

LG Display Co., Ltd.
Form 6-K
May 15, 2018
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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 May 2018

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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QUARTERLY REPORT

(From January 1, 2018 to March 31, 2018)

THIS IS A TRANSLATION OF THE QUARTERLY 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.

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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)
	June 2016		
	September 2016	AA	NICE Information Service Co., Ltd. (AAA ~ D)
	May 2017		
	February 2018		
	April 2016		
Corporate bonds	May 2017	AA	Korea Investors Service, Inc. (AAA ~ D)
	October 2017		
	April 2016		
	September 2016		
	May 2017	AA	Korea Ratings Corporation (AAA ~ D)
	October 2017		
	February 2018		

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

Subject instrument	Credit rating	Definition
	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.
Corporate bonds	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)
	June 2016	A1	Korea Ratings Corporation (A1 ~ D)
	June 2016	A1	NICE Information Service Co., Ltd. (A1 ~ D)
	September 2016	A1	NICE Information Service Co., Ltd. (A1 ~ D)
Commercial paper	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)
	October 2017	A1	Korea Investors Service, Inc. (A1 ~ D)
	December 2017	A1	Korea Ratings Corporation (A1 ~ D)

(1) 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.

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C. Capitalization

(1) Change in capital stock (as of March 31, 2018)

There were no changes to our issued capital stock during the annual reporting period ended March 31, 2018.

(2) Convertible bonds

Not applicable.

D. Voting rights (as of March 31, 2018)

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	

(1) Authorized: 500,000,000 shares

E. Dividends

Dividends for the three most recent fiscal years

Description (unit)	2018 Q1	2017	2016
Par value (Won)	5,000	5,000	5,000
Profit (loss) for the year (million Won) ⁽¹⁾	(59,454)	1,802,756	906,713
Earnings (loss) per share (Won) ⁽²⁾	(166)	5,038	2,534

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⁾		9.92%	19.73%
Cash dividend yield (%) ⁽⁴⁾	Common shares	1.69%	1.58%
	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		

- (1) Based on profit for the year attributable to the owners of the controlling company.
- (2) 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.
- (3) Cash dividend payout ratio is the percentage that is derived by dividing total cash dividend by profit for the year attributable to the owners of the controlling company.
- (4) 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.

Table of Contents**2. Business****A. Business overview**

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 March 31, 2018, 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 March 31, 2018, 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.

2018 Q1 consolidated operating results highlights

2018 Q1	(Unit: In billions of Won) Display business
Sales Revenue	5,675
Gross Profit	542
Operating Profit (loss)	(98)

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) Cyclicality

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

There is a concern over excessive competition and resulting adverse effects on supply and demand in the LCD industry amidst continued increases in new investments in manufacturing facilities and supply of panels. In particular, Chinese manufacturers have continued to make further investments, which have been driven by local governments, despite concerns of over-investment in the LCD 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, HKC, 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:

	2018 Q1	2017	2016
Panels for Televisions ⁽¹⁾	26.8%	28.1%	28.2%
Panels for Monitors	37.2%	36.3%	36.6%
Panels for Notebook Computers	24.7%	21.3%	27.8%
Panels for Tablet Computers	36.5%	29.1%	24.1%
Total	29.8%	29.2%	29.4%

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

(1) 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 or UHD) OLED panels as well as Wallpaper and Crystal Sound 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 UHD 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	Major trademark	Sales in 2018 Q1 (%)
Display	Product/ Service/ Other sales	Display panel (Overseas ⁽¹⁾)	Panels for notebook computers, monitors, televisions, smartphones, tablets, etc.	LG Display	5,241 (92.4%)
		Display panel (Korea ⁽¹⁾)	Panels for notebook computers, monitors, televisions, smartphones, tablets, etc.	LG Display	434 (7.6%)
Total					5,675 (100.0%)

Period: January 1, 2018 ~ March 31, 2018.

(1) Based on ship-to-party.

B. Average selling price trend of major products

While average selling prices of LCD panels exhibited varying trends according to demand by product category, the average selling price of LCD panels per square meter of net display area shipped in the first quarter of 2018 decreased by approximately 11% compared to the fourth quarter of 2017 due to a continued decline in average selling prices and a decrease in the proportion of small- and medium-sized panels for mobile products, which generally have higher selling prices per square meter of net display area, in our product mix. 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)			
	2018 Q1	2017 Q4	2017 Q3	2017 Q2
Display panel ⁽¹⁾⁽²⁾	522	589	600	574

- (1) Quarterly average selling price per square meter of net display area shipped.
- (2) 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	560	17.8%	HeeSung Electronics, etc.
			Polarizers	509	16.2%	LG Chem, etc.
			Glass	312	9.9%	NEG, Asahi Glass, etc.
			Printed circuit boards	376	12.0%	Korea SMT, etc.
		Others		1,385	44.1%	
Total				3,141	100.0%	

Period: January 1, 2018 ~ March 31, 2018.

(1) 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)		
			2018 Q1 ⁽¹⁾	2017 ⁽²⁾	2016 ⁽²⁾
Display	Display panel	Gumi, Paju, Guangzhou, Ochang	2,422	10,538	9,906

(1) 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., 3 months).

(2) 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 and Guangzhou facilities in the periods indicated.

Business area	Items	Location of facilities	(Unit: 1,000 glass sheets)		
			2018 Q1	2017	2016
Display	Display panel	Gumi, Paju, Guangzhou, Ochang	2,291	9,262	8,996

Based on glass input substrate size for eighth-generation glass sheets.

B. Production performance and utilization ratio

Production facilities	Available working hours in 2018 Q1	Actual working hours in 2018 Q1	(Unit: Hours, except percentages)
			Average utilization ratio
Gumi	1,968 ⁽¹⁾ (82 days) ⁽²⁾	1,968 ⁽¹⁾ (82 days) ⁽²⁾	100.0%
Paju	2,160 ⁽¹⁾ (90 days) ⁽²⁾	2,160 ⁽¹⁾ (90 days) ⁽²⁾	100.0%
Guangzhou	2,160 ⁽¹⁾ (90 days) ⁽²⁾	2,160 ⁽¹⁾ (90 days) ⁽²⁾	100.0%

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- (1) Based on the assumption that all 24 hours in a day have been fully utilized.
 (2) Number of days is calculated by averaging the number of working days for each facility.

