

# **LG Electronics Inc.**

**Separate Interim Financial Statements**

**March 31, 2022 and 2021**

**LG Electronics Inc.**  
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**March 31, 2022 and 2021**

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## **Report on Review of Interim Financial Statements**

(English Translation of a Report Originally Issued in Korean)

To the Shareholders and Board of Directors of  
LG Electronics Inc.

### ***Reviewed Financial Statements***

We have reviewed the accompanying separate interim financial statements of LG Electronics Inc. (referred to as the "Company"). These financial statements consist of the separate interim statement of financial position of the Company as at March 31, 2022, and the related separate interim statements of profit or loss and comprehensive income, changes in equity and cash flows for the three-month periods ended March 31, 2022 and 2021, and a summary of significant accounting policies and other explanatory notes, expressed in Korean won.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS) 1034 *Interim Financial Reporting*, and for such internal control as management determines is necessary to enable the preparation of separate interim financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to issue a report on these separate interim financial statements based on our review.

We conducted our review in accordance with quarterly or semi-annual review standards established by the Securities and Futures Commission of the Republic of Korea. A review of interim financial information consists 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 review, nothing has come to our attention that causes us to believe the accompanying separate interim financial statements are not presented fairly, in all material respects, in accordance with Korean IFRS 1034 *Interim Financial Reporting*.

**Other Matters**

We have audited the separate statement of financial position of the Company as at December 31, 2021, and the related separate statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, in accordance with Korean Standards on Auditing. We expressed an unqualified opinion on those financial statements, not presented herein, in our audit report dated March 15, 2022. The separate statement of financial position as at December 31, 2021, presented herein for comparative purposes, is consistent, in all material respects, with the above audited statement of financial position as at December 31, 2021.

Review standards and their application in practice vary among countries. The procedures and practices used in the Republic of Korea to review such financial statements may differ from those generally accepted and applied in other countries.

May 16, 2022  
Seoul, Korea

<p>This report is effective as of May 16, 2022, 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 separate interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that there is a possibility that the above review report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.</p>
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**LG Electronics Inc.**  
**Separate Interim Statements of Financial Position**  
**March 31, 2022 and December 31, 2021**

<i>(in millions of Korean won)</i>	Notes	March 31, 2022 (Unaudited)	December 31, 2021
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4,31	1,369,032	2,012,229
Deposits held by financial institutions	4,31	147,805	146,388
Trade receivables	4,5,31	6,177,632	5,016,382
Other receivables	4,5,31	600,098	415,331
Other financial assets	4,6,31	9,270	9,747
Inventories	7	1,571,097	1,649,010
Current tax assets		1,642	4,115
Contract assets	8	375,983	318,367
Other current assets		936,256	956,849
Assets held for sale	32	330,420	84,788
		<u>11,519,235</u>	<u>10,613,206</u>
<b>Non-current assets</b>			
Deposits held by financial institutions	4,31	794	730
Trade receivables	4,5,31	46,376	22,040
Other receivables	4,5,31	185,693	180,481
Other financial assets	4,6,31	218,969	177,756
Property, plant and equipment	9	5,954,855	6,424,785
Intangible assets	9	1,726,439	1,758,718
Deferred tax assets		1,203,288	1,343,719
Investments in subsidiaries, associates and joint ventures	10	8,930,819	8,914,917
Net defined benefit assets		22,762	-
Contract assets	13	68,936	80,222
Other non-current assets	8	78,740	76,950
		<u>18,437,671</u>	<u>18,980,318</u>
<b>Total assets</b>		<u>29,956,906</u>	<u>29,593,524</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables	4,31	6,052,300	5,638,618
Borrowings	4,11,31	1,130,039	1,116,637
Lease liabilities	4,12,31	66,922	73,297
Other payables	4,31	1,977,566	1,936,752
Other financial liabilities	4,6,31	22,757	7,045
Current tax liabilities		29,484	34,764
Provisions	14	1,948,928	2,167,462
Contract liabilities	8	617,264	474,065
Other current liabilities		1,726,295	2,209,208
		<u>13,571,555</u>	<u>13,657,848</u>
<b>Non-current liabilities</b>			
Borrowings	4,11,31	6,300,459	6,506,624
Lease liabilities	4,12,31	47,593	46,323
Other payables	4,31	-	100
Other financial liabilities	4,6,31	35,535	56,618
Net defined benefit liabilities	13	-	99,911
Provisions	14	153,416	184,922
Contract liabilities	8	5,709	5,747
Other non-current liabilities		142,768	145,176
		<u>6,685,480</u>	<u>7,045,421</u>
<b>Total liabilities</b>		<u>20,257,035</u>	<u>20,703,269</u>

**LG Electronics Inc.**  
**Separate Interim Statements of Financial Position**  
**March 31, 2022 and December 31, 2021**

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*(in millions of Korean won)*

	<b>Notes</b>	<b>March 31, 2022</b> <b>(Unaudited)</b>	<b>December 31, 2021</b>
<b>Equity</b>			
Paid-in capital:	15		
Share capital		904,169	904,169
Share premium		3,088,179	3,088,179
Retained earnings	16	5,715,663	4,940,122
Accumulated other comprehensive income (loss)	17	24,679	(9,396)
Other components of equity	18	(32,819)	(32,819)
<b>Total equity</b>		<u>9,699,871</u>	<u>8,890,255</u>
<b>Total liabilities and equity</b>		<u>29,956,906</u>	<u>29,593,524</u>

**LG Electronics Inc.**  
**Separate Interim Statements of Profit or Loss**  
**Three-Month Periods Ended March 31, 2022 and 2021**

<i>(in millions of Korean won, except per share amounts)</i>	<b>Notes</b>	<b>2022 (Unaudited)</b>	<b>2021 (Unaudited)</b>
<b>Continuing operations</b>			
<b>Net sales</b>	19	8,177,002	6,529,458
<b>Cost of sales</b>	20	5,640,514	4,920,278
<b>Gross profit</b>		2,536,488	1,609,180
Selling and marketing expenses	20,21	1,003,222	716,783
Administrative expenses	20,21	203,896	115,448
Research and development expenses	20,21	390,888	322,313
Service costs	20,21	210,899	160,591
<b>Operating profit(loss)</b>		727,583	294,045
Financial income	22	93,370	70,776
Financial expenses	23	131,279	70,659
Other non-operating income	24	707,832	213,460
Other non-operating expenses	25	351,457	266,044
Profit(loss) before income tax		1,046,049	241,578
Income tax expense(revenue)		244,268	52,911
<b>Profit(loss) from continuing operations</b>		801,781	188,667
<b>Discontinued operations</b>			
Profit(Loss) from discontinued operations	33	(21,486)	(213,596)
<b>Profit (loss) for the period</b>		780,295	(24,929)
<b>Earnings (losses) per share during the period</b>			
<i>(in Korean won) :</i>	26		
Earnings (loss) per ordinary share		4,333	(140)
From continuing operations		4,452	1,046
From discontinued operations		(119)	(1,186)
Earnings (loss) per preferred share		4,345	(127)
From continuing operations		4,464	1,059
From discontinued operations		(119)	(1,186)

**LG Electronics Inc.**  
**Separate Interim Statements of Comprehensive Income**  
**Three-Month Periods Ended March 31, 2022 and 2021**

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<i>(in millions of Korean won)</i>	<b>Notes</b>	<b>2022 (Unaudited)</b>	<b>2021 (Unaudited)</b>
<b>Profit (loss) for the period</b>		780,295	(24,929)
<b>Other comprehensive income (loss), net of tax</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Remeasurements of the net defined benefit liability	13	149,161	73,602
Financial assets at fair value through other comprehensive income	6	(4,002)	(5,433)
<i>Items that will be reclassified subsequently to profit or loss:</i>			
Cash flow hedges	31	38,077	20,174
<b>Other comprehensive income(loss) for the period, net of tax</b>		183,236	88,343
<b>Total comprehensive income(loss) for the period, net of tax</b>		963,531	63,414



**LG Electronics Inc.**

**Separate Interim Statements of Changes in Equity**

**Three-Month Periods Ended March 31, 2022 and 2021**

<i>(in millions of Korean won)</i>	Notes	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Other Components of Equity	Total Equity
<b>Balance at January 1, 2021</b>		3,992,348	6,018,118	(55,914)	(32,819)	9,921,733
<b>Total comprehensive income (loss):</b>						
Profit(Loss) for the period		-	(24,929)	-	-	(24,929)
Remeasurements of the net defined benefit liability	13	-	73,602	-	-	73,602
Financial assets at fair value through other comprehensive income	6	-	-	(5,433)	-	(5,433)
Cash flow hedges	31	-	-	20,174	-	20,174
<b>Total comprehensive income(loss)</b>		-	48,673	14,741	-	63,414
<b>Transactions with owners:</b>						
Dividends	16	-	(216,938)	-	-	(216,938)
<b>Total transactions with owners</b>		-	(216,938)	-	-	(216,938)
<b>Balance at March 31, 2021 (Unaudited)</b>		3,992,348	5,849,853	(41,173)	(32,819)	9,768,209
<b>Balance at January 1, 2022</b>		3,992,348	4,940,122	(9,396)	(32,819)	8,890,255
<b>Total comprehensive income (loss):</b>						
Profit(Loss) for the period		-	780,295	-	-	780,295
Remeasurements of the net defined benefit liability	13	-	149,161	-	-	149,161
Financial assets at fair value through other comprehensive income	6	-	-	(4,002)	-	(4,002)
Cash flow hedges	31	-	-	38,077	-	38,077
<b>Total comprehensive income(loss)</b>		-	929,456	34,075	-	963,531
<b>Transactions with owners:</b>						
Dividends	16	-	(153,915)	-	-	(153,915)
<b>Total transactions with owners</b>		-	(153,915)	-	-	(153,915)
<b>Balance at March 31, 2022 (Unaudited)</b>		3,992,348	5,715,663	24,679	(32,819)	9,699,871

## LG Electronics Inc.

### Separate Interim Statements of Cash Flows

Three-Month Periods Ended March 31, 2022 and 2021

<i>(in millions of Korean won)</i>	Notes	Three-month Period Ended March 31	
		2022 (Unaudited)	2021 (Unaudited)
<b>Cash flows from operating activities</b>			
Cash generated from (used in) operations	27	(582,846)	256,223
Interest received		5,174	1,878
Interest paid		(61,399)	(55,691)
Dividend received		184,400	54,740
Income tax paid		(27,001)	(24,829)
<b>Net cash inflow (outflow) from operating activities</b>		<b>(481,672)</b>	<b>232,321</b>
<b>Cash flows from investing activities</b>			
Decrease in other receivables		38,995	15,814
Proceeds from redemption and disposal of other financial assets		13,325	212
Proceeds from disposal of property, plant and equipment		11,996	6,185
Proceeds from disposal of intangible assets		19,347	326
Proceeds from disposal of assets held for sale		258,319	-
Transfer of business		38,360	-
Increase in deposits held by financial institutions		(64)	(139)
Increase in other receivables		(41,900)	(23,609)
Acquisition of other financial assets		(9,909)	(10,552)
Acquisition of property, plant and equipment		(110,736)	(224,146)
Acquisition of intangible assets		(125,730)	(89,662)
Acquisition of investments in subsidiaries, associates and joint ventures		(15,902)	(8,211)
<b>Net cash inflow (outflow) from investing activities</b>		<b>76,101</b>	<b>(333,782)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		482,534	177,560
Repayments of borrowings		(699,610)	(416,571)
Repayments of lease liabilities		(20,570)	(19,086)
<b>Net cash inflow(outflow) from financing activities</b>		<b>(237,646)</b>	<b>(258,097)</b>
Effects of exchange rate changes on cash and cash equivalents		20	720
<b>Net increase(decrease) in cash and cash equivalents</b>		<b>(643,197)</b>	<b>(358,838)</b>
Cash and cash equivalents at the beginning of the period		2,012,229	1,916,739
<b>Cash and cash equivalents at the end of the period</b>		<b>1,369,032</b>	<b>1,557,901</b>

**LG Electronics Inc.**  
**Notes to the Separate Interim Financial Statements**  
**March 31, 2022 and 2021 (Unaudited), and December 31, 2021**

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**1. General Information**

LG Electronics Inc. (the “Company”) was spun off from LG Electronics Investment Ltd. on April 1, 2002. The Company’s shares were listed on the Korea Exchange on April 22, 2002, and some of its preferred shares, in the form of global depositary receipts (“GDRs”), are listed on the London Stock Exchange at the end of the reporting period. The Company is domiciled in Korea at Yeoui-daero, Yeongdeungpo-gu, Seoul.

As at March 31, 2022, LG Corp. owns 33.7% of the Company’s total shares, excluding preferred shares, while financial institutions, foreign investors and others own the rest.

The Company operates following major business segments: Home Appliance & Air Solution segment manufactures and sells refrigerators, washing machines, vacuum cleaners, and residential and commercial air conditioners; Home Entertainment segment manufactures and sells TVs and digital media products; Vehicle components Solutions segment designs and manufactures automobile parts; and Business Solutions segment manufactures and sells monitors, PCs, information displays, solar panels and others. As at March 31, 2022, the Company operates manufacturing facilities mainly in Changwon, Pyeongtaek, Gumi and Incheon in the Republic of Korea.

**LG Electronics Inc.**  
**Notes to the Separate Interim Financial Statements**  
**March 31, 2022 and 2021 (Unaudited), and December 31, 2021**

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**2. Significant Accounting Policies**

**Basis of Preparation**

The Company maintains its accounting records in Korean won and prepares statutory financial statements in the Korean language (Hangul) in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS). The accompanying separate interim financial statements have been condensed, restructured and translated into English from the Korean language financial statements.

The financial statements of the Company are the separate interim financial statements prepared in accordance with Korean IFRS 1027 *Separate Financial Statements*. The separate interim financial statements for the three-month period ended March 31, 2022, have been prepared in accordance with Korean IFRS 1034 *Interim Financial Reporting*. These separate interim financial statements have been prepared in accordance with Korean IFRS which is effective or early adopted as at March 31, 2022.

**Changes in Accounting Policies and Disclosures**

(a) New and amended standards and interpretations effective for the financial year beginning January 1, 2022.

*- Amendments to Korean IFRS 1103 Business Combination – Reference to the Conceptual Framework*

The amendments update a reference of definition of assets and liabilities to be recognized in a business combination in revised Conceptual Framework for Financial Reporting. However, the amendments add an exception for the recognition of liabilities and contingent liabilities within the scope of Korea IFRS 1037 *Provisions, Contingent Liabilities and Contingent Assets*, and Korean IFRS 2121 *Levies*. The amendments also clarify that contingent assets should not be recognized at the acquisition date. The amendment does not have a significant impact on the interim financial statements.

*- Amendments to Korean IFRS 1016 Property, Plant and Equipment - Proceeds before intended use*

The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while the entity is preparing the asset for its intended use. Instead, the entity will recognize the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendment does not have a significant impact on the interim financial statements.

*- Amendments to Korean IFRS 1037 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts : Cost of Fulfilling a Contract*

The amendments clarify that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts when assessing whether the contract is onerous. The amendment does not have a significant impact on the interim financial statements.

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**Notes to the Separate Interim Financial Statements**  
**March 31, 2022 and 2021 (Unaudited), and December 31, 2021**

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*- Annual improvements to Korean IFRS 2018-2020*

The amendment does not have a significant impact on the interim financial statements.

- Korean IFRS 1101 *First time Adoption of Korean International Financial Reporting Standards* – Subsidiaries that are first-time adopters
- Korean IFRS 1109 *Financial Instruments* – Fees related to the 10% test for derecognition of financial liabilities
- Korean IFRS 1041 *Agriculture* – Measuring fair value

(b) New, enacted and amended standards issued, but not effective for March 31, 2022, and not early adopted by the Company.

*- Amendments to Korean IFRS 1001 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current*

The amendments clarify that liabilities are classified as either current or non-current, depending on the substantive rights that exist at the end of the reporting period. Classification is unaffected by the likelihood that an entity will exercise right to defer settlement of the liability or the expectations of management. Also, the settlement of liability includes the transfer of the entity's own equity instruments, however, it would be excluded if an option to settle them by the entity's own equity instruments if compound financial instruments is met the definition of equity instruments and recognized separately from the liability. The amendments should be applied for annual periods beginning on or after January 1, 2023. The Company does not expect that these amendments have a significant impact on the interim financial statements.

