

LG Display Co., Ltd.
Form 6-K
August 14, 2017
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16 UNDER

THE SECURITIES EXCHANGE ACT OF 1934

For the month of August 2017

LG Display Co., Ltd.

(Translation of Registrant's name into English)

LG Twin Towers, 128 Yeoui-daero, Yeongdeungpo-gu, Seoul 07336, Republic of Korea

(Address of principal executive offices)

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submission to furnish a report or other document that the registration foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's home country), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

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(From January 1, 2017 to June 30, 2017)

THIS IS A TRANSLATION OF THE SEMI-ANNUAL REPORT ORIGINALLY PREPARED IN KOREAN AND IS IN SUCH FORM AS REQUIRED BY THE KOREAN FINANCIAL SUPERVISORY COMMISSION.

IN THE TRANSLATION PROCESS, SOME PARTS OF THE REPORT WERE REFORMATTED, REARRANGED OR SUMMARIZED AND CERTAIN NUMBERS WERE ROUNDED FOR THE CONVENIENCE OF READERS. REFERENCES TO Q1 , Q2 , Q3 AND Q4 OF A FISCAL YEAR ARE REFERENCES TO THE THREE-MONTH PERIODS ENDED MARCH 31, JUNE 30, SEPTEMBER 30 AND DECEMBER 31, RESPECTIVELY, OF SUCH FISCAL YEAR. REFERENCES TO H1 OF A FISCAL YEAR ARE REFERENCES TO THE SIX MONTH PERIOD ENDED JUNE 30 OF SUCH FISCAL YEAR.

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Attachment: 1. Financial Statements in accordance with K-IFRS

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1. Company

A. Name and contact information

The name of our company is EL-GI DISPLAY CHUSIK HOESA, which shall be LG Display Co., Ltd. in English.

Our principal executive office is located at LG Twin Towers, 128 Yeoui-daero, Yeongdeungpo-gu, Seoul 07336, Republic of Korea, and our telephone number is +82-2-3777-1010. Our website address is <http://www.lgdisplay.com>.

B. Domestic credit rating

(1) Corporate bonds

Subject instrument	Month of rating	Credit rating ⁽¹⁾	Rating agency (Rating range)
Subject instrument	April 2015	AA	NICE Information Service Co., Ltd. (AAA ~ D)
	June 2016		
Corporate bonds	September 2016	AA	Korea Investors Service, Inc. (AAA ~ D)
	May 2017		
	April 2015		
	April 2016		
	May 2017		
Corporate bonds	May 2015	AA	Korea Ratings Corporation (AAA ~ D)
	April 2016		
	September 2016		
Corporate bonds	May 2017		

(1) Domestic corporate bond credit ratings are generally defined to indicate the following:

Subject instrument	Credit rating	Definition
Corporate bonds	AAA	Strongest capacity for timely repayment.
	AA+/AA/AA-	Very strong capacity for timely repayment. This capacity may, nevertheless, be slightly inferior than is the case for the highest rating category
	A+/A/A-	Strong capacity for timely repayment. This capacity may, nevertheless, be more vulnerable to adverse changes in circumstances or in economic conditions than is the case for higher rating categories.
	BBB+/BBB/BBB-	Capacity for timely repayment is adequate, but adverse changes in circumstances and in economic conditions are more likely to impair this

	capacity.
BB+/BB/BB-	Capacity for timely repayment is currently adequate, but that there are some speculative characteristics that make the repayment uncertain over time.
B+/B/B-	Lack of adequate capacity for repayment and speculative characteristics. Interest payment in time of unfavorable economic conditions is uncertain.
CCC	Lack of capacity for even current repayment and high risk of default.
CC	Greater uncertainties than higher ratings.
C	High credit risk and lack of capacity for timely repayment.
D	Insolvency.

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(2) Commercial paper

Subject instrument	Month of rating	Credit rating ⁽¹⁾	Rating agency (Rating range)
	October 2015	A1	Korea Investors Service, Inc. (A1 ~ D)
	October 2015	A1	NICE Information Service Co., Ltd. (A1 ~ D)
	June 2016	A1	Korea Ratings Corporation (A1 ~ D)
	June 2016	A1	NICE Information Service Co., Ltd. (A1 ~ D)
Commercial paper	September 2016	A1	NICE Information Service Co., Ltd. (A1 ~ D)
	September 2016	A1	Korea Ratings Corporation (A1 ~ D)
	May 2017	A1	Korea Investors Service, Inc. (A1 ~ D)
	May 2017	A1	Korea Ratings Corporation (A1 ~ D)

(2) Domestic commercial paper credit ratings are generally defined to indicate the following:

Subject instrument	Credit rating	Definition
	A1	Timely repayment capability is at the highest level with extremely low investment risk and is stable such that it will not be influenced by any reasonably foreseeable changes in external factors.
	A2	Strong capacity for timely repayment with very low investment risk. This capacity may, nevertheless, be slightly inferior than is the case for the highest rating category.
Commercial paper	A3	Capacity for timely repayment is adequate with low investment risk. This capacity may, nevertheless, be somewhat influenced by sudden changes in external factors.
	B	Capacity for timely repayment is acknowledged, but there are some speculative characteristics.
	C	Capacity for timely repayment is questionable.
	D	Insolvency.

+ or - modifier can be attached to ratings A2 through B to differentiate ratings within broader rating categories.

C. Capitalization

(1) Change in capital stock (as of June 30, 2017)

There were no changes to our issued capital stock during the semi-annual reporting period ended June 30, 2017.

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(2) Convertible bonds
Not applicable.

D. Voting rights (as of June 30, 2017)

Description	(Unit: share)	
	Number of shares	
A. Total number of shares issued ⁽¹⁾ :	Common shares ⁽¹⁾	357,815,700
	Preferred shares	
B. Shares without voting rights:	Common shares	
	Preferred shares	
C. Shares subject to restrictions on voting rights pursuant to our articles of incorporation:	Common shares	
	Preferred shares	
D. Shares subject to restrictions on voting rights pursuant to regulations:	Common shares	
	Preferred shares	
E. Shares with restored voting rights:	Common shares	
	Preferred shares	
Total number of issued shares with voting rights (=A B C D + E):	Common shares	357,815,700
	Preferred shares	

(3) Authorized: 500,000,000 shares

E. Dividends

Dividends for the three most recent fiscal years

Description (unit)	2017 H1	2016	2015
Par value (Won)	5,000	5,000	5,000
Profit for the period (million Won) ⁽¹⁾	1,323,790	906,713	966,553
Earnings per share (Won) ⁽²⁾	3,700	2,534	2,701
Total cash dividend amount for the period (million Won)		178,908	178,908

Total stock dividend amount for the period (million Won)			
Cash dividend payout ratio (%) ⁽³⁾		19.73%	18.51%
Cash dividend yield (%) ⁽⁴⁾	Common shares	1.58%	1.97%
	Preferred shares		
Stock dividend yield (%)	Common shares		
	Preferred shares		
Cash dividend per share (Won)	Common shares	500	500
	Preferred shares		
Stock dividend per share (share)	Common shares		
	Preferred shares		

- (4) Based on profit for the period attributable to the owners of the controlling company.
- (5) Earnings per share is based on par value of ₩5,000 per share and is calculated by dividing net income by weighted average number of common shares.
- (6) Cash dividend payout ratio is the percentage that is derived by dividing total cash dividend by profit for the period attributable to the owners of the controlling company.
- (7) Cash dividend yield is the percentage that is derived by dividing cash dividend by the arithmetic average of the daily closing prices of our common shares during the one-week period ending two trading days prior to the closing of the register of shareholders for the purpose of determining the shareholders entitled to receive annual dividends.

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We were incorporated in February 1985 under the laws of the Republic of Korea. LG Electronics and LG Semicon transferred their respective LCD business to us in 1998, and since then, our business has been focused on the research, development, manufacture and sale of display panels, applying technologies such as TFT-LCD and OLED.

As of June 30, 2017, in order to support our business activities, we operated TFT-LCD and OLED production and research facilities in Paju and Gumi in Korea, and we have also established subsidiaries in the Americas, Europe and Asia.

As of June 30, 2017, our business consisted of the manufacture and sale of display and display related products utilizing TFT-LCD, OLED and other technologies under a single reporting business segment.

2017 H1 consolidated operating results highlights

	(Unit: In billions of Won)
2017 H1	Display business
Sales Revenue	13,691
Gross Profit	3,233
Operating Profit	1,831

B. Industry**(1) Industry characteristics and growth potential**

The entry barriers to manufacture display panels are relatively high due to the technology and capital intensive nature of the mass manufacturing process that is required to achieve economies of scale, among other factors.

While growth in the market for displays used in notebook computer, monitor and other traditional IT products has stagnated or declined, the market for small- and medium-sized displays (including those used in smartphones) in the rapidly evolving IT environment has shown steady growth. The display market for televisions has also shown steady growth mainly due to growing demand from developing countries as well as from consumers in general for larger sized display panels. As for displays used in industrial, automobile and other value added products, we expect to see growth in these markets.

(2) Cyclicalities

The display panel business is highly cyclical and sensitive to fluctuations in the general economy. The industry experiences recurring volatility caused by imbalances between supply and demand due to capacity expansion and changing production utilization rates within the industry.

Macroeconomic factors and other causes of business cycles can affect the rate of growth in demand for display panels. Accordingly, if supply exceeds demand, average selling prices of display panels may decrease. Conversely, if growth in demand outpaces growth in supply, average selling prices may increase.

(3) Market conditions

Overall, while there have been some variations in rates of production capacity growth among individual display panel manufacturers, display panel manufacturers have generally slowed their respective rates of production capacity growth since 2011 due to a slowdown in growth of the display panel industry.

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Most display panel manufacturers are located in Asia.

- a. Korea: LG Display, Samsung Display, etc.
- b. Taiwan: AU Optronics, Innolux, CPT, HannStar, etc.
- c. Japan: Japan Display, Sharp, Panasonic LCD, etc.
- d. China: BOE, CSOT, CEC Panda, etc.

(4) Market shares

Our worldwide market share of large-sized display panels (i.e., panels that are 9 inches or larger) based on revenue is as follows:

	2017 H1	2016	2015
Panels for Televisions ⁽¹⁾	29.2%	28.2%	25.4%
Panels for Monitors	34.1%	36.6%	39.0%
Panels for Notebook Computers	21.7%	27.8%	27.3%
Panels for Tablet Computers	30.9%	24.1%	22.5%
Total	29.2%	29.4%	27.7%

Source: Large-Area Display Market Tracker (IHS Technology)

(8) Includes panels for public displays.

(5) Competitiveness

Our ability to compete successfully depends on factors both within and outside our control, including product pricing, our relationship with customers, timely investments, adaptable production capabilities, development of new and premium products through technological advances, competitive production costs, success in marketing to our end-brand customers, component and raw material supply costs, foreign exchange rates and general economic and industry conditions.

In order to compete effectively, it is critical to be cost competitive and maintain stable and long-term relationships with customers which will enable us to be profitable even in a buyer's market.

A substantial portion of our sales is attributable to a limited number of end-brand customers and their designated system integrators. The loss of these end-brand customers, as a result of customers entering into strategic supplier arrangements with our competitors or otherwise, would result in reduced sales.

Developing new products and technologies that can be differentiated from those of our competitors is critical to the success of our business. It is important that we take active measures to protect our intellectual property internationally by obtaining patents and undertaking monitoring activities in our major markets. It is also necessary to recruit and retain experienced key managerial personnel and skilled line operators.

As a leading technology innovator in the display industry, we continue to focus on delivering differentiated value to our customers by developing various technologies and products, including display panels with OLED, IPS, in-TOUCH and other technologies. With respect to OLED panels, following our supply of the world's first 55-inch OLED 3D panels for televisions in January 2013, we have supplied ultra-high definition (Ultra HD) OLED panels for televisions, flexible plastic OLED panels for smartphones, round OLED panels for wearable devices among others and have shown that we are technologically a step ahead of the competition. With respect to TFT-LCD panels, we are leading the market with our differentiated products with IPS technology, such as our ultra-large and high definition Ultra HD television panels and 21:9 screen aspect ratio ultra-wide IPS curved monitors, and have prepared our production facilities to produce products with in-TOUCH technology.

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Moreover, we entered into long-term sales contracts with major global firms to secure customers and expand partnerships for technology development.