C. Investment plan

In 2017, our total capital expenditures on a cash out basis was ₩6.6 trillion. In 2018, we plan to continue capital expenditures to invest in new OLED and oxide technologies 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)			
			2018 Q1	2017	2016	
Display	Products, etc.	Display panel	Overseas ⁽¹⁾	5,241	25,794	24,679
			Korea ⁽¹⁾	434	1,996	1,825
Total				5,675	27,790	26,504

- (1) Based on ship-to-party.

B. Sales route and sales method

(1) Sales organization

As of March 31, 2018, 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 products (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.

Table of Contents**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.

As of March 31, 2018, we had no outstanding amounts to be settled under any foreign currency derivative instruments.

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 March 31, 2018, 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 loss on valuation of derivative instruments in the amount of ₩242 million with respect to interest rate derivative instruments held as of March 31, 2018.

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
Technology licensing/supply agreement	HannStar Display Corporation	December 2013 ~	Patent cross-licensing of LCD technology
	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	2018 Q1	2017	2016	
Material Cost	119,419	646,622	677,423	
Labor Cost	186,872	668,429	479,650	
Depreciation Expense	95,172	298,383	136,826	
Others	87,637	298,256	129,348	
Total R&D-Related Expenditures	489,100	1,911,690	1,423,247	
Selling & Administrative Expenses	215,169	917,645	880,794	
Accounting Treatment ⁽¹⁾ Manufacturing Cost	183,827	786,494	220,165	
Development Cost (Intangible Assets)	90,104	207,551	322,288	
R&D-Related Expenditures / Revenue Ratio				
(Total R&D-Related Expenditures ÷ Revenue for the period × 100)	8.6%	6.9%	5.4%	

- (1) 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 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)

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

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- (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 UHD DRD product (50-inch UHD)

Utilized UHD 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

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)

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- (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

- (8) Developed the world's first 88-inch Ultra Stretch display product

Strengthened competitiveness through application of smart (digital) stepper

- (9) Developed products utilizing U-IPS (75-inch/65-inch/55-inch/49-inch, Ultra HD)

Utilized U-IPS technology to strengthen product competitiveness by improving panel transmittance rate and reflectivity

- (10) Developed the world's first 65-inch UHD OLED television product utilizing GIP

Strengthened product competitiveness through application of the world's first oxide based UHD GIP technology

Achievements in 2018

- (1) Developed the world's first glass-integrated LCD television product (Art Glass Series)

Achieved LCD modular appearance and simplicity in design by using glass material throughout product (including the panel, light guide plate and back cover)

Strengthened competitiveness of frameless design by decreasing bezel size from 7.8mm to 5.9mm

- (2) Developed our first 5.8-inch Ultra HD Mobile 4K product

Developed our first Ultra HD mobile product

Achieved high luminance, low power consumption and HD resolution by applying Ultra HD RGBW (M+) pixel structure

- (3) Developed the world's first 5.8-inch mobile FHD product applying M+

Our first product applying camera notch concept technology

10. Intellectual Property

As of March 31, 2018, our cumulative patent portfolio (including patents that have already expired) included a total of 35,195 patents, consisting of 16,394 in Korea and 18,801 in other countries.

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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.

In connection with the greenhouse gas emission and energy reduction target system, we submitted a statement of our domestic emissions and energy usage for 2017 to the Korean government in March 2018 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)		
	2017	2016	2015
Greenhouse gases	6,303	5,851	7,348
Energy	63,451	60,423	60,146

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. 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. Our continued efforts to reduce greenhouse gas emissions was recognized again in 2017 by becoming the only domestic information technology company to attain the Leadership A level and again receiving carbon management honors by ranking in the top five among all eligible companies. In May 2017, we were awarded a commendation from the Minister of Environment for having scored the highest grade among companies in the low- and medium-volume pollutant emitters category that had entered into voluntary agreements with the Metropolitan Air Quality Management Office, in recognition of having successfully met our voluntary targets for reduction of air pollutants as well as our overall efforts to enhance our relevant facilities and operational systems. In addition, in recognition of efficient control, management and operating systems implemented in our manufacturing facilities, we received the top-level certification, Level 1, in 2017 under the Factory Energy Management System evaluation presided by the Korea Energy Agency. Furthermore, in November 2017, we received the highest commendation, the Presidential Award, in the Korean Energy Efficiency Awards presided by the Ministry of Industry, Trade and Energy in recognition of our energy management practices and energy saving measures, and we also obtained a certificate of excellence in the Energy Management System Evaluation.

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 2017, in a joint effort with the global product testing/accreditation agency SGS, we became the first display panel company to develop Eco Label, an environmentally friendly accreditation program for television display modules, and received the SGS Eco Label accreditation for our OLED, IPS Nano Color and Art Glass television models. For the IPS Nano Color for LCD, we received the Quality & Performance Mark from Intertek, a global product testing/accreditation agency, by applying a technology to eliminate cadmium (Cd) and indium phosphide (InP).

In December 2016, we were assessed a fine of ₩0.2 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.

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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 June 2017, we were audited 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. In addition, the trial court assessed a fine of ₩0.5 million on each of us and our chief production officer on the basis of certain other applicable provisions of the Industrial Safety and Health Act. Relevant authorities 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.

In January 2018, we were audited by the Ministry of Employment and Labor in connection with the occurrence of another 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 ₩14.4 million. Relevant authorities 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.

Also in January 2018, the government of Gyeong-gi Province issued a warning and assessed a fine of ₩1 million on us, which we subsequently paid, for the failure to comply with certain requirements relating to air pollutant emission and prevention facilities under the Air Quality Management Act. To prevent such violations from occurring again, we have shortened the air pollutant emission maintenance reporting period and strengthened the verification process for relevant data.

In March 2018, we were audited by the Ministry of Employment and Labor in connection with our health and safety training practices, and we were found to have omitted requisite health and safety training sessions for certain employees in our P9 facilities in 2016 and 2017. As a result, we were assessed a fine of ₩6.95 million, which we subsequently paid, and have strengthened our efforts to promote health and safety training programs in advance as well as our management and supervision activities to ensure such programs are conducted.