*- Korean IFRS 1001 Presentation of Financial Statements - Disclosure of Accounting Policies*

The IASB amended IFRS Practice Statement 2 *Disclosure of Accounting Policies* to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments should be applied for annual periods beginning on or after January 1, 2023. . The Company does not expect that these amendments have a significant impact on the interim financial statements.

*- Korean IFRS 1008 Accounting policies, changes in accounting estimates and errors - Definition of Accounting Estimates*

The amendments define accounting estimates and clarify how to distinguish them from changes in accounting policies. The amendments should be applied for annual periods beginning on or after January 1, 2023. . The Company does not expect that these amendments have a significant impact on the interim financial statements.

*- Korean IFRS 1012 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments include an additional condition to the exemption to initial recognition of an asset or liability that a transaction does not give rise to equal taxable and deductible temporary differences at the time of the transaction. The amendments should be applied for annual periods

**LG Electronics Inc.**  
**Notes to the Separate Interim Financial Statements**  
**March 31, 2022 and 2021 (Unaudited), and December 31, 2021**

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beginning on or after January 1, 2023. The Company does not expect that these amendments have a significant impact on the interim financial statements.

**Application of Accounting Policies**

Significant accounting policies and method of computation used in the preparation of the condensed separate interim financial statements are consistent with those of the separate interim financial statements for the year ended December 31, 2021, except for the changes due to the application of amendment and enactments of standards described in Note 2 and the ones described below.

**Income Tax Expense**

Income tax expense for the interim period is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate is applied to the pre-tax income for the period.

**3. Critical Accounting Estimates and Judgements**

The estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

**Critical Accounting Estimates and Assumptions**

The Company makes estimates and assumptions concerning the future. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The spread of COVID-19 and Russia-Ukraine armed conflict have a material impact on the global economy. It may have a negative impact; such as decrease in productivity, decrease or delay in sales, collection of existing receivables and others. Accordingly, it may have a negative impact on the financial position and financial performance of the Company, and the impact is expected to be continued to the separate annual financial statements in 2022.

Significant accounting estimates and assumptions applied in the preparation of the separate interim financial statements can be adjusted depending on changes in the uncertainty from COVID-19 and Russia-Ukraine armed conflict. Also, the ultimate effect of COVID-19 and Russia-Ukraine armed conflict to the Company's business, financial position and financial performance cannot presently be determined.

The estimates and assumptions that have a significant risk of causing adjustments to the carrying amounts of assets and liabilities after the end of the reporting period are addressed below.

(a) Revenue Recognition

The Company recognizes revenue over time using the percentage of completion method for the rendering of service such as equipment production and installation. The Company measures the

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**Notes to the Separate Interim Financial Statements**  
**March 31, 2022 and 2021 (Unaudited), and December 31, 2021**

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percentage of completion by estimating total cost for the completion of the transaction, and the factors for the estimation of revenue may vary.

(b) Impairment of Goodwill

The Company tests goodwill and others regularly for impairment. The recoverable amounts of cash-generating units have been determined based on fair value less costs of disposal or value-in-use calculations. These calculations require estimates.

(c) Income Taxes

The Company recognizes assets and liabilities for anticipated tax audit issues based on the best estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

(d) Fair Value of Financial Instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at the end of the reporting period.

(e) Provisions

The Company recognizes provisions for product warranties and others based on their historical data at the end of the reporting period.

(f) Net Defined Benefit Liabilities

The present value of the defined benefit liability depends on various factors that are determined on an actuarial basis. The assumptions used in determining the net cost (income) for pensions include the discount rate, which is the interest rate that is used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit liability. In determining the appropriate discount rate, the Company considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability. Other key assumptions for defined benefit liability are based on current market conditions.

(g) Development Costs

The Company capitalizes development costs when there is a reasonable assurance that projects have technical feasibility and the possibility of generating future economic benefits, and performs periodic impairment test. The recoverable amount of each project has been calculated on a basis of the value-in-use reflecting expected sales quantity and unit price and estimated operating profit.

(h) Lease

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

## LG Electronics Inc.

### Notes to the Separate Interim Financial Statements

March 31, 2022 and 2021 (Unaudited), and December 31, 2021

Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The reassessment of the lease term based on a judgment of whether the extension option is reasonably certain to be exercised (or not exercised) is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

#### 4. Financial Instruments by Category

(a) Categorizations of financial instruments as at March 31, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	March 31, 2022				
	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Other	Total
Cash and cash equivalents	1,369,032	-	-	-	1,369,032
Deposits held by financial institutions	148,599	-	-	-	148,599
Trade receivables	5,892,359	277,434	-	54,215	6,224,008
Other receivables	785,791	-	-	-	785,791
Other financial assets	-	73,053	71,973	83,213	228,239
<b>Total</b>	<b>8,195,781</b>	<b>350,487</b>	<b>71,973</b>	<b>137,428</b>	<b>8,755,669</b>

<i>(in millions of Korean won)</i>	March 31, 2022			
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Other	Total
Trade payables	6,052,300	-	-	6,052,300
Borrowings	7,430,498	-	-	7,430,498
Lease liabilities	-	-	114,515	114,515
Other payables	1,977,566	-	-	1,977,566
Other financial liabilities	-	39,739	18,553	58,292
<b>Total</b>	<b>15,460,364</b>	<b>39,739</b>	<b>133,068</b>	<b>15,633,171</b>



# LG Electronics Inc.

## Notes to the Separate Interim Financial Statements

March 31, 2022 and 2021 (Unaudited), and December 31, 2021

<i>(in millions of Korean won)</i>	December 31, 2021				
	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Other	Total
Cash and cash equivalents	2,012,229	-	-	-	2,012,229
Deposits held by financial institutions	147,118	-	-	-	147,118
Trade receivables	4,728,290	284,333	-	25,799	5,038,422
Other receivables	595,812	-	-	-	595,812
Other financial assets	-	76,535	72,385	38,583	187,503
<b>Total</b>	<b>7,483,449</b>	<b>360,868</b>	<b>72,385</b>	<b>64,382</b>	<b>7,981,084</b>

<i>(in millions of Korean won)</i>	December 31, 2021			
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Other	Total
Trade payables	5,638,618	-	-	5,638,618
Borrowings	7,623,261	-	-	7,623,261
Lease liabilities	-	-	119,620	119,620
Other payables	1,936,852	-	-	1,936,852
Other financial liabilities	-	24,550	39,113	63,663
<b>Total</b>	<b>15,198,731</b>	<b>24,550</b>	<b>158,733</b>	<b>15,382,014</b>

(b) Net gains or losses on each category of financial instruments for the three-month periods ended March 31, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	2022				
	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Other	Total
Interest income	5,496	-	-	-	5,496
Exchange differences	119,108	-	-	-	119,108
Bad debt expenses	(2,676)	-	-	-	(2,676)
Loss on disposal of trade receivables	-	(318)	-	-	(318)
Dividend income	-	187	311	-	498
Gain(loss) from discontinued operations	372	-	-	-	372
Fair value gain(loss), net of tax (through other comprehensive income)	-	(4,002)	-	-	(4,002)
Gain(loss) on derivatives, net of tax (through other comprehensive income)	-	-	-	31,935	31,935
Others	(180)	-	-	-	(180)

# LG Electronics Inc.

## Notes to the Separate Interim Financial Statements

March 31, 2022 and 2021 (Unaudited), and December 31, 2021

<i>(in millions of Korean won)</i>	2022			
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Other	Total
Interest expenses	(47,177)	-	(6,287)	(53,464)
Exchange differences	(129,151)	-	11,660	(117,491)
Gain(loss) on derivatives (through profit or loss)	-	(11,032)	-	(11,032)
Gain(loss) from discontinued operations	(574)	-	-	(574)
Gain(loss) on derivatives, net of tax (through other comprehensive income)	-	-	6,142	6,142
Others	-	-	(195)	(195)

<i>(in millions of Korean won)</i>	2021				
	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Financial assets at fair value through profit or loss	Other	Total
Interest income	2,418	-	-	-	2,418
Exchange differences	140,871	-	-	-	140,871
Bad debt expenses	(300)	-	-	-	(300)
Loss on disposal of trade receivables	(371)	(26)	-	-	(397)
Dividend income	-	187	-	-	187
Gain(loss) on derivatives (through profit or loss)	-	-	3	-	3
Gain(loss) from discontinued operations	20,774	-	-	-	20,774
Fair value gain(loss), net of tax (through other comprehensive income)	-	(5,433)	-	-	(5,433)
Gain(loss) on derivatives, net of tax (through other comprehensive income)	-	-	-	283	283
Others	(218)	-	-	-	(218)

<i>(in millions of Korean won)</i>	2021			
	Financial liabilities at amortized cost	Financial liabilities at fair value through profit or loss	Other	Total
Interest expenses	(21,623)	-	(8,956)	(30,579)
Exchange differences	(168,568)	-	23,513	(145,055)
Gain(loss) on derivatives (through profit or loss)	-	(34)	-	(34)
Gain(loss) from discontinued operations	(55,821)	-	(43)	(55,864)
Gain(loss) on derivatives, net of tax (through other comprehensive income)	-	-	19,891	19,891
Others	-	-	(69)	(69)

**LG Electronics Inc.**  
**Notes to the Separate Interim Financial Statements**  
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**5. Trade Receivables and Other Receivables**

(a) Trade receivables and other receivables, net of allowance for doubtful accounts, as at March 31, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	March 31, 2022			December 31, 2021		
	Original amount	Allowance for doubtful accounts	Carrying amount	Original amount	Allowance for doubtful accounts	Carrying amount
Trade receivables	6,217,280	(39,648)	6,177,632	5,052,038	(35,656)	5,016,382
Non-current trade receivables	46,376	-	46,376	22,040	-	22,040
Other receivables						
Current	607,872	(7,774)	600,098	424,639	(9,308)	415,331
Non-current	185,706	(13)	185,693	180,493	(12)	180,481

(b) Movements in allowance for doubtful accounts for the three-month periods ended March 31, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	2022			
	At January 1	Addition (Reversal)	Write-off and other	At March 31
Trade receivables	35,656	3,992	-	39,648
Other receivables				
Current	9,308	(1,534)	-	7,774
Non-current	12	1	-	13
<i>(in millions of Korean won)</i>	2021			
	At January 1	Addition (Reversal)	Write-off and other	At March 31
Trade receivables	65,176	491	-	65,667
Other receivables				
Current	12,092	(177)	3	11,918
Non-current	11	2	-	13

(c) The aging analysis of trade receivables and other receivables as at March 31, 2022 and December 31, 2021, is as follows:

<i>(in millions of Korean won)</i>	March 31, 2022				
	Trade receivables	Non-current trade receivables	Other receivables		Total
			Current	Non-current	
<b>Receivables not past due</b>	5,326,882	46,376	550,569	172,898	6,096,725
<b>Past due but not impaired</b>					
Up to 6 months	433,767	-	5,668	12,788	452,223
7 to 12 months	79,187	-	244	10	79,441
Over 1 year	294,299	-	43,184	10	337,493
<b>Subtotal</b>	807,253	-	49,096	12,808	869,157
<b>Impaired</b>	83,145	-	8,207	-	91,352
<b>Total</b>	6,217,280	46,376	607,872	185,706	7,057,234

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(in millions of Korean won)

	December 31, 2021				
	Trade receivables	Non-current trade receivables	Other receivables		Total
			Current	Non-current	
<b>Receivables not past due</b>	4,388,281	22,040	351,257	176,635	4,938,213
<b>Past due but not impaired</b>					
Up to 6 months	232,768	-	19,423	3,198	255,389
7 to 12 months	102,574	-	111	656	103,341
Over 1 year	252,049	-	42,206	4	294,259
<b>Subtotal</b>	587,391	-	61,740	3,858	652,989
<b>Impaired</b>	76,366	-	11,642	-	88,008
<b>Total</b>	5,052,038	22,040	424,639	180,493	5,679,210

- (d) Trade receivables have been discounted through collateralized borrowing agreements with banks for the three-month period ended March 31, 2022. In case the customers default, the Company has an obligation to pay the related amounts to the banks. As a result, this transaction has been accounted for as a collateralized borrowing (Note 11). Discounted trade receivables as at March 31, 2022 amount to ₩134,606 million (December 31, 2021: ₩51,577 million).

**6. Other Financial Assets and Liabilities**

- (a) Details of other financial assets and liabilities as at March 31, 2022 and December 31, 2021, are as follows:

(in millions of Korean won)	March 31, 2022	December 31, 2021
<b>Other financial assets</b>		
Derivatives	83,213	38,683
Financial assets at fair value through other comprehensive income	73,053	76,535
Financial assets at fair value through profit or loss	71,973	72,285
<b>Total</b>	228,239	187,503
Current	9,270	9,747
Non-current	218,969	177,756

(in millions of Korean won)	March 31, 2022	December 31, 2021
<b>Other financial liabilities</b>		
Derivatives	47,000	51,961
Financial guarantee liability	11,292	11,702
<b>Total</b>	58,292	63,663
Current	22,757	7,045
Non-current	35,535	56,618

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(b) Details of derivatives as at March 31, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	March 31, 2022		December 31, 2021	
	Assets	Liabilities	Assets	Liabilities
<b>Current</b>				
Currency forward	-	16,239	100	946
Cross-currency swap	9,270	-	9,647	-
Interest rate swap	-	637	-	-
<b>Subtotal</b>	<b>9,270</b>	<b>16,876</b>	<b>9,747</b>	<b>946</b>
<b>Non-current</b>				
Cross-currency swap	65,374	-	28,936	-
Interest rate swap	8,569	6,624	-	27,411
Put option	-	23,500	-	23,604
<b>Subtotal</b>	<b>73,943</b>	<b>30,124</b>	<b>28,936</b>	<b>51,015</b>
<b>Total</b>	<b>83,213</b>	<b>47,000</b>	<b>38,683</b>	<b>51,961</b>

The details of major derivative contracts at the end of the reporting period are presented in Note 31.

(c) Changes in carrying amount of financial assets at fair value through other comprehensive income for the three-month periods ended March 31, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	2022					
	At January 1	Acquisition	Disposals	Transfer	Valuation	At March 31
Listed equity securities	48,150	-	-	-	(5,483)	42,667
Unlisted equity securities	28,385	400	-	1,601	-	30,386
<b>Total</b>	<b>76,535</b>	<b>400</b>	<b>-</b>	<b>1,601</b>	<b>(5,483)</b>	<b>73,053</b>

<i>(in millions of Korean won)</i>	2021					
	At January 1	Acquisition	Disposals	Transfer	Valuation	At March 31
Listed equity securities	38,934	-	(212)	-	(7,436)	31,286
Unlisted equity securities	25,916	-	-	-	-	25,916
<b>Total</b>	<b>64,850</b>	<b>-</b>	<b>(212)</b>	<b>-</b>	<b>(7,436)</b>	<b>57,202</b>

(d) Changes in carrying amount of financial assets at fair value through profit or loss for the three-month periods ended March 31, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	2022					
	At January 1	Acquisition	Disposals	Transfer	Valuation	At March 31
Unlisted equity securities	72,285	1,484	(195)	(24,993)	-	48,581
Debt securities	-	-	-	23,392	-	23,392
<b>Total</b>	<b>72,285</b>	<b>1,484</b>	<b>(195)</b>	<b>(1,601)</b>	<b>-</b>	<b>71,973</b>

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<i>(in millions of Korean won)</i>	2021					At March 31
	At January 1	Acquisition	Disposals	Transfer	Valuation	
Unlisted equity securities	29,554	5,320	-	-	-	34,874
Debt securities	-	5,232	-	-	-	5,232
<b>Total</b>	<b>29,554</b>	<b>10,552</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,106</b>

**7. Inventories**

Inventories as at March 31, 2022 and December 31, 2021, consist of:

<i>(in millions of Korean won)</i>	March 31, 2022			December 31, 2021		
	Cost	Valuation allowance	Carrying amount	Cost	Valuation allowance	Carrying amount
Finished products and merchandise	772,221	(26,925)	745,296	827,273	(26,910)	800,363
Work-in-process	40,452	(1,147)	39,305	52,569	(1,081)	51,488
Raw materials and supplies	686,802	(55,271)	631,531	695,456	(55,412)	640,044
Other	181,890	(26,925)	154,965	180,823	(23,708)	157,115
<b>Total</b>	<b>1,681,365</b>	<b>(110,268)</b>	<b>1,571,097</b>	<b>1,756,121</b>	<b>(107,111)</b>	<b>1,649,010</b>

**8. Contract Assets and Contract Liabilities**

(a) Contract assets as at March 31, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	March 31, 2022	December 31, 2021
Due from customers	365,946	309,509
(Less: allowance for doubtful accounts)	(4)	(4)
Right to recover returned products	1,606	855
Costs to fulfill contracts and others	77,371	88,229
<b>Total</b>	<b>444,919</b>	<b>398,589</b>
Current	375,983	318,367
Non-current	68,936	80,222

(b) Contract liabilities as at March 31, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	March 31, 2022	December 31, 2021
Expected promotional incentives for customers	73,968	65,932
Expected returns from customers	6,799	3,320
Customer loyalty program	51,842	50,610
Rendering of warranty services	10,846	11,862
Due to customers and others	479,518	348,088
<b>Total</b>	<b>622,973</b>	<b>479,812</b>
Current	617,264	474,065
Non-current	5,709	5,747

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(c) Revenue recognized in relation to contract liabilities for the three-month periods ended March 31, 2022 and 2021, is as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
Revenue recognized that was included in the contract liability amount at the beginning of the period:		
Due to customers and others	215,063	118,916
Customer loyalty program	10,850	9,177
Rendering of warranty services	1,016	4,056
<b>Total</b>	<b>226,929</b>	<b>132,149</b>
Revenue recognized from performance obligations satisfied in previous periods	1,017	3,283

(d) Unsatisfied long-term contracts

At the end of the reporting period, the total amount of transaction price allocated to the unsatisfied or partially unsatisfied performance obligations was ₩1,327,485 million which were expected to be satisfied by 2031, at the latest. Also, as a practical expedient, the Company excluded performance obligation which was a part of contract that had an original expected duration of one year or less.

