

(English Translation of Financial Report Originally Issued in Chinese)

**EMERGING DISPLAY TECHNOLOGIES CORP. AND
SUBSIDIARIES**

**For the nine months ended September 30, 2022 and 2021
(With Independent Auditors' Review Report Thereon)**

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Independent Auditors' Review Report

The Board of Director's
Emerging Display Technologies Corp

Introduction

We have reviewed the accompanying consolidated balance sheets of Emerging Display Technologies Corp. (the Company) and subsidiaries as of September 30, 2022 and 2021, and the related consolidated statements of comprehensive income for the three months and the nine months ended September 30, 2022 and 2021, and changes in equity and cash flows for the nine months ended September 30, 2022 and 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standards 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements 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 the generally accepted auditing standards 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.

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain nonsignificant subsidiaries, which were not reviewed by independent accountants. These financial statements reflect total assets amounting to \$460,534 thousand and \$281,045 thousand, constituting 11.53% and 7.77% of consolidated total assets as of September 30, 2022 and 2021, respectively, total liabilities amounting to \$123,237 thousand and \$93,273 thousand, constituting 7.11% and 5.73% of consolidated total liabilities as of September 30, 2022 and 2021, respectively, and total comprehensive income amounting to gain \$35,704 thousand, loss \$7,672 thousand, gain \$59,470 thousand and loss \$26,172 thousand, constituting 19.71%, 11.97%, 16.18% and 14.04% of consolidated total comprehensive income for the three months and the nine months ended September 30, 2022 and 2021, respectively.

Qualified Conclusion

Based on our reviews, except for the effects of the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent accountants, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as of September 30, 2022 and 2021, and its consolidated financial performance for the three months and nine months ended September 30, 2022 and 2021, as well as its consolidated cash flows for the nine months ended September 30, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the audit resulting in this independent auditors’ review report are Yung Hsiang, Chen and Yen Ta, Su.

KPMG

Taipei, Taiwan (Republic of China)

November 8, 2022

(English Translation of Financial Statements and Report Originally Issued in Chinese)
EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2022, December 31, 2021, and September 30, 2021

(Expressed in thousands of New Taiwan Dollars)

(Reviewed, not audited)

Assets	September 30,2022		December 31,2021		September 30,2021		Liabilities and Equity	September 30,2022		December 31,2021		September 30,2021	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
Current assets :							Current liabilities :						
Cash and cash equivalents (Note 6(a))	\$ 1,066,283	27	816,356	23	844,876	23	Short-term loans (Note 6(m))	\$ 60,000	2	-	-	194,445	5
Financial assets at fair value through profit or loss, current (Note 6(b))	5,461	-	42	-	5,517	-	Financial liability at fair value through profit or loss (Note 6(b))	-	-	-	-	12	-
Financial assets at fair value through other comprehensive income, current (Note 6(c))	320,218	8	302,101	8	348,253	10	Notes payable	33	-	86	-	185	-
Accounts receivable, net (Note 6(d) and (v))	728,413	18	749,530	21	713,241	20	Accounts payable	565,694	14	559,800	16	518,821	15
Other receivables (Notes 6(e))	1,498	-	2,823	-	2,263	-	Other note and accounts payables (Note 6(n))	381,010	10	290,708	8	258,962	7
Income tax assets	291	-	104	-	462	-	Income tax liabilities	81,203	2	29,744	1	31,721	1
Inventories (Note 6(f))	1,101,898	28	1,056,165	29	1,008,290	28	Lease liabilities, current (Notes 6(p))	13,623	-	11,644	-	12,195	-
Other current assets (Notes 6(g) and 8)	68,209	2	51,997	2	92,653	3	Other current liabilities (Notes 6(v))	81,927	2	55,718	2	59,593	2
Total current assets	3,292,271	83	2,979,118	83	3,015,555	84	Total current liabilities	1,183,490	30	947,700	27	1,075,934	30
Non-current assets :							Non-current liabilities :						
Financial assets at fair value through other comprehensive income, non-current (Note 6(c))	172,281	4	113,460	3	94,306	3	Long-term loans (Notes 6(o) and 8)	397,959	10	398,349	11	398,613	11
Property, plant and equipment (Notes 6(i) ,8 and 9)	364,355	9	332,762	9	327,575	9	Deferred income tax liabilities	8	-	240	-	242	-
Right-of-use assets (Notes 6(j))	68,269	1	77,475	2	79,928	2	Lease liabilities, non-current (Notes 6(p))	58,186	1	68,730	2	70,375	2
Investment property (Notes 6(k) and (q))	60,203	2	52,967	2	53,453	1	Net defined benefit liabilities, non-current	91,926	2	100,977	3	82,830	2
Intangible assets (Note 6(l))	5,522	-	3,685	-	3,457	-	Guarantee deposits received	619	-	544	-	547	-
Deferred income tax assets	21,741	1	21,737	1	31,905	1	Other non-current liabilities—other	364	-	520	-	572	-
Other non-current financial assets (Notes 6(g) and 8)	9,535	-	8,239	-	11,519	-	Total non-current liabilities	549,062	13	569,360	16	553,179	15
Total non-current assets	701,906	17	610,325	17	602,143	16	Total liabilities	1,732,552	43	1,517,060	43	1,629,113	45
Total assets	\$ 3,994,177	100	3,589,443	100	3,617,698	100	Equity attributable to owners of parent (Note 6(t)) :						
							Capital stock	1,574,076	39	1,624,076	45	1,624,076	45
							Capital surplus	35,840	1	25,980	1	25,977	1
							Retained earnings	821,870	21	654,787	18	608,284	17
							Other equity interest	(117,575)	(3)	(104,491)	(3)	(134,554)	(4)
							Treasury stock	(122,282)	(3)	(173,021)	(5)	(173,021)	(5)
							Total equity attributable to shareholders of the parent	2,191,929	55	2,027,331	56	1,950,762	54
							Non-controlling interests (Note 6(h))	69,696	2	45,052	1	37,823	1
							Total equity	2,261,625	57	2,072,383	57	1,988,585	55
							Total liabilities and equity	\$ 3,994,177	100	3,589,443	100	3,617,698	100

See accompanying notes to financial statements

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months and the nine months ended September 30, 2022 and 2021

(Expressed in thousands of New Taiwan dollars, Except Earnings Per Share)

(Reviewed, not audited)