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

Description	(Unit: In millions of Won)		
	As of March 31, 2018	As of December 31, 2017	As of December 31, 2016
Current assets	9,898,586	10,473,703	10,484,186
Quick assets	7,548,201	8,123,619	8,196,401
Inventories	2,350,385	2,350,084	2,287,785
Non-current assets	20,096,685	18,685,984	14,400,150
Investments in equity accounted investees	119,698	122,507	172,683
Property, plant and equipment, net	17,525,116	16,201,960	12,031,449

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Intangible assets	912,202	912,821	894,937
Other non-current assets	1,539,669	1,448,696	1,301,081
Total assets	29,995,271	29,159,687	24,884,336
Current liabilities	9,548,591	8,978,682	7,058,219
Non-current liabilities	5,621,044	5,199,495	4,363,729
Total liabilities	15,169,635	14,178,177	11,421,948
Share capital	1,789,079	1,789,079	1,789,079
Share premium	2,251,113	2,251,113	2,251,113
Retained earnings	10,379,127	10,621,571	9,004,283
Other equity	(182,040)	(288,280)	(88,478)
Non-controlling interest	588,357	608,027	506,391
Total equity	14,825,636	14,981,510	13,462,388

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

Description	For the three months ended		For the year ended
	March 31, 2018	For the year ended December 31, 2017	December 31, 2016
Revenue	5,675,164	27,790,216	26,504,074
Operating profit (loss)	(98,323)	2,461,618	1,311,416
Operating profit (loss) from continuing operations	(48,982)	1,937,052	931,508
Profit (loss) for the period	(48,982)	1,937,052	931,508
Profit (loss) attributable to:			
Owners of the Company	(59,454)	1,802,756	906,713
Non-controlling interest	10,472	134,296	24,795
Basic earnings (loss) per share	(166)	5,038	2,534
Diluted earnings (loss) per share	(166)	5,038	2,534
Number of consolidated entities	20	20	19

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

(Unit: In millions of Won)

Description	As of March 31, 2018	As of December 31, 2017	As of December 31, 2016
Current assets	7,279,054	8,381,074	8,712,575
Quick assets	5,628,998	6,698,829	7,005,592
Inventories	1,650,056	1,682,245	1,706,983
Non-current assets	18,874,489	17,028,341	13,100,175
Investments	3,269,871	2,683,941	2,656,026
Property, plant and equipment, net	13,669,128	12,487,001	8,757,973
Intangible assets	738,473	731,373	673,966
Other non-current assets	1,197,017	1,126,026	1,012,210
Total assets	26,153,543	25,409,415	21,812,750
Current liabilities	7,825,127	7,394,605	6,176,344
Non-current liabilities	4,762,552	4,185,551	3,400,959
Total liabilities	12,587,679	11,580,156	9,577,303
Share capital	1,789,079	1,789,079	1,789,079
Share premium	2,251,113	2,251,113	2,251,113
Retained earnings	9,525,672	9,789,067	8,195,255
Other equity	0	0	0

Total equity	13,565,864	13,829,259	12,235,447
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(Unit: In millions of Won, except for per share data)

Description	For the three months ended		
	March 31, 2018	For the year ended December 31, 2017	For the year ended December 31, 2016
Revenue	5,154,261	24,419,295	25,856,426
Operating profit (loss)	(253,621)	709,138	770,856
Operating profit (loss) from continuing operations	(80,364)	967,078	968,209
Profit (loss) for the period	(80,364)	967,078	968,209
Basic earnings (loss) per share	(225)	2,703	2,706
Diluted earnings (loss) per share	(225)	2,703	2,706

C. Consolidated subsidiaries (as of March 31, 2018)

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%

D. Status of equity investments (as of March 31, 2018)

(1) Consolidated subsidiaries

Company

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	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	EUR 1	November 5, 1999	100%
LG Display Taiwan Co., Ltd.	NT\$ 116	May 19, 2000	100%
LG Display Nanjing Co., Ltd.	CNY 3,020	July 15, 2002	100%
LG Display Shanghai Co., Ltd.	CNY 4	January 16, 2003	100%
LG Display Poland Sp. zo.o.	PLN 511	September 6, 2005	100%
LG Display Guangzhou Co., Ltd.	CNY 1,655	August 7, 2006	100%
LG Display Shenzhen Co., Ltd.	CNY 4	August 28, 2007	100%
LG Display Singapore Pte. Ltd.	US\$ 1.1	January 12, 2009	100%
L&T Display Technology (Fujian) Limited	CNY 116	January 5, 2010	51%
LG Display Yantai Co., Ltd.	CNY 1,008	April 19, 2010	100%
Nanumnuri Co., Ltd.	₩ 800	March 19, 2012	100%
LG Display (China) Co., Ltd.	CNY 8,232	December 27, 2012	70%
Unified Innovative Technology, LLC	US\$ 9	March 21, 2014	100%

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Company	Investment Amount (in millions)	Initial Equity Investment Date	Equity Interest
LG Display Guangzhou Trading Co., Ltd.	CNY 1.2	May 27, 2015	100%
Global OLED Technology LLC	US\$ 138	May 7, 2015	100%
LG Display Vietnam Haiphong Co., Ltd. ⁽¹⁾	US\$ 300	May 13, 2016	100%
Suzhou Lehui Display Co., Ltd.	CNY 637	July 1, 2016	100%
MMT (Money Market Trust) ⁽²⁾	₩ 430,801	March 31, 2017	100%

Changes since December 31, 2017:

- (1) During the reporting period, we invested an additional ₩212,600 million in LG Display Vietnam Haiphong Co., Ltd.
- (2) As a result of our money market trust acquisition and disposal transactions conducted during the reporting period, the amount outstanding in our money market trust accounts as of March 31, 2018 is ₩430,801 million.

(2) Affiliated companies

Company	Carrying Amount (in millions)	Date of Incorporation	Equity Interest
Paju Electric Glass Co., Ltd.	₩ 44,179	January 2005	40%
Invenia Co., Ltd.	₩ 3,125	January 2001	13%
Wooree E&L Co., Ltd.	₩ 3,506	June 2008	14%
LB Gemini New Growth Fund No. 16 ⁽¹⁾	₩ 5,282	December 2009	31%
YAS Co., Ltd.	₩ 16,045	April 2002	15%
Avatec Co., Ltd.	₩ 23,252	August 2000	17%
Arctic Sentinel, Inc.		June 2008	10%
CYNORA GmbH	₩ 20,309	March 2003	14%
Material Science Co., Ltd. ⁽²⁾	₩ 4,000	January 2014	10%

Changes since December 31, 2017:

- (1) We participate as a limited member in LB Gemini New Growth Fund No. 16. Upon a general meeting, the members have decided to dissolve the fund, which is currently under liquidation.
- (2) In March 2018, we acquired 10,767 voting common shares of Material Science Co., Ltd. for ₩4,000 million. As of March 31, 2018, our percentage ownership interest in Material Science Co., Ltd. is 10%, and we are entitled to appoint one director of Material Science Co., Ltd.

