
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

**Amendment No. 1
FORM 10-K/A**

(Mark one)

☒ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the fiscal year ended December 31, 2006

or

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the transition period from _____ to _____.

Commission file number 333-126019-09

MAGNACHIP SEMICONDUCTOR LLC

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

83-0406195
(I.R.S. Employer
Identification No.)

c/o MagnaChip Semiconductor S.A.
74, rue de Merl, B.P. 709, L-2017
Luxembourg, Grand Duchy of Luxembourg
(Address of principal executive offices)

Not Applicable
(Zip Code)

Registrant's telephone number, including area code: (352) 45-62-62

Securities registered pursuant to Section 12(b) of the Act: None.

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☒ No ☐

Note—Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Exchange Act from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter. **Not applicable.**

As of March 1, 2007, the registrant had 52,720,784.047 of the registrant's common units outstanding.

MAGNACHIP SEMICONDUCTOR LLC
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EXPLANATORY NOTE

This Amendment No. 1 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2006, is being filed to include additional disclosures under Item 13 of the Form 10-K filed on March 30, 2007 (the "Original Filing"), based upon information discovered by the registrant following the Original Filing. As required by Rule 12b-15 promulgated under the Securities Exchange Act of 1934, as amended, we have included the complete text of the revised Item 13 and have filed new exhibits 31.1, 31.2, 32.1 and 32.2 herewith. The text in Item 13 speaks as of the date of the Original Filing and has not been revised or updated in this Amendment No. 1 to reflect events occurring between the date of the Original Filing and the filing of this Amendment No. 1.

Except as described above, this amendment does not modify or update disclosure in, or exhibits to, the Original Filing. Furthermore, this amendment does not change any previously reported financial results, nor does it reflect events occurring after the date of the Original Filing. Accordingly, this Amendment No. 1 should be read in conjunction with our filings made subsequent to the filing of the Original Filing.

PART III

Item 13. Certain Relationships and Related Transactions, and Director Independence.

ADVISORY AGREEMENTS

In connection with the Original Acquisition, and the related equity financing, MagnaChip Korea and MagnaChip entered into advisory agreements with each of CVC Management LLC, Francisco Partners Management, LLC and CVC Capital Partners Asia Limited, which are related to CVC, Francisco Partners and CVC Asia Pacific, respectively, pursuant to which each may provide financial, advisory and consulting services to MagnaChip Korea and MagnaChip. Under such agreements, each of CVC Management, Francisco Partners Management and CVC Capital Partners Asia is entitled to receive fees billed at such firm's customary rates for actual time spent performing such services plus reimbursement for out-of-pocket expenses or, at such firm's option and upon certain conditions, an annual advisory fee, the amount of which is the greater of a fixed dollar amount or a percentage of the annual consolidated revenue of MagnaChip Korea and MagnaChip for the last twelve months, plus out-of-pocket expenses, for the remaining term of the advisory agreement. The annual advisory fees under the agreements are as follows: CVC Management and Francisco Partners Management are each entitled to the greater of \$1,379,163.42 or 0.14777% of annual consolidated revenue and CVC Capital Partners Asia is entitled to the greater of \$741,673.15 or 0.07946% of annual consolidated revenue. There are no minimum levels of service required to be provided pursuant to the advisory agreements. Each advisory agreement has an initial term of ten years from the date of the Original Acquisition, subject to termination by either party upon written notice 90 days prior to the expiration of the initial term or any extension thereof. Each advisory agreement includes customary indemnification provisions in favor of each of CVC Management, Francisco Partners Management and CVC Capital Partners Asia. In exchange for an extension of the initial term of these advisory agreements for a period of one year, each of the three advisors under these advisory agreements agreed to waive all fees accruing in our fiscal year 2006.

RELATED PARTY TRANSACTIONS

Under our Code of Business Conduct and Ethics, all conflicts of interest and related-party transactions that are determined to be material by the Chief Financial Officer must be reviewed and approved in writing by our audit committee. All conflicts of interest and related-party transactions involving our directors or executive officers must be reviewed and approved in writing by our full Board of Directors. In the approval process, the approving authority will review all aspects of the conflict of interest or related-party transaction, including but not limited to, (i) compliance with laws, rules, and regulations, (ii) the adverse affect on our business and results of operations, (iii) the adverse affect on our relationships with third parties such as customers, vendors, and potential investors, (iii) the benefit to the director, officer, or employee at issue, and (iv) the creation of morale problems among other employees.

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The securityholders' agreement executed by and among us, CVC, Francisco Partners, CVC Asia Pacific and other securityholders of MagnaChip provides that our Board of Directors must approve any contract with, obligation to or transaction or series of transactions between, us and one or more of our securityholders or their affiliates.