(e) For the three-month period ended March 31, 2022, there is no reversal of impairment loss recognized by the Company (March 31, 2021: nil) in relation to due from customers, and amortization and other costs of ₩11,591 million (March 31, 2021: ₩3,067 million) in relation to costs to fulfill contracts.

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**9. Property, Plant and Equipment, and Intangible Assets**

(a) Changes in property, plant and equipment for the three-month periods ended March 31, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
<b>At January 1</b>	6,424,785	7,318,557
Acquisitions	99,799	177,584
Reclassification to assets held for sale	(326,790)	-
Disposals and others	(5,305)	(8,675)
Depreciation	(169,440)	(193,674)
Impairment losses	(68,194)	(421)
<b>At March 31</b>	<b>5,954,855</b>	<b>7,293,371</b>

(b) Line items including depreciation in the separate interim statements of profit or loss for the three-month periods ended March 31, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
<b>Continuing operations</b>		
Cost of sales	127,574	152,499
Selling and marketing expenses	9,694	9,144
Administrative expenses	13,501	11,857
Research and development expenses	9,936	10,023
Service costs	4,493	4,017
Other non-operating expenses	2,405	874
<b>Subtotal</b>	<b>167,603</b>	<b>188,414</b>
<b>Discontinued operations</b>	<b>1,837</b>	<b>5,260</b>
<b>Total</b>	<b>169,440</b>	<b>193,674</b>

(c) Changes in right-of-use assets included in property, plant and equipment for the three-month periods ended March 31, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
<b>At January 1</b>	121,844	125,762
Acquisitions	16,785	12,046
Disposals and others	(400)	(727)
Depreciation	(21,236)	(19,836)
<b>At March 31</b>	<b>116,993</b>	<b>117,245</b>

The amount recognized as lease income in relation to sublease of the above right-of-use assets for the three-month period March 31, 2022, was ₩2,267 million (March 31, 2021: ₩2,910 million).



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(d) Changes in intangible assets for the three-month periods ended March 31, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
<b>At January 1</b>	1,758,718	2,053,815
Acquisitions	86,429	68,345
Acquisitions by internal development	35,416	44,417
Reclassification to assets held for sale	(33)	-
Disposals and others	(25,178)	(12,449)
Amortization	(106,964)	(144,095)
Impairment losses	(21,949)	(22,317)
<b>At March 31</b>	<b>1,726,439</b>	<b>1,987,716</b>

(e) Line items including amortization of intangible assets in the separate interim statements of profit or loss for the three-month periods ended March 31, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
<b>Continuing operations</b>		
Cost of sales	83,824	76,804
Selling and marketing expenses	2,205	1,152
Administrative expenses	6,787	7,167
Research and development expenses	13,578	6,503
Service costs	567	299
<b>Subtotal</b>	<b>106,961</b>	<b>91,925</b>
<b>Discontinued operations</b>	<b>3</b>	<b>52,170</b>
<b>Total</b>	<b>106,964</b>	<b>144,095</b>

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**10. Investments in Subsidiaries, Associates and Joint Ventures**

(a) Investments in subsidiaries, associates and joint ventures as at March 31, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	Location	Closing month	Percentage of ownership at March 31, 2022 (%)	Carrying amount	
				March 31, 2022	December 31, 2021
<b>Subsidiaries</b>					
LG Electronics U.S.A., Inc.(LGEUS)	USA	December	100.0	955,542	955,542
LG Innotek Co., Ltd.	Korea	December	40.8	541,538	541,538
LG Magna e-Powertrain Co., Ltd.	Korea	December	51.0	388,661	388,661
ZKW Holding GmbH	Austria	December	70.0	349,482	349,482
LG ELECTRONICS INDIA PRIVATE LIMITED(LGEIL)	Indonesia	March	100.0	311,746	311,746
LG Electronics do Brasil Ltda.(LGEBR)	Brazil	December	100.0	270,631	270,631
LG Electronics Mlawa Sp. z.O.O.(LGEMA)	Poland	December	100.0	214,091	214,091
LG Electronics Nanjing Vehicle Components Co.,Ltd.(LGENV)	China	December	100.0	180,348	180,348
LG Electronics (Tianjin) Appliances Co., Ltd.(LGETA)	China	December	70.0	161,331	161,331
LG Electronics European Holding B.V.(LGEEH)	Netherlands	December	100.0	148,551	148,551
Hiplaza Co., Ltd.	Korea	December	100.0	136,459	136,459
Cybellum Technologies Ltd.	Israel	December	69.6	133,162	133,162
LG Electronics Egypt S.A.E(LGEEG)	Egypt	December	100.0	110,245	110,245
Taizhou LG Electronics Refrigeration Co., Ltd.(LGETR)	China	December	88.4	97,608	97,608
P.T. LG Electronics Indonesia(LGEIN)	Indonesia	December	100.0	94,118	94,118
LG Electronics Vietnam Hai Phong Co., Ltd(LGEVH)	Vietnam	December	100.0	84,784	84,784
LG Electronics Wroclaw Sp. z.O.O.(LGEWR)	Poland	December	100.0	70,014	70,014
LG Electronics Mexico S.A. DE C.V.(LGEMS)	Mexico	December	100.0	68,721	68,721
LG Electronics (Shenyang) Inc(LGESY)	China	December	56.3	62,033	62,033
LG Electronics (Thailand) Company Limited(LGETH)	Thailand	December	100.0	55,578	55,578
LG Electronics Fund I LLC <sup>1</sup>	USA	December	100.0	55,011	54,618
LG ELECTRONICS AUSTRALIA PTY LIMITED(LGEAP)	Australia	December	100.0	50,664	50,664
LG Electronics Ticaret A.S.(LGETK)	Turkey	December	100.0	47,320	47,320
LG Electronics RUS, LLC(LGERA)	Russia	December	100.0	43,645	43,645
LG Electronics (Huizhou) Inc.(LGEHZ)	China	December	45.0	41,984	41,984
LG Electronics Nanjing New Technology co.,LTD(LGENT)	China	December	45.0	38,744	38,744
LG Electronics Panama, S.A.(LGEPS)	Panama	December	100.0	36,492	36,492
ZKW Austria Immobilien Holding GmbH	Austria	December	70.0	35,640	35,640
PT.LGE Indonesia Research and Development Center (LGEIC)	Indonesia	December	100.0	35,436	35,436
LG Electronics S.A. (Pty) Ltd.(LGESA)	Republic of	December	100.0	30,175	30,175

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<i>(in millions of Korean won)</i>	Location	Closing month	Percentage of ownership at March 31, 2022 (%)	Carrying amount	
				March 31, 2022	December 31, 2021
	South Africa				
Nanjing LG Panda Appliances Co., Ltd.(LGEPN)	China	December	50.0	26,614	26,614
LG Electronics Peru S.A.(LGEPR)	Peru	December	100.0	25,043	25,043
LG Electronics Air-Conditioning(Shandong) Co., Ltd.(LGEQA)	China	December	100.0	20,615	20,615
LG Soft India Private Limited.(LGSi)	India	March	100.0	20,105	20,105
LG Electronics Fund II LLC <sup>2</sup>	USA	December	100.0	124	-
Others				191,227	191,226
<b>Associates</b>					
LG Display Co., Ltd.	Korea	December	37.9	3,480,623	3,480,623
Robostar Co.,Ltd.	Korea	December	33.4	88,112	88,112
Hitachi-LG Data Storage Inc.(HLDS)	Japan	December	49.0	52,124	52,124
Ericsson-LG Co., Ltd.	Korea	December	25.0	38,834	38,834
Mirae Asset-LG Electronics New Growth Fund I <sup>1</sup>	Korea	December	50.0	20,000	10,000
ROBOTIS Co., Ltd. <sup>3</sup>	Korea	December	8.1	9,000	9,000
RINSE, INC. <sup>3</sup>	USA	December	11.5	7,030	7,030
Acryl Inc. <sup>3</sup>	Korea	December	13.6	2,000	2,000
AiM Future, Inc. <sup>3</sup>	Korea	December	15.6	800	800
<b>Joint ventures</b>					
Arcelik-LG Klima Sanayi ve Ticaret A.S.(LGEAT)	Turkey	December	50.0	40,844	40,844
LG-LHT Aircraft Solutions GmbH <sup>1</sup>	Germany	December	49.0	25,676	22,984
LG-LHT Passenger Solutions GmbH <sup>1</sup>	Germany	December	49.0	23,220	20,528
EIC PROPERTIES PTE LTD.	Singapore	December	38.2	7,881	7,881
GUANGDONG SMART LIFE TECHNOLOGY CO., LTD.	China	December	35.0	1,193	1,193
<b>Total</b>				<b>8,930,819</b>	<b>8,914,917</b>

<sup>1</sup> It was additionally acquired during the three-month period ended March 31, 2022.

<sup>2</sup> It was newly acquired during the three-month period ended March 31, 2022.

<sup>3</sup> Classified as an associate although the percentage of ownership is less than 20% because the Company can exercise a significant influence in the Board of Directors of the investee.

(b) Changes in investments in subsidiaries, associates and joint ventures for the three-month periods ended March 31, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	2022	2021
<b>At January 1</b>	8,914,917	8,881,286
Acquisitions	15,902	8,211
Disposal	-	-
<b>At March 31</b>	<b>8,930,819</b>	<b>8,889,497</b>

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(c) Details of marketable investments in subsidiaries and associates as at March 31, 2022 and December 31, 2021, are as follows:

<b>March 31, 2022</b>					
	<b>Type</b>	<b>Shares held (Unit: shares)</b>	<b>Price per share (in Korean won)</b>	<b>Fair value (in millions of Korean won)</b>	<b>Book amount</b>
LG Display Co., Ltd.	Associate	135,625,000	20,650	2,800,656	3,480,623
LG Innotek Co., Ltd.	Subsidiary	9,653,181	387,000	3,735,781	541,538
Robostar Co.,Ltd.	Associate	3,256,500	25,600	83,366	88,112
ROBOTIS Co.,Ltd.	Associate	961,550	27,350	26,298	9,000

  

<b>December 31, 2021</b>					
	<b>Type</b>	<b>Shares held (Unit: shares)</b>	<b>Price per share (in Korean won)</b>	<b>Fair value (in millions of Korean won)</b>	<b>Book amount</b>
LG Display Co., Ltd.	Associate	135,625,000	24,600	3,336,375	3,480,623
LG Innotek Co., Ltd.	Subsidiary	9,653,181	364,000	3,513,758	541,538
Robostar Co.,Ltd.	Associate	3,256,500	26,550	86,460	88,112
ROBOTIS Co.,Ltd.	Associate	961,550	24,700	23,750	9,000

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**11. Borrowings**

(a) Carrying amounts of borrowings as at March 31, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>March 31, 2022</b>	<b>December 31, 2021</b>
<b>Current</b>		
Short-term borrowings	134,606	51,577
Current portion of long-term borrowings	457,941	456,183
Current portion of debentures	537,492	608,877
<b>Subtotal</b>	<b>1,130,039</b>	<b>1,116,637</b>
<b>Non-current</b>		
Long-term borrowings	2,133,569	2,071,342
Debentures	4,166,890	4,435,282
<b>Subtotal</b>	<b>6,300,459</b>	<b>6,506,624</b>
<b>Total</b>	<b>7,430,498</b>	<b>7,623,261</b>

(b) Details of borrowings as at March 31, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>Latest maturity date</b>	<b>Annual interest rate at March 31, 2022 (%)</b>	<b>Carrying amount</b>	<b>March 31, 2022</b>	<b>December 31, 2021</b>
<b>Short-term borrowings in foreign currency</b>					
Citibank <sup>1</sup>	2022. 6.28	0.80 ~ 6.54		134,606	51,577
<b>Long-term borrowings in local currency</b>					
Korea Development Bank and others	2035. 1. 9	2.21 ~ 3.50		1,684,536	1,733,607
<b>Long-term borrowings in foreign currency</b>					
KEB Hana Bank and others	2031. 7. 28	0.63 ~ 2.57		906,974	793,917
<b>Local currency debentures</b>					
Public, non-guaranteed bonds	2036. 5. 4	1.62 ~ 4.44		3,250,000	3,480,000
Private, non-guaranteed bonds	2041. 2. 9	2.66 ~ 4.21		980,000	980,000
<b>Foreign currency debentures</b>					
Private, non-guaranteed bonds	2028. 6. 8	1.32 ~ 2.58		349,315	460,667
Private, guaranteed bonds	2023. 2.24	3M EURIBOR+0.75		135,113	134,234
Less: discount on debentures				(10,046)	(10,741)
<b>Total</b>				<b>7,430,498</b>	<b>7,623,261</b>

<sup>1</sup> The above short-term borrowings in foreign currency are all collateralized by trade receivables as at March 31, 2022 and December 31, 2021.

The Company entered into interest rate swap and cross-currency swap contracts to hedge cash flow risk related to floating interest rate and foreign exchange rate of some portion of borrowings (Note 31).

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The principal and interests of private guaranteed bonds are guaranteed by Shinhan Bank (Note 28).

**12. Lease Liabilities**

(a) Details of lease liabilities as at March 31, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>March 31, 2022</b>	<b>December 31, 2021</b>
<b>Lease liabilities</b>		
Current	66,922	73,297
Non-current	47,593	46,323
<b>Total</b>	<b>114,515</b>	<b>119,620</b>

(b) The amounts, relating to leases, recognized in the separate interim statements of profit or loss for the three-month periods ended March 31, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
<b>Continuing operations</b>		
Interest expense relating on lease liabilities	960	929
Short-term lease payments (included in cost of sales, selling and marketing expenses, administrative expenses, and others)	6,595	7,063
Payments for leases of low-value assets that are not short-term leases (included in cost of sales, selling and marketing expenses, administrative expenses, and others)	3,830	3,708
<b>Subtotal</b>	<b>11,385</b>	<b>11,700</b>
<b>Discontinued operations</b>	<b>329</b>	<b>1,357</b>
<b>Total</b>	<b>11,714</b>	<b>13,057</b>

(c) Total expenses for leases including short-term leases and leases of low-value assets for the three-month period ended March 31, 2022, are ₩32,178 million (March 31, 2021: ₩32,123 million).