C. New businesses

For our continued growth, we are actively exploring and preparing for new business opportunities that may arise in the changing market environment. As such, we are continually reviewing and looking at opportunities in the display and promising new industries.

3. Major Products and Raw Materials

A. Major products

We manufacture TFT-LCD and OLED panels, of which a significant majority is sold overseas.

(Unit: In billions of Won, except percentages)

Business area	Sales type	Items (Market)	Usage	trademark	Sales in 2017 H1 (%)
Display	Product/ Service/ Other sales	Display panel (Overseas ⁽¹⁾)	Panels for notebook computers, monitors, televisions, smartphones, tablets, etc.	LG Display	12,686 (92.7%)
		Display panel (Korea ⁽¹⁾)	Panels for notebook computers, monitors, televisions, smartphones, tablets, etc.	LG Display	1,005 (7.3%)
Total					13,691 (100.0%)

- Period: January 1, 2017 ~ June 30, 2017.

(9) Based on ship-to-party.

B. Average selling price trend of major products

The average selling price of LCD panels per square meter of net display area shipped in the second quarter of 2017 decreased by approximately 6%p compared to the first quarter of 2017, largely as a result of a comparative decrease in the shipment of small- and medium-sized panels, which generally have higher selling prices per square meter of net display area compared to other panels, while average selling prices of LCD panels exhibited varying trends according to demand by product category. There is no assurance that the average selling prices of LCD panels will not fluctuate in the future due to changes in market conditions.

Description	(Unit: US\$ / m ²)			
	2017 Q2	2017 Q1	2016 Q4	2016 Q3
Display panel ⁽¹⁾⁽²⁾	574	608	642	555

(10) Quarterly average selling price per square meter of net display area shipped.

(11) Excludes semi-finished products in the cell process.

C. Major raw materials

Prices of major raw materials depend on fluctuations in supply and demand in the market as well as on change in size and quantity of raw materials due to the increased production of large-sized panels.

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(Unit: In billions of Won, except percentages)						
Business area	Purchase type	Items	Usage	Cost ⁽¹⁾	Ratio (%)	Suppliers
Display	Raw materials	Backlights	Display panel manufacturing	1,386	20.7%	HeeSung Electronics, etc.
		Polarizers		1,042	15.6%	LG Chem, etc.
		Glass		707	10.6%	NEG, Asahi Glass, etc.
		Printed				
		circuit boards		809	12.1%	Korea SMT, etc.
		Others		2,742	41.0%	
Total				6,686	100.0%	

- Period: January 1, 2017 ~ June 30, 2017.

(12) Based on total cost for purchase of raw materials which includes manufacturing and development costs, etc.

4. Production and Equipment

A. Production capacity and output

(1) Production capacity

The table below sets forth the production capacity of our Gumi, Paju, Guangzhou and Ochang facilities in the periods indicated.

Business area	Items	Location of facilities	(Unit: 1,000 glass sheets)		
			2017 H1 ⁽¹⁾	2016 ⁽²⁾	2015 ⁽²⁾
Display	Display panel	Gumi, Paju, Guangzhou, Ochang	4,867	9,906	9,781

(13) Calculated based on the maximum monthly input capacity (based on glass input substrate size for eighth generation glass sheets) during the period multiplied by the number of months in the period (i.e., 6 months).

(14) Calculated based on the maximum monthly input capacity (based on glass input substrate size for eighth generation glass sheets) during the year multiplied by the number of months in a year (i.e., 12 months).

(2) Production output

The table below sets forth the production output of our Gumi, Paju, Guangzhou and Ochang facilities in the periods indicated.

Business area	Items	Location of facilities	(Unit: 1,000 glass sheets)		
			2017 H1	2016	2015

Display	Display panel	Gumi, Paju, Guangzhou, Ochang	4,456	8,996	8,609
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- Based on glass input substrate size for eighth generation glass sheets.

B. Production performance and utilization ratio

Production facilities	(Unit: Hours, except percentages)		
	Available working hours in 2017 H1	Actual working hours in 2017 H1	Average utilization ratio
Gumi	4,344 ⁽¹⁾ (181 days) ⁽²⁾	4,132 ⁽¹⁾ (172 days) ⁽²⁾	95.1%
Paju	4,344 ⁽¹⁾ (181 days) ⁽²⁾	4,344 ⁽¹⁾ (181 days) ⁽²⁾	100.0%
Guangzhou	4,344 ⁽¹⁾ (181 days) ⁽²⁾	4,344 ⁽¹⁾ (181 days) ⁽²⁾	100.0%
Ochang	4,344 ⁽¹⁾ (181 days) ⁽²⁾	3,744 ⁽¹⁾ (156 days) ⁽²⁾	86.2%

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(15) Based on the assumption that all 24 hours in a day have been fully utilized.

(16) Number of days is calculated by averaging the number of working days for each facility.

C. Investment plan

In 2016, our total capital expenditures on a cash out basis was ₩3.7 trillion. In 2017, we plan to continue capital expenditures to lead the market for OLED panels, prepare for mass production of future display products and respond to increases in demand for large-sized panels.

5. Sales

A. Sales performance

Business area	Sales types	Items (Market)	(Unit: In billions of Won)			
			2017 H1	2016	2015	
Display	Products, etc.	Display panel	Overseas ⁽¹⁾	12,686	24,679	26,166
			Korea ⁽¹⁾	1,005	1,825	2,218
			Total	13,691	26,504	28,384

(17) Based on ship-to-party.

B. Sales route and sales method

(1) Sales organization

As of June 30, 2017, each of our television, IT, mobile and OLED businesses had individual sales and customer support functions.

Sales subsidiaries in the United States, Germany, Japan, Taiwan, China and Singapore perform sales activities and provide local technical support to customers.

(2) Sales route

Sales of our products take place through one of the following two routes:

LG Display HQ and overseas manufacturing subsidiaries g Overseas sales subsidiaries (USA/Germany/Japan/Taiwan/China/Singapore), etc. g System integrators and end-brand customers g End users

LG Display HQ and overseas manufacturing subsidiaries g System integrators and end-brand customers g End users

(3) Sales methods and sales terms

Direct sales and sales through overseas subsidiaries, etc. Sales terms are subject to change depending on the fluctuation in the supply and demand of LCD panels.

(4) Sales strategy

As part of our sales strategy, we have secured stable sales to major personal computer manufacturers and leading consumer electronics manufacturers globally, led the television market with our OLED and other market leading television panels, increased the proportion of sales of our differentiated television panels, such as our Ultra HD and large television panels, in our product mix and strengthened sales of high-resolution, IPS, narrow bezel and other high-end display panels in the monitor, notebook computer and tablet markets.

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In the smartphone, commercial (including interactive whiteboards and video wall displays), industrial products (including aviation and medical equipment) and automobile displays segment, we have continued to build a strong and diversified business portfolio by expanding our business with customers with a global reach on the strength of our differentiated products applying IPS, plastic OLED, high-resolution, high-reliability, Super Narrow bezel, in-TOUCH and other technologies.

(5) Purchase orders

Customers generally place purchase orders with us one month prior to delivery. Our customary practice for procuring orders from our customers and delivering our products to such customers is as follows:

Receive order from customer (overseas sales subsidiaries, etc.) g Headquarter is notified g Manufacture product g Ship product (overseas sales subsidiaries, etc.) g Sell product (overseas sales subsidiaries, etc.)

6. Market Risks and Risk Management

A. Market risks

The display industry continues to experience continued declines in the average selling prices of TFT-LCD and OLED panels irrespective of cyclical fluctuations in the industry, and our margins would be adversely impacted if prices decrease faster than we are able to reduce our costs.

The display industry is highly competitive. We have experienced pressure on the prices and margins of our major products due largely to additional industry capacity from panel manufacturers in Korea, Taiwan, China and Japan coupled with changes in the production mix of such manufacturers.

Our ability to compete successfully depends on factors both within and outside our control, including product pricing, performance and reliability, timely investments, adaptable production capabilities, utilization of differentiated technologies in product development, success or failure of our end-brand customers in marketing their brands and products, component and raw material supply costs, and general economic and industry conditions. We cannot provide assurance that we will be able to compete successfully with our competitors on these fronts and, as a result, we may be unable to sustain our current market position.

Our results of operations are subject to exchange rate fluctuations. To the extent that we incur costs in one currency and generate sales in a different currency, our profit margins may be affected by changes in the exchange rates between the two currencies. Our sales of display panels are denominated mainly in U.S. dollars, whereas our foreign currency denominated purchases of raw materials are denominated mainly in U.S. dollars and Japanese Yen. Seeking to achieve stable management, we take every precaution in our foreign currency risk management to minimize the risk of foreign currency fluctuations on our foreign currency denominated assets and liabilities.

B. Risk management

As the average selling prices of TFT-LCD and OLED panels can continue to decline over time irrespective of industry-wide cyclical fluctuations, we may find it hard to manage risks associated with certain factors that are outside our control. However, we counteract such declines in average selling prices by increasing the proportion of high value added panels in our product mix while also implementing various cost reduction measures. In addition, in order to manage our risk against foreign currency fluctuations, we continually monitor our currency position and risk, and when needed, we may from time to time enter into cross-currency interest rate swap contracts and foreign currency forward contracts.

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7. Derivative Contracts

A. Currency risks

We are exposed to currency risks on sales, purchases and borrowings that are denominated in currencies other than in Won, our functional currency. These currencies are primarily the U.S. dollar, the Japanese Yen and the Chinese Yuan.

Interest on borrowings is denominated in the currency of the borrowing. Generally, borrowings are denominated in currencies that match the cash flows generated by our underlying operations, primarily in Won, the U.S. dollar and the Chinese Yuan.

In respect of other monetary assets and liabilities denominated in foreign currencies, we ensure that our net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, when necessary, to address short-term imbalances.

During the first six months of 2017, we entered into an aggregate of US\$100 million in Won/US\$ forward foreign exchange contracts with Shinhan Bank and HSBC, which contracts were subsequently settled on June 26, 2017. As of June 30, 2017, there are no outstanding amounts to be settled under our foreign currency derivative instruments.

We recognized a gain on valuation of derivative instruments in the amount of ₩3,106 million with respect to foreign exchange derivative instruments held during the first six months of 2017.

B. Interest rate risks

Our exposure to interest rate risks relates primarily to our floating rate long term loan obligations. We have established and are managing interest rate risk policies to minimize uncertainty and costs associated with interest rate fluctuations by monitoring cyclical interest rate fluctuations and enacting countermeasures.

As of June 30, 2017, we have entered into an aggregate of ₩350 billion in interest rate swap agreements with Shinhan Bank and NongHyup Bank, for which we have not applied hedge accounting.

We recognized a gain on valuation of derivative instruments in the amount of ₩255 million with respect to interest rate derivative instruments held during the first six months of 2017.

8. Major contracts

Our material contracts, other than contracts entered into in the ordinary course of business, are set forth below:

Type of agreement	Name of party	Term	Content
Technology licensing agreement	Semiconductor Energy Laboratory	October 2005 ~	Patent licensing of LCD and OLED related technology
	Hewlett-Packard	January 2011 ~	Patent licensing of semi-conductor device technology
	Ignis Innovation, Inc.	July 2016 ~	Patent licensing of OLED related technology
	HannStar Display Corporation	December 2013 ~	Patent cross-licensing of LCD technology
Technology licensing/supply agreement	AU Optronics Corporation	August 2011~	Patent cross-licensing of LCD technology
	Innolux Corporation	July 2012 ~	Patent cross-licensing of LCD technology
	Universal Display Corporation	January 2015 ~ December 2022	Patent cross-licensing of OLED related technology

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A. Summary of R&D-related expenditures

		(Unit: In millions of Won, except percentages)		
Items		2017 H1	2016	2015
Material Cost		308,130	677,423	679,603
Labor Cost		320,295	479,650	510,455
Depreciation Expense		145,408	136,826	196,799
Others		137,407	129,348	159,983
Total R&D-Related Expenditures		911,240	1,423,247	1,546,840
	Selling & Administrative Expenses	442,750	880,794	995,336
Accounting Treatment ⁽¹⁾	Manufacturing Cost	325,770	220,165	324,437
	Development Cost (Intangible Assets)	142,720	322,288	227,067
R&D-Related Expenditures / Revenue Ratio (Total R&D-Related Expenditures ÷ Revenue for the period × 100)		6.7%	5.4%	5.4%

(18) For accounting treatment purposes, selling & administrative expenses are presented as research and development expenses in our statements of comprehensive income, net of amortization of capitalized intangible asset development costs.