	For the three months ended September 30				For the nine months ended September 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
Operating revenue (Note 6(v))	\$ 1,276,124	100	1,094,234	100	3,501,279	100	3,080,613	100
Operating cost (Notes 6(f, r and w) and 12)	1,026,394	80	914,900	84	2,831,353	81	2,556,120	83
Gross profit	249,730	20	179,334	16	669,926	19	524,493	17
Operating expenses (Notes 6(d, r and w) 7and 12) :								
Selling expenses	65,549	5	46,200	4	185,387	5	147,682	5
General and administrative expenses	47,462	3	35,931	3	125,394	4	96,723	3
Research and development expenses	38,945	3	30,419	3	98,662	3	83,837	3
Expected credit impairment loss(gain)	(130)	-	1,210	-	(135)	-	1,822	-
Total operating expenses	151,826	11	113,760	10	409,308	12	330,064	11
Net other income and expenses (Note 6(q and x))	1,053	-	941	-	3,020	-	2,868	-
Net operating income	98,957	9	66,515	6	263,638	7	197,297	6
Non-operating income and expenses (Note 6(c, p and y)) :								
Interest income	1,084	-	36	-	1,606	-	1,118	-
Other income	15,709	1	17,547	2	26,341	1	27,588	1
Other gains and losses	76,410	6	2,893	-	138,384	4	(15,804)	(1)
Finance costs	(2,573)	-	(2,415)	-	(7,022)	-	(6,840)	-
Total Non-operating income and expenses	90,630	7	18,061	2	159,309	5	6,062	-
Profit (loss) before income tax	189,587	16	84,576	8	422,947	12	203,359	6
Less: Income tax expense (Note 6(s))	37,769	3	13,383	1	76,599	2	21,687	1
Profit (Loss)	151,818	13	71,193	7	346,348	10	181,672	5
Other comprehensive income:								
Items that will not be reclassified subsequently to profit or loss								
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income (Note 6(t))	18,096	1	(4,124)	-	(6,077)	-	15,767	1
Less : Income tax related to items that will not be reclassified subsequently (Note 6(s))	-	-	29	-	(232)	-	(112)	-
	18,096	1	(4,153)	-	(5,845)	-	15,879	1
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translation of foreign financial statements	11,245	1	(2,946)	-	27,029	1	(11,196)	-
Less: Income tax related to items that will be reclassified subsequently (Note 6(s))	-	-	-	-	-	-	-	-
	11,245	1	(2,946)	-	27,029	1	(11,196)	-
Other comprehensive income, net	29,341	2	(7,099)	-	21,184	1	4,683	1
Comprehensive income	\$ 181,159	15	64,094	7	367,532	11	186,355	6
Profit (loss) attributable to:								
Shareholders of the parent	\$ 151,695	13	71,592	7	346,663	10	182,537	5
Non-controlling interests	123	-	(399)	-	(315)	-	(865)	-
Net Profit (loss)	\$ 151,818	13	71,193	7	346,348	10	181,672	5
Comprehensive income attributable to:								
Shareholders of the parent	\$ 168,549	14	63,539	7	342,888	10	189,340	6
Non-controlling interests	12,610	1	555	-	24,644	1	(2,985)	-
Total comprehensive income	\$ 181,159	15	64,094	7	367,532	11	186,355	6
Earnings per share (Note 6(u)) (expressed in New Taiwan dollars):								
Basic earnings per share	\$ 1.02		0.48		2.33		1.23	
Diluted earnings per share	\$ 1.02		0.48		2.31		1.22	

See accompanying notes to consolidated financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)
EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES
Consolidated Statements of Changes in Stockholders' Equity
For the nine months ended September 30, 2022 and 2021
(Expressed in thousands of New Taiwan dollars)
(Reviewed, not audited)

	Equity attributable to shareholders of parent					Other equity interest			Total equity attributable to shareholders of parent	Non-controlling interests	Total Equity
	Retained earnings					Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury stock			
	Capital stock	Capital surplus	Legal capital reserve	Special capital reserve	Unappropriated earnings						
Balance at January 1, 2021	\$ 1,624,076	15,423	82,748	102,612	405,734	(18,296)	(99,519)	(173,021)	1,939,757	40,808	1,980,565
Profit	-	-	-	-	182,537	-	-	-	182,537	(865)	181,672
Other comprehensive income	-	-	-	-	-	(10,900)	17,703	-	6,803	(2,120)	4,683
Total comprehensive income	-	-	-	-	182,537	(10,900)	17,703	-	189,340	(2,985)	186,355
Appropriation and distribution of retained earnings :											
Legal reserve	-	-	24,072	-	(24,072)	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(188,889)	-	-	-	(188,889)	-	(188,889)
Special reserve	-	-	-	15,203	(15,203)	-	-	-	-	-	-
Cash dividends to subsidiaries	-	10,553	-	-	-	-	-	-	10,553	-	10,553
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	23,542	-	(23,542)	-	-	-	-
Return of employee stock ownership trust	-	1	-	-	-	-	-	-	1	-	1
Balance as of September 30, 2021	\$ 1,624,076	25,977	106,820	117,815	383,649	(29,196)	(105,358)	(173,021)	1,950,762	37,823	1,988,585
Balance at January 1, 2022	\$ 1,624,076	25,980	106,820	117,815	430,152	(29,998)	(74,493)	(173,021)	2,027,331	45,052	2,072,383
Profit	-	-	-	-	346,663	-	-	-	346,663	(315)	346,348
Other comprehensive income	-	-	-	-	-	26,637	(30,412)	-	(3,775)	24,959	21,184
Total comprehensive income	-	-	-	-	346,663	26,637	(30,412)	-	342,888	24,644	367,532
Appropriation and distribution of retained earnings :											
Legal reserve	-	-	25,258	-	(25,258)	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(188,889)	-	-	-	(188,889)	-	(188,889)
Special reserve	-	-	-	(13,324)	13,324	-	-	-	-	-	-
Cash dividends to subsidiaries	-	10,553	-	-	-	-	-	-	10,553	-	10,553
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	9,309	-	(9,309)	-	-	-	-
Retirement of treasury stock	(50,000)	(739)	-	-	-	-	-	50,739	-	-	-
Return of employee stock ownership trust	-	46	-	-	-	-	-	-	46	-	46
Balance as of September 30, 2022	\$ 1,574,076	35,840	132,078	104,491	585,301	(3,361)	(114,214)	(122,282)	2,191,929	69,696	2,261,625

See accompanying notes to consolidated financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)
EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the nine months ended September 30, 2022 and 2021

(Expressed in thousands of New Taiwan Dollars)

(Reviewed, not audited)