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**13. Post-employment Benefits**

**Defined Benefit Plan**

(a) The amounts of net defined benefit liabilities as at March 31, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>March 31, 2022</b>	<b>December 31, 2021</b>
Present value of funded obligations	2,965,229	3,268,721
Fair value of plan assets	(2,987,991)	(3,168,810)
<b>Net defined benefit liabilities (assets)</b>	<b>(22,762)</b>	<b>99,911</b>

(b) The amounts recognized in the separate interim statements of profit or loss for the three-month periods ended March 31, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
Current service cost	77,668	81,270
Net interest cost	717	2,371
Operating management cost	569	541
<b>Total</b>	<b>78,954</b>	<b>84,182</b>

(c) Line items in which expenses are included for the three-month periods ended March 31, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
<b>Continuing operations</b>		
Cost of sales	38,039	41,700
Selling and marketing expenses	10,699	9,038
Administrative expenses	6,405	4,352
Research and development expenses	15,652	13,815
Service costs	6,456	5,501
<b>Subtotal</b>	<b>77,251</b>	<b>74,406</b>
<b>Discontinued operations</b>	<b>1,703</b>	<b>9,776</b>
<b>Total</b>	<b>78,954</b>	<b>84,182</b>

(d) Movements in the present value of defined benefit obligations for the three-month periods ended March 31, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
<b>At January 1</b>	<b>3,268,721</b>	<b>3,278,480</b>
Current service cost	77,669	81,270
Interest expense	22,935	18,996
Remeasurements for:		
- Actuarial loss(gain) arising from changes in financial assumptions	(211,685)	(105,094)
Benefits paid	(192,411)	(40,318)

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<b>At March 31</b>	2,965,229	3,233,334
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(e) Movements in the fair value of plan assets for the three-month periods ended March 31, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
<b>At January 1</b>	3,168,810	2,876,580
Interest income	22,218	16,625
Remeasurements of plan assets	(7,354)	(4,367)
Benefits paid	(195,114)	(31,350)
Operating management cost	(569)	(541)
<b>At March 31</b>	<b>2,987,991</b>	<b>2,856,947</b>

(f) The significant actuarial assumptions used as at March 31, 2022 and December 31, 2021, are as follows:

	<b>March 31, 2022</b>	<b>December 31, 2021</b>
Discount rate	3.6%	2.9%
Expected salary growth rate	5.0%	5.0%

(g) The sensitivity analysis of the defined benefit obligation to changes in principal assumptions as at March 31, 2022, is as follows:

<i>(in millions of Korean won)</i>	<b>1%p increase</b>	<b>1%p decrease</b>
Discount rate	(266,999)	309,530
Expected salary growth rate	300,385	(264,835)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. The sensitivity of the defined benefit obligation to changes in principal actuarial assumptions is calculated using the projected unit credit method, the same method applied when calculating the defined benefit obligations.

**Defined Contribution Plan**

The expense recognized for the three-month period ended March 31, 2022 in relation to the defined contribution plan was ₩3,027 million (March 31, 2021: ₩1,965 million).



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**14. Provisions**

Changes in provisions for the three-month periods ended March 31, 2022 and 2021, are as follows:

	<b>2022</b>			
<i>(in millions of Korean won)</i>	<b>Warranty</b>	<b>Restoration</b>	<b>Litigation and others</b>	<b>Total</b>
<b>At January 1</b>	2,279,025	10,460	62,899	2,352,384
Additions <sup>1</sup>	57,049	160	(168)	57,041
Utilizations	(303,883)	(275)	(2,923)	(307,081)
<b>At March 31</b>	<b>2,032,191</b>	<b>10,345</b>	<b>59,808</b>	<b>2,102,344</b>
Current	1,939,606	8,366	956	1,948,928
Non-current	92,585	1,979	58,852	153,416
	<b>2021</b>			
<i>(in millions of Korean won)</i>	<b>Warranty</b>	<b>Restoration</b>	<b>Litigation and others</b>	<b>Total</b>
<b>At January 1</b>	615,998	10,233	100,632	726,863
Additions <sup>1</sup>	90,765	297	207	91,269
Utilizations	(88,423)	(93)	(7,555)	(96,071)
<b>At March 31</b>	<b>618,340</b>	<b>10,437</b>	<b>93,284</b>	<b>722,061</b>
Current	590,805	6,027	-	596,832
Non-current	27,535	4,410	93,284	125,229

<sup>1</sup> Net amount of additional provisions equals to additional provisions less reversed amounts.

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**15. Paid-in Capital**

(a) At the end of the reporting period, the number of shares authorized is 600 million.

	Par value per share	March 31, 2022		December 31, 2021	
		Number of shares issued	Amount (in millions of Korean won)	Number of shares issued	Amount (in millions of Korean won)
Ordinary shares	5,000	163,647,814	818,239	163,647,814	818,239
Preferred shares	5,000	17,185,992	85,930	17,185,992	85,930
<b>Total</b>		<b>180,833,806</b>	<b>904,169</b>	<b>180,833,806</b>	<b>904,169</b>

The preferred shareholders have no voting rights and are entitled to preferred dividends at a rate of one percentage point over that of ordinary shares. This preferred dividend rate is not applicable to stock dividends. In addition, the preferred shareholders have same rights on the remaining assets as ordinary shareholders. Repayment and conversion are not applicable to preferred shares.

(b) Share premium balance as at March 31, 2022, is ₩3,088,179 million. The share premium of ₩1,876,153 million was recognized, which is ₩2,815,707 million of the carrying amount of net assets acquired from the entity spin-off back on April 1, 2002, less the Company's capital of ₩783,961 million and less the Company's capital adjustment of ₩155,593 million. In addition, the amount of ₩331,766 million paid in excess of par value due to issuance of ordinary shares (merger with LG IBMPC Co., Ltd.) and the exercise of conversion right and warrants in 2005 and 2006 are included. The excess in paid-in capital amounting to ₩880,260 million over the par value was recognized as the share premium due to the issuance of ordinary shares in 2011.

**16. Retained Earnings**

Retained earnings as at March 31, 2022 and December 31, 2021, consist of:

(in millions of Korean won)	March 31, 2022	December 31, 2021
Legal reserve <sup>1</sup>	246,609	231,218
Discretionary reserve	4,539,499	5,569,863
Unappropriated retained earnings (Undisposed accumulated deficit) <sup>2</sup>	929,555	(860,959)
<b>Total</b>	<b>5,715,663</b>	<b>4,940,122</b>

<sup>1</sup> The Commercial Code of the Republic of Korea requires the Company to appropriate, as a legal reserve, an amount equal to a minimum of 10% of cash dividends paid until such reserve equals 50% of its issued share capital. The reserve is not available for the payment of cash dividends, but may be transferred to share capital or used to reduce accumulated deficit.

<sup>2</sup> Dividend for the year ended December 31, 2021 of ₩153,915 million was approved at the annual general meeting held on March 24, 2022, and paid in April 2022 (2021 payments: ₩216,938 million).

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**17. Accumulated Other Comprehensive Income (Loss)**

Accumulated other comprehensive income (loss) as at March 31, 2022 and December 31, 2021, consists of:

<i>(in millions of Korean won)</i>	<b>March 31, 2022</b>	<b>December 31, 2021</b>
Cash flow hedge	16,110	(21,967)
Financial assets at fair value through other comprehensive income	8,569	12,571
<b>Total</b>	<b>24,679</b>	<b>(9,396)</b>

**18. Other Components of Equity**

Other components of equity as at March 31, 2022 and December 31, 2021, consist of:

<i>(in millions of Korean won)</i>	<b>March 31, 2022</b>	<b>December 31, 2021</b>
Treasury shares <sup>1</sup>	(44,893)	(44,893)
Consideration for conversion rights	9,891	9,891
Gain on disposal of treasury shares	2,183	2,183
<b>Total</b>	<b>(32,819)</b>	<b>(32,819)</b>

<sup>1</sup> The Company has treasury shares consisting of 763,176 ordinary shares (December 31, 2021: 763,176 shares) and 4,693 preferred shares (December 31, 2021: 4,693 shares) at the end of the reporting period. The Company intends to either grant these treasury shares to employees and directors as compensation or to sell them in the future.

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**19. Net Sales**

(a) Details of net sales for the three-month periods ended March 31, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
<b>Continuing operations</b>		
Revenue from contracts with customers:		
Sales of goods	6,690,163	6,114,623
Rendering of services and others	1,300,858	259,907
<b>Subtotal</b>	<b>7,991,021</b>	<b>6,374,530</b>
Revenue from other sources:		
Rental income and others	185,981	154,928
<b>Subtotal</b>	<b>8,177,002</b>	<b>6,529,458</b>
<b>Discontinued operations</b>	<b>14,633</b>	<b>560,273</b>
<b>Total</b>	<b>8,191,635</b>	<b>7,089,731</b>

(b) Details of revenue from contracts with customers for the three-month periods ended March 31, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
By type of products:		
Refrigerator/washing machine/air conditioner and others	3,868,436	3,182,125
TV/AV and others	1,067,137	1,031,078
In-vehicle infotainment and others	778,762	785,215
Monitor/PC and others	978,588	930,956
Others <sup>1</sup>	1,298,098	445,156
Domestic/Export:		
Domestic	2,730,518	2,706,578
Export	5,260,503	3,667,952
Timing of transfer:		
Transferred at a point in time	7,293,481	5,867,872
Transferred over time	697,540	506,658
<b>Total</b>	<b>7,991,021</b>	<b>6,374,530</b>

<sup>1</sup> Others include equipment production, inter-segment transactions and others.

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(c) Changes in the estimates of total contract revenue and total contract costs

Due to the factors causing the changes in the costs of other segments during the three-month period ended March 31, 2022, the estimated total contract revenue and costs for contracts in progress have changed. Details of changes in estimated total contract revenue and costs and the impact on profit or loss for the three-month period ended March 31, 2022 and the succeeding periods are as follows:

<i>(in millions of Korean won)</i>	<b>Changes in estimated total contract revenue</b>	<b>Changes in estimated total contract cost</b>	<b>Impact on profit or loss for the period ended March 31, 2022</b>	<b>Impact on profit or loss for the succeeding periods</b>
Other segments	65,564	58,342	(1,241)	8,463

**20. Expenses by Nature**

Expenses that are recorded by nature for the three-month periods ended March 31, 2022 and 2021, consist of:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
<b>Continuing operations</b>		
Changes in finished goods and work-in-process	51,457	(30,712)
Raw materials and merchandise used	3,603,063	3,588,247
Employee benefit expense	1,564,052	1,015,857
Depreciation and amortization	272,159	279,465
Advertising expense	116,153	87,199
Promotion expense	34,300	40,960
Freight expense	411,928	243,873
Commission expense	498,305	430,725
Other expenses	898,002	579,799
<b>Subtotal<sup>1</sup></b>	<b>7,449,419</b>	<b>6,235,413</b>
<b>Discontinued operations</b>	<b>41,630</b>	<b>814,217</b>
<b>Total<sup>1</sup></b>	<b>7,491,049</b>	<b>7,049,630</b>

<sup>1</sup> Cost of sales, selling and marketing expenses, administrative expenses, research and development expenses and service costs are included.

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**21. General Operating Expenses (Selling and Marketing Expenses, Administrative Expenses, Research and Development Expenses and Service Costs)**

Details of general operating expenses for the three-month periods ended March 31, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
<b>Continuing operations</b>		
Salaries	404,896	340,308
Post-employment benefits	159,788	36,405
Employee welfare benefits	108,902	57,897
Freight expense	407,949	241,742
Rental expense	7,317	7,534
Commission expense	369,535	300,448
Depreciation	37,624	35,041
Amortization	23,137	15,121
Taxes and dues	4,518	3,919
Advertising expense	116,153	87,199
Promotional expense	34,300	40,960
R&D expense	44,409	44,032
Direct service costs	32,739	61,407
Bad debts expense	4,207	472
Others	53,431	42,650
<b>Subtotal</b>	<b>1,808,905</b>	<b>1,315,135</b>
<b>Discontinued operations</b>	<b>12,145</b>	<b>213,840</b>
<b>Total</b>	<b>1,821,050</b>	<b>1,528,975</b>

**22. Financial Income**

Financial income for the three-month periods ended March 31, 2022 and 2021, consists of:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
<b>Continuing operations</b>		
Interest income	5,496	2,418
Exchange differences	87,634	68,143
Others	240	215
<b>Subtotal</b>	<b>93,370</b>	<b>70,776</b>
<b>Discontinued operations</b>	<b>-</b>	<b>13,251</b>
<b>Total</b>	<b>93,370</b>	<b>84,027</b>

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**23. Financial Expenses**

Financial expenses for the three-month periods ended March 31, 2022 and 2021, consist of:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
<b>Continuing operations</b>		
Interest expense	53,464	30,579
Exchange differences	76,883	39,180
Loss on disposal of trade receivables	318	397
Others	614	503
<b>Subtotal</b>	<b>131,279</b>	<b>70,659</b>
<b>Discontinued operations</b>	<b>-</b>	<b>30,929</b>
<b>Total</b>	<b>131,279</b>	<b>101,588</b>

**24. Other Non-operating Income**

Other non-operating income for the three-month periods ended March 31, 2022 and 2021, consists of:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
<b>Continuing operations</b>		
Dividend income	282,528	12,195
Exchange differences	223,925	198,031
Gain on disposal of property, plant and equipment	4,514	1,809
Gain on disposal of intangible assets	-	1
Gain on disposal of assets held for sale	182,423	-
Gain on valuation of derivatives	13,129	3
Others	1,313	1,421
<b>Subtotal</b>	<b>707,832</b>	<b>213,460</b>
<b>Discontinued operations</b>	<b>713</b>	<b>18,173</b>
<b>Total</b>	<b>708,545</b>	<b>231,633</b>

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**25. Other Non-operating Expenses**

Other non-operating expenses for the three-month periods ended March 31, 2022 and 2021, consist of:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
<b>Continuing operations</b>		
Exchange differences	225,109	224,823
Loss on valuation of derivatives	24,161	34
Loss on disposal of property, plant and equipment	1,676	6,701
Impairment loss on property, plant and equipment	67,370	421
Loss on disposal of intangible assets	5,831	8,954
Impairment loss on intangible assets	21,949	22,317
Loss on disposal of assets held for sale	106	-
Others	5,255	2,794
<b>Subtotal</b>	<b>351,457</b>	<b>266,044</b>
<b>Discontinued operations</b>	<b>3,149</b>	<b>38,867</b>
<b>Total</b>	<b>354,606</b>	<b>304,911</b>

**26. Earnings per Share**

The Company has no potential dilutive ordinary shares. Accordingly, basic earnings per share is identical to diluted earnings per share.