B. R&D achievements

Achievements in 2015

- (1) Developed the world's narrowest, at the time, module bezel (0.7mm) LTPS smartphone display (5.3-inch FHD in-TOUCH)

Developed the world's first FHD in-TOUCH display (LTPS 5.3-inch FHD) applying the Neo Edge module process (new manufacturing technology) in January 2015

Set-up glue & laser cutting process, 0.6mm panel bezel (L/R)

- (2) Developed the world's first QHD in-TOUCH LTPS smartphone display (5.5-inch QHD)

Developed LTPS 5.5-inch QHD display applying LG Display's new capacitive type in-cell touch technology with all points sensing in March 2015; luminance: 500nit, contrast ratio: 1500:1 (using photo alignment & negative LC), 0.95mm panel bezel (L/R)

Delivered differentiated value proposition based on touch performance, simplified SCM process and competitive cost innovation

- (3) Developed the world's narrowest, at the time, bezel videowall product (49-inch FHD)

Developed the world's narrowest bezel videowall product (bezel to bezel 3.5mm)

Optimized sizing of panel PAD and mechanical bezel

- (4) Developed 43-inch Ultra HD slim and light LED television product

Achieved LCD module thickness of 8.4mm

Reduced thickness through publication of set LCM parts (back cover and middle cabinet)

- (5) Developed the world's first Ultra HD OLED television product (55-inch, 65-inch and 77-inch Ultra HD)

Developed the world's first Ultra HD television product lineup

- (6) Developed the world's first Ultra HD television product applying DRD technology (55-inch, 49-inch and 43-inch Ultra HD)

World's first application of Ultra HD DRD technology based on an RGBW(M+) pixel structure

Utilized RGBW(M+) technology to optimize picture quality (high definition, high luminance, low energy consumption and High Dynamic Range (HDR))

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- (7) Developed Ultra HD asymmetric RGBW(M+) structure product (15.6-inch)

Improved panel transmittance, lowered energy consumption and enhanced outdoor visibility compared to previous models

- (8) Developed the world's first second display LTPS smartphone product (5.7-inch QHD+)

Delivered differentiated set design through the realization of a second display by applying a panel exterior manufacturing process

Developed panel and instrumental optics technology for the independent operation of main display and second display

Developed advanced power consumption technology for the realization of Always On Display functionality for the second display

- (9) Developed the world's first four-sided borderless monitor product (23.8-inch FHD and 27-inch QHD)

Developed the world's first four-sided borderless design LCD module

Improved design by reducing lower bezel size from 12.6mm to 6.15mm (23.8-inch FHD)

- (10) Developed the world's first in-TOUCH notebook product (15.6-inch and 14-inch FHD)

Improved touch functionality and cost competitiveness through world's first application of in-TOUCH technology on notebook products

Simplified customer supply chain management by providing touch total solution

- (11) Developed the world's first 15.6-inch FHD notebook narrow bezel (2.9mm) product

Ultra-light and narrow concept project for 15.6-inch line extension to LG Electronics 13.3-inch and 14-inch Gram products

Delivered differentiated design utilizing 2.9mm bezels (Top/L/R)

Ultra slim and light design (225g, 2.3t)

(12) Developed 1900R curved monitor product (34-inch, 21:9 screen aspect ratio)

Strengthened product competitiveness by improving the curvature radius of 21:9 screen aspect ratio monitors (3800 reduced to 1900R)

Applied 0.25T etching to address looseness and backlight bleeding attributable to curved screen

Applied COT structure to enhance panel transmittance and address color mixing defects

(13) Developed the world's first four-sided borderless 55-inch Ultra HD LED television product

Developed panel reverse structure in order to deliver a four-sided borderless product

(14) Developed the world's first a-Si 98-inch Quad Ultra HD 120Hz television product

Developed the world's first drive technology for a-Si based extra-large 8K 120Hz panels

(15) Developed the world's first 65-inch 8K M+ product

Achieved cost competitiveness and maximized 8K transmittance by applying GIP/Source single bank for the first time in the world

Developed super resolution (4K enhanced to 8K) and M+ algorithm technologies

(16) Developed 75-inch Ultra HD Signage product

Delivered 11.9mm thickness on large-size LCD module

Achievements in 2016

(1) Developed the world's narrowest, at the time, bezel videowall product (55-inch/49-inch FHD, bezel to bezel 1.8mm)

Delivered 0.9mm even bezel, four-sided borderless product (bezel to bezel 1.8mm)

- (2) Developed the world's first ultra-stretch format display product (86-inch, 58:9 screen aspect ratio)

Developed new display panel size and screen aspect ratio (86-inch, 58:9 screen aspect ratio)

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Applied next-generation stain (per pixel) offset technology

- (3) Developed the world's first ultra-large display product utilizing data single bank and GIP technology (86-inch Ultra HD)

Achieved cost-competitiveness by developing world's first ultra-large display product utilizing data single bank and GIP technology

- (4) Developed the world's first in-TOUCH monitor product (23-inch)

Improved touch functionality and strengthened cost-competitiveness by applying the world's first in-TOUCH technology to monitor display products

Simplified customer software configuration management by providing touch total solution

- (5) Developed ultra-slim OLED television display product applying high dynamic range (65-inch, 800 nit luminance, 2.52 mm module thickness)

Applied high dynamic range (HDR) technology to achieve 800 nit peak luminance and improved display quality

Achieved module thickness of 2.52mm (without back cover) and 5.92mm (with back cover)

- (6) Developed combined 5.3-inch QHD in-TOUCH + 3D cover glass product for LG Electronics

Developed world class smartphone product (G5) through collaboration with other LG Group companies

Strengthened competitiveness of design by achieving processability and productivity for 0.4t 3D cover glass

Improved power consumption of AoD Mode from Self Font Generation technology and operation optimization

- (7) Developed the world's first large-scale outdoor high luminance 3000 nit product (75-inch Ultra HD)

Developed the world's first large-scale outdoor 75-inch Ultra HD, high luminance 3000 nit product

Achieved cost competitiveness and power consumption reduction through utilization of high transmittance M+ panel

- (8) Developed the world's first FHD/Ultra HD multi-input Interactive Whiteboard product (75-inch Ultra HD)

Strengthened product competitiveness through delivery of customer FHD/Ultra HD selective input functionality

- (9) Developed 4.9mm depth Art Slim2 Ultra HD television (55-inch/65-inch Ultra HD)

Strengthened design competitiveness through delivery of ultra-slim product with application of Glass Light Guide Plate

- (10) Developed the world's largest 21:9 screen aspect ratio curved monitor (37.5-inch UltraWide Quad HD (WQHD))+)

Continued pioneering of the market with the world's largest 21:9 screen aspect ratio IPS curved monitor lineup (37.5-inch, 2300R curvature radius, 44mm curvature depth)

Established flagship line through application of new high definition technology (WQHD+, 3840 x 1600 resolution)

Improved panel transmittance and backlight bleeding through our first-time application of a Super-IPS COT panel structure to monitor models

- (11) Developed the world's first in-TOUCH GIP/DRD notebook product (15.6-inch FHD)

Strengthened competitiveness through application of GIP/DRD technology to FHD-quality notebook in-TOUCH products

- (12) Developed a transparent 32-inch FHD product

Achieved high transmittance of transparent panel through application of RGBW(M+) panel technology

- (13) Developed the world's first Light Absorption Polarizer (LAP) product (65-inch/60-inch Ultra HD)

Developed differentiated wide color gamut solution

(14) Developed the world's first Ultra HD DRD product (50-inch Ultra HD)

Utilized Ultra HD RGBW(M+) pixel structure-based DRD technology to strengthen product competitiveness and optimize picture quality (high definition, high luminance, low energy consumption and HDR)

(15) Developed a 5.7-inch QHD flexible display product

Developed a flexible display smartphone product through collaboration with other LG Group companies

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Reduced the lower bezel size by 0.59mm and improved power consumption by applying VESA Display Stream Compression 1.1

- (16) Developed the world's first wallpaper OLED television product (65-inch Ultra HD)

Achieved an ultra-slim wallpaper-style design that completely sticks to walls (65-inch, 3.9 mm hindmost thickness, 7.4 kg)

Achieved long-distance signal and power transmission technology for the separation of the driver circuit
Achievements in 2017

- (1) Developed 5.7-inch QHD+ full vision display (LG Electronics)

Developed a full vision display smartphone product (G6) through strategic collaboration with other LG Group companies

Applied first 18:9 screen aspect ratio with 4-corner round display

- (2) Developed mobile LTPS 30Hz product (SH 5.1-inch FHD)

Secured 30Hz low-frequency drive technology based on LTPS TFT-LCD

Reduced logic power consumption through 30Hz low-frequency drive (reduced from 96mW to 69mW on 5.1-inch FHD)

- (3) Developed and released the world's first Crystal Sound OLED, or CSO, television product

Released product with a new platform concept through development of OLED panel product with integrated speakers

Delivered OLED television product that achieves differentiated value not only in picture quality and design, but also sound quality

- (4) Developed notebook oxide product (13.9-inch, Ultra HD)

Achieved high definition/narrow bezel product through application of oxide BCE GIP technology

Delivered low power consumption product through application of low refresh rate, or LRR, technology

- (5) Developed medical monitor product for surgical endoscope (27.0-inch, Ultra HD)

Newly entered the medical devices market through development and production of medical monitor product for surgical endoscope

Achieved high definition (3,840 x 2,160), high luminance (800 nit) and high contrast ratio (1,300:1)

Implemented coverglass direct bonding applying our own manufacturing processes (M6 line)

- (6) Developed the world's first four-side borderless monitor with a resolution of 8K4K (31.5-inch 8K4K Oxide)

Pioneered Ultra HD Premium MNT market through development of the world's first four-side borderless monitor with a resolution of 8K4K

Delivered Ultra HD based on oxide GIP (280 PPI with a resolution of 7680x4320)

Delivered wide color gamut (Adobe RGB 100%/DCI 98%), four-side borderless

- (7) Developed the world's largest automotive Center Information Display (CID) product (15.4-inch Widescreen Ultra Extended Graphics Array (WUXGA))

Developed the world's largest auto component display in the automotive industry

Guaranteed the first 1000hr reliability in the automotive industry

10. Intellectual Property

As of June 30, 2017, our cumulative patent portfolio (including patents that have already expired) included a total of 32,871 patents, consisting of 15,440 in Korea and 17,431 in other countries.

Table of Contents**11. Environmental and Safety Matters**

We are subject to a variety of environmental laws and regulations, and we may be subject to fines or restrictions that could cause our operations to be interrupted. Our manufacturing processes generate worksite waste, including water and air pollutants, at various stages in the manufacturing process, and we are subject to relevant laws and regulations in each area of the environment, including with respect to the treatment of chemical by-products. We have installed various types of anti-pollution equipment, consistent with environmental standards, for the treatment of chemical waste and equipment for the recycling of treated waste water at our various facilities. However, we cannot provide assurance that environmental claims will not be brought against us or that the local or national governments will not take steps toward adopting more stringent environmental standards. Any failure on our part to comply with any present or future environmental regulations could result in the assessment of damages or imposition of fines against us, suspension of production or a cessation of operations. In addition, environmental regulations could require us to acquire costly equipment or to incur other significant compliance expenses that may materially and negatively affect our financial condition and results of operations.

In accordance with the Framework Act on Low Carbon, Green Growth, we implemented the greenhouse gas emission and energy consumption target system from 2012 to 2014. In 2015, we implemented the greenhouse gas trading system, under which we are responsible to meet our emission targets based on the emission credits allocated to us by the Ministry of Environment of the Korean government. As a result, we have been investing in additional equipment and there may be other costs associated with meeting reduction targets, which may have a negative effect on our profitability or production activities. As a designated company subject to greenhouse gas emission targets under the Framework Act on Low Carbon, Green Growth, if we fail to meet a reduction target and are unable to comply with the government's subsequent enforcement notice relating to such failure, we may be subject to fines. Furthermore, as a designated company subject to the Act on Allocation and Trading of Greenhouse Gas Emissions, if do not have enough emission credits, we may be required to purchase additional credits or be subject to fines.

