

# Whitebox Advisors Issues Open Letter to Shareholders of LG Corporation

***Reiterates View That LG's Proposed Spin-Off Appears to Deprive Minority Shareholders of Meaningful Value and Weaken the Company's Market Standing***

***Shares Update Regarding Recent Attempts to Engage in a Constructive Private Dialogue With the Board About the Spin-Off and the Company's Unaddressed Valuation Gap***

***Urges Shareholders to Visit [www.ABetterLG.com](http://www.ABetterLG.com) to Learn More About Our Rationale for Opposing the Spin-Off and Sign Up for Future Updates***

NEW YORK & LONDON--(BUSINESS WIRE)--Whitebox Advisors LLC today issued the below open letter to shareholders of LG Corporation (KRX: 003550).

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February 24, 2021

Fellow Shareholders,

Whitebox Advisors LLC (together with its affiliates, "Whitebox" or "we") is a long-term shareholder of LG Corporation ("LG" or the "Company"). As you may know, Whitebox sent a public letter to LG's Board of Directors (the "Board") in December 2020 to explain our opposition to the planned spin-off of a newly created holding company comprised of the Company's direct and indirect holdings in LG Hausys, LG MMA, Silicon Works, LG International and Pantos (the "Spin-Off"). We subsequently engaged in a private dialogue with the Board's representatives to further explain why we believe the transaction would deprive shareholders of value and weaken the Company's standing in the market. Unfortunately, LG remains fully committed to seeking shareholder approval for this poorly-conceived and seemingly self-serving transaction.

We are writing to you today to formally announce that Whitebox intends to vote against the Spin-Off at LG's General Meeting of Shareholders scheduled to be held on March 26, 2021. We also want to make you aware that we have launched [www.ABetterLG.com](http://www.ABetterLG.com) to house our analysis and offer shareholders the opportunity to sign up for forthcoming updates. In the coming weeks, we plan to release additional information and a presentation to help inform shareholders ahead of this critical vote. The Notice of Meeting is not expected to be released by the Company until March 11, 2021, which gives you only a matter of days to decide how to cast your vote.

**As a shareholder of LG your vote is important. We strongly urge you to take action to protect the value of your investment.**

In our most recent interactions with LG, we tried to convince the Board's representatives that:

1. The Spin-Off does nothing to solve LG's most pressing problem, which is the Company's enormous trading price discount relative to its net asset value ("NAV").
2. The Spin-Off appears to deprive shareholders of meaningful value, especially given the universe of potential alternatives and possible unaffiliated transactions that could have been sourced by an independent financial advisor for the Board to objectively consider.
3. The Spin-Off seems to have been conceived for the inappropriate purpose of solving a family succession issue between the Company's Chairman and his uncle.

4. The Spin-Off undermines LG's credibility and market position by revealing an insular corporate governance model that treats minority shareholders like second-class citizens.

While the Company's representatives acknowledged the discount to NAV is a problem and indicated an openness to eventually increasing investor communication and modernizing governance practices, these indications in our private discussions fall far short of the public assurances that shareholders deserve and expect.

LG has a tremendous opportunity to become a stronger conglomerate – and a gem of the South Korean economy – if it focuses on closing its staggering valuation gap and modernizing its lagging corporate governance. Whitebox believes that shareholders can help encourage LG to focus on this opportunity by sending a clear message and voting against the proposed Spin-Off.

Yours faithfully,

Simon Waxley  
Head of Equity, Whitebox Advisors LLC

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### **About Whitebox**

Whitebox is a multi-strategy alternative asset manager that seeks to generate optimal risk-adjusted returns for a diversified base of public institutions, private entities and qualified individuals. Founded in 1999, Whitebox invests across asset classes, geographies, and markets through the funds, vehicles and institutional accounts we advise. The firm manages approximately \$5.5 billion in assets and maintains offices in Minneapolis, Austin, New York, London and Sydney.

### **Disclaimer**

This communication should not be construed as asking or soliciting shareholders of the Company to authorize Whitebox or any third party to exercise their voting rights on their behalf with respect to the proposals to be presented to shareholders of the Company at the 2021 General Meeting of Shareholders (the "Meeting"). Whitebox is by no means soliciting or requesting other shareholders to grant or deliver their proxies to Whitebox for the Meeting.

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