13. Audit Information

A. Audit service

(Unit: In millions of Won, hours)

Description	2018 Q1	2017	2016
Auditor	KPMG Samjong	KPMG Samjong	KPMG Samjong
Activity	Audit by independent auditor	Audit by independent auditor	Audit by independent auditor
Compensation ⁽¹⁾	1,170 (450) ⁽²⁾	1,040 (450) ⁽²⁾	1,020 (440) ⁽²⁾
Time required	1,710	17,909	18,291

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

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

B. Non-audit service

None.

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As of March 31, 2018, our board of directors consisted of two non-outside directors, one non-standing director and four outside directors.

Name	Position	(As of March 31, 2018) Primary responsibility
Sang Beom Han ⁽¹⁾	Representative Director (non-outside), Chief Executive Officer and Vice Chairman	Chairman of the board of directors
Sang Don Kim	Director (non-outside), Chief Financial Officer and Senior Vice President	Overall head of finances
Hyun-Hwoi Ha ⁽²⁾	Director (non-standing)	Related to the overall management
Joon Park ⁽³⁾	Outside Director	Related to the overall management
Sung-Sik Hwang ⁽⁴⁾	Outside Director	Related to the overall management
Kun Tai Han ⁽⁵⁾	Outside Director	Related to the overall management
Byoung Ho Lee ⁽⁶⁾	Outside Director	Related to the overall management

- (1) Sang Beom Han was reappointed for another term as a non-outside director at the annual general meeting of shareholders held on March 15, 2018.
- (2) Hyun Hwoi Ha is also a standing director 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.
- (3) Joon Park is also an outside director of Green Cross Holdings Corp .
- (4) Sung-Sik Hwang was reappointed for another term as an outside director at the annual general meeting of shareholders held on March 15, 2018. Mr. Hwang is also an outside director of Kyobo Life Insurance Co., Ltd.
- (5) Kun Tai Han is also the chief executive officer of Hans Consulting.
- (6) Byoung Ho Lee was appointed as an outside director at the annual general meeting of shareholders held on March 15, 2018.

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 Beom Han and Sang Don Kim.

During the reporting period, one meeting of the Outside Director Nomination Committee was held and the composition of the Outside Director Nomination Committee was as follows:

Committee	Composition	(As of January 22, 2018) Member
Outside Director Nomination Committee ⁽¹⁾	1 non-standing director and 2 outside directors	Hyun-Hwoi Ha, Joon Park, Sung-Sik Hwang

(1) Each of Hyun-Hwoi Ha, Joon Park and Sung-Sik Hwang was appointed as a member of the outside director nomination committee of the board of directors by the board of directors on January 22, 2018.

As of the March 31, 2018, the composition of the Audit Committee is as follows.

Committee	Composition	(As of March 31, 2018) Member
Audit Committee	3 outside directors	Sung-Sik Hwang ⁽¹⁾ , Joon Park, Kun Tai Han

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- (1) Sung-Sik Hwang is the audit committee chairman. He was reappointed for another term as an Audit Committee member at the annual general meeting of shareholders held on March 15, 2018.

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.

15. Information Regarding Shares

A. Total number of shares

- (1) Total number of shares authorized to be issued (as of March 31, 2018): 500,000,000 shares.
- (2) Total shares issued and outstanding (as of March 31, 2018): 357,815,700 shares.

B. Shareholder list

- (1) Largest shareholder and related parties as of March 31, 2018:

Name	Relationship	Number of shares of common stock	Equity interest
LG Electronics	Largest Shareholder	135,625,000	37.9%
Sang Beom Han	Related Party	31,355	0.0%
Sang Don Kim	Related Party	4,000	0.0%

- (2) Shareholders who are known to us to own 5% or more of our shares as of March 31, 2018:

Beneficial owner	Number of shares of common stock	Equity interest
LG Electronics	135,625,000	37.9%

National Pension Service	31,075,124	8.68%
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16. Directors and Employees

A. Directors

(1) Remuneration for directors in 2018 Q1:

Classification	No. of directors ⁽¹⁾	(Unit: person, in millions of Won)	
		Amount paid ⁽²⁾	Per capita average remuneration paid ⁽³⁾
Non-outside directors	3	2,017	672
Outside directors who are not audit committee members	1	26	26
Outside directors who are audit committee members	3	59	20
Total	7	2,102 ⁽⁴⁾	300

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- (1) Number of directors as at March 31, 2018.
- (2) Amount paid is calculated on the basis of amount of cash actually paid.
- (3) Per capita average remuneration paid is calculated by dividing total amount paid by the average number of directors for the three months ended March 31, 2018.
- (4) As Jin Jang resigned as an outside director on March 14, 2018 and Byoung Ho Lee was appointed as an outside director at the annual general meeting of shareholders held on March 15, 2018, the total amount paid includes remuneration paid to both Mr. Jang and Mr. Lee.

(2) Remuneration for individual directors and audit committee members
Not required for quarterly reports.

(3) Stock options
Not applicable.

B. Employees

As of March 31, 2018, we had 33,525 employees (excluding our directors). On average, our male employees have served 9.2 years and our female employees have served 7.8 years. The total amount of salary paid to our employees for the three months ended March 31, 2018 based on income tax statements submitted to the Korean tax authority in accordance with Article 20 of the Income Tax Act was ₩820,970 million for our male employees and ₩182,105 million for our female employees. The following table provides details of our employees as of March 31, 2018:

	(Unit: person, in millions of Won, year)			
	Number of employees ⁽¹⁾	Total salary in 2018 Q1 ⁽²⁾⁽³⁾⁽⁴⁾	Total salary per capita ⁽⁵⁾	Average years of service
Male	25,373	820,970	32.6	9.2
Female	8,152	182,105	22.2	7.8
Total	33,525	1,003,076	30.1	8.9

- (1) Includes part-time employees hired for temporary needs or to serve as temporary replacements for employees on parental leave.
- (2) Welfare benefits and retirement expenses have been excluded. Total welfare benefit provided to our employees for the three months ended March 31, 2018 was ₩106,892 million and the per capita welfare benefit provided was ₩3.2 million.
- (3)

Based on income tax statements, which are submitted to the Korean tax authority in accordance with Article 20 of the Income Tax Act.

- (4) Includes incentive payments to employees who have transferred from our affiliated companies.
- (5) Calculated using the average number of employees (male: 25,146 , female: 8,189) for the three months ended March 31, 2018.