In connection with the greenhouse gas emission and energy reduction target system, we submitted a statement of our domestic emissions and energy usage for 2016 to the Korean government in March 2017 after it was certified by BSI Korea, a government-designated certification agency. The table below sets forth yearly levels of our greenhouse gases emissions and energy usage in the statement submitted to the Korean government:

Category	(Unit: thousand tonnes of CO ₂ equivalent; Tetra Joules)		
	2016	2015	2014
Greenhouse gases	5,851	7,348	7,537
Energy	60,423	60,146	60,002

Operations at our manufacturing plants are subject to regulation and periodic scheduled and unscheduled on-site inspections by the Ministry of Environment and local environmental protection authorities. We believe that we have adopted adequate anti-pollution measures and have minimized our impact on the environment by improving existing and developing new technologies for the effective maintenance of environmental protection standards consistent with local industry practice. In addition, we have continually monitored, and we believe that we are in compliance in all material respects with, the applicable environmental laws and regulations in Korea. Expenditures related to such compliance may be substantial. Such expenditures are generally included in capital expenditures. As required by Korean law, we employ licensed environmental specialists to manage our water and air pollution, toxic materials and waste. In December 2013, to ensure safe water quality and reduce costs, we entered into a contract with a specialist company to operate our waste water treatment facilities. In stages beginning in November 1997, we have obtained environmental management system ISO 14001 certifications for our domestic panel and module production facilities and our overseas module production plants in Nanjing, Yantai and Guangzhou, China, and with respect to our

domestic panel and module production plants, we received ISO 50001 certification in December 2013 for our energy management system.

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In addition, in August 2014, GP1, our newest eighth-generation panel fabrication facility located in Guangzhou, China, was the first electronics plant in China to receive the Green Plant designation under China's Green China Policy, in addition to receiving ISO 14001, ISO 50001, OHSAS 18001, ISO 9001, PAS 2050 and ISO 14064-1 certifications. Furthermore, with respect to our production facilities in Gumi, we have been certified by the Ministry of Environment as a Green Company for P1 and our Gumi module production plant since 1997, P2 and P3 since 2006 and P4, P5 and P6 since 2008. Also, we received certification to self-inspect designated waste products with respect to our Paju plant by the Ministry of Environment in 2011, which was recertified in 2013. In recognition of our efforts to reduce greenhouse gas emissions, we were awarded a commendation from the Minister of Environment in the efforts against climate change category in the 2013 Green Management Awards, which was jointly hosted by the Ministry of Environment and the Ministry of Trade, Industry & Energy. In addition, in recognition of our efforts to improve recycling and reduce waste, we received a citation in 2014 for being a leading recycling company from the Prime Minister of Korea and, in recognition of our continued water conservation activities (reuse system investments, etc.) and greenhouse gas emission reduction activities (process gas and energy reduction, etc.), we attained the highest level, Leadership A, and received the grand prize award at the CDP Water Korea Best Awards in 2016 from the Carbon Disclosure Project, which was presided over by the Carbon Disclosure Project Korea Committee. We also attained a Leadership A in the climate change information technology sector and received a carbon management honors award.

In the case of the European Union's Restriction of Hazardous Substances (RoHS) Directive 2011/65/EU, with the adoption of Directive (EU) 2015/863 in 2016, four additional substances (four phthalate substances) will be added to the six already restricted substances and the additional restrictions are scheduled to come into effect on July 22, 2019. In order to address the latent risk elements of the four phthalate substances scheduled to be restricted in 2019 and to establish a more stable management system, we implemented in 2016 a preemptive response process with respect to such four phthalate substances. In implementing this process, we collaborated with external agencies to ascertain regulatory trends and establish our response strategy, and we formulated and applied effective management measures through the collaborative efforts of our development, procurement and quality teams. Beryllium (Be) was not designated internationally as a mandatorily restricted substance but has continued to be the subject of discussion for restriction, and certain of our customers have designated it as a restricted substance not to be used in products. Accordingly, we have completed verification of the parts used in products for customers who have banned the use of Beryllium. We have also conducted verification of the parts used in products for all customers who are expected to implement a ban and we have established a Beryllium verification process for parts in development. Through such efforts, we have established a voluntary hazardous substance response process that can be expanded to products for all customers, not only those who have requested a response.

In October 2005, we became the first display panel company to receive accreditation as an International Accredited Testing Laboratory by the Korea Laboratory Accreditation Scheme, which is operated by the Korean Ministry of Trade, Industry & Energy. In September 2006, we received international accreditation from TUV SUD, EU's German accreditation agency, as a RoHS testing laboratory. Our efforts to keep pace with the increasingly stringent accreditation standards and to receive and maintain such accreditations are part of our on-going efforts to systematically monitor environmentally controlled substances in our component parts inventory. Moreover, we participated in reforming IEC 62321, an international testing standard published by the International Electrotechnical Commission and used by RoHS, and the commission adopted our halogen-free combustion ion chromatography method in as IEC 62321-3-2, which was published in June 2013.

In February 2015, we were issued a corrective order and assessed a fine of ₩276 million, which we subsequently followed and paid, respectively, for violating the Occupational Health and Safety Act in connection with an accidental nitrogen gas exposure at one of our production facilities in Paju, Korea in January 2015. In 2016, we were assessed an additional fine of ₩10 million in connection with such accidental exposure for other violations of the Occupational

Health and Safety Act. To prevent such accidents happening again in the future, we have strengthened our safety standards and management and employee education.

In 2015 and 2016, we were assessed fines in the aggregate amount of ₩1.6 million, which we subsequently paid, for failure to meet certain reporting obligations under the Industrial Safety and Health Act. To prevent such violations from occurring again, we have strengthened our monitoring process and management and employee education training initiatives.

In June 2017, we were assessed a fine of ₩1 million, which we subsequently paid, for failure to meet certain waste disposal subcontractor requirements under the Waste Management Act. To prevent such violations from occurring again, we are strengthening the periodic evaluation process for our waste management subcontractors.

In July 2017, we were investigated by the Ministry of Employment and Labor in connection with the occurrence of a safety accident and found to be in violation of certain provisions of the Industrial Safety and Health Act relating to supervisory obligations. As a result, we were issued a corrective order and assessed a fine of ₩2.4 million. Police and the Ministry of Employment and Labor are currently conducting further investigations. In order to prevent such accidents from occurring again, we are strengthening our safety management standards and training for our employees.

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A. Financial highlights (Based on consolidated K-IFRS)

(Unit: In millions of Won)

Description	As of June 30, 2017	As of December 31, 2016	As of December 31, 2015
Current assets	9,993,708	10,484,186	9,531,634
Quick assets	7,650,324	8,196,401	7,179,965
Inventories	2,343,384	2,287,785	2,351,669
Non-current assets	16,507,591	14,400,150	13,045,526
Investments in equity accounted investees	97,254	172,683	384,755
Property, plant and equipment, net	14,165,855	12,031,449	10,546,020
Intangible assets	845,969	894,937	838,730
Other non-current assets	1,398,513	1,301,081	1,276,021
Total assets	26,501,299	24,884,336	22,577,160
Current liabilities	6,787,252	7,058,219	6,606,712
Non-current liabilities	5,124,592	4,363,729	3,265,492
Total liabilities	11,911,844	11,421,948	9,872,204
Share capital	1,789,079	1,789,079	1,789,079
Share premium	2,251,113	2,251,113	2,251,113
Retained earnings	10,143,348	9,004,283	8,158,526
Other equity	(182,085)	(88,478)	(5,766)
Non-controlling interest	588,000	506,391	512,004
Total equity	14,589,455	13,462,388	12,704,956

(Unit: In millions of Won, except for per share data and number of consolidated entities)

Description	For the six months ended	For the year ended	For the year ended
	June 30, 2017	December 31, 2016	December 31, 2015
Revenue	13,691,048	26,504,074	28,383,884
Operating profit	1,831,149	1,311,416	1,625,566
Operating profit from continuing operations	1,416,165	931,508	1,023,456
Profit for the period	1,416,165	931,508	1,023,456
Profit attributable to:			
Owners of the Company	1,323,790	906,713	966,553
Non-controlling interest	92,375	24,795	56,903
Basic earnings per share	3,700	2,534	2,701
Diluted earnings per share	3,700	2,534	2,701
Number of consolidated entities	20	19	18

B. Financial highlights (Based on separate K-IFRS)

(Unit: In millions of Won)

Description	As of June 30, 2017	As of December 31, 2016	As of December 31, 2015
Current assets	8,061,330	8,712,575	8,246,330
Quick assets	6,374,468	7,005,592	6,396,117
Inventories	1,686,862	1,706,983	1,850,213
Non-current assets	14,714,811	13,100,175	11,964,363
Investments	2,655,725	2,656,026	2,543,205
Property, plant and equipment, net	10,318,090	8,757,973	7,719,022
Intangible assets	651,272	673,966	607,398
Other non-current assets	1,089,724	1,012,210	1,094,738
Total assets	22,776,141	21,812,750	20,210,693
Current liabilities	5,584,696	6,176,344	6,505,979
Non-current liabilities	4,149,249	3,400,959	2,375,131
Total liabilities	9,733,945	9,577,303	8,881,110
Share capital	1,789,079	1,789,079	1,789,079
Share premium	2,251,113	2,251,113	2,251,113
Retained earnings	9,002,004	8,195,255	7,289,333
Reserves	0	0	58
Total equity	13,042,196	12,235,447	11,329,583

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(Unit: In millions of Won, except for per share data)

Description	For the six months ended	For the year ended	For the year ended
	June 30, 2017	December 31, 2016	December 31, 2015
Revenue	12,565,798	24,419,295	25,856,426
Operating profit	1,295,241	709,138	770,856
Operating profit from continuing operations	991,967	967,078	968,209
Profit for the period	991,967	967,078	968,209
Basic earnings per share	2,772	2,703	2,706
Diluted earnings per share	2,772	2,703	2,706

C. Consolidated subsidiaries (as of June 30, 2017)

Company Interest	Primary Business	Location	Equity
LG Display America, Inc.	Sales	U.S.A.	100%
LG Display Japan Co., Ltd.	Sales	Japan	100%
LG Display Germany GmbH	Sales	Germany	100%
LG Display Taiwan Co., Ltd.	Sales	Taiwan	100%
LG Display Nanjing Co., Ltd.	Manufacturing	China	100%
LG Display Shanghai Co., Ltd.	Sales	China	100%
LG Display Poland Sp. zo.o.	Manufacturing	Poland	100%
LG Display Guangzhou Co., Ltd.	Manufacturing	China	100%
LG Display Shenzhen Co., Ltd.	Sales	China	100%
LG Display Singapore Pte. Ltd.	Sales	Singapore	100%
L&T Display Technology (Fujian) Limited	Manufacturing and sales	China	51%
LG Display Yantai Co., Ltd.	Manufacturing	China	100%
LG Display (China) Co., Ltd.	Manufacturing and sales	China	70%
Nanumnuri Co., Ltd.	Workplace services	Korea	100%
Unified Innovative Technology, LLC	Managing intellectual property	U.S.A.	100%
Global OLED Technology LLC	Managing intellectual property	U.S.A.	100%
LG Display Guangzhou Trading Co., Ltd.	Sales	China	100%
LG Display Vietnam Haiphong Co., Ltd.	Manufacturing	Vietnam	100%
Suzhou Lehui Display Co., Ltd.	Manufacturing and sales	China	100%
MMT (Money Market Trust)	Money market trust	Korea	100%

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D. Status of equity investments (as of June 30, 2017)

(1) Consolidated subsidiaries

Company	Investment Amount (in millions)	Initial Equity Investment Date	Equity Interest
LG Display America, Inc.	US\$411	September 24, 1999	100%
LG Display Japan Co., Ltd.	¥95	October 12, 1999	100%
LG Display Germany GmbH	EUR1	November 5, 1999	100%
LG Display Taiwan Co., Ltd.	NT\$116	May 19, 2000	100%
LG Display Nanjing Co., Ltd.	CNY3,020	July 15, 2002	100%
LG Display Shanghai Co., Ltd.	CNY4	January 16, 2003	100%
LG Display Poland Sp. zo.o.	PLN511	September 6, 2005	100%
LG Display Guangzhou Co., Ltd.	CNY1,655	August 7, 2006	100%
LG Display Shenzhen Co., Ltd.	CNY4	August 28, 2007	100%
LG Display Singapore Pte. Ltd.	US\$1.1	January 12, 2009	100%
L&T Display Technology (Fujian) Limited	CNY116	January 5, 2010	51%
LG Display Yantai Co., Ltd.	CNY1,008	April 19, 2010	100%
Nanumnuri Co., Ltd.	₩800	March 19, 2012	100%
LG Display (China) Co., Ltd. ⁽¹⁾	CNY8,232	December 27, 2012	70%
Unified Innovative Technology, LLC	US\$9	March 21, 2014	100%
LG Display Guangzhou Trading Co., Ltd.	CNY1.2	May 27, 2015	100%
Global OLED Technology LLC	US\$138	May 7, 2015	100%
LG Display Vietnam Haiphong Co., Ltd.	US\$100	May 13, 2016	100%
Suzhou Lehui Display Co., Ltd.	CNY637	July 1, 2016	100%
MMT (Money Market Trust) ⁽²⁾	₩51,500	March 31, 2017	100%

Changes since March 31, 2017:

(19) In June 2017, LG Display Guangzhou Co., Ltd., our consolidated subsidiary, invested an additional ₩8,606 million in LG Display (China) Co., Ltd. As a result, our ownership interest in LG Display (China) Co., Ltd. decreased from 70.03% to 70.00% as of June 30, 2017.