	For the nine months ended September 30	
	2022	2021
Cash flows from (used in) operating activities :		
Profit (Loss) before tax	\$ 422,947	203,359
Adjustments :		
Adjustments to reconcile profit (loss)		
Depreciation expense	48,106	48,262
Amortization expense	1,063	918
Expected credit impairment loss (gain)	(135)	1,822
Net gains on financial assets or liabilities at fair value through profit or loss	(5,420)	(5,668)
Interest expense	7,022	6,840
Interest income	(1,594)	(1,095)
Dividend income	(25,799)	(27,398)
Gain on disposal of property, plant, equipment	(330)	(436)
Unrealized foreign exchange loss (gain)	(31,252)	(3,224)
Others	46	1
Total adjustments to reconcile profit	(8,293)	20,022
Changes in operating assets and liabilities		
Changes in operating assets :		
Increase in Financial assets mandatorily measured at fair value through profit or loss	-	(5,532)
Decrease (increase) in accounts receivable	74,558	(127,525)
Decrease in other accounts receivable	765	3,588
Increase in inventories	(33,171)	(139,171)
Increase in other current assets	(15,527)	(12,355)
Total net changes in operating assets	26,625	(280,995)
Changes in operating liabilities :		
Decrease in notes payable	(53)	(1,049)
Increase (decrease) in accounts payable	(17,960)	119,751
Increase (decrease) in other payable	72,228	(16,345)
Increase in other current liabilities	25,966	16,545
Decrease in net defined benefit liability	(9,051)	(4,218)
Decrease in other non-current liabilities	(156)	(156)
Total changes in operating liabilities	70,974	114,528
Total changes in operating assets and liabilities	97,599	(166,467)
Total adjustments	89,306	(146,445)
Cash inflow generated from operations	512,253	56,914
Interest received	1,421	1,412
Dividends received	25,833	27,309
Interest paid	(7,456)	(6,580)
Income taxes paid	(25,521)	(41,897)
Net cash flows from (used in) operating activities	506,530	37,158
Cash flows from (used in) investing activities :		
Acquisition of financial assets at fair value through other comprehensive income	(138,307)	(339,254)
Proceeds from disposal of financial assets at fair value through other comprehensive income	55,603	170,914
Acquisition of financial assets at fair value through profit or loss	(10,000)	(30,135)
Proceeds from disposal of financial assets at fair value through profit or loss	10,001	94,451
Acquisition of property, plant and equipment	(50,253)	(34,444)
Proceeds from disposal of property, plant, equipment	2,114	2,941
Acquisition of intangible assets	(2,899)	(264)
Other financial assets	(976)	(1,058)
Net cash flows from (used in) investing activities	(134,717)	(136,849)
Cash flows from (used in) financing activities :		
Increase (decrease) in short-term loans	60,000	(505,445)
Increase in long-term loans	-	400,000
Cash dividends	(178,336)	(178,342)
Repayment of lease liabilities	(9,921)	(10,464)
Net cash flows from (used in) financing activities	(128,257)	(294,251)
Effects of changes in foreign exchange rates	6,371	(3,513)
Net increase (decrease) in cash and cash equivalents	249,927	(397,455)
Cash and cash equivalents at beginning of period	816,356	1,242,331
Cash and cash equivalents at end of period	\$ 1,066,283	844,876

See accompanying notes to financial statements.

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIE
Notes to the Consolidated Financial Statements
For the six months ended June 30, 2022 and 2021
(All amounts expressed in thousands of New Taiwan dollars, unless otherwise specified)
(Reviewed, not audited)

(1) Organization and Business Scope

Emerging Display Technologies Corp. (the Company) and its subsidiaries was incorporated as a limited liability Group under the laws of the Republic of China (ROC) on September 23, 1994. The address of its registered office and principal place of business is No.5, Central 1st Rd., Qianzhen Dist., Kaohsiung City, Taiwan. The Consolidated financial statements comprise Emerging Display Technologies Corp. and its subsidiaries (jointly referred to as the Group). The Group is engaged in the manufacture and sale of Capacity Touch Panel and liquid crystal displays (LCDs).

(2) Financial Statements Authorization Date and Authorization Process

The consolidated financial statements were authorized for issuance by the Board of Directors on November 8, 2022.

(3) Application of New and Revised International Financial Reporting Standards and Interpretations

(a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2022:

- Amendments to IAS 16 “Property, Plant and Equipment—Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts—Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018-2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

(b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- Amendments to IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IFRS 16 “Requirements for Sale and Leaseback Transactions”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

(4) Summary of Significant Accounting Policies

(a) Statement of compliance

The consolidated financial statements have been prepared in conforming with the Regulation Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, “Interim Financial Reporting,” endorsed by FSC. These consolidated financial statements do not include all of the information required by the Regulations and by the IFRS endorsed by the FSC for full annual consolidated financial statements.

Except as described below, the significant accounting policies for the consolidated financial statement applied in these consolidated financial statements is consistent with those applied in the consolidated financial statements for the year ended December 31, 2021. Please refer to Note 4 of 2021 consolidated financial statement for detail information.

(b) Basis of consolidation

(i) Subsidiaries included in the consolidated financial statements are as follows:

Name of investor	Name of the subsidiary	Business Activity	Percentage ownership			Remarks
			September 30,2022	December 31,2021	September 30,2021	
The Company	Emerging Display Technologies Corp., U.S.A	Sale of CTP and LCDs	100.00%	100.00%	100.00%	Major Subsidiary
The Company	Emerging Display International (Samoa) Corp.	Investment holding	78.49%	78.49%	78.49%	Note
The Company	EDT-Europe ApS	Customer service and business support	100.00%	100.00%	100.00%	Note
The Company	Emerging Display Technologies Korea	Sale of CTP and LCDs	100.00%	100.00%	100.00%	Note
The Company	EDT-Japan Corp.	Customer service and business support	100.00%	100.00%	100.00%	Note
The Company	Ying Dar Investment Development Corp.	Investment	100.00%	100.00%	100.00%	Note
The Company	Bae Haw Investment Development Corp.	Investment	100.00%	100.00%	100.00%	Note
The Company	Ying Cheng Investment Corp.	Investment	52.50%	52.50%	52.50%	
Ying Dar Investment Development Corp.	Emerging Display International (Samoa) Corp.	Investment holding	5.90%	5.90%	5.90%	Note
Bae Haw Investment Development Corp	Emerging Display International (Samoa) Corp.	Investment holding	11.41%	11.41%	11.41%	Note
Emerging Display International (Samoa) Corp.	Dong Guan Emerging Display Limited	Manufacturing of CTP and LCDs	100.00%	100.00%	100.00%	Note

Note: Quarterly financial reports are unaudited for non-major subsidiaries.