In December 2017, we were audited by the Ministry of Employment and Labor regarding our human resource practices (including in relation to employment contracts, hours of work, outsourcing and employees in pregnancy), and we were found to be in violation of certain provisions of the Labor Standard Act relating to overtime, night and holiday work. As a result, we were issued a corrective order in January 2018 and paid additional overtime wages of ₩2,893 million to 16,106 administrative employees of our Paju facilities for their nighttime work between January 1, 2015 to December 31, 2017. In addition, we reviewed nighttime work records of our administrative employees outside of our Paju facilities during the same period and paid additional overtime wages of ₩2,166 million to eligible employees. In order to prevent such violation from occurring again, we are periodically monitoring the nighttime work records of our employees.

From December 2017 to January 2018, we were audited by the Ministry of Employment and Labor regarding our human resource practices relating to temporary and part-time employees, and we were found to have omitted certain required information (including the number of break hours and vacation days) in the employment contracts of 82 temporary employees. As a result, we were assessed a fine of ₩27 million, which we subsequently paid. In order to prevent such violation from occurring again, we have amended the relevant provisions of the applicable employment contracts.

Table of Contents**17. Other Matters****A. Material Events Subsequent to the Reporting Period****(1) Advance Received Pursuant to Long-term Supply Agreement**

In April 2018, we received an advance of US\$300 million (equivalent to ₩320,670 million) from a major customer pursuant to the terms of a long-term supply agreement. Such advance will be offset in time by payments for applicable products after a certain initial period of deferral.

(2) Credits Extended to Affiliated Parties

Subsequent to the reporting period, we provided guarantees relating to certain payment obligations of our subsidiary, LG Display Vietnam Haiphong Co., Ltd., in connection with its bank borrowings as further described below:

Lender	Date of Agreement	Term of Borrowing/Guarantee	Interest Rate	Principal Amount	Guaranteed Amount
Citibank Taiwan Limited	March 12, 2018	April 13, 2018 ~ April 13, 2023	3 month LIBOR + 1.20%	US\$ 100 million	US\$ 100 million
Sumitomo Mitsui Banking Corporation	April 5, 2018	April 26, 2018 ~ April 26, 2025	3 month LIBOR + 1.20%	US\$ 100 million	US\$ 100 million

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LG DISPLAY CO., LTD. AND SUBSIDIARIES

Condensed Consolidated Interim Financial Statements

(Unaudited)

March 31, 2018 and 2017

(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 March 31, 2018, the condensed consolidated interim statements of comprehensive income, changes in equity and cash flows for the three-month periods ended March 31, 2018 and 2017, 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, 2017 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 22, 2018, expressed an unqualified opinion. The accompanying condensed consolidated statement of financial position of the Group as of December 31, 2017, 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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/s/ KPMG Samjong Accounting Corp.

Seoul, Korea

May 14, 2018

This report is effective as of May 14, 2018 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

Consolidated Statements of Financial Position

(Unaudited)

As of March 31, 2018 and December 31, 2017

<i>(In millions of won)</i>	Note	March 31, 2018	December 31, 2017
Assets			
Cash and cash equivalents	4, 25	₩ 2,626,689	2,602,560
Deposits in banks	4, 25	870,272	758,078
Trade accounts and notes receivable, net	5, 14, 25, 27	3,496,163	4,325,120
Other accounts receivable, net	5, 25	126,369	164,827
Other current financial assets	6, 25	17,392	27,252
Inventories	7	2,350,385	2,350,084
Prepaid income taxes		6,281	3,854
Other current assets	5	405,035	241,928
Total current assets		9,898,586	10,473,703
Deposits in banks	4, 25	11	11
Investments in equity accounted investees	8	119,698	122,507
Other non-current financial assets	6, 25	64,919	68,574
Property, plant and equipment, net	9, 17	17,525,116	16,201,960
Intangible assets, net	10, 17	912,202	912,821
Deferred tax assets	23	1,082,835	985,352
Other non-current assets	5	391,904	394,759
Total non-current assets		20,096,685	18,685,984
Total assets		₩ 29,995,271	29,159,687
Liabilities			
Trade accounts and notes payable	25, 27	₩ 2,802,837	2,875,090
Current financial liabilities	11, 25	2,148,016	1,452,926
Other accounts payable	25	3,273,185	3,169,937
Accrued expenses		551,725	812,615
Income tax payable		145,549	321,978
Provisions	13	74,220	76,016
Advances received	14, 28	249,765	194,129
Other current liabilities	13	303,294	75,991
Total current liabilities		9,548,591	8,978,682
Non-current financial liabilities	11, 25	4,583,674	4,150,192
Non-current provisions	13	22,635	28,312
Defined benefit liabilities, net	12	150,979	95,447

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Long-term advances received	14, 28	759,881	830,335
Deferred tax liabilities	23	23,657	24,646
Other non-current liabilities	13	80,218	70,563
Total non-current liabilities		5,621,044	5,199,495
Total liabilities		15,169,635	14,178,177
Equity			
Share capital	15	1,789,079	1,789,079
Share premium		2,251,113	2,251,113
Retained earnings		10,379,127	10,621,571
Reserves	15	(182,040)	(288,280)
Total equity attributable to owners of the Controlling Company		14,237,279	14,373,483
Non-controlling interests		588,357	608,027
Total equity		14,825,636	14,981,510
Total liabilities and equity		₩ 29,995,271	29,159,687

See accompanying notes to the consolidated interim financial statements.