(a) Basic earnings (losses) per ordinary share for the three-month periods ended March 31, 2022 and 2021, is as follows:

	<b>2022</b>	<b>2021</b>
Profit (loss) attributable to ordinary shares <i>(in millions of Korean won)</i> <sup>1</sup>	705,648	(22,744)
Continuing operations	725,083	170,471
Discontinued operations	(19,435)	(193,215)
Weighted average number of ordinary shares outstanding <i>(unit: shares)</i> <sup>2</sup>	162,884,638	162,884,638
Basic earnings (losses) per ordinary share <i>(in Korean won)</i>	4,333	(140)
Continuing operations	4,452	1,046
Discontinued operations	(119)	(1,186)

(b) Basic earnings (losses) per preferred share for the three-month periods ended March 31, 2022 and 2021, is as follows:

	<b>2022</b>	<b>2021</b>
Profit (loss) attributable to preferred shares <i>(in millions of Korean won)</i>	74,647	(2,185)
Continuing operations	76,698	18,196
Discontinued operations	(2,051)	(20,381)



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Weighted average number of preferred shares outstanding ( <i>unit: shares</i> )	17,181,299	17,181,299
Basic earnings (losses) per preferred share ( <i>in Korean won</i> )	4,345	(127)
Continuing operations	4,464	1,059
Discontinued operations	(119)	(1,186)

**27. Cash Flow Information**

Cash flows from operating activities are presented using the indirect method. Details of cash generated from operations for the three-month periods ended March 31, 2022 and 2021, are as follows:

(a) Cash generated from (used in) operations

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
Profit (loss) for the period	780,295	(24,929)
Adjustments:		
Interest expense, net	47,968	28,163
Exchange differences, net	8,569	15,252
Depreciation	167,603	188,414
Amortization	106,961	91,925
Loss(gain) on disposal of property, plant and equipment and intangible assets, net	2,992	13,846
Provisions for severance benefits	80,278	76,255
Additional provisions, net	56,952	76,736
Dividend income	(282,528)	(12,195)
Income tax expense	244,268	52,911
Other	(55,624)	29,064
Discontinued operations	36	42,831
	<u>377,475</u>	<u>603,202</u>
Changes in operating assets and liabilities		
Decrease(increase) in trade receivables	(1,332,260)	(184,514)
Decrease(increase) in other receivables	(16,469)	(4,839)
Decrease (increase) in inventories	43,825	(99,608)
Decrease (increase) in contract assets	(38,326)	58,705
Decrease(increase) in other assets	(67,220)	(47,393)
Increase(decrease) in trade payables	404,895	377,964
Increase(decrease) in other payables	(230,627)	(179,004)
Increase(decrease) in provisions	(132,155)	(96,071)
Increase(decrease) in contract liabilities	143,406	27,821
Increase(decrease) in other liabilities	(493,712)	(152,461)
Payment of defined benefit liability	(324)	(10,933)
Deposit in plan assets, net	(21,649)	(11,717)
	<u>(1,740,616)</u>	<u>(322,050)</u>
<b>Cash generated from (used in) operations</b>	<u>(582,846)</u>	<u>256,223</u>

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(b) Changes in liabilities from financing activities

<i>(in millions of Korean won)</i>	2022					
	At January 1	Net cash flows from financing activities	Non-cash transactions			At March 31
			Additions	Exchange differences (profit/loss)	Amortization and others	
Short-term borrowings	51,577	74,619	-	8,410	-	134,606
Long-term borrowings	2,527,524	53,825	-	10,161	-	2,591,510
Debentures	5,044,160	(345,520)	-	5,028	714	4,704,382
Lease liabilities	119,620	(20,570)	15,272	86	106	114,514
<b>Total</b>	<b>7,742,881</b>	<b>(237,646)</b>	<b>15,272</b>	<b>23,685</b>	<b>820</b>	<b>7,545,012</b>

<i>(in millions of Korean won)</i>	2021					
	At January 1	Net cash flows from financing activities	Non-cash transactions			At March 31
			Additions	Exchange Differences (profit/loss)	Amortization and others	
Short-term borrowings	200,736	57,842	-	(2,134)	-	256,444
Long-term borrowings	2,685,393	(56,571)	-	6,115	-	2,634,937
Debentures	4,938,569	(240,282)	-	14,541	567	4,713,395
Lease liabilities	121,870	(19,086)	10,659	6	20	113,469
<b>Total</b>	<b>7,946,568</b>	<b>(258,097)</b>	<b>10,659</b>	<b>18,528</b>	<b>587</b>	<b>7,718,245</b>

(c) Significant non-cash transactions

<i>(in millions of Korean won)</i>	2022	2021
Reclassification of construction-in-progress to property, plant and equipment	2,008	178,409
Reclassification of construction-in-progress to intangible assets	61,124	70,149
Reclassification of current portion of borrowings and debentures	329,984	404,678
Other payables to acquire property, plant and equipment	16,642	14,040
Other payables to acquire intangible assets	29,233	4,680
Acquisition of right-of-use assets	16,785	12,046

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(d) Assets and liabilities arising from the transfer of business

– Transfer of CEM(Chemical Electronic Material) business

i) On November 1, 2021, CEM business was transferred to LG Chem Ltd.

ii) Total consideration received and assets and liabilities of the transferred business are as follows:

<i>(in millions of Korean won)</i>	<b>Amount</b>
Total consideration	
Cash and cash equivalents	440,494
Other receivables	25,813
Other payables	(1,123)
Assets of the transferred business:	
Trade receivables	112,194
Other receivables	4,566
Inventories	28,467
Property, plant and equipment	133,093
Intangible assets	511
Contract assets	17
Other assets	1,104
Liabilities of the transferred business:	
Trade payables	55,477
Lease liabilities	94
Other payables	5,067
Provisions	1,386
Contract liabilities	19
Other liabilities	4,758

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**28. Contingencies**

(a) At the end of the reporting period, the Company is provided with performance guarantees of ₩257,585 million (December 31, 2021: ₩252,462 million) from Seoul Guarantee Insurance and others relating to the performance guarantees. The Company is also provided with guarantee of principal amounting to EUR 100 million (December 31, 2021: EUR 100 million) and interests from Shinhan Bank for the guaranteed private placement bonds.

(b) At the end of the reporting period, the financial guarantees provided by the Company to related parties amount to ₩3,362,142 million (December 31, 2021: ₩3,262,858 million) on the indebtedness of its subsidiaries. Details are as follows:

<i>(in millions of Korean won)</i>	<b>Beneficiaries</b>	<b>March 31, 2022</b>	<b>December 31, 2021</b>
LG Electronics European Shared Service Center B.V.(LGESC)	Citibank and others	997,470	989,849
LG Electronics U.S.A., Inc.(LGEUS)	Citibank and others	575,130	565,010
LG Electronics do Brasil Ltda.(LGEBR)	Chubb and others	510,177	461,808
LG Electronics (China) Co., Ltd(LGECH)	Citibank and others	293,732	287,718
LG Electronics Peru S.A.(LGEPR)	Scotiabank and others	191,164	178,273
LG Electronics Algeria SARL(LGEAS)	Citibank and others	107,695	109,233
LG Electronics Inc Chile Limitada(LGECL)	Scotiabank and others	106,942	98,182
LG Electronics Morocco S.A.R.L.(LGEMC)	Credit du Maroc and others	103,827	104,537
LG Electronics Colombia Limitada(LGECB)	Citibank and others	79,920	72,428
LG Electronics Ticaret A.S.(LGETK)	HSBC and others	77,769	77,489
LG Electronics Egypt S.A.E(LGEEG)	Credit Agricole and others	49,040	55,840
LG Electronics Almaty Kazakhstan Limited Liability Partnership(LGEAK)	Citibank	48,432	47,420
LG Electronics RUS, LLC(LGERA)	Citibank	48,432	-
LG Electronics (M) Sdn. Bhd(LGEML)	Citibank	36,382	35,622
LG Electronics Mexico S.A. DE C.V.(LGEMS)	BBVA	36,324	35,565
LG Electronics Italia S.P.A.(LGEIS)	Intesa	27,023	26,847
LG Electronics S.A. (Pty) Ltd.(LGESA)	Citibank and others	14,598	13,006
LG ELECTRONICS HELLAS SINGLE MEMBER SA (LGEHS)	Citibank	13,511	13,423
LG Electronics Japan, Inc.(LGEJP)	Woori	9,927	10,302
LG ELECTRONICS AUSTRALIA PTY LIMITED(LGEAP)	Citibank	9,475	8,952
LG Electronics Philippines Inc.(LGEPH)	HSBC	8,384	31,717
LG-Shaker Co.Ltd.(LGESR)	SABB	8,230	8,052

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<i>(in millions of Korean won)</i>	<b>Beneficiaries</b>	<b>March 31, 2022</b>	<b>December 31, 2021</b>
Others	HSBC and others	8,558	31,585
<b>Total</b>		<b>3,362,142</b>	<b>3,262,858</b>

- (c) At the end of the reporting period, the Company is providing KEB Hana Bank with a subrogation payment obligation for customers up to ₩46,000 million (December 31, 2021: ₩46,000 million).
- (d) The Company has a joint guarantee obligation for the debt amount as of July 1, 2021, the date of split-off of LG Magna e-Powertrain Co., Ltd., a newly established company.
- (e) In relation to the Bolt electric vehicle consumers' class action lawsuit filed against General Motors (GM) in November 2020, the Company and others were additionally included as defendants in September 2021, and the ultimate outcome of these case cannot be determined at the reporting date.
- (f) There are a number of legal actions, disputes and investigations arising from the normal course of business that remain pending at the end of the reporting period. The ultimate effect of those lawsuits on the financial position of the Company cannot reflect a reasonable expectation. Management does not expect the outcome of the litigations will have a material effect on the Company's financial position.

**29. Commitments**

- (a) At the end of the reporting period, the Company has borrowing agreements, such as overdraft facility agreements, trade financing and others, with various banks, including Shinhan Bank, with a limit of ₩1,225,822 million (December 31, 2021: ₩1,244,093 million).
- (b) At the end of the reporting period, the Company has sales agreements for receivables with various banks including KEB Hana Bank amounting to ₩2,527,872 million (December 31, 2021: ₩2,481,320 million).
- (c) At the end of the reporting period, the Company has corporate electronic settlement services contracts and vendor prepayment services contracts with various banks including Shinhan Bank for up to ₩1,160,000 million (December 31, 2021: ₩1,160,000 million) in connection with the payment of trade payables.

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(d) Contractual commitments for the acquisition of assets

Assets contracted for, but not yet acquired at the end of the reporting period, are as follows:

<i>(in millions of Korean won)</i>	<b>March 31, 2022</b>	<b>December 31, 2021</b>
Property, plant and equipment	303,206	323,323
Intangible assets	12,137	36,754
Investments in subsidiaries, associates and joint ventures	125,989	105,140
Other financial assets	12,108	-
<b>Total</b>	<b>453,440</b>	<b>465,217</b>

The Company agreed to tender offers based on fair value at a certain time in relation to the shares of Cybellum Technologies Ltd. and the shares to be issued by the exercise of stock options. At the end of the reporting period, the Company recognized this commitment as 'other financial liabilities' (Note 6).

(e) Operating lease commitments – the Company as a lessor

- i) The Company has non-cancellable operating lease agreements regarding healthcare rental business that lends water purifiers and others to customers. The future aggregate lease receipts under operating leases at the end of the reporting period, are as follows:

<i>(in millions of Korean won)</i>	<b>March 31, 2022</b>				<b>Total lease payments</b>
	<b>Within 1 year</b>	<b>1 to 2 years</b>	<b>2 to 3 years</b>	<b>3 to 4 years</b>	
Healthcare rental	409,871	251,836	119,930	16,467	798,104

- ii) The Company recognized ₩153,340 million (March 31, 2021: ₩149,553 million) in lease income for the three-month period ended March 31, 2022.

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(f) Financial lease commitments – the Company as lessor

i) Gross investment in the lease and present value of the minimum lease payments for the financial lease as at March 31, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>March 31, 2022</b>		<b>December 31, 2021</b>	
	<b>Gross investment in the lease<sup>1</sup></b>	<b>Present value of the minimum lease payments</b>	<b>Gross investment in the lease<sup>1</sup></b>	<b>Present value of the minimum lease payments</b>
Within one year	10,492	7,826	4,983	3,999
Between 1 and 2 years	10,781	8,549	5,015	4,716
Between 2 and 3 years	10,785	9,017	5,007	4,531
Between 3 and 4 years	10,815	9,540	5,027	4,378
Later than 4 years	20,237	19,270	9,935	8,166
<b>Total</b>	<b>63,110</b>	<b>54,202</b>	<b>29,967</b>	<b>25,790</b>

<sup>1</sup> There are no remaining useful life without guarantee reflected on gross investment in the lease.

ii) Unrealized interest income of financial lease as at March 31, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>March 31, 2022</b>	<b>December 31, 2021</b>
Gross investment in the lease	63,110	29,967
Net investment in the lease	54,202	25,790
<b>Unrealized interest income</b>	<b>8,908</b>	<b>4,177</b>

iii) For the three-month period ended March 31, 2022, the Company recognized income amounting to ₩28,498 million (March 31, 2021: nil) in relation to financial lease contract, and financial income net investment in the lease amounting to ₩511 million (March 31, 2021: nil) is included.

(g) Trademark license agreements

At the end of the reporting period, the Company has various agreements as follows:

<b>Purpose</b>	<b>Related products</b>	<b>Provided by</b>	<b>Used by</b>
Use of license	All products	Qualcomm Incorporated and others	LG Electronics Inc.
Provision for license	All products	LG Electronics Inc.	Panasonic Corporation and others
Use of trademarks	All products	LG Corp.	LG Electronics Inc.

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**30. Related Party**

(a) Major transactions for the three-month periods ended March 31, 2022 and 2021, and balances of receivables and payables from transaction with related parties as at March 31, 2022 and December 31, 2021, are as follows:

i) Major income and expense transactions with related parties

(in millions of Korean won)

Classification	Name	2022					
		Income transactions			Expense transactions		
		Sales	Others	Total	Purchases	Others <sup>2</sup>	Total
Significantly influencing the Company	LG Corp.	129	-	129	-	34,888	34,888
Subsidiaries	LG Innotek Co., Ltd.	47,568	5,603	53,171	48,314	2	48,316
	Hiplaza Co., Ltd.	518,514	3,407	521,921	1,961	3,908	5,869
	LG Electronics U.S.A., Inc.	1,709,362	541	1,709,903	1,894	12,360	14,254
	LG Electronics Vietnam Hai Phong Co., Ltd	375,523	101	375,624	41,239	17,309	58,548
	LG Electronics Canada, Inc.	170,006	-	170,006	-	2,680	2,680
	LG Electronics RUS, LLC	65,617	222	65,839	-	1,733	1,733
	LG Electronics Deutschland GmbH	25,997	12,775	38,772	93	3,651	3,744
	LG Electronis Reynosa, S.A. De C.V.	86,723	502	87,225	69	-	69
	LG Electronics Mlawa Sp. z.O.O.	205,234	2,774	208,008	263	762	1,025
	LG Electronics Nanjing New Technology co.,LTD	108,423	-	108,423	233,377	898	234,275
	LG Electronics Panama, S.A. P.T. LG Electronics Indonesia	64,125	382	64,507	150,807	-	150,807
	LG Electronics Colombia Ltda.	15,283	-	15,283	-	252	252
	LG Electronics Vehicle Components U.S.A., LLC.	34,599	11	34,610	329	7,636	7,965
	LG Electronics Mexico S.A. DE C.V.	47,742	-	47,742	-	163	163
	LG Electronics Peru S.A.	18,050	2	18,052	-	-	-
	LG Electronics European Shared Service Center B.V.	113,805	-	113,805	135	8,382	8,517
	Taizhou LG Electronics Refrigeration Co., Ltd.	26,035	1,710	27,745	51,712	1	51,713
	LG Electronics United Kingdom Ltd.	50,290	-	50,290	891	5,509	6,400
	LG ELECTRONICS AUSTRALIA PTY LIMITED	61,258	-	61,258	-	1,224	1,224
	LG ELECTRONICS INDIA PRIVATE LIMITED	65,656	5,754	71,410	34	1,511	1,545
	LG Electronics (Tianjin) Appliances Co., Ltd.	26,545	49	26,594	94,287	-	94,287
	LG Electronics Nanjing Vehicle Components Co.,Ltd.	49,750	-	49,750	1,165	-	1,165
	LG Electronics Thailand Co., Ltd.	22,643	147	22,790	7,352	226	7,578



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		2022					
Classification	Name	Income transactions			Expense transactions		
		Sales	Others	Total	Purchases	Others <sup>2</sup>	Total
	Hi-Caresolution Corp	15,154	112	15,266	65,108	8,414	73,522
	Others	715,997	17,195	733,192	44,045	159,039	203,084
	<b>Subtotal</b>	<b>4,667,679</b>	<b>51,287</b>	<b>4,718,966</b>	<b>743,075</b>	<b>235,891</b>	<b>978,966</b>
Associates	LG Display Co., Ltd. and its subsidiaries	130,098	17,257	147,355	59,655	-	59,655
	Hitachi-LG Data Storage Inc.(HLDS) and its subsidiaries	149	-	149	8,045	13,990	22,035
	Robostar Co.,Ltd. and its subsidiaries	13	-	13	4,248	398	4,646
	<b>Subtotal</b>	<b>130,260</b>	<b>17,257</b>	<b>147,517</b>	<b>71,948</b>	<b>14,388</b>	<b>86,336</b>
Other related parties	LG CNS Co., Ltd. and its subsidiaries	33,162	142	33,304	25,049	108,151	133,200
	D&O Corp., Ltd. and its subsidiaries <sup>2</sup>	1,783	186	1,969	1,512	28,832	30,344
	LG Management Development Institute	5	-	5	11	12,086	12,097
	LG SPORTS Ltd.	1	-	1	280	2,783	3,063
	<b>Subtotal</b>	<b>34,951</b>	<b>328</b>	<b>35,279</b>	<b>26,852</b>	<b>151,852</b>	<b>178,704</b>
Others <sup>1</sup>	LG Chem Ltd., its subsidiaries and joint ventures	114,201	544	114,745	77,059	53	77,112
	LX INTERNATIONAL CORP and its subsidiaries <sup>3</sup>	1,402	393	1,795	83,061	502,232	585,293
	LG Uplus Corp and its subsidiaries	373	5	378	581	142	723
	LX HAUSYS,LTD., its subsidiaries and associates <sup>4</sup>	1,000	38	1,038	948	301	1,249
	LX Semicon Co., Ltd. <sup>5</sup>	701	1,085	1,786	4,727	-	4,727
	LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries	364	-	364	7	5	12
	G II R Inc. and its subsidiaries	470	-	470	-	49,598	49,598
	LX MMA Corporation <sup>6</sup>	2	-	2	-	-	-
	<b>Subtotal</b>	<b>118,513</b>	<b>2,065</b>	<b>120,578</b>	<b>166,383</b>	<b>552,331</b>	<b>718,714</b>
	<b>Total</b>	<b>4,951,532</b>	<b>70,937</b>	<b>5,022,469</b>	<b>1,008,258</b>	<b>989,350</b>	<b>1,997,608</b>