(ii) Subsidiaries which are not included in the consolidated financial statements: None.

(c) Income tax

The Group prepared income tax in conforming with interim income tax measurement and disclosure of paragraph B12 of IAS 34 “Interim Financial Reporting”.

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

Income tax expense is calculated based on an interim period's pre-tax income multiplied by best estimation of the annual income tax rate expected for the full financial year and recognized as current income tax expense. Current income tax expense and deferred tax expense are recognized based on the prorated estimated annual current income tax expense and deferred tax.

Income tax expense is directly recognized in equity items or other comprehensive items which is the temporary difference between book value of assets and liabilities at reporting date and tax basis to measure by using appropriate tax of expected realize assets and settle the liabilities.

(d) Employee benefit

Interim defined benefit pension is calculated on a year-to-date basis using the actuarially determined pension cost rate adjusted for significant market fluctuations, curtailments, settlement or other one-time events.

(5) Critical Accounting Judgement and Key Sources of Estimation and Uncertainty

Management team prepared quarterly consolidated financial statements in conforming with IAS 34, "Interim Financial Reporting," and make judgement, estimation and assumption and the reporting amount will be affected by accounting policies, assets, liabilities, revenue, and expense. The actual outcome might be different from the estimation.

In preparing the consolidated financial statements, critical accounting judgments and key sources of estimation uncertainty used by management in the application of accounting policies are consistent with those described in Note 5 of the consolidated financial statements for the year ended December 31, 2021.

(6) Explanation of significant accounting items

The explanation of significant accounting items of this quarterly consolidated financial statements had no significant difference compared with the Group consolidated financial statements for the year ended December 31, 2021. Please refer to Note 6 of 2021 consolidated financial statements.

(a) Cash and cash equivalents

	September 30,2022	December 31,2021	September 30,2021
Cash and cash equivalents	\$ 372	304	394
Demand deposits	451,640	720,318	835,653
Check deposits	19	31	9
Time deposits	614,252	95,703	8,820
Total	<u>\$ 1,066,283</u>	<u>816,356</u>	<u>844,876</u>

(b) Financial assets at fair value through profit or loss

	September 30,2022	December 31,2021	September 30,2021
Current financial assets mandatorily measured at fair value through profit or loss :			
Forward exchange contract	\$ -	42	-
Swap Contract	5,461	-	-
Dual Currency Investment Contract	-	-	5,517
Total	<u>\$ 5,461</u>	<u>42</u>	<u>5,517</u>
Current financial liabilities measured at fair value through profit or loss :			
Forward exchange contract	-	-	-
Total	<u>\$ -</u>	<u>-</u>	<u>12</u>

Please refer to Note 6(y) for the recognition of gain or loss at fair.

The abovementioned financial assets were not pledged as collateral.

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The Group entered into derivative instruments to manage exposure to currency risk arising from operating activities and doesn't applicable to hedge accounting. The Group's derivative instruments were as follows presented under financial assets mandatorily measured at FVTPL and financial liabilities measured at FVTPL; presented under financial assets held for trading :

September 30,2022			
	Contract amount (Thousand Dollar)	Currency	Maturity period
Swap Contract	USD 4,000	NTD to USD	111.10.12~111.12.27
December 31,2021			
	Contract amount (Thousand Dollar)	Currency	Maturity period
Forward exchange contract Sell	USD 800	USD to CNY	2022.01.14
September 31,2021			
	Contract amount (Thousand Dollar)	Currency	Maturity period
Forward exchange contract Sell	USD 250	USD to CNY	110.10.15

Please refer to Note 6(z) for credit risk and market risk.

(c) Financial assets at fair value through other comprehensive income

	September 30,2022	December 31,2021	September 30,2021
Equity instruments at fair value through other comprehensive income-current:			
Common stocks listed on domestic markets-current:			
Innolux Corp.	\$ 11,987	22,483	19,501
Synnex Technology International Co., Ltd.	-	-	46,458
Nan Ya Plastics Corporation	20,070	-	-
Pegatron Co., Ltd.	12,636	14,925	14,472
CoAsia Electronics Corp.	5,721	7,120	5,834
E.SUN Financial Holding Co., Ltd.	-	-	21,092
Quanta Computer Inc.	53,823	66,195	54,172
Shian Yih Electronic Co., Ltd.	25,377	31,350	31,278
Chicony Electronics Co., Ltd.	24,720	24,690	23,100
Lite-On Technology Corp.	39,556	39,556	38,750
MEGA FHC	39,464	43,940	39,614

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	September 30,2022	December 31,2021	September 30,2021
Taiwan Cement Corp., Ltd.	\$ 29,370	37,920	40,290
ASE Technology Holding Co., Ltd.	23,630	-	-
China Development Financial Holding Corp.	21,600	-	-
Evergreen Marine Corp. (Taiwan) Ltd.	12,264	-	-
Total	320,218	288,179	334,561
Common stocks listed on foreign markets – current :			
Becton, Dickinson and Company	-	13,922	13,692
Total	\$ 320,218	302,101	348,253
Equity instruments at fair value through other comprehensive income-noncurrent:			
Common stocks unlisted on domestic markets – non-current:			
Ascendax Venture Capital Corp.	\$ 19,916	21,376	19,662
Chenfeng Optronics Corp.	151,550	91,210	73,780
Total	171,466	112,586	93,442
Preference stocks listed on domestic markets- non-current :			
Fubon Financial Holding Co., Ltd	815	874	864
Total	\$ 172,281	113,460	94,306

The purpose that the Group invests in the abovementioned equity instruments is for long term strategies, but rather for trading purpose, and therefore, is accounted for as FVOCI.

For the three months and nine months ended September 30, 2022 and 2021, the Group has recognized dividend income \$15,495, \$17,528, \$25,799 and \$27,398 from the abovementioned equity instruments designated at fair value through other comprehensive income, respectively.

For the nine months ended September 30, 2022 and 2021, the Group with the objective of investment and financial management had sold financial assets at fair value of \$55,603 and \$170,914, and accumulated gain on disposal of investments were \$9,309 and \$23,542, which had been reclassified from other equity interest to retained earnings, respectively.

Please refer to Note 6(z) for market risk.

The abovementioned financial assets were not pledged as collateral.