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LG DISPLAY CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

(Unaudited)

For the three-month periods ended March 31, 2018 and 2017

<i>(In millions of won, except earnings per share)</i>	Note	2018	2017
Revenue	16, 17, 27	₩ 5,675,164	7,062,162
Cost of sales	7, 18, 27	(5,133,080)	(5,342,882)
Gross profit		542,084	1,719,280
Selling expenses	19	(172,958)	(243,203)
Administrative expenses	19	(182,330)	(164,950)
Research and development expenses		(285,119)	(284,250)
Operating profit (loss)		(98,323)	1,026,877
Finance income	22	120,997	115,134
Finance costs	22	(130,361)	(88,037)
Other non-operating income	21	227,642	384,389
Other non-operating expenses	21	(212,837)	(580,493)
Equity in income (loss) of equity accounted investees, net		(2,893)	250
Profit (loss) before income tax		(95,775)	858,120
Income tax expense(benefit)	23	(46,793)	178,623
Profit (loss) for the period		(48,982)	679,497
Other comprehensive income (loss)			
Items that will never be reclassified to profit or loss			
Remeasurements of net defined benefit liabilities	12	(6,419)	(4,725)
Other comprehensive income (loss) from associates		41	(243)
Related income tax	12	2,296	1,143
		(4,082)	(3,825)
Items that are or may be reclassified to profit or loss			
Foreign currency translation differences for foreign operations		127,890	(249,677)
Other comprehensive income (loss) from associates		1,315	(552)
Related income tax			
		129,205	(250,229)
Other comprehensive income (loss) for the period, net of income tax		125,123	(254,054)

Total comprehensive income for the period		₩	76,141	425,443
Profit (loss) attributable to:				
Owners of the Controlling Company			(59,454)	633,490
Non-controlling interests			10,472	46,007
Profit (loss) for the period		₩	(48,982)	679,497
Total comprehensive income attributable to:				
Owners of the Controlling Company			42,704	412,932
Non-controlling interests			33,437	12,511
Total comprehensive income for the period		₩	76,141	425,443
Earnings (loss) per share (In won)				
Basic earnings (loss) per share	24	₩	(166)	1,770
Diluted earnings (loss) per share	24	₩	(166)	1,770

See accompanying notes to the consolidated interim financial statements.

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LG DISPLAY CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

(Unaudited)

For the three-month periods ended March 31, 2018 and 2017

<i>(In millions of won)</i>	Attributable to owners of the Controlling Company				Sub-total	Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings	Reserves			
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			633,490		633,490	46,007	679,497
Other comprehensive income (loss)							
Remeasurements of net defined benefit liabilities, net of tax			(3,582)		(3,582)		(3,582)
Foreign currency translation differences for foreign operations, net of tax				(216,181)	(216,181)	(33,496)	(249,677)
Other comprehensive loss from associates			(243)	(552)	(795)		(795)
Total other comprehensive loss			(3,825)	(216,733)	(220,558)	(33,496)	(254,054)
Total comprehensive income (loss) for the period	₩		629,665	(216,733)	412,932	12,511	425,443

**Transaction with
owners,
recognized
directly in equity**

Dividends to equity holders			(178,908)		(178,908)		(178,908)
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Balances at

March 31, 2017	₩ 1,789,079	2,251,113	9,455,040	(305,211)	13,190,021	518,902	13,708,923
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Balances at

January 1, 2018	₩ 1,789,079	2,251,113	10,621,571	(288,280)	14,373,483	608,027	14,981,510
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**Total
comprehensive
income (loss) for
the period**

Profit (loss) for the period			(59,454)		(59,454)	10,472	(48,982)
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**Other
comprehensive
income (loss)**

Remeasurements of net defined benefit liabilities, net of tax			(4,123)		(4,123)		(4,123)
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Foreign currency translation differences for foreign operations, net of tax				104,925	104,925	22,965	127,890
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Other comprehensive income from associates			41	1,315	1,356		1,356
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Total other comprehensive income (loss)			(4,082)	106,240	102,158	22,965	125,123
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Total comprehensive income (loss) for the period	₩		(63,536)	106,240	42,704	33,437	76,141
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**Transaction with
owners,
recognized
directly in equity**

Dividends to equity holders	(178,908)	(178,908)	(178,908)
Subsidiaries dividends distributed to non-controlling interests		(53,107)	(53,107)

Balances at							
March 31, 2018	₩ 1,789,079	2,251,113	10,379,127	(182,040)	14,237,279	588,357	14,825,636

See accompanying notes to the consolidated interim financial statements.

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LG DISPLAY CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

(Unaudited)

For the three-month periods ended March 31, 2018 and 2017

<i>(In millions of won)</i>	Note	2018	2017
Cash flows from operating activities:			
Profit (loss) for the period		₩ (48,982)	679,497
Adjustments for:			
Income tax expense (benefit)	23	(46,793)	178,623
Depreciation	18	807,736	610,553
Amortization of intangible assets	18	102,339	105,311
Gain on foreign currency translation		(62,852)	(79,725)
Loss on foreign currency translation		53,141	161,901
Expenses related to defined benefit plans	12	51,801	49,349
Gain on disposal of property, plant and equipment		(4,006)	(11,560)
Loss on disposal of property, plant and equipment		8,405	2,231
Gain on disposal of intangible assets		(239)	
Impairment loss on intangible assets		37	1,689
Reversal of impairment loss on intangible assets		(130)	
Warranty expense		35,647	75,850
Finance income		(35,238)	(97,974)
Finance costs		23,395	49,057
Equity in loss (income) of equity method accounted investees, net	8	2,893	(250)
Other income		(489)	(261)
Other expenses		634	98
		936,281	1,044,892
Changes in			
Trade accounts and notes receivable		783,501	383,054
Other accounts receivable		18,759	6,370
Inventories		(114,588)	4,350
Other current assets		(131,364)	(123,822)
Other non-current assets		(15,822)	(20,980)
Trade accounts and notes payable		(46,042)	(380,460)
Other accounts payable		(174,431)	(44,954)
Accrued expenses		(262,999)	(184,853)
Provisions		(52,910)	(52,670)
Other current liabilities		(15,138)	(37)
Defined benefit liabilities, net		(2,734)	(1,740)
Other non-current liabilities		7,622	1,207
		(6,146)	(414,535)

Cash generated from operating activities	881,153	1,309,854
Income taxes paid	(55,851)	(46,986)
Interests received	17,487	10,377
Interests paid	(40,574)	(31,204)
Net cash provided by operating activities	₩ 802,215	1,242,041

See accompanying notes to the consolidated interim financial statements.