(20) We conducted money market trust acquisitions in the amount of ₩51,500 million during the reporting period.

(2) Affiliated companies

Company⁽¹⁾

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	Carrying Amount (in millions)	Date of Incorporation	Equity Interest
Paju Electric Glass Co., Ltd.	₩ 47,286	January 2005	40%
Invenia Co., Ltd.	₩ 2,690	January 2001	13%
Wooree E&L Co., Ltd.	₩ 7,588	June 2008	14%
LB Gemini New Growth Fund No. 16 ⁽²⁾	₩ 5,806	December 2009	31%
Can Yang Investments Limited ⁽³⁾	₩ 2,063	January 2010	9%
YAS Co., Ltd.	₩ 10,281	April 2002	18%
Avatec Co., Ltd.	₩ 21,540	August 2000	17%
Arctic Sentinel, Inc.		June 2008	10%

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Changes since March 31, 2017:

- (21) During the reporting period, we divested our entire equity interest in Narae Nanotech Corporation.
- (22) We participate as a limited member in LB Gemini New Growth Fund No. 16. During the reporting period, we received a distribution of ₩2,076 million as return of principal from our investments. The distribution did not affect our percentage interest and our total commitment amount is ₩30,000 million.
- (23) During the reporting period, we recognized an impairment loss of ₩4,234 million, the difference between the carrying amount and the recoverable amount of our equity interest in Can Yang Investments Limited, which loss was categorized as finance costs.

13. Audit Information

A. Audit service

Description	(Unit: In millions of Won, hours)		
	2017 H1	2016	2015
Auditor	KPMG Samjong	KPMG Samjong	KPMG Samjong
Activity	Audit by independent auditor	Audit by independent auditor	Audit by independent auditor
Compensation ⁽¹⁾	1,040 (450) ⁽²⁾	1,020 (440) ⁽²⁾	990 (400) ⁽²⁾
Time required	5,889	18,291	17,530

(24) Compensation amount is the contracted amount for the full fiscal year.

(25) Compensation amount in () is for Form 20-F filing and SOX 404 audit.

B. Non-audit service

None.

14. Board of Directors

A. Members of the board of directors

As of June 30, 2017 our board of directors consisted of two non-outside directors, one non-standing director and four outside directors.

Position

(As of June 30, 2017)
Primary responsibility

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Beom Han	Representative Director (non-outside), Chief Executive Officer and Vice Chairman	Chairman of the board of directors
Don Kim ⁽¹⁾	Director (non-outside), Chief Financial Officer and Senior Vice President	Overall head of finances
n Hwoi Ha ⁽²⁾	Director (non-standing)	Related to the overall management
ang ⁽³⁾	Outside Director	Related to the overall management
Park ⁽⁴⁾	Outside Director	Related to the overall management
g Sik Hwang ⁽⁵⁾	Outside Director	Related to the overall management
Tai Han ⁽⁶⁾	Outside Director	Related to the overall management

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- (26) Sang Don Kim was reappointed for another term as a non-outside director at the annual general meeting of shareholders held on March 23, 2017.
- (27) Hyun Hwoi Ha was appointed as a non-standing director at the annual general meeting of shareholders held on March 23, 2017. Mr. Ha is also the chief executive officer of LG Corp., a non-standing director of LG Hausys, Ltd., a non-standing director of LG International Corp., a non-standing director of LG Uplus Corp., a non-standing director of LG Economic Research Institute and a non-standing director of LG CNS Co., Ltd.
- (28) Jin Jang was reappointed for another term as an outside director at the annual general meeting of shareholders held on March 23, 2017. Mr. Jang is also the chief executive officer of Silicon Display Co., Ltd.
- (29) Joon Park is also an outside director of Green Cross Holdings Corp.
- (30) Sung Sik Hwang is also an outside director of Kyobo Life Insurance Co., Ltd.
- (31) Kun Tai Han is also the chief executive officer of Hans Consulting.

B. Committees of the board of directors

We have the following committees that serve under our board of directors: Audit Committee, Outside Director Nomination Committee and Management Committee. The Management Committee consists of two non-outside directors, Sang Boem Han and Sang Don Kim.

During the reporting period, two meetings of the Outside Director Nomination Committee were held and the composition of the Outside Director Nomination Committee was as follows.

Committee	Composition	(As of March 8, 2017) Member
Outside Director Nomination Committee	1 non-standing director and 2 outside directors	Yu Sig Kang, Joon Park ⁽¹⁾ , Sung Sik Hwang

- (32) Joon Park was appointed as a member of the outside director nomination committee of the board of directors by the board of directors on January 23, 2017.

As of June 30, 2017, the composition of the Audit Committee was as follows.

Committee	Composition	(As of June 30, 2017) Member
Audit Committee	3 outside directors	Sung Sik Hwang ⁽¹⁾ , Joon Park, Kun Tai Han ⁽²⁾

- (33) Sung Sik Hwang is the audit committee chairman.
- (34) Kun Tai Han was appointed as a member of the audit committee of the board of directors at the annual general meeting of shareholders held on March 23, 2017.

C. Independence of directors

Directors are appointed in accordance with the procedures of the Commercial Act and other relevant laws and regulations. Our board of directors is independent as four out of the seven directors that comprise the board are outside directors. Outside directors candidates are nominated for appointment at a shareholders meeting after undergoing rigorous review by the Outside Director Nomination Committee.

All of our current outside directors were nominated by the Outside Director Nomination Committee, and all of our current non-outside directors were nominated by the board of directors.

Table of Contents**15. Information Regarding Shares**

A. Total number of shares

- (1) Total number of shares authorized to be issued (as of June 30, 2017): 500,000,000 shares.
- (2) Total shares issued and outstanding (as of June 30, 2017): 357,815,700 shares.

B. Shareholder list

- (1) Largest shareholder and related parties as of June 30, 2017:

Name	Relationship	Number of shares of common stock	Equity interest
LG Electronics	Largest Shareholder	135,625,000	37.90%
Sang Beom Han	Related Party	31,355	0.01%
Sang Don Kim	Related Party	4,000	0.00%

- (2) Shareholders who are known to us to own 5% or more of our shares as of June 30, 2017:

Beneficial owner	Number of shares of common stock	Equity interest
LG Electronics	135,625,000	37.90%
National Pension Service	32,930,270	9.20%

16. Directors and Employees

A. Directors

- (1) Remuneration for directors in 2017 H1

Classification	No. of directors ⁽¹⁾	Amount paid ⁽²⁾	(Unit: person, in millions of Won)
			Per capita average remuneration paid ⁽³⁾
Non-outside directors	3	1,980	660

Outside directors who are not audit committee members	1	39	39
Outside directors who are audit committee members	3	117	39
Total	7	2,136	305

(35) Number of directors as of June 30, 2017.

(36) Amount paid is calculated on the basis of amount of cash actually paid.

(37) Per capita average remuneration paid is calculated by dividing total amount paid by the average number of directors for the six months ended June 30, 2017.

(2) Remuneration for individual directors and audit committee members

Individual amount of remuneration paid in 2017 H1

Name	Position	(Unit: in millions of Won)	
		Total remuneration	Payment not included in total remuneration
Sang Beom Han	President	1,592	

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Method of calculation

(Unit: in millions of Won)

Name	Method of calculation
Sang Beom Han	<u>Total remuneration</u>

—₩1,592 million (consisting of ~~₩~~₩714 million in salary and ~~₩~~₩878 million in bonus).

Salary

Basic salary is set in accordance with the executive compensation regulations established by the board of directors. Annual salary is paid on a monthly basis (~~₩~~₩65 million per month from January to March and ~~₩~~₩67 million per month from April to June).

Position salary is calculated based on the significance of the position, etc. Position salary is paid on a monthly basis (~~₩~~₩52 million per month from January to March and ~~₩~~₩53 million per month from April to June).

Bonus

Bonus is awarded by the board of directors based on performance and evaluation standards derived from the special bonus provisions of the executive compensation regulations.

Bonus in the range of 0 to 150% of annual salary may be awarded by evaluating the previous year's performance through certain financial indicators, such as revenue and operating profit, and non-financial indicators, such as meeting our medium- to long-term expectations, leadership and other contributions.

Financial indicators: Revenue decreased from ~~₩~~₩28.4 billion for the year ended December 31, 2015 to ~~₩~~₩26.5 billion for the year ended December 31, 2016, and operating

profit decreased from ₩1.6 billion for the year ended December 31, 2015 to ₩1.3 billion for the year ended December 31, 2016.

Non-financial indicators: We maintained industry-leading technology through the continual release of differentiated technologies and products. We are preparing for a successful transition to OLED business through stable production of OLED TVs and by securing a base for our plastic OLED business, while improving profit structure and market position. Mr. Han showed leadership in leading us to achieve our management goals. ₩878 million was calculated as bonus based on the reasons stated above.

(3) Stock options
Not applicable.

B. Employees

As of June 30, 2017, we had 32,538 employees (excluding our executive officers). On average, our male employees have served 9.0 years and our female employees have served 7.3 years. The total amount of salary paid to our employees for the six months ended June 30, 2017 based on income tax statements submitted to the Korean tax authority in accordance with Article 20 of the Income Tax Act was ₩1,009,029 million for our male employees and ₩242,109 million for our female employees. The following table provides details of our employees as of June 30, 2017:

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(Unit: person, in millions of Won, year)

	Number of employees ⁽¹⁾	Total salary in 2017 H1 ⁽²⁾⁽³⁾⁽⁴⁾	Total salary per capita ⁽⁵⁾	Average years of service
Male	24,379	1,009,029	42	9.0
Female	8,276	242,109	29	7.3
Total	32,655	1,251,138	39	8.6

(38) Includes part-time employees and contract-base professionals.

(39) Welfare benefits and retirement expenses have been excluded. Total welfare benefit provided to our employees for the six months ended June 30, 2017 was ₩178,597 million and the per capita welfare benefit provided was ₩5.5 million.

(40) Based on income tax statements (amounts are based on pre-income tax figures), which are submitted to the Korean tax authority in accordance with Article 20 of the Income Tax Act.

(41) Includes incentive payments to employees who have transferred from our affiliated companies.

(42) Calculated using the average number of employees (male: 24,087, female: 8,441) for the six months ended June 30, 2017

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LG DISPLAY CO., LTD. AND SUBSIDIARIES

Condensed Consolidated Interim Financial Statements

(Unaudited)

June 30, 2017 and 2016

(With Independent Auditors' Review Report Thereon)

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Independent Auditors' Review Report

Based on a report originally issued in Korean

To the Board of Directors and Shareholders

LG Display Co., Ltd.:

Reviewed Financial Statements

We have reviewed the accompanying condensed consolidated interim financial statements of LG Display Co., Ltd. and subsidiaries (the Group) which comprise the condensed consolidated interim statement of financial position as of June 30, 2017, the condensed consolidated interim statements of comprehensive income (loss) for each of the three-month and six-month periods ended June 30, 2017 and 2016, and statements of changes in equity and cash flows for the six-month periods ended June 30, 2017 and 2016, and notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Condensed Consolidated Interim Financial Statements

Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with Korean International Financial Reporting Standards No. 1034, *Interim Financial Reporting*, and for such internal controls as management determines necessary to enable the preparation of condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to issue a report on these condensed consolidated interim financial statements based on our reviews.