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

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For the purpose of increasing investment profits, the Group entrusts partial listed companies as the beneficiary. According to the terms of the contract, the Group does not transfer risk and remuneration of these financial assets, and they had not been derecognized. As of September 30, 2022, December 31, 2021 and September 30, 2021, the carrying amount of the listed stocks which were entrusted to financial institutions for security lending amounted to \$11,987, \$22,483 and \$19,501, respectively.

(d) Accounts receivable

	September 30,2022	December 31,2021	September 30,2021
Accounts receivable-measured as amortized cost	\$ 734,157	755,372	720,673
Allowance for impairment	(5,744)	(5,842)	(7,432)
	\$ 728,413	749,530	713,241

The Group applies the simplified approach to provide for the loss allowance used for expected credit losses, which permit the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivables have been grouped based on past default experience of the customers and shared credit risk characteristics, as well as incorporate forward looking information, including macroeconomic and relevant industry information. The loss allowance provision was determined as follows :

	September 30,2022		
Carrying amount of Accounts Receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses	
Current	\$ 689,506	0.11%	787
Overdue less than 90 days	35,028	0.25%	87
Overdue 91~180 days	4,584	0.10%	4
Overdue 181~270 days	9	0.10%	-
Overdue 271~365 days	208	21.23%	44
Overdue over 365 days	4,822	100%	4,822
	\$ 734,157		5,744

	December 31,2021		
Carrying amount of Accounts Receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses	
Current	\$ 604,526	0.11%	686
Overdue less than 90 days	146,013	0.23%	334
Overdue 91~180 days	9	0.10%	-
Overdue 181~270 days	-	-	-
Overdue 271~365 days	2	21.39%	-
Overdue over 365 days	4,822	100.00%	4,822
	\$ 755,372		5,842

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

	September 30, 2021		
	Carrying amount of Accounts Receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Current	\$ 618,382	0.11%	711
Overdue less than 90 days	97,340	1.95%	1,899
Overdue 91~180 days	127	0.37%	-
Overdue 181~270 days	2	0.12%	-
Overdue 271~365 days	4,822	100.00%	4,822
	\$ 720,673		7,432

The movement in the provision for impairment loss with respect to trade receivables was as follows:

	For the nine months ended September 30	
	2022	2021
Balance on January 1	\$ 5,842	5,613
Recognition (Reversal) of impairment loss	(135)	1,822
Effect of changes in foreign currency exchange rates	37	(3)
Ending balance	\$ 5,744	7,432

The abovementioned financial assets were not pledged as collateral.

Please refer to Note 6(z) for credit risk.

(e) Other receivables

	September 30, 2022	December 31, 2021	September 30, 2021
Loans to employee	\$ 965	1,475	1,645
Dividend receivables	-	34	-
Others	533	1,314	618
Allowance for impairment	-	-	-
	\$ 1,498	2,823	2,263

Please refer to Note 6(z) for credit risk.

(f) Inventories

	September 30, 2022	December 31, 2021	September 30, 2021
Raw materials and supplies	\$ 492,266	525,651	468,769
Work in process	359,021	303,876	323,009
Finished goods	223,133	220,020	208,392
Inventories in transit	27,478	6,618	8,120
	\$ 1,101,898	1,056,165	1,008,290

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Notes to consolidated financial statements

The details of cost of sales are as follows :

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Inventory that has been sold	\$ 979,543	897,591	2,731,954	2,507,350
Inventory loss of write-down (gain on reversal of inventory)	4,966	(42)	5,634	(9,679)
Unallocated production overheads	3,859	2,845	10,876	11,459
Scrap loss	38,095	14,573	83,054	47,154
Others	(69)	(67)	(165)	(164)
	<u>\$ 1,026,394</u>	<u>914,900</u>	<u>2,831,353</u>	<u>2,556,120</u>

For the three months ended September 30, 2022 and the nine months ended September 30, 2022, the Group recognized an inventory valuation loss, accounted for as cost of goods sold, due to the decreasing value from the carrying amount to the net realized value. For the three months ended September 30, 2021 and the nine months ended September 30, 2021, the Group recognized a gain from price recovery of inventory was due to the previous write-down inventories had been sold, therefore, the net realizable value of inventories lowered than cost was no longer existed. The reversal was recorded as operating costs.

Inventories were not pledged as collaterals.

(g) Other current assets

The details of other current assets are as follows :

	September 30, 2022	December 31, 2021	September 30, 2021
Income tax refund receivable	\$ 2,990	2,067	1,938
Prepayment for purchases	13,503	12,968	55,938
Prepaid expense	6,682	5,111	3,865
Prepaid sales tax	37,200	24,547	24,898
Restricted time deposits	2,547	3,050	2,049
Refundable deposits	9,535	7,988	11,009
Others	5,287	4,505	4,475
	<u>\$ 77,744</u>	<u>60,236</u>	<u>104,172</u>
Book as:			
Other current assets	\$ 68,209	51,997	92,653
Other financial assets — non-current	9,535	8,239	11,519
	<u>\$ 77,744</u>	<u>60,236</u>	<u>104,172</u>

The above-mentioned restricted time deposits had been pledged as collateral. Please refer to note 8.

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

(h) Major non-controlling interests' share of subsidiaries

Significant to the Group of the non-controlling interest subsidiaries are as follows:

Name of subsidiaries	Principal place of business	Proportion of non-controlling interest voting equity		
		September 30,2022	December 31,2021	September 30,2021
Ying Cheng Investment Corp.	Taiwan	47.5%	47.5%	47.5%
Emerging Display International (Samoa) Corp.	Samoa	4.2%	4.2%	4.2%

Summarize above subsidiaries financial information as below which had prepared based on International Financial Reporting Standards endorsed by FSC. The below financial information was prior to the offset amount with the Group.