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		2021					
Classification	Name	Income transactions			Expense transactions		
		Sales	Others	Total	Purchases	Others <sup>2</sup>	Total
Significantly influencing the Company	LG Corp.	121	-	121	-	33,882	33,882
Subsidiaries	LG Innotek Co., Ltd.	20,873	6,147	27,020	65,716	1,269	66,985
	Hiplaza Co., Ltd.	569,406	2,073	571,479	2,768	4,800	7,568
	LG Electronics U.S.A., Inc.	1,176,852	172	1,177,024	1,503	8,803	10,306
	LG Electronics Vietnam Hai Phong Co., Ltd	400,305	178	400,483	103,082	10,870	113,952
	LG Electronics Canada, Inc.	85,376	-	85,376	-	1,776	1,776
	LG Electronics RUS, LLC	68,248	4	68,252	-	747	747
	LG Electronics Deutschland GmbH	59,016	1,222	60,238	1,011	14,237	15,248
	LG Electronis Reynosa, S.A. De C.V.	97,229	-	97,229	79	-	79
	LG Electronics Mlawa Sp. z.O.O.	231,814	51	231,865	445	1,096	1,541
	LG Electronics Nanjing New Technology co.,LTD	85,739	141	85,880	195,644	397	196,041
	LG Electronics Panama, S.A.	42,005	40	42,045	-	154	154
	P.T. LG Electronics Indonesia	55,284	482	55,766	132,488	20	132,508
	LG Electronics Colombia Ltda.	493	5	498	-	160	160
	LG Electronics Vehicle Components U.S.A., LLC.	40,682	6,982	47,664	629	5,729	6,358
	LG Electronics Mexico S.A. DE C.V.	72,711	12	72,723	-	143	143
	LG Electronics Peru S.A.	23,241	5	23,246	-	-	-
	LG Electronics European Shared Service Center B.V.	105,913	10	105,923	-	4,948	4,948
	Taizhou LG Electronics Refrigeration Co., Ltd.	30,624	13	30,637	54,260	8	54,268
	LG Electronics United Kingdom Ltd.	30,052	-	30,052	357	2,901	3,258
	LG ELECTRONICS AUSTRALIA PTY LIMITED	90,439	12	90,451	-	802	802
	LG ELECTRONICS INDIA PRIVATE LIMITED	72,218	-	72,218	199	1,066	1,265
	LG Electronics (Tianjin) Appliances Co., Ltd.	17,928	65	17,993	48,461	12	48,473
	LG Electronics Nanjing Vehicle Components Co.,Ltd.	52,690	-	52,690	2,041	1,811	3,852
	LG Electronics Thailand Co., Ltd.	37,272	5	37,277	9,437	203	9,640
	Hi-Caresolution Corp	14,559	19	14,578	59,578	8,718	68,296
	Others	891,572	540	892,112	70,809	104,251	175,060
	<b>Subtotal</b>	<b>4,372,541</b>	<b>18,178</b>	<b>4,390,719</b>	<b>748,507</b>	<b>174,921</b>	<b>923,428</b>
Associates	LG Display Co., Ltd. and its subsidiaries	112,222	22,183	134,405	72,589	-	72,589
	Hitachi-LG Data Storage Inc.(HLDS) and its subsidiaries	291	-	291	8,187	7	8,194

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		2021					
Classification	Name	Income transactions			Expense transactions		
		Sales	Others	Total	Purchases	Others <sup>2</sup>	Total
	Robostar Co.,Ltd. and its subsidiaries	3	-	3	8,323	1,824	10,147
	ROBOTIS Co., Ltd.	-	-	-	-	3	3
	<b>Subtotal</b>	112,516	22,183	134,699	89,099	1,834	90,933
Joint ventures	LG-MRI LLC	4,242	-	4,242	-	-	-
Other related parties	LG CNS Co., Ltd. and its subsidiaries	38,315	-	38,315	27,623	76,866	104,489
	S&I Corp. and its subsidiaries <sup>2</sup>	3,364	-	3,364	1,683	47,711	49,394
	LG Management Development Institute	4	21	25	3	9,729	9,732
	LG SPORTS Ltd.	2	-	2	-	2,593	2,593
	<b>Subtotal</b>	41,685	21	41,706	29,309	136,899	166,208
Others <sup>1</sup>	LG Chem Ltd., its subsidiaries and joint ventures	234,768	578	235,346	166,649	54	166,703
	LX INTERNATIONAL CORP and its subsidiaries <sup>3</sup>	1,415	157	1,572	68,636	296,743	365,379
	LG Uplus Corp and its subsidiaries	8,368	1	8,369	624	660	1,284
	LX HAUSYS,LTD., its subsidiaries and associates <sup>4</sup>	702	35	737	29	240	269
	Silicon Works Co., Ltd.	649	816	1,465	2,754	-	2,754
	LG HOUSEHOLD & HEALTH CARE LTD. and its subsidiaries	2,249	-	2,249	19	2	21
	GIR Inc. and its subsidiaries	9	-	9	-	40,285	40,285
	<b>Subtotal</b>	248,160	1,587	249,747	238,711	337,984	576,695
	<b>Total</b>	4,779,265	41,969	4,821,234	1,105,626	685,520	1,791,146

<sup>1</sup> Although the entities are not the related parties of the Company in accordance with Korean IFRS 1024, the entities belong to the Large Enterprise Group to which the Company also belongs in accordance with the Monopoly Regulation and Fair Trade Act.

<sup>2</sup> The entity changed its name from S&I Corp. to D&O Corp. on April 1, 2022.

<sup>3</sup> The entity changed its name from LG INTERNATIONAL CORP to LX INTERNATIONAL CORP. on July 1, 2021.

<sup>4</sup> The entity changed its name from LG HAUSYS,LTD. to LX HAUSYS, LTD. on July 1, 2021.

<sup>5</sup> The entity changed its name from Silicon Works Co., Ltd. to LX Semicon Co., Ltd. on July 1, 2021.

<sup>6</sup> The entity changed its name from LG MMA Ltd. to LX MMA Corporation on July 1, 2021. And, it was classified as others due to changes in corporate governance.

<sup>7</sup> Others include acquisition amount of right-of-use asset and interest expense of lease liabilities.

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ii) The balances of receivables from and payables to related parties

(in millions of Korean won)

		March 31, 2022							
Classification	Name	Receivables				Payables			
		Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables <sup>2</sup>	Total
Significantly influencing the Company	LG Corp.	48	-	25,551	25,599	-	-	88,879	88,879
Subsidiaries	LG Innotek Co., Ltd.	78,895	-	39,178	118,073	52,055	-	49,116	101,171
	Hiplaza Co., Ltd.	228,802	-	28,084	256,886	-	-	1,322	1,322
	LG Electronics U.S.A., Inc.	655,124	-	297	655,421	373	-	6,119	6,492
	LG Electronics Vietnam Hai Phong Co., Ltd	214,281	-	77	214,358	452,928	-	5,974	458,902
	LG Electronics Canada, Inc.	102,593	-	-	102,593	-	-	759	759
	LG Electronics RUS, LLC	97,342	-	110,436	207,778	159	-	1,280	1,439
	LG Electronics Deutschland GmbH	138,836	-	-	138,836	-	-	2,124	2,124
	LG Electronis Reynosa, S.A. De C.V.	33,047	-	-	33,047	144,006	-	-	144,006
	LG Electronics Mlawa Sp. z.O.O.	121,877	-	-	121,877	860,534	-	421	860,955
	LG Electronics Nanjing New Technology co.,LTD	32,908	-	-	32,908	429,238	-	111	429,349
	LG Electronics Panama, S.A.	85,209	-	-	85,209	-	-	62	62
	P.T. LG Electronics Indonesia	32,956	-	99	33,055	567,450	-	-	567,450
	LG Electronics Colombia Ltda.	97,114	-	-	97,114	-	-	96	96
	LG Electronics Vehicle Components U.S.A., LLC.	143,970	-	3,098	147,068	-	-	3,317	3,317
	LG Electronics Mexico S.A. DE C.V.	156,622	-	-	156,622	-	-	105	105
	LG Electronics Peru S.A.	95,401	-	-	95,401	-	-	-	-
	LG Electronics European Shared Service Center B.V.	40,888	-	-	40,888	-	270,226	269	270,495
	Taizhou LG Electronics Refrigeration Co., Ltd.	21,494	-	1,710	23,204	273,954	-	1	273,955
	LG Electronics United Kingdom Ltd.	118,232	-	-	118,232	-	-	2,501	2,501
	LG ELECTRONICS AUSTRALIA PTY LIMITED	68,601	-	-	68,601	-	-	466	466
	LG ELECTRONICS INDIA PRIVATE LIMITED	44,130	-	254	44,384	34	-	1,421	1,455
	LG Electronics (Tianjin) Appliances Co., Ltd.	19,480	-	94	19,574	235,615	-	2	235,617
	LG Electronics Nanjing Vehicle Components Co.,Ltd.	70,059	-	32	70,091	16,156	-	59	16,215
	LG Electronics Thailand Co., Ltd.	25,152	-	26	25,178	265,720	-	137	265,857

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		March 31, 2022							
Classification	Name	Receivables				Payables			
		Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables <sup>2</sup>	Total
	Hi-Caresolution Corp	11,071	-	-	11,071	2,714	-	24,465	27,179
	Others	1,464,515	-	112,387	1,576,902	662,547	-	130,310	792,857
	<b>Subtotal</b>	<b>4,198,599</b>	<b>-</b>	<b>295,772</b>	<b>4,494,371</b>	<b>3,963,483</b>	<b>270,226</b>	<b>230,437</b>	<b>4,464,146</b>
Associates	LG Display Co., Ltd. and its subsidiaries	134,036	-	161,820	295,856	75,728	-	110,339	186,067
	Ericsson-LG Co., Ltd.	-	-	8,250	8,250	-	-	-	-
	Hitachi-LG Data Storage Inc.(HLDS) and its subsidiaries	-	-	-	-	27,366	-	241	27,607
	Robostar Co.,Ltd. and its subsidiaries	55	-	-	55	347	-	11,372	11,719
	<b>Subtotal</b>	<b>134,091</b>	<b>-</b>	<b>170,070</b>	<b>304,161</b>	<b>103,441</b>	<b>-</b>	<b>121,952</b>	<b>225,393</b>
Other related parties	LG CNS Co., Ltd. and its subsidiaries	42,958	-	-	42,958	2,358	-	78,509	80,867
	D&O Corp., Ltd. and its subsidiaries <sup>2</sup>	2,623	-	-	2,623	-	-	29,747	29,747
	LG Management Development Institute	4	-	-	4	-	-	769	769
	LG SPORTS Ltd.	-	-	-	-	-	-	1,218	1,218
	<b>Subtotal</b>	<b>45,585</b>	<b>-</b>	<b>-</b>	<b>45,585</b>	<b>2,358</b>	<b>-</b>	<b>110,243</b>	<b>112,601</b>
Others <sup>1</sup>	LG Chem Ltd. and its subsidiaries and joint ventures <sup>3</sup>	92,381	-	881,864	974,245	126,053	-	16,897	142,950
	LX INTERNATIONAL CORP and its subsidiaries	8,626	-	568	9,194	35,161	-	177,253	212,414
	LG Uplus Corp and its subsidiaries	8	-	-	8	69	-	346	415
	LX HAUSYS,LTD., its subsidiaries and associates	225	-	263	488	512	-	1,047	1,559
	LX Semicon Co., Ltd.	-	-	107	107	6,503	-	-	6,503
	LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries	59	-	2,150	2,209	-	-	146	146
	G II R Inc. and its subsidiaries	20	-	-	20	-	-	138,409	138,409
	<b>Subtotal</b>	<b>101,319</b>	<b>-</b>	<b>884,952</b>	<b>986,271</b>	<b>168,298</b>	<b>-</b>	<b>334,098</b>	<b>502,396</b>
	<b>Total</b>	<b>4,479,642</b>	<b>-</b>	<b>1,376,345</b>	<b>5,855,987</b>	<b>4,237,580</b>	<b>270,226</b>	<b>885,609</b>	<b>5,393,415</b>

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(in millions of Korean won)

		December 31, 2021							
		Receivables				Payables			
Classification	Name	Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables <sup>5</sup>	Total
Significantly influencing the Company	LG Corp.	45	-	25,386	25,431	-	-	42,812	42,812
Subsidiaries	LG Innotek Co., Ltd.	143,326	-	5,155	148,481	47,683	-	50,823	98,506
	Hiplaza Co., Ltd.	219,564	-	28,719	248,283	-	-	7,226	7,226
	LG Electronics U.S.A., Inc.	783,450	-	266	783,716	-	-	10,478	10,478
	LG Electronics Vietnam Hai Phong Co., Ltd	222,709	-	189	222,898	374,755	-	6,905	381,660
	LG Electronics Canada, Inc.	62,560	-	-	62,560	-	-	1,336	1,336
	LG Electronics RUS, LLC	113,312	-	110,437	223,749	927	-	247	1,174
	LG Electronics Deutschland GmbH	381,001	-	77,045	458,046	-	-	14,935	14,935
	LG Electronis Reynosa, S.A. De C.V.	24,913	-	-	24,913	95,718	-	-	95,718
	LG Electronics Mlawa Sp. z.O.O.	97,807	-	707	98,514	831,975	-	339	832,314
	LG Electronics Nanjing New Technology co.,LTD	58,251	-	192	58,443	446,159	-	227	446,386
	LG Electronics Panama, S.A.	63,063	-	-	63,063	-	-	32	32
	P.T. LG Electronics Indonesia	15,598	-	616	16,214	587,591	-	-	587,591
	LG Electronics Colombia Ltda.	96,312	-	-	96,312	-	-	72	72
	LG Electronics Vehicle Components U.S.A., LLC.	159,526	-	732	160,258	-	-	1,731	1,731
	LG Electronics Mexico S.A. DE C.V.	114,059	-	-	114,059	-	-	57	57
	LG Electronics Peru S.A.	64,285	-	3	64,288	-	-	-	-
	LG Electronics European Shared Service Center B.V.	24,389	-	3,573	27,962	-	268,468	250	268,718
	Taizhou LG Electronics Refrigeration Co., Ltd.	20,507	-	6,925	27,432	274,083	-	-	274,083
	LG Electronics United Kingdom Ltd.	59,411	-	-	59,411	-	-	389	389
	LG ELECTRONICS AUSTRALIA PTY LIMITED	68,286	-	-	68,286	-	-	258	258
	LG ELECTRONICS INDIA PRIVATE LIMITED	41,406	-	4,633	46,039	804	-	5,199	6,003
	LG Electronics (Tianjin) Appliances Co., Ltd.	21,349	-	3,492	24,841	177,674	-	-	177,674
	LG Electronics Nanjing Vehicle Components	60,316	-	4,179	64,495	17,136	-	453	17,589

