



SFC'S FINAL RULING ON SAMSUNG BIOLOGICS

The Securities and Futures Commission (SFC) ruled that Samsung BioLogics intentionally violated accounting rules by changing the accounting treatment of its stake in Samsung Bioepis from book value to fair market value in 2015.

The SFC decided to recommend dismissal of Samsung BioLogics' chief executive; impose a fine of KRW 8 billion; and refer the case to prosecutors.

Samjong KPMG, Samsung BioLogics' auditor, will be imposed a fine of KRW 170 million and banned from auditing the company over the next five years for its gross negligence; and ordered to suspend duties of involved accountants. Deloitte Anjin will be barred from auditing Samsung BioLogics over the next three years for its negligence.

The imposition of a fine exceeding KRW 500 million and suspension of duties will be finally determined by the Financial Services Commission (FSC) in accordance with the Financial Investment Services and Capital Markets Act and the Certified Public Accountant Act.

Upon the SFC's ruling, the Korea Exchange (KRX) will suspend trading of Samsung BioLogics' stocks temporarily while it reviews whether the company is eligible to remain listed.

#

For any inquiry, please contact Foreign Press & Relations Team at fsc_media@korea.kr