Summarized financial information for Ying Cheng Investment Corp. is as follows:

	Sep. 30, 2022	Dec. 31, 2021	Sep. 30, 2021
Current asset	\$ 9,841	9,902	9,941
Non-current asset	129,900	78,180	63,240
Current liability	-	(50)	-
Net asset	<u>\$ 139,741</u>	<u>88,032</u>	<u>73,181</u>
Non-controlling equity closing book amount	<u>\$ 66,377</u>	<u>41,815</u>	<u>34,762</u>

	July to September, 2022	July to September, 2021	January to September, 2022	January to September, 2021
Operating revenue	\$ -	-	-	-
Net profit (loss)	\$ -	(1)	(10)	(12)
Other comprehensive income	26,220	2,220	51,720	(3,840)
Comprehensive income	<u>\$ 26,220</u>	<u>2,219</u>	<u>51,710</u>	<u>(3,852)</u>
Profit (loss) attributable to non-controlling interest	<u>\$ -</u>	<u>-</u>	<u>(5)</u>	<u>(6)</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 12,454</u>	<u>1,055</u>	<u>24,562</u>	<u>(1,829)</u>

	January to September, 2022	January to September, 2021
Cash flow from operating activities	\$ (61)	(61)
Cash flow from investing activities	-	-
Cash flow from financing activities	-	-
Net decrease in cash and cash equivalents	<u>\$ (61)</u>	<u>(61)</u>

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Summarized financial information for Emerging Display International (Samoa) Corp. is as follows :

	September 30,2022	December 31,2021	September 30,2021
Current asset	\$ 146,679	119,265	112,111
Non-current asset	35,796	39,522	40,355
Current liability	(99,967)	(72,464)	(68,504)
Non-current liability	(3,492)	(9,274)	(11,074)
Net asset	<u>\$ 79,016</u>	<u>77,049</u>	<u>72,888</u>
Non-controlling equity closing book amount	<u>\$ 3,319</u>	<u>3,237</u>	<u>3,061</u>

	July to September, 2022	July to September, 2021	January to September, 2022	January to September, 2021
Operating revenue	\$ 106,355	52,747	262,736	123,581
Net loss	\$ 2,954	(9,522)	(7,368)	(20,473)
Other comprehensive income	760	(2,385)	9,336	(7,040)
Comprehensive income	<u>\$ 3,714</u>	<u>(11,907)</u>	<u>1,968</u>	<u>(27,513)</u>
Loss attributable to non-controlling interest	<u>\$ 123</u>	<u>(399)</u>	<u>(310)</u>	<u>(859)</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 156</u>	<u>(500)</u>	<u>82</u>	<u>(1,156)</u>

	For the nine months ended September 30	
	2022	2021
Cash flow from operating activities	\$ 20,046	32,583
Cash flow from investing activities	(3,427)	(10,546)
Cash flow from financing activities	(5,628)	(5,121)
Effects of changes in foreign exchange rates	823	(303)
Net decrease in cash and cash equivalents	<u>\$ 11,814</u>	<u>16,613</u>

(i) Property, plant and equipment

The cost and depreciation of the property, plant and equipment of the Group were as follows:

	Land	Building and construction	Machinery and equipment	Office equipment	Other	Total
Cost or deemed cost:						
Balance on January 1, 2022	\$ 23,268	1,055,674	2,373,003	28,388	157,510	3,637,843
Additions	-	1,356	6,223	4,937	49,805	62,321
Reclassification	-	1,176	7,280	-	(8,456)	-
Disposals	-	-	(1,332)	(1,526)	(7,499)	(10,357)
Effect of movements in exchange rates	3,421	5,261	5,821	669	198	15,370
Balance on September 30, 2022	<u>\$ 26,689</u>	<u>1,063,467</u>	<u>2,390,995</u>	<u>32,468</u>	<u>191,558</u>	<u>3,705,177</u>
Balance on January 1, 2021	\$ 23,940	1,048,089	2,402,579	28,273	146,461	3,649,342
Additions	-	1,769	6,580	518	27,651	36,518
Reclassification	-	-	8,954	-	(8,954)	-
Disposals	-	(65)	(41,871)	-	(7,618)	(49,554)
Effect of movements in exchange rates	(529)	(1,253)	(3,285)	(243)	(207)	(5,517)
Balance on September 30, 2021	<u>\$ 23,411</u>	<u>1,048,540</u>	<u>2,372,957</u>	<u>28,548</u>	<u>157,333</u>	<u>3,630,789</u>

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	Land	Building and construction	Machinery and equipment	Office equipment	Other	Total
Depreciation:						
Balance on January 1, 2022	\$ -	830,811	2,319,409	27,193	127,668	3,305,081
Depreciation	-	8,882	14,304	297	13,563	37,046
Disposals	-	-	(1,332)	(1,526)	(6,481)	(9,339)
Effect of movements in exchange rates	-	2,001	5,403	517	113	8,034
Balance on September 30, 2022	<u>\$ -</u>	<u>841,694</u>	<u>2,337,784</u>	<u>26,481</u>	<u>134,863</u>	<u>3,340,822</u>
Balance on January 1, 2021	\$ -	817,727	2,355,670	27,246	117,385	3,318,028
Depreciation	-	10,641	14,009	248	11,693	36,591
Disposals	-	(65)	(41,871)	-	(5,113)	(47,049)
Effect of movements in exchange rates	-	(835)	(3,171)	(223)	(127)	(4,356)
Balance on September 30, 2021	<u>\$ -</u>	<u>827,468</u>	<u>2,324,637</u>	<u>27,271</u>	<u>123,838</u>	<u>3,303,214</u>
Carrying amount:						
Balance on January 1, 2022	<u>\$ 23,268</u>	<u>224,863</u>	<u>53,594</u>	<u>1,195</u>	<u>29,842</u>	<u>332,762</u>
Balance on September 30, 2022	<u>\$ 26,689</u>	<u>221,773</u>	<u>53,211</u>	<u>5,987</u>	<u>56,695</u>	<u>364,355</u>
Balance on January 1, 2021	<u>\$ 23,940</u>	<u>230,362</u>	<u>46,909</u>	<u>1,027</u>	<u>29,076</u>	<u>331,314</u>
Balance on September 30, 2021	<u>\$ 23,411</u>	<u>221,072</u>	<u>48,320</u>	<u>1,277</u>	<u>33,495</u>	<u>327,575</u>

Please refer to Note 6(y) for detail of disposal gain and loss.

Property, plant and equipment pledged as collateral for long-term loans and finance were disclosed in Note 8.