We conducted our reviews in accordance with the Review Standards for Quarterly and Semiannual Financial Statements established by the Security and Futures Commission of the Republic of Korea. A review of interim financial information consists principally of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Korean Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements referred to above are not presented fairly, in all material respects, in accordance with Korean International Financial Reporting Standards No. 1034, *Interim Financial Reporting*.

Other Matters

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

We audited the consolidated statement of financial position as of December 31, 2016 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, which are not accompanying this review report, in accordance with Korean Standards on Auditing, and our report thereon, dated February 21, 2017, expressed an unqualified opinion. The accompanying condensed consolidated statement of financial position of the Group as of December 31, 2016, presented for comparative purposes, is not different from that audited by us from which it was derived in all material respects.

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KPMG Samjong Accounting Corp.

Seoul, Korea

August 11, 2017

This report is effective as of August 11, 2017 the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the accompanying condensed consolidated interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that the above review report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

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LG DISPLAY CO., LTD. AND SUBSIDIARIES

Condensed Consolidated Interim Statements of Financial Position

(Unaudited)

As of June 30, 2017 and December 31, 2016

<i>(In millions of won)</i>	Note	June 30, 2017	December 31, 2016
Assets			
Cash and cash equivalents	4, 25	₩ 1,539,474	1,558,696
Deposits in banks	4, 25	1,062,095	1,163,750
Trade accounts and notes receivable, net	5, 14, 25, 27	4,466,285	4,957,993
Other accounts receivable, net	5, 25	86,284	143,592
Other current financial assets	6, 25	44,916	28,016
Inventories	7	2,343,384	2,287,785
Prepaid income taxes		2,794	592
Other current assets	5	448,476	343,762
Total current assets		9,993,708	10,484,186
Deposits in banks	4, 25	12	13
Investments in equity accounted investees	8	97,254	172,683
Other non-current financial assets	6, 25	74,558	74,633
Property, plant and equipment, net	9, 17	14,165,855	12,031,449
Intangible assets, net	10, 17	845,969	894,937
Deferred tax assets	23	905,217	867,011
Other non-current assets	5	418,726	359,424
Total non-current assets		16,507,591	14,400,150
Total assets		₩ 26,501,299	24,884,336
Liabilities			
Trade accounts and notes payable	25, 27	₩ 2,443,627	2,877,326
Current financial liabilities	11, 25	834,164	667,909
Other accounts payable	25	2,493,070	2,449,517
Accrued expenses		535,362	639,629
Income tax payable		299,924	257,082
Provisions	13	78,445	55,972
Advances received		65,037	61,818
Other current liabilities	13	37,623	48,966
Total current liabilities		6,787,252	7,058,219
Non-current financial liabilities	11, 25	4,188,674	4,111,333
Non-current provisions	13	22,743	8,155

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Defined benefit liabilities, net	12	245,787	142,987
Long-term advances received	14	569,800	
Deferred tax liabilities	23	28,088	32,108
Other non-current liabilities	13	69,500	69,146
Total non-current liabilities		5,124,592	4,363,729
Total liabilities		11,911,844	11,421,948
Equity			
Share capital	15	1,789,079	1,789,079
Share premium		2,251,113	2,251,113
Retained earnings		10,143,348	9,004,283
Reserves	15	(182,085)	(88,478)
Total equity attributable to owners of the Controlling Company		14,001,455	12,955,997
Non-controlling interests		588,000	506,391
Total equity		14,589,455	13,462,388
Total liabilities and equity		₩ 26,501,299	24,884,336

See accompanying notes to the condensed consolidated interim financial statements.

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LG DISPLAY CO., LTD. AND SUBSIDIARIES

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)

(Unaudited)

For the three-month and six-month periods ended June 30, 2017 and 2016

<i>(In millions of won, except earnings per share)</i>	Note	For the three-month period ended June 30		For the six-month period ended June 30	
		2017	2016	2017	2016
Revenue	16, 17, 27	₩ 6,628,886	5,855,142	₩ 13,691,048	11,844,343
Cost of sales	7, 18, 27	(5,115,018)	(5,244,873)	(10,457,900)	(10,607,674)
Gross profit		1,513,868	610,269	3,233,148	1,236,669
Selling expenses	19	(222,526)	(159,112)	(465,729)	(325,769)
Administrative expenses	19	(175,457)	(151,209)	(340,407)	(299,133)
Research and development expenses		(311,613)	(255,557)	(595,863)	(527,855)
Operating profit		804,272	44,391	1,831,149	83,912
Finance income	22	48,346	23,402	128,424	76,214
Finance costs	22	(94,026)	(62,663)	(147,007)	(135,093)
Other non-operating income	21	156,123	189,461	540,482	629,802
Other non-operating expenses	21	(87,558)	(193,067)	(668,021)	(660,214)
Equity in gain of equity accounted investees, net		4,662	9,269	4,912	8,646
Profit before income tax		831,819	10,793	1,689,939	3,267
Income tax expense	23	(95,151)	(94,709)	(273,774)	(85,996)
Profit (loss) for the period		736,668	(83,916)	1,416,165	(82,729)
Other comprehensive income (loss)					
Items that will never be reclassified to profit or loss					
Remeasurements of net defined benefit liabilities	12	(3,599)	(1,324)	(8,324)	(2,784)
Other comprehensive income from associates and joint ventures		736		493	210
Related income tax	12	871	321	2,014	674
		(1,992)	(1,003)	(5,817)	(1,900)
Items that are or may be reclassified to profit or loss					
	22				(77)

Net change in fair value of available-for-sale financial assets					
Foreign currency translation differences for foreign operations		138,890	(62,527)	(110,787)	(77,833)
Other comprehensive income (loss) from associates and joint ventures		2,715	(6,692)	2,163	(6,371)
Related income tax	22				19
		141,605	(69,219)	(108,624)	(84,262)
Other comprehensive income (loss) for the period, net of income tax					
		139,613	(70,222)	(114,441)	(86,162)
Total comprehensive income (loss) for the period					
		₩ 876,281	(154,138)	₩ 1,301,724	(168,891)
Profit (loss) attributable to:					
Owners of the Controlling Company		₩ 690,300	(71,593)	1,323,790	(69,149)
Non-controlling interests		46,368	(12,323)	92,375	(13,580)
Profit (loss) for the period					
		₩ 736,668	(83,916)	₩ 1,416,165	(82,729)
Total comprehensive income (loss) attributable to:					
Owners of the Controlling Company		₩ 811,434	(133,583)	1,224,366	(145,015)
Non-controlling interests		64,847	(20,555)	77,358	(23,876)
Total comprehensive income (loss) for the period					
		₩ 876,281	(154,138)	₩ 1,301,724	(168,891)
Earnings (loss) per share (In won)					
Basic earnings (loss) per share	24	₩ 1,929	(200)	3,700	(193)
Diluted earnings (loss) per share	24	₩ 1,929	(200)	3,700	(193)

See accompanying notes to the condensed consolidated interim financial statements.

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LG DISPLAY CO., LTD. AND SUBSIDIARIES

Condensed Consolidated Interim Statements of Changes in Equity

(Unaudited)

For the six-month periods ended June 30, 2017 and 2016

<i>(In millions of won)</i>	Attributable to owners of the Controlling Company					Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Reserves	Sub-total		
Balances at January 1, 2016	₩ 1,789,079	2,251,113	8,158,526	(5,766)	12,192,952	512,004	12,704,956
Total comprehensive income (loss) for the period							
Loss for the period			(69,149)		(69,149)	(13,580)	(82,729)
Other comprehensive income (loss)							
Net change in fair value of available-for-sale financial assets, net of tax				(58)	(58)		(58)
Remeasurements of net defined benefit liabilities, net of tax			(2,110)		(2,110)		(2,110)
Foreign currency translation differences for foreign operations, net of tax				(67,537)	(67,537)	(10,296)	(77,833)
Other comprehensive income (loss) from associates and joint ventures			210	(6,371)	(6,161)		(6,161)
Total other comprehensive loss			(1,900)	(73,966)	(75,866)	(10,296)	(86,162)
Total comprehensive loss for the period	₩		(71,049)	(73,966)	(145,015)	(23,876)	(168,891)

Transaction with owners, recognized directly in equity							
Dividends to equity holders			(178,908)		(178,908)		(178,908)
Subsidiaries dividends distributed to non-controlling interests						(10,658)	(10,658)
Balances at June 30, 2016	₩ 1,789,079	2,251,113	7,908,569	(79,732)	11,869,029	477,470	12,346,499
Balances at January 1, 2017	₩ 1,789,079	2,251,113	9,004,283	(88,478)	12,955,997	506,391	13,462,388
Total comprehensive income (loss) for the period							
Profit for the period			1,323,790		1,323,790	92,375	1,416,165
Other comprehensive income (loss)							
Remeasurements of net defined benefit liabilities, net of tax			(6,310)		(6,310)		(6,310)
Foreign currency translation differences for foreign operations, net of tax				(95,770)	(95,770)	(15,017)	(110,787)
Other comprehensive income from associates and joint ventures			493	2,163	2,656		2,656
Total other comprehensive loss			(5,817)	(93,607)	(99,424)	(15,017)	(114,441)
Total comprehensive income (loss) for the period	₩		1,317,973	(93,607)	1,224,366	77,358	1,301,724
Transaction with owners, recognized directly in equity							
Dividends to equity holders			(178,908)		(178,908)		(178,908)

Capital contribution from non-controlling interests						4,251	4,251
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Balances at June 30, 2017	₩ 1,789,079	2,251,113	10,143,348	(182,085)	14,001,455	588,000	14,589,455
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See accompanying notes to the condensed consolidated interim financial statements.

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LG DISPLAY CO., LTD. AND SUBSIDIARIES

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited)

For the six-month periods ended June 30, 2017 and 2016

<i>(In millions of won)</i>	Note	2017	2016
Cash flows from operating activities:			
Profit (loss) for the period		₩ 1,416,165	(82,729)
Adjustments for:			
Income tax expense	23	273,774	85,996
Depreciation	18	1,278,965	1,431,600
Amortization of intangible assets	18	216,031	169,680
Gain on foreign currency translation		(107,947)	(65,514)
Loss on foreign currency translation		64,887	90,698
Expenses related to defined benefit plans	12	99,047	110,559
Gain on disposal of property, plant and equipment		(13,352)	(6,951)
Loss on disposal of property, plant and equipment		5,370	2,488
Gain on disposal of intangible assets		(308)	
Loss on disposal of intangible assets			20
Impairment loss on intangible assets		1,677	85
Finance income		(84,461)	(39,471)
Finance costs		95,052	87,006
Equity in gain of equity method accounted investees, net	8	(4,912)	(8,646)
Other income		(16,378)	(659)
Other expenses		126,329	89,840
		1,933,774	1,946,731
Changes in trade accounts and notes receivable		526,666	601,266
Changes in other accounts receivable		23,594	(28,647)
Changes in other current assets		(58,998)	(176,900)
Changes in inventories		(51,845)	(101,409)
Changes in other non-current assets		(105,697)	(48,576)
Changes in trade accounts and notes payable		(412,353)	(366,061)
Changes in other accounts payable		(132,376)	(30,049)
Changes in accrued expenses		(101,307)	(143,222)
Changes in other current liabilities		(8,157)	(1,005)
Changes in long-term advance received		565,950	
Changes in other non-current liabilities		3,265	11,656
Changes in provisions		(89,191)	(74,139)
Changes in defined benefit liabilities, net		(4,557)	(117,221)
		154,994	(474,307)
Cash generated from operating activities		3,504,933	1,389,695

Income taxes paid	(270,431)	(129,821)
Interests received	24,080	25,523
Interests paid	(64,227)	(63,267)
Net cash provided by operating activities	₩ 3,194,355	1,222,130

See accompanying notes to the condensed consolidated interim financial statements.