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LG DISPLAY CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows, Continued

(Unaudited)

For the three-month periods ended March 31, 2018 and 2017

<i>(In millions of won)</i>	Note	2018	2017
Cash flows from investing activities:			
Dividends received		₩ 4,712	8,109
Proceeds from withdrawal of deposits in banks		518,363	487,131
Increase in deposits in banks		(630,913)	(281,635)
Acquisition of available-for-sale financial assets		(39)	
Acquisition of investments in equity accounted investees		(4,000)	
Proceeds from disposal of investments in equity accounted investees			5,157
Acquisition of property, plant and equipment		(1,815,515)	(1,609,628)
Proceeds from disposal of property, plant and equipment		102,496	70,003
Acquisition of intangible assets		(130,638)	(113,878)
Proceeds from disposal of intangible assets		960	
Receipt from settlement of derivatives		(2)	(101)
Proceeds from collection of short-term loans		7,351	
Increase in long-term loans		(12,300)	
Decrease in deposits		294	2,991
Increase in deposits		(517)	(933)
Proceeds from disposal of emission rights		4,160	
Net cash used in investing activities		(1,955,588)	(1,432,784)
Cash flows from financing activities:	26		
Proceeds from issuance of bonds		388,447	
Proceeds from long-term borrowings		907,850	119,741
Repayments of current portion of long-term borrowings and bonds		(180,168)	(63,216)
Net cash provided by financing activities		1,116,129	56,525
Net decrease in cash and cash equivalents		(37,244)	(134,218)
Cash and cash equivalents at January 1		2,602,560	1,558,696
Effect of exchange rate fluctuations on cash held		61,373	(79,755)
Cash and cash equivalents at March 31		₩ 2,626,689	1,344,723

See accompanying notes to the 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 March 31, 2018, 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, Poland and Vietnam. 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 March 31, 2018, 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 March 31, 2018, 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 Depository Shares (ADSs) under the symbol LPL . One ADS represents one-half of one share of common stock. As of March 31, 2018, there are 23,730,762 ADSs outstanding.

Table of Contents1. Reporting Entity, Continued(b) Consolidated Subsidiaries as of March 31, 2018*(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	Eschborn, 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.	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
LG Display Vietnam Haiphong Co., Ltd. (*1)	Haiphong, Vietnam	100%	December 31	May 5, 2016	Manufacture Display products	USD	300
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	430,801

(*1) For the three-month period ended March 31, 2018, the Controlling Company contributed ₩212,600 million in cash for the capital increase of LG Display Vietnam Haiphong Co., Ltd. (LGDVN). There was no change in the Controlling Company's ownership percentage in LGDVN as a result of this additional investment.

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1. Reporting Entity, Continued

(*2) For the three-month period ended March 31, 2018, the Controlling Company acquired and disposed Money Market Trust (MMT) and the MMT amount as of March 31, 2018 ~~is~~ W430,801 million. W90,281 million is attributable to the Controlling Company over the distributed dividends from consolidated subsidiaries for the three-month period ended March 31, 2018.

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, 2017.

This is the first set of the Group's financial statements where K-IFRS No. 1109, K-IFRS No. 1115, and K-IFRS No. 2122 have been applied. Changes to significant accounting policies are described in Note 3.

(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:

financial assets at fair value through profit or loss (FVTPL) and financial asset at fair value through other comprehensive income (FVOCI), 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.

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2. Basis of Presenting Financial Statements, Continued
(d) Use of Estimates and Judgments, Continued

In result of the Group utilizing the past accumulated usage information to reassess the economic useful life of the Mask and Mold which has been classified as inventory, the Group expected the useful lives of Mask and Mold to exceed one year; therefore, the Group changed useful lives of Mask and Mold to two years and treated it as a change in accounting estimate. The Group also changed the classification of Mask and Mold to property, plant and equipment. As a result, ₩111,456 million of Inventory (supplies) at December 31, 2017 is classified as property, plant and equipment (tools) during the three-month period ended March 31, 2018..

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 the last annual financial statements, except for new significant judgments and key sources of estimation uncertainty related to the application of K-IFRS No. 1109, K-IFRS No. 1115 in Note 3 and the change in useful life of Mask and Mold.

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, 2017, except for the application of K-IFRS No. 1034, *Interim Financial Reporting* and the changes in accounting standards explained below. The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending December 31, 2018.

(a) Changes in Accounting Policies

The Group has initially adopted K-IFRS No. 1115, *Revenue from Contracts with Customers*, K-IFRS No. 1109, *Financial Instruments*, and K-IFRS No. 2122, *Foreign Currency Transactions and Advance Consideration* from January 1, 2018.

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

K-IFRS No. 1109 set out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standards replaces K-IFRS No. 1039 *Financial Instruments: Recognition and Measurement*. The Group adopted K-IFRS No. 1109, *Financial Instruments*, from January 1, 2018, and the Group has taken an exemption not to restate the financial statements for prior years with respects to transition requirements.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below. There is no impact on the opening balance of retained earnings at January 1, 2018.

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3. Summary of Significant Accounting Policies, Continued

(a) Changes in Accounting Policies, Continued

i) Classification and measurement of financial assets and financial liabilities

K-IFRS No. 1109 largely retains the existing requirements in K-IFRS No. 1039 for the classification and measurement of financial liabilities. However, it eliminates the previous K-IFRS No. 1039 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption K-IFRS No. 1109 has not had a significant effect on the Group's accounting policies related to financial liabilities and derivative financial instruments. The impact of K-IFRS No. 1109 on the classification and measurement of financial assets is set out below.

Under K-IFRS No. 1109, on initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI-debt investment; FVOCI-equity investment; or FVTPL. The classification of financial assets under K-IFRS 1109 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

It is held within a business model whose objective is to hold assets to collect contractual cash flow;
and

its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if

doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Table of Contents3. Summary of Significant Accounting Policies, Continued(a) Changes in Accounting Policies, Continued

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

The following table below explain the original measurement categories under K-IFRS No. 1039 and the changes in measurement categories under K-IFRS No. 1109 for each class of the Group's financial assets as at January 1, 2018 are as below.

(In millions of won)

	Original classification under K-IFRS No. 1039	New classification under K-IFRS No. 1109	Original carrying amount under K-IFRS No. 1039	New carrying amount under K-IFRS No. 1109	Difference
Financial Assets					
Cash and cash equivalents	Loans and receivables	Amortized cost	₩2,602,560	2,602,560	
Deposits	Loans and receivables	Amortized cost	758,089	758,089	
Trade receivables	Loans and receivables	Amortized cost	4,325,120	4,325,120	
Other receivables	Loans and receivables	Amortized cost	164,827	164,827	
Debt instrument	Available-for-sale	FVOCI-debt instrument	162	162	
Equity instrument	Available-for-sale	Mandatorily at	4,980	4,980	

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		FVTPL		
Convertible bonds	Designated as at FVTPL	Mandatorily at FVTPL	1,552	1,552
Derivatives	Designated as at FVTPL	Mandatorily at FVTPL	842	842
Others	Loans and receivables	Amortized cost	88,290	88,290
Total financial assets			₩ 7,946,422	7,946,422

As of January 1, 2018, there were no financial liabilities measured at FVTPL.

