-end
4,419,269,914	29,360,190	4,448,630,104

#### ② Last quarter

(Unit: KRW)			
Base	Acquisition	Gains or losses from equity method	Last quarter-end
-	4,410,000,000	3,493,239	4,413,493,239

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

(Unit: KRW)		
Category	Advanced Power-Device Technologies Co. Ltd (*)	
	Current quarter	Last year
Assets	10,553,719,125	9,659,044,994
Liabilities	853,685,643	372,663,647
Capital	9,700,033,482	9,286,381,347

Sales	4,511,696,640	2,942,094,711
Net profit during the term	413,652,135	286,381,367
Gross comprehensive profit	413,652,135	286,381,367

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

① Current quarter -end

(Unit: KRW)						
Name	Net assets at year-end (A)	Share rate of the consolidated entity (B)	Share of net assets (A*B)	(+)Sales right	(±)others(*)	Book value at year-end
Advanced Power-Device Technologies Co. Ltd (*)	9,700,033,482	49.00%	4,753,016,407	-	(304,386,303)	4,448,630,104

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

② Last year-end

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

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

14. Tangible assets

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

(Unit: KRW)		
Category	Current quarter-end	Last year-end
Acquisition cost	52,584,691,676	45,838,549,505
Accumulated amortization	(28,009,162,076)	(22,313,671,144)
Accumulated impairment loss	(564,056,013)	(564,056,013)
Government subsidy	(4,742,735)	(8,219,676)
Book value	24,006,730,852	22,952,602,672

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

① Current quarter

(Unit: KRW)								
Category	Land	Building	Structure	Machinery	Equipment	Other tangible assets(*1)	User right assets	Total

Beginning of current quarter	5,001,607,594	2,672,756,191	185,946,248	8,228,258,995	4,301,727,486	2,562,306,158	-	22,952,602,672
Acquisition	-	-	-	7,573,758,296	2,100,541,610	168,420,774	-	9,842,720,680
Disposition	-	-	-	(4,000)	(2,798,610)	-	(145,782,717)	(148,585,327)
Redemption	-	(295,320,924)	(3,530,628)	(1,838,928,576)	(1,509,256,376)	(462,705,872)	(2,259,642,076)	(6,369,384,452)
Etc. (*2)	13,774,740	320,872,550	-	(6,550,375,566)	1,526,504	-	3,943,579,051	(2,270,622,721)
Current quarter-end	5,015,382,334	2,698,307,817	182,415,620	7,412,709,149	4,891,740,614	2,268,021,060	1,538,154,258	24,006,730,852

(\*1) Facility equipment and leasehold improvement assets are included in other tangible assets.

(\*2) Beginning of current term's increased amount of 3,864,090,000 KRW is included in user right assets. Also, 6,593,291,000 KRW of machinery is replaced to lease receivables due to finance lease contract in the current quarter.

## ② Last quarter

(Unit: KRW)							
Category	Land	Building	Structure	Machinery	Equipment	Other tangible assets (*1)	Total
Beginning of last quarter	5,220,274,972	3,256,217,768	-	3,446,936,246	2,885,137,434	400,120,255	15,208,686,675
Acquisition	-	-	188,300,000	6,555,877,172	2,138,594,885	2,855,106,628	11,737,878,685
Disposition	(218,667,378)	(343,137,144)	-	-	(3,151,462)	(20,298,042)	(585,254,026)
Redemption	-	(183,744,723)	(1,176,876)	(1,429,283,255)	(1,108,411,639)	(319,866,993)	(3,042,483,486)
Acquisition of Business	-	-	-	8,636,108	-	-	8,636,108
Etc.	-	-	-	(44,822,665)	(1,020,951)	-	(45,843,616)
Last quarter-end	5,001,607,594	2,729,335,901	187,123,124	8,537,343,606	3,911,148,267	2,915,061,848	23,281,620,340

(\*1) Facility equipment and leasehold improvement assets are included in other tangible assets.

(\*2) The machineries were obtained due to the acquisition of business in the last quarter.

## 15. Intangible assets

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

(Unit: KRW)		
Category	Current quarter-end	Last year-end
Acquisition cost	83,439,023,447	78,175,723,788
Accumulated amortization	(25,865,072,802)	(20,931,858,923)
Accumulated impairment loss	(302,443,400)	(337,876,490)
Government subsidy	(4,261,504)	(10,929,374)
Book value	57,267,245,741	56,895,059,001