(j) Right-of-use assets

The movements in the cost and depreciation of the leased land, buildings, transportation equipment were as follows:

	Land	Building and construction	Transportation equipment	Total
Right-of-use assets cost:				
Balance on January 1, 2022	\$ 66,409	51,684	658	118,751
Additions	105	3,832	1,808	5,745
Disposals	(4,674)	(4,668)	-	(9,342)
Effect of changes in foreign exchange rates	-	671	91	762
Balance on September 30, 2022	<u>\$ 61,840</u>	<u>51,519</u>	<u>2,557</u>	<u>115,916</u>
Balance on January 1, 2021	\$ 66,409	27,904	326	94,639
Additions	-	23,980	347	24,327
Effect of changes in foreign exchange rates	-	(1,359)	(11)	(1,370)
Balance on September 30, 2021	<u>\$ 66,409</u>	<u>50,525</u>	<u>662</u>	<u>117,596</u>
Depreciation:				
Balance on January 1, 2022	\$ 8,204	32,761	311	41,276
Depreciation	1,908	7,990	652	10,550
Disposals	-	(4,668)	-	(4,668)
Effect of changes in foreign exchange rates	-	426	63	489
Balance on September 30, 2022	<u>\$ 10,112</u>	<u>36,509</u>	<u>1,026</u>	<u>47,647</u>
Balance on January 1, 2021	\$ 5,482	21,893	36	27,411
Depreciation	2,041	8,932	210	11,183
Effect of changes in foreign exchange rates	-	(924)	(2)	(926)
Balance on September 30, 2021	<u>\$ 7,523</u>	<u>29,901</u>	<u>244</u>	<u>37,668</u>

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	Land	Building and construction	Transportation equipment	Total
Carrying amount:				
Balance on January 1, 2022	\$ <u>58,205</u>	<u>18,923</u>	<u>347</u>	<u>77,475</u>
Balance on September 30, 2022	\$ <u>51,728</u>	<u>15,010</u>	<u>1,531</u>	<u>68,269</u>
Balance on January 1, 2021	\$ <u>60,927</u>	<u>6,011</u>	<u>290</u>	<u>67,228</u>
Balance on September 30, 2021	\$ <u>58,886</u>	<u>20,624</u>	<u>418</u>	<u>79,928</u>

(k) Investment property

Investment property is the office building owned by the Group leased to third part as operating lease.

Based on original lease terms of investment property, non-cancellable lease term is four years and the lessee has the right to extend upon expiry. Subsequent lease term will consult with the lessee and no charge of contingent rental. Please refer to Note 6(q) for information of the rental income.

Rental income of leased investment property has a fixed amount.

Investment property cost and depreciation of the Group were as follows:

	Land	Building and construction	Total
Cost or deemed cost:			
Balance on January 1, 2022	\$ 44,059	15,065	59,124
Effect of changes in foreign exchange rates	<u>6,479</u>	<u>2,215</u>	<u>8,694</u>
Balance on September 30, 2022	\$ <u>50,538</u>	<u>17,280</u>	<u>67,818</u>
Balance on January 1, 2021	\$ 45,333	15,500	60,833
Effect of changes in foreign exchange rates	<u>(1,003)</u>	<u>(343)</u>	<u>(1,346)</u>
Balance on September 30, 2021	\$ <u>44,330</u>	<u>15,157</u>	<u>59,487</u>
Depreciation:			
Balance on January 1, 2022	\$ -	6,157	6,157
Depreciation	-	510	510
Effect of changes in foreign exchange rates	<u>-</u>	<u>948</u>	<u>948</u>
Balance on September 30, 2022	\$ <u>-</u>	<u>7,615</u>	<u>7,615</u>
Balance on January 1, 2021	\$ -	5,675	5,675
Depreciation	-	488	488
Effect of changes in foreign exchange rates	<u>-</u>	<u>(129)</u>	<u>(129)</u>
Balance on September 30, 2021	\$ <u>-</u>	<u>6,034</u>	<u>6,034</u>
Carrying amount:			
Balance on January 1, 2022	\$ <u>44,059</u>	<u>8,908</u>	<u>52,967</u>
Balance on September 30, 2022	\$ <u>50,538</u>	<u>9,665</u>	<u>60,203</u>
Balance on January 1, 2021	\$ <u>45,333</u>	<u>9,825</u>	<u>55,158</u>
Balance on September 30, 2021	\$ <u>44,330</u>	<u>9,123</u>	<u>53,453</u>

There was no significant differences of the Group's fair value of investment property which compared with the consolidated financial statements Note 6(k) for the year ended December 31, 2021.

The investment property was not pledged as collateral.

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(l) Intangible assets

Initial cost and accumulated amortization for intangible assets were as follows:

	<u>Patent</u>	<u>Computer software cost</u>	<u>Membership certificate</u>	<u>Total amount</u>
Initial cost:				
Balance on January 1, 2022	\$ 3,029	8,991	-	12,020
Individual acquisition	122	27	2,750	2,899
Effects of changes in foreign exchange rates	-	95	-	95
Balance on September 30, 2022	<u>\$ 3,151</u>	<u>9,113</u>	<u>2,750</u>	<u>15,014</u>
Balance on January 1, 2021	\$ 2,888	9,477	-	12,365
Individual acquisition	209	55	-	264
Disposals	(162)	(953)	-	(1,115)
Effects of changes in foreign exchange rates	-	(18)	-	(18)
Balance on September 30, 2021	<u>\$ 2,935</u>	<u>8,561</u>	<u>-</u>	<u>11,496</u>
Amortization:				
Balance on January 1, 2022	\$ 1,494	6,841	-	8,335
Amortization	269	794	-	1,063
Effects of changes in foreign exchange rates	-	94	-	94
Balance on September 30, 2022	<u>\$ 1,763</u>	<u>7,729</u>	<u>-</u>	<u>9,492</u>
Balance on January 1, 2021	\$ 1,433	6,821	-	8,254
Amortization	193	725	-	918
Disposals	(162)	(953)	-	(1,115)
Effects of changes in foreign exchange rates	-	(18)	-	(18)
Balance on September 30, 2021	<u>\$ 1,464</u>	<u>6,575</u>	<u>-</u>	<u>8,039</u>
Carrying amount:				
Balance on January 1, 2022	<u>\$ 1,535</u>	<u>2,150</u>	<u>-</u>	<u>3,685</u>
Balance on September 30, 2022	<u>\$ 1,388</u>	<u>1,384</u>	<u>2,750</u>	<u>5,522</u>
Balance on January 1, 2021	<u>\$ 1,455</u>	<u>2,656</u>	<u>-</u>	<u>4,111</u>
Balance on September 30, 2021	<u>\$ 1,471</u>	<u>1,986</u>	<u>-</u>	<u>3,457</u>

Intangible assets were not pledged as collateral.

(m) Short-term loans

The details of short-term loans were as follows:

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Letters of credit loans	\$ -	-	44,445
Unsecured bank loans	60,000	-	150,000
Total	<u>\$ 60,000</u>	<u>-</u>	<u>194,445</u>
Unused lines of credit	<u>\$ 1,784,000</u>	<u>1,979,365</u>	<u>1,973,567</u>
Range of interest rates	<u>1.05189%~1.175%</u>	<u>-</u>	<u>0.70%~0.8006%</u>

Short-term loans were not pledged as collateral.