Table of Contents3. Summary of Significant Accounting Policies, Continued(a) Changes in Accounting Policies, Continued

ii) Impairment of financial assets

K-IFRS No. 1109 replaces the incurred loss model in K-IFRS No. 1039 with an expected credit loss (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under K-IFRS No. 1109, credit losses are recognized earlier than under K-IFRS No. 1039.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt instrument at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt instrument at FVOCI, the loss allowance is recognized in OCI, instead of reducing the carrying amount of the asset.

As a result of applying the loss allowances model under K-IFRS No. 1109, as of January 1, 2018, there are no additional loss allowances as compared with the loss allowances under K-IFRS No. 1039.

iii) Hedge Accounting

When initially applying K-IFRS No. 1109, the Group elected as its accounting policy to continue to apply hedge accounting requirements under K-IFRS No. 1039 instead of the requirements in K-IFRS No. 1109. As of January 1, 2018, there is no impact on the consolidated financial statement of the Group resulting from the application of the requirements in K-IFRS No. 1109.

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

K-IFRS No. 1115, *Revenue from contracts with customers*, establishes a comprehensive framework for determining whether, how much and when revenue is recognized. K-IFRS No. 1115 replaces existing revenue recognition guidance, including K-IFRS No. 1018 *Revenue*, K-IFRS No. 1011, *Construction Contracts*, K-IFRS No. 2031, *Revenue: Barter Transactions Involving Advertising Services*, K-IFRS No. 2113, *Customer Loyalty Programmes*, K-IFRS No. 2115, *Agreements for the Construction of Real Estate* and K-IFRS No. 2118, *Transfers of Assets from Customers*.

The Group has initially applied K-IFRS No. 1115, *Revenue from contracts with customers*, from January 1, 2018. Regarding transition to K-IFRS No.1115, the Group has decided to apply the cumulative effect method, i.e. recognizing the cumulative effect of applying K-IFRS No. 1115 at the date of initial application, which is January 1,

2018, without restatement of the comparative periods presented. The impact on its consolidated financial statements resulting from the application of the new standard is as follows.

Table of Contents3. Summary of Significant Accounting Policies, Continued(a) Changes in Accounting Policies, ContinuedVariable Consideration

The consideration received from customers may be variable as the Group allows its customers to return their products according to the contracts. For the year-ended December 31, 2017, the Group recognizes a provision measured at the gross profit for products sold which are expected to be returned. Under K-IFRS No. 1115, the Group shall estimate an amount of variable consideration by using the expected value or the most likely amount, depending on which method the entity expects to better predict the amount of consideration to which it will be entitled and include in the transaction price some or all of an amount of variable consideration estimated only to the extent that is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when return period expires. The Group shall recognize refund liability measured at the amount of consideration received (or receivable) to which the Group does not expect to be entitled and a new asset for the right to recover returned goods. As a result of this change, the refund liability and a new asset for the right to recover returned goods increased by ₩9,789 million, respectively, as of January 1, 2018. There is no impact on the opening balance of retained earnings at January 1, 2018. (Note 5(d), 13(a))

The effect of the application of K-IFRS No. 1115 on the Group's consolidated interim statement of financial position as of March 31, 2018 is as follows. There is no impact on the consolidated interim statement of comprehensive income and the cash flows for the three-month period ended March 31, 2018.

(in millions won)

Categories	Adoption of K-IFRS No. 1115	Adjustments	Adoption of K-IFRS No. 1018
Current Assets Other current assets	₩ 405,035	(6,923)	398,112
Current Liabilities Provisions	₩ 74,220	(6,923)	67,297

(iii) K-IFRS No. 2122, Foreign Currency Transactions and Advance Consideration

According to the new interpretation, K-IFRS No. 2122, *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. There is no significant impact on the consolidated financial statements of the Group.

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3. Summary of Significant Accounting Policies, Continued

(b) New Standards and Amendments Not Yet Adopted

The following new standard is effective for annual periods beginning after January 1, 2018 and earlier application is permitted; however, the Group has not early adopted the following new standard in preparing these condensed consolidated interim financial statements.

(i) K-IFRS No. 1116, *Leases*

The Group plans to adopt K-IFRS No. 1116, *Leases*, in its consolidated financial statements for annual period beginning on January 1, 2019, assess the financial impact of the adoption of K-IFRS No. 1116 and disclose the results in its consolidated financial statements for the year ending December 31, 2018. As of March 31, 2018, other than the potential impacts described in the consolidated financial statements as of and for the year ended December 31, 2017, there are no significant changes in relation to preparation for the adoption of this new standard.

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

Cash and cash equivalents and deposits in banks as of March 31, 2018 and December 31, 2017 are as follows:

(In millions of won)

	March 31, 2018	December 31, 2017
Current assets		
Cash and cash equivalents		
Demand deposits	₩ 2,626,689	2,602,560
Deposits in banks		
Time deposits	₩ 797,217	685,238
Restricted cash (*)	73,055	72,840
	₩ 870,272	758,078
Non-current assets		
Deposits in banks		
Restricted cash (*)	₩ 11	11
	₩ 3,496,972	3,360,649

(*) 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 March 31, 2018 and December 31, 2017 are as follows:

(In millions of won)

	March 31, 2018	December 31, 2017
Trade, net	₩ 2,631,374	3,275,902
Due from related parties	864,789	1,049,218
	₩ 3,496,163	4,325,120

(b) Other accounts receivable as of March 31, 2018 and December 31, 2017 are as follows:

(In millions of won)

	March 31, 2018	December 31, 2017
Current assets		
Non-trade receivable, net	₩ 112,335	150,554
Accrued income	14,034	14,273
	₩ 126,369	164,827

Due from related parties included in other accounts receivable, as of March 31, 2018 and December 31, 2017 are ₩9,945 million and ₩10,821 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 March 31, 2018 and December 31, 2017 are as follows:

(In millions of won)

	Book value		March 31, 2018			
			Trade accounts		Impairment loss	
	Trade accounts and notes receivable	Other accounts receivable(*)	Long-term non-trade receivable	and notes receivable	Other accounts receivable(*)	Long-term non-trade receivable
Not past due	₩ 3,487,064	119,671	185	(1,401)	(539)	(2)
Past due 1-15 days	9,529	478		(30)	(3)	
Past due 16-30 days	995	707			(4)	
Past due 31-60 days	6	125			(1)	
Past due more than 60 days		6,412			(477)	
	₩ 3,497,594	127,393	185	(1,431)	(1,024)	(2)