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		December 31, 2021							
Classification	Name	Receivables				Payables			
		Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables <sup>5</sup>	Total
	Co.,Ltd.								
	LG Electronics Thailand Co., Ltd.	30,360	-	-	30,360	177,785	-	104	177,889
	Hi-Caresolution Corp	8,096	-	1,504	9,600	1,810	-	27,844	29,654
	Others	1,022,940	-	101,945	1,124,885	504,436	-	130,694	635,130
	<b>Subtotal</b>	<b>3,976,796</b>	<b>-</b>	<b>350,312</b>	<b>4,327,108</b>	<b>3,538,536</b>	<b>268,468</b>	<b>259,599</b>	<b>4,066,603</b>
Associates	LG Display Co., Ltd. and its subsidiaries	99,163	-	56,299	155,462	63,354	-	74,620	137,974
	Ericsson-LG Co., Ltd.	-	-	-	-	-	-	-	-
	Hitachi-LG Data Storage Inc.(HLDS) and its subsidiaries	110	-	-	110	30,538	-	543	31,081
	Robostar Co.,Ltd. and its subsidiaries	85	-	-	85	343	-	10,336	10,679
	Acryl Inc.	-	-	-	-	-	-	120	120
	<b>Subtotal</b>	<b>99,358</b>	<b>-</b>	<b>56,299</b>	<b>155,657</b>	<b>94,235</b>	<b>-</b>	<b>85,619</b>	<b>179,854</b>
Joint ventures	LG-MRI LLC	8,753	-	-	8,753	-	-	-	-
Other related parties	LG CNS Co., Ltd. and its subsidiaries	31,379	-	-	31,379	1,733	-	218,177	219,910
	S&I Corp. and its subsidiaries <sup>2</sup>	5,154	-	21,872	27,026	-	-	30,942	30,942
	LG Management Development Institute	3	-	13,340	13,343	-	-	1,272	1,272
	LG SPORTS Ltd.	-	-	-	-	-	-	699	699
	<b>Subtotal</b>	<b>36,536</b>	<b>-</b>	<b>35,212</b>	<b>71,748</b>	<b>1,733</b>	<b>-</b>	<b>251,090</b>	<b>252,823</b>
Others <sup>1</sup>	LG Chem Ltd., its subsidiaries and joint ventures <sup>3</sup>	110,353	-	894,887	1,005,240	160,590	-	15,560	176,150
	LX INTERNATIONAL CORP and its subsidiaries	17,257	-	2,679	19,936	18,345	-	203,412	221,757
	LG Uplus Corp and its subsidiaries	372	-	-	372	104	-	511	615
	LX HAUSYS,LTD., its subsidiaries and associates	668	-	12	680	486	-	919	1,405
	LX Semicon Co., Ltd.	-	-	-	-	6,046	-	2	6,048
	LG HOUSEHOLD & HEALTH CARE LTD and its subsidiaries	1,127	-	2,818	3,945	-	-	88	88
	G II R Inc. and its subsidiaries	20	-	-	20	-	-	148,261	148,261
	<b>Subtotal</b>	<b>129,797</b>	<b>-</b>	<b>900,396</b>	<b>1,030,193</b>	<b>185,571</b>	<b>-</b>	<b>368,753</b>	<b>554,324</b>
	<b>Total</b>	<b>4,251,285</b>	<b>-</b>	<b>1,367,605</b>	<b>5,618,890</b>	<b>3,820,075</b>	<b>268,468</b>	<b>1,007,873</b>	<b>5,096,416</b>

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<sup>1</sup> Although the entities are not the related parties of the Company in accordance with Korean IFRS 1024, the entities belong to the Large Enterprise Group to which the Company also belongs to in accordance with the Monopoly Regulation and Fair Trade Act.

<sup>2</sup> The entity changed its name from S&I Corp. to D&O Corp. on April 1, 2022.

<sup>3</sup> The amount agreed to be reimbursed by the related party for provisions to be paid by the Company to a third party is included.

<sup>4</sup> Other payables include lease liabilities.

iii) Significant capital transactions and others with related parties for the three-month periods ended March 31, 2022 and 2021, are as follows:

(in millions of Korean won)

Classification	Name	2022						
		Dividend income	Dividend paid <sup>1</sup>	Cash distribution	Financing loan transactions		Financing borrowing transactions	
					Loans	Collections	Borrowings	Repayments <sup>2</sup>
Significantly influencing the Company	LG Corp.	-	46,830	-	-	-	-	6,827
Subsidiaries	LG Innotek Co., Ltd.	28,960	-	-	-	-	-	-
	LG Electronics Fund I LLC	-	-	393	-	-	-	-
	LG Electronics RUS, LLC	156,663	-	-	-	-	-	-
	LG Magna e-Powertrain Co., Ltd.	-	-	-	-	-	-	1,428
	<b>Subtotal</b>	<b>185,623</b>	<b>-</b>	<b>393</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,428</b>
Associates	LG Display Co., Ltd.	88,156	-	-	-	-	-	-
	Ericsson-LG Co., Ltd.	8,250	-	-	-	-	-	-
	Mirae Asset-LG Electronics New Growth Fund I	-	-	10,000	-	-	-	-
	<b>Subtotal</b>	<b>96,406</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Joint ventures	LG-LHT Aircraft Solutions GmbH	-	-	2,692	-	-	-	-
	LG-LHT Passenger Solutions GmbH	-	-	2,692	-	-	-	-
	<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>5,384</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>282,029</b>	<b>46,830</b>	<b>15,777</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,255</b>	

(in millions of Korean won)

Classification	Name	2021						
		Dividend income	Dividend paid <sup>1</sup>	Cash distribution	Financing loan transactions		Financing borrowing transactions	
					Loans	Collections	Borrowings	Repayments <sup>2</sup>
Significantly influencing the Company	LG Corp.	-	66,113	-	-	-	-	6,829
Subsidiaries	LG Innotek Co., Ltd.	6,757	-	-	-	-	-	-
	LG Electronics Fund I LLC	-	-	3,644	-	-	-	-
	<b>Subtotal</b>	<b>6,757</b>	<b>-</b>	<b>3,644</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Associates	Ericsson-LG Co., Ltd.	5,250	-	-	-	-	-	-



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Classification	Name	Dividend income	Dividend paid <sup>1</sup>	Cash distribution	2021			
					Financing loan transactions		Financing borrowing transactions	
					Loans	Collections	Borrowings	Repayments <sup>2</sup>
	<b>Subtotal</b>	5,250	-	-	-	-	-	-
Joint ventures	LG-LHT Aircraft Solutions GmbH	-	-	2,132	-	-	-	-
	LG-LHT Passenger Solutions GmbH	-	-	2,132	-	-	-	-
	GUANGDONG SMART LIFE TECHNOLOGY CO., LTD.	-	-	303	-	-	-	-
	<b>Subtotal</b>	-	-	4,567	-	-	-	-
	<b>Total</b>	12,007	66,113	8,211	-	-	-	6,829

<sup>1</sup> It is based on dividends declared and recognized as 'other payables' as at March 31, 2022.

<sup>2</sup> Repayments of financing borrowing transactions include repayment of principal elements of lease liabilities.

(b) The compensation paid or payable to key management personnel for the three-month periods ended March 31, 2022 and 2021, consists of:

(in millions of Korean won)	2022	2021
Salaries and other short-term benefits	6,091	6,732
Post-employment benefits	458	584
Other long-term benefits	1	22
<b>Total</b>	<b>6,550</b>	<b>7,338</b>

Key management refers to the directors who have significant control and responsibilities on the Company's business plans, operations and control.

(c) The payment guarantees for the financial support of related parties at the end of the reporting period are presented in Note 28.

(d) There is no collateral provided by the Company for the financial support of related parties at the end of the reporting period.

(e) The Company has not recognized any bad debt expense or allowance for trade receivables from related parties at the end of the reporting period.

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**31. Risk Management**

**Financial Risk Management**

The Company's financial risk management ("FRM") policy supports each business division to achieve excellent performance solidly and continuously against market risk, credit risk and liquidity risk. In addition, FRM helps the Company to enhance cost competitiveness through cost-efficient financing cost by improving financial structure and effective cash management.

While cooperating with other divisions, Finance Division in the Company mainly implements FRM. This involves setting-up risk management policies and recognizing, evaluating and hedging risks from a global point of view.

The Company mitigates the adverse effects from financial risk by monitoring the risk periodically and updating FRM policy each year.

The carrying amount and profit or loss of each category of financial instruments, and the details of borrowings related to the financial risk management are presented in Note 4 and Note 11, respectively.

(a) Market risk

i) Foreign exchange risk

Due to its multinational business operations, the Company is mainly exposed to foreign exchange risk on the U.S. Dollar and Euro.

The purpose of foreign exchange risk management is to provide the foundation of a stable business operation by minimizing the uncertainty and volatility of foreign exchange gains and losses from foreign exchange rate fluctuations.

The Company's foreign exchange risk management is implemented under its own foreign exchange policy through which the Company can minimize the exposure to foreign exchange risk by preferentially making equal amount of foreign exchange assets and liabilities from general operating activities. And the Company continuously considers efficient foreign exchange risk hedges against its remaining exposure with derivative financial instruments and scrutinizes changes in foreign exchange exposure and the results of hedging activities on a monthly basis. Speculative foreign exchange trading is prohibited in principle.

As at March 31, 2022 and December 31, 2021, if the foreign exchange rate of the Korean won fluctuated for monetary assets and liabilities denominated in major foreign currency other than functional currency by 10% while other variables were fixed, the effects on profit (loss) before tax would be as follows:

<i>(in millions of Korean won)</i>	<b>March 31, 2022</b>		<b>December 31, 2021</b>	
	<b>10% increase</b>	<b>10% decrease</b>	<b>10% increase</b>	<b>10% decrease</b>
USD/KRW	(16,158)	16,158	(5,592)	5,592
EUR/KRW	1,293	(1,293)	2,443	(2,443)

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ii) Interest rate risk

The Company is exposed to interest rate risk through changes in interest-bearing liabilities or assets. The risk mainly arises from borrowings and deposits held by financial institutions with variable interest rates linked to market interest rate changes in the future. The objective of interest rate risk management lies in improving corporate value by minimizing uncertainty caused by fluctuations in interest rates and minimizing net interest expense.

The Company minimizes its borrowings from others and optimizes its deposits. The Company periodically monitors both domestic and foreign interest rate trends to establish countermeasures against changes in interest rates.

If interest rates fluctuate by 1%p with all other variables held constant, the effects on income and expenses related to borrowings and deposits held by financial institutions with variable interest rates for the three-month periods ended March 31, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	2022		2021	
	1%p increase	1%p decrease	1%p increase	1%p decrease
Interest income	3,422	(3,422)	3,895	(3,895)
Interest expenses	1,012	(1,012)	664	(664)

iii) Details of derivative contracts are as follows:

*Derivatives for hedging purposes*

The Company entered into the cross-currency swap and interest rate swap contracts to hedge cash flow risks related to the floating interest rates and foreign exchange rates.

Details of hedging instruments are as follows:

	Contractor	Contracted amount <i>(in millions)</i>	Contracted currency rate	Interest rate (paid) (%)	Starting date	Expiration date	Book amount <i>(in millions of Korean won)</i>	
							Assets	Liabilities
Cross-currency swap	MUFG Bank and others	USD 599	1,067.9 ~ 1,220.6	1.88 ~ 3.64	2017. 10. 23 ~ 2022. 3. 18	2022. 11. 22 ~ 2031. 7. 28	66,306	-
	DBS	SGD 140	859.3	1.21	2020. 7. 9	2024. 1. 9	8,337	-
Interest rate swap	Woori Bank and others	KRW 975,964 EUR 100	-	1.00 ~ 4.53	2014. 1. 3 ~ 2017. 8. 24	2023. 2. 24 ~ 2030. 7. 7	8,569	7,261

Interest rates received for the above derivative contracts are equal to annual interest rates of borrowings (Note 11).

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Details of hedged items are as follows:

<i>(in millions of Korean won)</i>	<b>Hedged items</b>	<b>Book amount</b>	<b>Changes in fair value (net of tax)</b>
Cross-currency swap	Borrowings	849,648	(24,690)
Interest rate swap	Borrowings	1,110,795	(18,015)

The results of hedge accounting are as follows:

<i>(in millions of Korean won)</i>	<b>Changes in fair value of derivatives (net of tax)</b>	<b>Line items in profit or loss</b>	<b>Reclassified to profit or loss (net of tax)</b>	<b>Other comprehensive income (net of tax)</b>	<b>Accumulated other comprehensive income</b>
Cross-currency swap	24,690	Interest expense and exchange differences	(7,016)	17,674	13,494
Interest rate swap	18,015	Interest expense	2,388	20,403	2,616

*Trading purposes*

Currency forward and interest rate swap contracts

The Company entered into the currency forward contracts to manage the risk against possible future changes in foreign exchange rates. The Company's currency forward contracts as at March 31, 2022, and related profit or loss for the three-month period ended March 31, 2022, are as follows:

<i>(in millions of Korean won)</i>	<b>Purchase</b>	<b>Sale</b>	<b>Loss on valuation</b>	<b>Gain on transaction</b>
Currency forward	71,583	86,535	(16,239)	5,104

Stock purchase contracts

According to the put options granted to Cybellum Technologies Ltd.'s shareholders and employees to whom stock options were granted, the Company recognized ₩23,603 million of derivative liabilities and ₩103 million of gain on derivatives transaction during the three-month period ended March 31, 2022.

iv) Price risk

The Company is exposed to price risk through equity securities owned by the Company classified as financial assets at fair value through other comprehensive income.

The listed securities owned by the Company are traded in the open market, and related to KOSDAQ, NASDAQ, NYSE Index.

The effect of price index's fluctuation related to the listed securities on the equity (before applying the tax effect) is set out in the below table. The analysis is performed in respect of 30% increase/decrease in the price index under the assumption that other variations are consistent and the listed securities owned by the Company have correlation with the relevant past index.

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<i>(in millions of Korean won)</i>	March 31, 2022		December 31, 2021	
	30% increase	30% decrease	30% increase	30% decrease
KOSDAQ	6,399	(6,399)	6,789	(6,789)
NASDAQ	3,725	(3,725)	1,957	(1,957)
NYSE	2,780	(2,780)	3,343	(3,343)

The valuation and changes in book amounts of the financial assets at fair value through other comprehensive income related to the market risk above are presented in Note 6.

#### (b) Credit risk

The Company operates a consistent Global Credit / TR (trade receivables) policy to manage credit risk exposures.

In regard to receivables, the Company operates an integrated receivable insurance program with the Korea Trade Insurance Corporation (K-SURE) and Seoul Guarantee Insurance (Coface). In an effort to minimize receivable credit risk, the Company applies the credit rating of the counterparty rated by insurers, when determining the insurance coverage. In addition, the Company performs stringent credit risk managements based on credit valuation criteria for receivables without insurance coverage or collateral.

At the end of the reporting period, trade receivable balance of the Company, excluding the trade receivables from the subsidiaries, is ₩2,065,057 million (December 31, 2021: ₩1,097,282 million) and its risk is managed appropriately within insurer's credit limit of ₩2,548,271 million (December 31, 2021: ₩2,598,367 million). Therefore, the Company determined that credit risk exposed to the Company is limited.

At the end of the reporting period, the carrying amount of financial assets represents net of impairment loss to reflect Company's maximum exposure to the credit risk.

#### (c) Liquidity risk

The Company forecasts its cash flow and liquidity status and sets action plans on a regular basis to manage liquidity risk proactively. The Company systematically works with experts in four regional treasury centers to carry out fund and liquidity management that can react proactively to the changing global financial environment.

The Company maintains adequate amount of cash and committed credit facilities in Kookmin Bank, Shinhan Bank and Standard Chartered Bank to cope with potential liquidity risk arising from financial distress.

In addition, the Company is able to source funds any time in the domestic and international financial markets because it has good investment credit grades of AA Stable from Korea Investors Service, Korea Ratings and NICE Information Service, BBB from Standard & Poors, and Baa2 from Moody's at the end of the reporting period.