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LG DISPLAY CO., LTD. AND SUBSIDIARIES

Condensed Consolidated Interim Statements of Cash Flows, Continued

(Unaudited)

For the six-month periods ended June 30, 2017 and 2016

<i>(In millions of won)</i>	Note	2017	2016
Cash flows from investing activities:			
Dividends received		₩ 8,639	59,023
Proceeds from withdrawal of deposits in banks		1,127,131	1,399,102
Increase in deposits in banks		(1,025,475)	(1,103,266)
Acquisition of available-for-sale financial assets		(112)	(655)
Proceeds from disposal of available-for-sale financial assets			419
Acquisition of financial assets at fair value through profit or loss			(1,500)
Proceeds from disposal of investments in equity accounted investees		6,697	5,150
Acquisition of property, plant and equipment		(3,321,907)	(1,603,099)
Proceeds from disposal of property, plant and equipment		76,506	29,497
Acquisition of intangible assets		(207,303)	(230,188)
Proceeds from disposal of intangible assets		750	151
Government grants received		1,505	730
Receipt from settlement of derivatives		2,895	75
Proceeds from collection of short-term loans		430	4,650
Increase in long-term loans		(300)	(18,430)
Decrease in deposits		3,051	631
Increase in deposits		(1,753)	(6,898)
Net cash used in investing activities		(3,329,246)	(1,464,608)
Cash flows from financing activities:	26		
Proceeds from short-term borrowings			107,345
Repayments of short-term borrowings		(113,209)	
Proceeds from issuance of debentures		298,780	298,784
Proceeds from long-term debt		511,402	1,143,679
Repayments of long-term debt			(347,693)
Repayments of current portion of long-term debt and debentures		(364,431)	(532,574)
Subsidiaries dividends distributed to non-controlling interests			(10,658)
Capital contribution from non-controlling interests		4,251	
Dividends paid		(178,908)	(178,908)
Net cash provided by financing activities		157,885	479,975
Net increase in cash and cash equivalents		22,994	237,497
Cash and cash equivalents at January 1		1,558,696	751,662
Effect of exchange rate fluctuations on cash held		(42,216)	(13,384)

Cash and cash equivalents at June 30	₩ 1,539,474	975,775
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See accompanying notes to the condensed consolidated interim financial statements.

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1. Reporting Entity

(a) Description of the Controlling Company

LG Display Co., Ltd. (the Controlling Company) was incorporated in February 1985 and the Controlling Company is a public corporation listed in Korea Exchange since 2004. The main business of the Controlling Company and its subsidiaries (the Group) is to manufacture and sell displays and its related products. As of June 30, 2017, the Group is operating Thin Film Transistor Liquid Crystal Display (TFT-LCD) and Organic Light Emitting Diode (OLED) panel manufacturing plants in Gumi, Paju and China and TFT-LCD and OLED module manufacturing plants in Gumi, Paju, China and Poland. The Controlling Company is domiciled in the Republic of Korea with its address at 128 Yeouidae-ro, Yeongdeungpo-gu, Seoul, the Republic of Korea. As of June 30, 2017, LG Electronics Inc., a major shareholder of the Controlling Company, owns 37.9% (135,625,000 shares) of the Controlling Company's common stock.

The Controlling Company's common stock is listed on the Korea Exchange under the identifying code 034220. As of June 30, 2017, there are 357,815,700 shares of common stock outstanding. The Controlling Company's common stock is also listed on the New York Stock Exchange in the form of American Depositary Shares (ADSs) under the symbol LPL. One ADS represents one-half of one share of common stock. As of June 30, 2017, there are 28,429,536 ADSs outstanding.

Table of Contents1. Reporting Entity, Continued(b) Consolidated Subsidiaries as of June 30, 2017*(In millions)*

Subsidiaries	Location	Percentage of ownership	Fiscal year end	Date of incorporation	Business	Capital stocks
LG Display America, Inc.	San Jose, U.S.A.	100%	December 31	September 24, 1999	Sell Display products	USD 411
LG Display Japan Co., Ltd.	Tokyo, Japan	100%	December 31	October 12, 1999	Sell Display products	JPY 95
LG Display Germany GmbH	Ratingen, Germany	100%	December 31	November 5, 1999	Sell Display products	EUR 1
LG Display Taiwan Co., Ltd.	Taipei, Taiwan	100%	December 31	April 12, 1999	Sell Display products	NTD 116
LG Display Nanjing Co., Ltd.	Nanjing, China	100%	December 31	July 15, 2002	Manufacture Display products	CNY 3,020
LG Display Shanghai Co., Ltd.	Shanghai, China	100%	December 31	January 16, 2003	Sell Display products	CNY 4
LG Display Poland Sp. z o.o.	Wroclaw, Poland	100%	December 31	September 6, 2005	Manufacture Display products	PLN 511
LG Display Guangzhou Co., Ltd.	Guangzhou, China	100%	December 31	June 30, 2006	Manufacture Display products	CNY 1,655
LG Display Shenzhen Co., Ltd.	Shenzhen, China	100%	December 31	August 28, 2007	Sell Display products	CNY 4
LG Display Singapore Pte. Ltd.	Singapore	100%	December 31	January 12, 2009	Sell Display products	USD 1.1
L&T Display Technology (Fujian) Limited	Fujian, China	51%	December 31	January 5, 2010	Manufacture and sell LCD module and LCD monitor sets	CNY 116
LG Display Yantai Co., Ltd	Yantai, China	100%	December 31	April 19, 2010	Manufacture Display products	CNY 1,008
Nanumnuri Co., Ltd.	Gumi, South Korea	100%	December 31	March 21, 2012	Janitorial services	KRW 800
LG Display (China) Co., Ltd.(*1)	Guangzhou, China	70%	December 31	December 10, 2012	Manufacture and sell Display products	CNY 8,232
Unified Innovative Technology, LLC	Wilmington, U.S.A.	100%	December 31	March 12, 2014	Manage intellectual property	USD 9
LG Display Guangzhou Trading Co., Ltd.	Guangzhou, China	100%	December 31	April 28, 2015	Sell Display products	CNY 1.2
Global OLED Technology, LLC	Herndon, U.S.A.	100%	December 31	December 18, 2009	Manage OLED intellectual property	USD 138
	Haiphong	100%	December 31	May 5, 2016		USD 100

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LG Display Vietnam Haiphong Co., Ltd.	Vietnam					Manufacture Display products	
Suzhou Lehui Display Co., Ltd.	Suzhou, China	100%	December 31	July 1, 2016		Manufacture and sell LCD module and LCD monitor sets	CNY 637
Money Market Trust(*2)	Seoul, South Korea	100%	December 31			Money market trust	KRW 51,500

(*1) In June 2017, LG Display Guangzhou Co., Ltd. (LGDGZ) contributed W8,606 million in cash for the capital increase of LG Display (China) Co., Ltd. (LGDCA).

(*2) For the six-month period ended June 30, 2017, the Controlling Company acquired ₩51,500 million in Money Market Trust.

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2. **Basis of Presenting Financial Statements**

(a) **Statement of Compliance**

The condensed consolidated interim financial statements have been prepared in accordance with Korean International Financial Reporting Standards (K-IFRSs) No.1034, *Interim Financial Reporting*. They do not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the consolidated financial statements of the Group as of and for the year ended December 31, 2016.

(b) **Basis of Measurement**

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

derivative instruments, financial assets at fair value through profit or loss and available-for-sale financial assets are measured at fair value, and

net defined benefit liabilities are recognized as the present value of defined benefit obligations less the fair value of plan assets

(c) **Functional and Presentation Currency**

The condensed consolidated interim financial statements are presented in Korean won, which is the Controlling Company's functional currency.

(d) **Use of Estimates and Judgments**

The preparation of the condensed consolidated interim financial statements in conformity with K-IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied in its consolidated financial statements as of and for the year ended December 31, 2016.

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3. **Summary of Significant Accounting Policies**

The significant accounting policies followed by the Group in the preparation of its condensed consolidated interim financial statements are the same as those followed by the Group in its preparation of the consolidated financial statements as of and for the year ended December 31, 2016, except for the application of K-IFRS No. 1034, *Interim Financial Reporting*, and the amended accounting standards explained below:

(a) **Changes in Accounting Policies**

(i) **K-IFRS No. 1007, *Statement of Cash Flows***

The Group has adopted the amendment to K-IFRS No. 1007, *Statement of Cash Flows*, since January 1, 2017. The amendment to K-IFRS No. 1007 is part of the disclosure initiative to improve presentation and disclosure in financial statements and requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities including both changes due to cash flows and non-cash changes such as changes from financing cash flows, changes arising from obtaining or losing control of subsidiaries or other businesses, the effect of changes in foreign exchange rates and changes in fair value and other changes. The Group has applied the amendment and disclosed changes in liabilities arose from financing activities including both changes due to cash flows and non-cash changes in note 26.

(ii) **K-IFRS No. 1012, *Income Taxes***

The Group has adopted the amendment to K-IFRS No. 1012, *Income Taxes*, since January 1, 2017. The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendment provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. There is no impact of applying this amendment on the condensed consolidated interim financial statements.

Table of Contents**3. Summary of Significant Accounting Policies, Continued****(b) New and Amended Standards and Interpretations Not Yet Adopted**

A number of new standards and interpretations are effective for annual periods beginning after January 1, 2017 and earlier application is permitted; however, the Group has not early adopted the following new standards and interpretations in preparing these condensed consolidated interim financial statements.

(i) K-IFRS No. 1109, *Financial Instruments*

The Group plans to adopt K-IFRS No. 1109, *Financial Instruments*, in its consolidated financial statements for annual periods beginning on January 1, 2018, finalize assessing the financial impact of the adoption of K-IFRS No. 1109 by September 30, 2017 and disclose the results in its consolidated financial statements for the year ending December 31, 2017. As of June 30, 2017, other than the potential impacts described in the consolidated financial statements as of and for the year ended December 31, 2016, there are no significant changes in relation to preparation for the adoption of this new standard.

(ii) K-IFRS No. 1115, *Revenue from Contracts with Customers*

The Group plans to adopt K-IFRS No. 1115, *Revenue from Contracts with Customers*, in its consolidated financial statements for annual periods beginning on January 1, 2018, finalize assessing the financial impact of the adoption of K-IFRS No. 1115 by September 30, 2017 and disclose the results in its consolidated financial statements for the year ending December 31, 2017. As of June 30, 2017, other than the potential impacts described in the consolidated financial statements as of and for the year ended December 31, 2016, there are no significant changes in relation to preparation for the adoption of this new standard.

(iii) K-IFRS No. 2112, *Foreign Currency Transactions and Advance Consideration*

According to the new interpretation, K-IFRS No. 2112, *Foreign Currency Transactions and Advance Consideration*, the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration. K-IFRS No. 2122 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. Management is currently assessing the potential impact on its condensed consolidated interim financial statements resulting from the application of new interpretation.

Table of Contents4. Cash and Cash Equivalents and Deposits in Banks

Cash and cash equivalents and deposits in banks as of June 30, 2017 and December 31, 2016 are as follows:

<i>(In millions of won)</i>	June 30, 2017	December 31, 2016
Current assets		
Cash and cash equivalents		
Demand deposits	₩ 1,539,474	1,558,696
Deposits in banks		
Time deposits	₩ 989,709	1,091,364
Restricted cash (*)	72,386	72,386
	₩ 1,062,095	1,163,750
Non-current assets		
Deposits in banks		
Restricted cash (*)	₩ 12	13
	₩ 2,601,581	2,722,459

(*) Restricted cash includes mutual growth fund to aid LG Group's second and third-tier suppliers, pledge to enforce investment plans according to the receipt of subsidies from Gumi city and Gyeongsangbuk-do and others.

Table of Contents5. Receivables and Other Assets

(a) Trade accounts and notes receivable as of June 30, 2017 and December 31, 2016 are as follows:

<i>(In millions of won)</i>	June 30, 2017	December 31, 2016
Trade, net	₩ 3,527,127	3,916,171
Due from related parties	939,158	1,041,822
	₩ 4,466,285	4,957,993

(b) Other accounts receivable as of June 30, 2017 and December 31, 2016 are as follows:

<i>(In millions of won)</i>	June 30, 2017	December 31, 2016
Current assets		
Non-trade receivable, net	₩ 76,504	134,161
Accrued income	9,780	9,431
	₩ 86,284	143,592

Due from related parties included in other accounts receivable, as of June 30, 2017 and December 31, 2016 are ₩6,844 million and ₩5,231 million, respectively.