In November 2006, (i) Sang Park, our Chief Executive Officer and the Chairman of our Board of Directors, purchased in the open market \$69,000 aggregate principal amount of our 8% Senior Subordinated Notes due 2014 (the "8% Notes") at a price of approximately \$50,000 (which includes approximately \$2,500 paid with respect to accrued interest), and (ii) Robert J. Krakauer, our President and Chief Financial Officer and a Director, purchased in the open market \$138,000 aggregate principal amount of the 8% Notes at a price of approximately \$100,000 (which includes approximately \$5,000 paid with respect to accrued interest). MagnaChip paid interest of \$2,760 and \$5,520, respectively, to Mr. Park and Mr. Krakauer during our fiscal year 2006. In February 2007, Paul C. Schorr IV, a Director, purchased in the open market \$175,000 in aggregate principal amount of the 8% Notes at a price of approximately \$127,000 (which includes approximately \$2,300 paid with respect to accrued interest). None of the foregoing purchases of the 8% Notes were subject to our related party transaction or conflict of interest approval process set forth in our Code of Business Conduct and Ethics or securityholders' agreement because the 8% Notes were not purchased from MagnaChip. All of the foregoing purchases were completed outside MagnaChip's regular trading blackout periods.

DIRECTOR INDEPENDENCE

We are not a listed issuer. For purposes of determining whether our directors are independent under this Item 13, we apply the definition of director independence as set forth in the Rules of The NASDAQ Stock Market LLC. The following directors marked with an asterisk ("*") are independent under the Rules with respect to our Board of Directors and each board committee.

<u>Board of Directors</u>	<u>Audit Committee</u>	<u>Compensation Committee</u>	<u>Nominating and Governance Committee</u>
Jerry M. Baker	R. Douglas Norby*	Dipanjan Deb	R. Douglas
Dipanjan Deb	Phokion Potamianos	Paul C. Schorr IV	Norby*
Armando Geday	Paul C. Schorr IV	David F. Thomas	Phokion
Youm Huh (1)			Potamianos
Robert Krakauer			David F.
Roy Kuan			Thomas
R. Douglas Norby*			
Sang Park			
Phokion Potamianos			
Paul C. Schorr IV			
David F. Thomas			

Footnote:

(1) Dr. Huh resigned as a director effective May 27, 2006.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(b) Exhibits: The following exhibits are hereby added to the Exhibits originally filed with the Original Filing.

- 31.1 Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 of the Chief Executive Officer.
- 31.2 Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 of the Chief Financial Officer.
- 32.1 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of the Chief Executive Officer.
- 32.2 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of the Chief Financial Officer.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MAGNACHIP SEMICONDUCTOR LLC

Dated: May 14, 2007

By:

/S/ SANG PARK

Sang Park
Chief Executive Officer and Chairman

CERTIFICATION BY CHIEF EXECUTIVE OFFICER

I, Sang Park, certify that:

1. I have reviewed this annual report on Form 10-K/A of MagnaChip Semiconductor LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Intentionally Omitted*;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 14, 2007

/s/ SANG PARK

Sang Park
Chief Executive Officer and Chairman

* Paragraph 3, omitted here, is included in Exhibit 31.1 to the Annual Report on Form 10-K filed by MagnaChip Semiconductor LLC on March 30, 2007.

CERTIFICATION BY CHIEF FINANCIAL OFFICER

I, Robert J. Krakauer, certify that:

1. I have reviewed this annual report on Form 10-K/A of MagnaChip Semiconductor LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Intentionally Omitted*;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 14, 2007

/s/ ROBERT J. KRAKAUER

Robert J. Krakauer
President and Chief Financial Officer

* Paragraph 3, omitted here, is included in Exhibit 31.2 to the Annual Report on Form 10-K filed by MagnaChip Semiconductor LLC on March 30, 2007.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of MagnaChip Semiconductor LLC (the "Company") on Form 10-K/A for the period ending December 31, 2006, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Sang Park, Chief Executive Officer and Chairman of the Board of Directors of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) Intentionally Omitted*.

/s/ SANG PARK

Sang Park
Chief Executive Officer and Chairman

May 14, 2007

* Paragraph 2, omitted here, is included in Exhibit 32.1 to the Annual Report on Form 10-K filed by MagnaChip Semiconductor LLC on March 30, 2007.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of MagnaChip Semiconductor LLC (the "Company") on Form 10-K/A for the period ending December 31, 2006, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert J. Krakauer, President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) Intentionally Omitted*.

/S/ ROBERT J. KRAKAUER

Robert J. Krakauer
President and Chief Financial Officer

May 14, 2007

* Paragraph 2, omitted here, is included in Exhibit 32.2 to the Annual Report on Form 10-K filed by MagnaChip Semiconductor LLC on March 30, 2007.