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i) Cash flow information on maturity of financial liabilities as at March 31, 2022, is as follows:

<i>(in millions of Korean won)</i>	<b>Total</b>	<b>Within 1 year</b>	<b>1 to 2 years</b>	<b>2 to 5 years</b>	<b>Over 5 years</b>
Trade payables	6,052,300	6,052,300	-	-	-
Borrowings	8,506,592	1,321,470	1,060,121	2,670,420	3,454,581
Lease liabilities	119,866	69,867	20,573	20,262	9,164
Other payables	1,977,566	1,977,566	-	-	-
Other financial liabilities	39,739	16,239	-	21,150	2,350
<b>Total</b>	<b>16,696,063</b>	<b>9,437,442</b>	<b>1,080,694</b>	<b>2,711,832</b>	<b>3,466,095</b>

The above cash flows are calculated at nominal value based on the earliest maturity dates, and include cash flows of principal and interests. The Company's trading portfolio derivative within other financial liabilities that are not qualified for hedge accounting have been included at their fair value of ₩16,239 million within the less than 1-year time bucket. This is because the contractual maturities are not essential for an understanding of the timing of the cash flows. These contracts are managed on a net-fair value basis rather than by maturity date. Derivatives for cash flow hedges from changes in interest rate and exchange rate are reflected in the cash flows of related borrowings.

ii) The maturity analysis of financial guarantee contracts provided by the Company to subsidiaries and third party companies is as follows:

<i>(in millions of Korean won)</i>	<b>Total</b>	<b>Within 1 year</b>	<b>1 to 2 years</b>	<b>2 to 5 years</b>	<b>Over 5 years</b>
Financial guarantee contracts	3,408,142	2,804,738	317,846	1,020	284,538

The financial guarantee contracts provided to the subsidiaries are analyzed by their maturities according to the residual periods. And, the financial guarantee contracts provided to the third party companies are analyzed at the maximum amount of guarantees allocated to earliest period in which the Company can be required to make the payments.

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**Capital Risk Management**

The Company's capital risk management purpose is to maximize shareholders' value through maintaining a sound capital structure. The Company monitors financial ratios, such as liability to equity ratio and net borrowing ratio each month and implements required action plan to improve the capital structure.

Debt-to-equity ratio and net borrowing ratio as at March 31, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won, except for ratios)</i>	<b>March 31, 2022</b>	<b>December 31, 2021</b>
Liability (A)	20,257,035	20,703,269
Equity (B)	9,699,871	8,890,255
Cash and cash equivalents (C)	1,369,032	2,012,229
Borrowings and lease liabilities (D)	7,545,013	7,742,881
Debt-to-equity ratio (A/B)	208.8%	232.9%
Net borrowings ratio ((D-C)/B)	63.7%	64.5%

**Fair Value Estimation**

(a) The book amount and fair value of the Company's financial assets and liabilities as at March 31, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>March 31, 2022</b>			
	<b>Current</b>		<b>Non-current</b>	
	<b>Book amount</b>	<b>Fair value</b>	<b>Book amount</b>	<b>Fair value</b>
<b>Assets at fair value</b>				
Financial assets at fair value through profit or loss				
Other financial assets	-	-	71,973	71,973
Financial assets at fair value through other comprehensive income				
Trade receivables	277,434	<sup>1</sup>	-	-
Other financial assets	-	-	73,053	73,053
Derivatives for hedging purposes				
Other financial assets	9,270	9,270	73,943	73,943
<b>Assets at amortized cost</b>				
Financial assets at amortized cost				
Cash and cash equivalents	1,369,032	<sup>1</sup>	-	-
Deposits held by financial institutions	147,805	<sup>1</sup>	794	794
Trade receivables	5,892,359	<sup>1</sup>	-	-
Other receivables	600,098	<sup>1</sup>	185,693	178,841
<b>Other assets</b>				
Trade receivables	7,839	<sup>1</sup>	46,376	46,376
<b>Total</b>	<b>8,303,837</b>		<b>451,832</b>	

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<i>(in millions of Korean won)</i>	March 31, 2022			
	Current		Non-current	
	Book amount	Fair value	Book amount	Fair value
<b>Liabilities at fair value</b>				
Financial liabilities at fair value through profit or loss				
Other financial liabilities	16,239	16,239	23,500	23,500
Derivatives for hedging purposes				
Other financial liabilities	637	637	6,624	6,624
<b>Liabilities at amortized cost</b>				
Financial liabilities at amortized cost				
Trade payables	6,052,300	<sup>1</sup>	-	-
Borrowings	1,130,039	<sup>1</sup>	6,300,459	6,073,355
Other payables	1,977,566	<sup>1</sup>	-	-
<b>Other liabilities</b>				
Lease liabilities	66,922	<sup>2</sup>	47,593	<sup>2</sup>
Other financial liabilities	5,881	<sup>3</sup>	5,411	<sup>3</sup>
<b>Total</b>	<b>9,249,584</b>		<b>6,383,587</b>	

<i>(in millions of Korean won)</i>	December 31, 2021			
	Current		Non-current	
	Book amount	Fair value	Book amount	Fair value
<b>Assets at fair value</b>				
Financial assets at fair value through profit or loss				
Other financial assets	100	100	72,285	72,285
Financial assets at fair value through other comprehensive income				
Trade receivables	284,333	<sup>1</sup>	-	-
Other financial assets	-	-	76,535	76,535
Derivatives for hedging purposes				
Other financial assets	9,647	9,647	28,936	28,936
<b>Assets at amortized cost</b>				
Financial assets at amortized cost				
Cash and cash equivalents	2,012,229	<sup>1</sup>	-	-
Deposits held by financial institutions	146,388	<sup>1</sup>	730	730
Trade receivables	4,728,290	<sup>1</sup>	-	-
Other receivables	415,331	<sup>1</sup>	180,481	178,848
<b>Other assets</b>				
Trade receivables	3,759	<sup>1</sup>	22,040	22,040
<b>Total</b>	<b>7,600,077</b>		<b>381,007</b>	



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<i>(in millions of Korean won)</i>	December 31, 2021			
	Current		Non-current	
	Book amount	Fair value	Book amount	Fair value
<b>Liabilities at fair value</b>				
Financial liabilities at fair value through profit or loss				
Other financial liabilities	946	946	23,604	23,604
Derivatives for hedging purposes				
Other financial liabilities	-	-	27,411	27,411
<b>Liabilities at amortized cost</b>				
Financial liabilities at amortized cost				
Trade payables	5,638,618	<sup>1</sup>	-	-
Borrowings	1,116,637	<sup>1</sup>	6,506,624	6,531,699
Other payables	1,936,752	<sup>1</sup>	100	98
<b>Other liabilities</b>				
Lease liabilities	73,297	<sup>2</sup>	46,323	<sup>2</sup>
Other financial liabilities	6,099	<sup>3</sup>	5,603	<sup>3</sup>
<b>Total</b>	<b>8,772,349</b>		<b>6,609,665</b>	

<sup>1</sup> Excluded from disclosure such as fair value hierarchy and measurement method as the book amount is the reasonable approximate of fair value.

<sup>2</sup> Lease liabilities were excluded from the fair value disclosures in accordance with Korean IFRS 1107 *Financial Instruments: Disclosures*.

<sup>3</sup> Measured at the higher of the amount of the loss allowance determined in accordance with Korean IFRS 1109 *Financial Instruments*, and the amount initially recognized less cumulative amount of income recognized in accordance with Korean IFRS 1115 *Revenue from Contracts with Customers*, and excluded from disclosure as there is no significant difference between the book amount and its fair value.

(b) Fair value measurements of assets and liabilities

i) Fair value hierarchy and measurement method

The fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value measurement is to estimate the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. When measuring fair value using valuation techniques, the Company maximizes the use of market information and minimizes the use of unobservable inputs.

Financial instruments measured at fair value are categorized within the fair value hierarchy, and the defined levels are as follows:

- Level 1: Financial instruments measured at the quoted prices in an active market for identical assets or liabilities are included in 'level 1'. Assets or liabilities categorized within 'level 1' are financial instruments such as marketable equity securities traded.

- Level 2: When financial instruments are measured by using a discounted cash flow, if all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in 'level 2'. Assets or liabilities categorized within 'level 2' are financial

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instruments such as derivative financial instruments.

- Level 3: When financial instruments are measured by using a discounted cash flow, if one or more of the significant inputs are unobservable market data, the instrument is included in 'level 3'. The assets or liabilities categorized within 'level 3' are unlisted equity securities and debt securities.

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, an entity within the same industry, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price for financial assets held by the Company is the closing price at the end of the reporting period. These instruments are included in 'level 1'. Instruments included in 'level 1' comprise primarily listed equity securities classified as financial assets at fair value through other comprehensive income.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses various valuation techniques that the Company develops or figures that external valuation agencies provide, and makes judgements based on current market conditions. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in 'level 2'.

If one or more of the significant inputs are not based on observable market data, the instrument is included in 'level 3'. Financial instrument included 'level 3' uses other method including discounting cash flow method.

ii) Financial instruments measured at fair value

Fair value hierarchy classifications of the financial assets and financial liabilities that are measured at fair value as at March 31, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>March 31, 2022</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Other financial assets				
Financial assets at fair value through other comprehensive income	42,667	-	30,386	73,053
Financial assets at fair value through profit or loss	-	-	71,973	71,973
Derivatives for hedging purposes	-	83,213	-	83,213
<b>Liabilities</b>				
Other financial liabilities				
Financial liabilities at fair value through profit or loss	-	39,739	-	39,739

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<b>March 31, 2022</b>				
<i>(in millions of Korean won)</i>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Derivatives for hedging purposes	-	7,261	-	7,261

  

<b>December 31, 2021</b>				
<i>(in millions of Korean won)</i>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Other financial assets				
Financial assets at fair value through other comprehensive income	48,150	-	28,385	76,535
Financial assets at fair value through profit or loss	-	100	72,285	72,385
Derivatives for hedging purposes	-	38,583	-	38,583
<b>Liabilities</b>				
Other financial liabilities				
Financial liabilities at fair value through profit or loss	-	24,550	-	24,550
Derivatives for hedging purposes	-	27,411	-	27,411

The above fair value amounts are recurring fair value measurements.

- Valuation technique and inputs for fair value measurements categorized within 'level 2'

Valuation technique and inputs for fair value measurements categorized within 'level 2' as at March 31, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>Fair value</b>		<b>Valuation techniques</b>	<b>Inputs</b>
	<b>March 31, 2022</b>	<b>December 31, 2021</b>		
<b>Assets</b>				
Other financial assets				
Financial assets at fair value through profit or loss	-	100	Discounted cash flow	Discount rate and exchange rate
Derivatives for hedging purposes	83,213	38,583	Discounted cash flow	Discount rate and exchange rate
<b>Liabilities</b>				
Other financial liabilities				
Financial liabilities at fair value through profit or loss	16,239	946	Discounted cash flow	Discount rate and exchange rate
Financial liabilities at fair value through profit or loss	23,500	23,604	Binomial model	Share price and volatility
Derivatives for hedging purposes	7,261	27,411	Discounted cash flow	Discount rate and exchange rate

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- Valuation technique and inputs of fair value measurements categorized within 'level 3'

At the end of the reporting period, financial instruments measured at fair value categorized within 'level 3' comprise unlisted equity securities and debt securities and are measured using discounted cash flow considering discount rate and others as inputs.

iii) Financial instruments not measured at fair value but for which the fair value is disclosed

Financial instruments not measured at fair value but for which the fair value is disclosed as at March 31, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>March 31, 2022</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Non-current deposits held by financial institutions	-	-	794	794
Non-current trade receivables	-	-	46,376	46,376
Non-current other receivables	-	-	178,841	178,841
<b>Liabilities</b>				
Non-current borrowings	-	-	6,073,355	6,073,355

<i>(in millions of Korean won)</i>	<b>December 31, 2021</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Non-current deposits held by financial institutions	-	-	730	730
Non-current trade receivables	-	-	22,040	22,040
Non-current other receivables	-	-	178,848	178,848
<b>Liabilities</b>				
Non-current borrowings	-	-	6,531,699	6,531,699
Non-current other payables	-	-	98	98

- Valuation technique and inputs for fair value measurements categorized within 'level 2'

At the end of the reporting period, there are no financial instruments that are not measured at fair value but for which the fair value is disclosed and categorized within 'level 2'.

- Disclosure in relation to fair value measurements categorized within 'level 3'

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Valuation technique, inputs and unobservable inputs of financial instruments that are not measured at fair value but for which the fair value is disclosed and categorized within 'level 3' as at March 31, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	March 31, 2022		December 31, 2021		Valuation techniques	Inputs	Significant but unobservable inputs	Range of significant but unobservable inputs
	Carrying amount	Fair value	Carrying amount	Fair value				
<b>Assets</b>								
Non-current deposits held by financial institutions	794	794	730	730	Discounted cash flow	Discount rate	Discount rate	0.1%
Non-current trade receivables	46,376	46,376	22,040	22,040	Discounted cash flow	Discount rate	Discount rate	3.54%~4.30%
Non-current other receivables	185,693	178,841	180,481	178,848	Discounted cash flow	Discount rate and exchange rate	Discount rate	3.2%~3.9%
<b>Liabilities</b>								
Non-current borrowings	6,300,459	6,073,355	6,506,624	6,531,699	Discounted cash flow	Discount rate and exchange rate	Discount rate	2.6%~4.5%
Non-current other payables	-	-	100	98	Discounted cash flow	Discount rate	Discount rate	2.0%

**32. Assets Classified as Held for Sale**

(a) Details of assets classified as held for sale as at March 31, 2022 and December 31, 2021, are as follows:

<i>(in millions of Korean won)</i>	March 31, 2022 <sup>1</sup>	December 31, 2021
Assets classified as held for sale		
Land	53,007	32,255
Building	269,929	48,730
Machinery	3,413	3,464
Structures	3,395	-
Other property, plant and equipment	676	339
<b>Total</b>	<b>330,420</b>	<b>84,788</b>

<sup>1</sup>At the end of the reporting period, procedure to sell the above assets is in progress and the selling procedure is expected to be completed by 2022.

(b) Assets held for sale are measured at fair value less costs to sell before the reclassification, and there is no impairment loss recognized.

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**33. Discontinued Operation**

In 2021, the Company discontinued the operation of MC business in order to focus on the Company's core business through firmwide resource efficiency and to secure financial resources for preparing new business for future growth by improving its financial structure.

Profit and loss from discontinued operation for the three-month periods ended March 31, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
Net sales	14,633	560,273
Operating loss	(26,997)	(253,946)
Loss before income tax <sup>1</sup>	(29,433)	(292,318)
Income tax benefit <sup>1</sup>	(7,947)	(78,722)
<b>Loss for the period, net of tax</b>	<b>(21,486)</b>	<b>(213,596)</b>

<sup>1</sup> It includes an impairment loss and loss on disposal of property, plant and equipment and intangible assets amounting to ₩827 million due to discontinued operations of MC business, and income tax benefits of ₩223 million for the related profit or loss during the three-month period ended March 31, 2022.

Cash flows from discontinued operations for the three-month periods ended March 31, 2022 and 2021, are as follows:

<i>(in millions of Korean won)</i>	<b>2022</b>	<b>2021</b>
Net cash inflow(outflow) from operating activities	(72,784)	(231,413)
Net cash inflow (outflow) from investing activities	2,093	(3,587)
Net cash inflow(outflow) from financing activities	70,691	235,000

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**34. Split-off**

- (a) The Company split off the business related to the electric vehicle parts in 2021. On July 28, 2021, the Company sold 49% of shares of LG Magna e-Powertrain Co.,Ltd., a newly established company, to Magna Metalforming GmbH in Austria, an affiliate of Magna International Inc. in Canada. The progress of split-off is as follows:

Type of restructuring	Split-off
Subject companies	LG Electronics Inc. (Existing company) LG Magna e-Powertrain Co., Ltd. (Newly established company)
Approval from shareholders	March 24, 2021
Date of split-off	July 1, 2021

The Company determined the acquisition cost of investments in subsidiaries based on the carrying amount of net assets decreased due to the split-off. The carrying amount of net assets transferred due to the split-off and the acquisition cost of investments in subsidiaries are as follows.

<i>(in millions of Korean won)</i>	<b>Amount</b>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	91,500
Trade receivables and other receivables	117,000
Inventories	76,152
Other current assets	6,456
	<u>291,108</u>
Non-current assets	
Non-current trade receivables and other receivables	10,022
Investments in subsidiaries	20,385
Property, plant and equipment	516,685
Intangible assets	53,882
Other non-current assets	1,335
	<u>602,309</u>
Total assets	<u>893,417</u>
<b>Liabilities</b>	
Current liabilities	
Trade payables and other current payables	76,684
Other current liabilities	50,914
	<u>127,598</u>
Non-current liabilities	3,739
Total liabilities	<u>131,337</u>
<b>Transferred net assets (Investments in subsidiaries)</b>	<u>762,080</u>