Table of Contents5. Receivables and Other Assets, Continued

- (c) The aging of trade accounts and note receivable, other accounts receivable and long-term non-trade receivable as of June 30, 2017 and December 31, 2016 are as follows:

(In millions of won)

	Book value		June 30, 2017			
	Trade accounts and notes receivable	Other accounts receivable	Long-term non-trade receivable	Trade accounts and notes receivable	Other accounts receivable	Long-term non-trade receivable
Not past due	₩ 4,457,356	85,750	16,793	(1,719)	(439)	(168)
Past due 1-15 days	9,467	328		(3)		
Past due 16-30 days	2	45				
Past due 31-60 days	864	396			(2)	
Past due more than 60 days	318	605			(399)	
	₩ 4,468,007	87,124	16,793	(1,722)	(840)	(168)

Table of Contents5. Receivables and Other Assets, Continued*(In millions of won)*

	Book value		December 31, 2016			
	Trade accounts and notes receivable	Other accounts receivable	Long-term non-trade receivable	Trade accounts and notes receivable	Other accounts receivable	Long-term non-trade receivable
Not past due	₩ 4,958,591	140,893	2,643	(1,488)	(669)	(23)
Past due 1-15 days	386	2,298			(20)	
Past due 16-30 days	417	309				
Past due 31-60 days	65	640			(6)	
Past due more than 60 days	22	545			(398)	
	₩ 4,959,481	144,685	2,643	(1,488)	(1,093)	(23)

The movement in the allowance for impairment in respect of trade accounts and notes receivable, other accounts receivable and long-term non-trade receivable for the six-month period ended June 30, 2017 and the year ended December 31, 2016 are as follows:

(In millions of won)

	2017		2016			
	Trade accounts and notes receivable	Other accounts receivable	Long-term non-trade receivable	Trade accounts and notes receivable	Other accounts receivable	Long-term non-trade receivable
Balance at the beginning of the period	₩ 1,488	1,093	23	1,507	566	52
(Reversal of) bad debt expense	234	(253)	145	(19)	527	(29)
Balance at the reporting date	₩ 1,722	840	168	1,488	1,093	23

Table of Contents5. Receivables and Other Assets, Continued

(d) Other assets as of June 30, 2017 and December 31, 2016 are as follows:

<i>(In millions of won)</i>	June 30, 2017	December 31, 2016
Current assets		
Advance payments	₩ 17,885	9,297
Prepaid expenses	158,496	74,657
Value added tax refundable	255,815	259,808
Emission rights	16,280	
	₩ 448,476	343,762
Non-current assets		
Long-term prepaid expenses	₩ 417,726	358,424
Long-term advanced payment	1,000	1,000
	₩ 418,726	359,424

6. Other Financial Assets

(a) Other financial assets as of June 30, 2017 and December 31, 2016 are as follows:

<i>(In millions of won)</i>	June 30, 2017	December 31, 2016
Current assets		
Deposits	₩ 28,390	20,320
Short-term loans	16,526	7,696
	₩ 44,916	28,016
Non-current assets		
Financial asset at fair value through profit or loss	₩ 1,382	1,382
Available-for-sale financial assets	6,679	7,993
Deposits	26,331	27,635
Long-term loans	23,234	34,760
Long-term non-trade receivable	16,625	2,619
Derivatives(*)	307	244
	₩ 74,558	74,633

Other financial assets of related parties as of June 30, 2017 and December 31, 2016 are ₩1,762 million and ₩3,488 million, respectively.

(*) Represents interest rate swap contracts related to borrowings with variable interest rate.

Table of Contents6. Other Financial Assets, Continued

(b) Available-for-sale financial assets as of June 30, 2017 and December 31, 2016 are as follows:

<i>(In millions of won)</i>	June 30, 2017	December 31, 2016
Non-current assets		
Debt securities		
Government bonds	₩ 159	154
Equity securities		
Intellectual Discovery, Ltd.	₩ 729	729
Kyulux, Inc.	1,968	3,266
Henghao Technology Co., Ltd.	1,559	1,559
ARCH Venture Fund Vill, L.P.	2,264	2,285
	₩ 6,520	7,839
	₩ 6,679	7,993

7. Inventories

Inventories as of June 30, 2017 and December 31, 2016 are as follows:

<i>(In millions of won)</i>	June 30, 2017	December 31, 2016
Finished goods	₩ 981,795	930,818
Work-in-process	708,781	685,913
Raw materials	366,485	354,791
Supplies	286,323	316,263
	₩ 2,343,384	2,287,785

For the six-month periods ended June 30, 2017 and 2016, the amount of inventories recognized as cost of sales, inventory write-downs and reversal and usage of inventory write-downs included in cost of sales are as follows:

<i>(In millions of won)</i>	2017	2016
Inventories recognized as cost of sales	₩ 10,457,900	10,607,674
Including: inventory write-downs	234,880	324,533
Including: reversal and usage of inventory write-downs	(204,123)	(363,755)

Table of Contents**8. Investments in Equity Accounted Investees**

Associates as of June 30, 2017 are as follows:

(In millions of won)

Associates	Location	Percentage of ownership		Fiscal year end	Date of incorporation	Business	Carrying amount
		June 30, 2017	December 31, 2016				
Paju Electric Glass Co., Ltd.	Paju, South Korea	40%	40%	December 31	January 2005	Manufacture electric glass for FPDs	47,286
New Optics Ltd.	Yangju, South Korea		46%	December 31	August 2005	Manufacture back light parts for TFT-LCDs	
INVENIA Co., Ltd.(*1)	Seongnam, South Korea	13%	13%	December 31	January 2001	Develop and manufacture equipment for FPDs	2,690
WooRee E&L Co., Ltd.(*1)	Ansan, South Korea	14%	14%	December 31	June 2008	Manufacture LED back light unit packages	7,588
LB Gemini New Growth Fund No. 16(*2)	Seoul, South Korea	31%	31%	December 31	December 2009	Invest in small and middle sized companies and benefit from M&A opportunities	5,806
Can Yang Investments Limited(*1)(*3)	Hong Kong	9%	9%	December 31	January 2010	Develop, manufacture and sell LED parts	2,063
YAS Co., Ltd.(*1)	Paju, South Korea	18%	18%	December 31	April 2002	Develop and manufacture deposition equipment for OLEDs	10,281
Narenanotech Corporation	Yongin, South Korea		23%	December 31	December 1995	Manufacture and sell FPD manufacturing equipment	
	Daegu, South Korea	17%	17%	December 31	August 2000	Process and sell	21,540

AVATEC Co., Ltd.(*1)	South Korea					glass for FPDs
Arctic Sentinel, Inc.(*1)	Los Angles, U.S.A.	10%	10%	March 31	June 2008	Develop and manufacture tablet for kids
						₩97,254

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8. Investments in Equity Accounted Investees, Continued

- (*1) Although the Controlling Company's share interests in INVENIA Co., Ltd., WooRee E&L Co., Ltd., Can Yang Investments Limited, YAS Co., Ltd., AVATEC Co., Ltd. and Arctic Sentinel, Inc. are below 20%, the Controlling Company is able to exercise significant influence through its right to appoint a director to the board of directors of each investee and the transactions between the Controlling Company and the investees are significant. Accordingly, the investments in these investees have been accounted for using the equity method.
- (*2) The Controlling Company is a member of a limited partnership in the LB Gemini New Growth Fund No.16 (the Fund). For the six-month period ended June 30, 2017, the Controlling Company received ~~₩~~2,076 million from the Fund as capital distribution and there were no changes in the Controlling Company's ownership percentage in the Fund. On the other hand, a resolution to dissolve the fund was approved at the general meeting and the fund is in process of liquidation as of June 30, 2017. Accordingly, there were no additional investments for the six-month period ended June 30, 2017.
- (*3) The Controlling Company recognized an impairment loss of ~~₩~~4,234 million as finance cost for the difference between the carrying amount and the recoverable amount of investments in Can Yang Investments Limited. For the six-month period ended June 30, 2017, the Controlling Company disposed of the entire investments in New Optics Ltd. and Narenanotech Corporation.

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9. Property, Plant and Equipment

For the six-month periods ended June 30, 2017 and 2016, the Group purchased property, plant and equipment of ₩3,531,056 million and ₩1,890,513 million, respectively. The capitalized borrowing costs and the annualized capitalization rate were ₩16,983 million and 1.93%, and ₩4,846 million and 2.28% for the six-month periods ended June 30, 2017 and 2016, respectively. Also, for the six-month periods ended June 30, 2017 and 2016, the Group disposed of property, plant and equipment with carrying amounts of ₩30,445 million and ₩25,034 million, respectively, and recognized ₩13,352 million and ₩5,370 million as gain and loss, respectively, on disposal of property, plant and equipment for the six-month period ended June 30, 2017 (gain and loss for the six-month period ended June 30, 2016: ₩6,951 million and ₩2,488 million, respectively).

10. Intangible Assets

The Group capitalizes expenditures related to development activities, such as expenditures incurred on designing, manufacturing and testing of products that are ultimately selected for production. The balances of capitalized development costs as of June 30, 2017 and December 31, 2016 are ₩250,404 million and ₩256,340 million, respectively.

Table of Contents11. Financial Liabilities

(a) Financial liabilities as of June 30, 2017 and December 31, 2016 are as follows:

(In millions of won)

	June 30, 2017	December 31, 2016
Current		
Short-term borrowings	₩	113,209
Current portion of long-term debt	834,164	554,700
	₩ 834,164	667,909
Non-current		
Won denominated borrowings	₩ 1,021,584	821,922
Foreign currency denominated borrowings	1,745,808	1,777,877
Bonds	1,421,002	1,511,062
Derivatives(*)	280	472
	₩ 4,188,674	4,111,333

(*) Represents interest rate swap contracts related to borrowings with variable interest rate.

(b) Short-term borrowings as of June 30, 2017 and December 31, 2016 are as follows:

(In millions of won, USD)

Lender	Annual interest rate as of		December 31, 2016
	June 30, 2017 (%)	June 30, 2017	
Standard Chartered Bank Korea Limited		₩	113,209
Foreign currency equivalent			USD 94

(c) Won denominated long-term borrowings as of June 30, 2017 and December 31, 2016 are as follows:

(In millions of won)

Lender	Annual interest rate as of		June 30, 2017	December 31, 2016
	June 30, 2017 (%)			

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Woori Bank	3-year Korean Treasury Bond rate - 1.25, 2.75	₩	2,261	2,991
Shinhan Bank	CD rate (91days) + 0.30		200,000	200,000
Korea Development Bank and others	CD rate (91days) + 0.64~0.74			
	2.28~2.58		820,000	620,000
Less current portion of long-term borrowings			(677)	(1,069)
			₩ 1,021,584	821,922

Table of Contents11. Financial Liabilities, Continued

- (d) Foreign currency denominated long-term borrowings as of June 30, 2017 and December 31, 2016 are as follows:

(In millions of won, USD and CNY)

Lender	Annual interest rate as of June 30, 2017 (%) (*)	June 30, 2017	December 31, 2016
The Export-Import Bank of Korea	3ML+0.55~1.40	₩ 803,418	1,027,225
Standard Chartered Bank Korea Limited			8,469
China Construction Bank and others	USD: 3ML+1.15~2.00 CNY: 4.28	1,196,329	926,058
Foreign currency equivalent		USD 1,275 CNY 3,264	USD 1,157 CNY 3,264
Less current portion of long-term borrowings		₩ (253,939)	(183,875)
		₩ 1,745,808	1,777,877

- (*) ML represents Month LIBOR (London Inter-Bank Offered Rates).

- (e) Details of bonds issued and outstanding as of June 30, 2017 and December 31, 2016 are as follows:

(In millions of won)

	Maturity	Annual interest rate as of June 30, 2017 (%)	June 30, 2017	December 31, 2016
Won denominated bonds (*)				
Publicly issued bonds	October 2017 ~ June 2022	1.73~3.73	₩ 2,005,000	1,885,000
Less discount on bonds			(4,450)	(4,182)
Less current portion			(579,548)	(369,756)
			₩ 1,421,002	1,511,062

(*) Principal of the won denominated bonds is to be repaid at maturity and interests are paid quarterly.