Please refer to note 6(z) for the interest rate risk, foreign exchange risk and sensitivity analysis of the financial liabilities of the Group.

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

(n) Other payables

	<u>September 30,2022</u>	<u>December 31,2021</u>	<u>September 30,2021</u>
Salaries and wages payables	\$ 49,315	48,584	50,260
Year-end bonus payables	100,000	67,000	40,000
Employee remuneration payables	24,683	14,486	11,024
Directors' and supervisors' remuneration payables	13,778	6,727	6,615
Employee benefit liabilities	29,544	29,329	29,021
Notes and accounts payable for equipments	20,009	7,726	9,067
Others	143,681	116,856	112,975
	<u>\$ 381,010</u>	<u>290,708</u>	<u>258,962</u>

(o) Long-term loans

The details of long-term loans were as follows:

	<u>September 30,2022</u>	<u>December 31,2021</u>	<u>September 30,2021</u>
Commercial paper payable	\$ 400,000	400,000	400,000
Less: discount on long-term loans	2,041	1,651	1,387
Total	<u>\$ 397,959</u>	<u>398,349</u>	<u>398,613</u>
Unused long-term credit lines	<u>\$ 400,000</u>	<u>400,000</u>	<u>400,000</u>
Range of interest rates	<u>1.6757%</u>	<u>1.1610%</u>	<u>1.1543%</u>

The Group signed a 5-year syndicated loan contract with E-SUN bank and six other banks on May 15, 2020, with a revolving credit line of \$800,000 from the first appropriation date to maturity date, wherein \$800,000 can be appropriated by using the banks' own fund and \$600,000 by using Group-issued commercial paper guaranteed by the banks, and the combined credit line should not exceed \$800,000. According to the loan contract, 9 months after the date the contract was signed will be considered as the first appropriation date to calculate the revolving credit even if the credit line is unused after 9 months. The credit line, with a total of five phases, decreases every 6 months, beginning the 36th month after the first appropriation date. The first to fourth phases of the total credit line amounting to \$800,000 will decrease by 12.5%, and the fifth phase will decrease by 50%. As the credit line decreases, the residual of the excess credit line will be repaid upon maturity. The Group issued a total of \$400,000 commercial paper on February 5, 2021. For the related information and concerned restricted terms, please refer to Note 6(o) of 2021 consolidated financial statements.

Assets pledged as collateral for long-term borrowings are disclosed in note 8.

(p) Lease liabilities

The details of lease liabilities were as follows:

	<u>September 30,2022</u>	<u>December 31,2021</u>	<u>September 30,2021</u>
Current	<u>\$ 13,623</u>	<u>11,644</u>	<u>12,195</u>
Non-Current	<u>\$ 58,186</u>	<u>68,730</u>	<u>70,375</u>

For maturity analysis, please refer to Note 6 (z) Financial Instruments.

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

The amounts recognized in profit or loss were as follows:

	July to September, 2022	July to September, 2021	January to September, 2022	January to September, 2021
Interest on lease liabilities	\$ 724	840	2,172	2,325
Expenses relating to short-term leases	\$ 83	510	1,466	1,324
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ 67	59	319	179

The amounts recognized in the statement of cash flows for the Group were as follow:

	For the nine months ended September 30	
	2022	2021
Total cash outflow for leases	\$ 13,794	14,207

(i) Lease of land, building and construction

The Group leases land and buildings for its office use. The leases of land and buildings run for approximately 2 to 10 years, and the lease period of office premises is usually 2 to 3 years.

Lease payments for certain contracts are subject to changes in the local price index, which usually occur once a year.

The lease agreements for some of the equipments include the option to extend the lease or terminate the lease, which are managed separately by each region, and therefore the individual terms and conditions agreed upon are different within the Group. These options are only for the Group to have enforceable rights and the lessor does not have this right. In the event that it is not possible to reasonably determined the period of the extended lease that will be exercisable, the related payments over the period covered by the option are not included in the lease liability.

(ii) Other leases

The lease period for the Group leased transportation equipment is two to three years.

In addition, the lease term of the Group leased machinery and equipment is one to three years. These leases are short-term or low-value leases. The Group chooses to apply the exemption recognition requirement without recognizing its related right-of-use assets and lease liabilities.

(q) Operating lease

There was no increase for operating lease for the nine months ended September 30, 2022 and 2021. Please refer to Note 6(q) of the 2021 consolidated financial statements.

(r) Employee benefits

(i) Defined benefit plan

There were no significant market fluctuations, curtailments, settlement or other one-time events after the end of the previous financial year, the pension cost measurement and disclosure of interim pension cost were calculated based on actuarial adopted on December 31, 2021 and 2020.

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

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Cost recognized in expense was as below :

	July to September, 2022	July to September, 2021	January to September, 2022	January to September, 2021
Operating cost	\$ 251	227	749	686
Selling expenses	17	13	49	37
General and administrative expenses	42	38	129	110
Research and development expenses	31	27	94	81
	\$ 341	305	1,021	914

(ii) Defined Contribution Plan

Cost recognized in expense was as below :

	July to September, 2022	July to September, 2021	January to September, 2022	January to September, 2021
Operating cost	\$ 7,077	6,717	21,643	18,454
Selling expenses	1,552	909	4,801	3,730
General and administrative expenses	576	464	1,831	1,640
Research and development expenses	749	689	2,186	2,067
	\$ 9,954	8,779	30,461	25,891

(s) **Income tax**

Income tax expense for the period is best estimated by multiplying pretax income for the interim reporting period with the effective annual tax rate as forecasted by management.

(i) The amounts of income tax expense (benefit) were as follows:

	July to September, 2022	July to September, 2021	January to September, 2022	January to September, 2021
Current tax expense (benefit)				
Current	\$ 40,533	13,391	79,328	28,556
Adjust previous current tax	(2,748)	-	(2,739)	(6,878)
	37,785	13,391	76,589	21,678
Deferred tax expense				
Origination and reversal of temporary differences	(16)	(8)	10	9
Income tax expense	\$ 37,769	13,383	76,599	21,687

(ii) For the nine months ended September 30, 2022 and 2021, no income tax was recognized directly in equity.

(iii) The amount of income tax benefit recognized in other comprehensive income (loss) were as follows:

	July to September, 2022	July to September, 2021	January to September, 2022	January to September, 2021
Items that will not be reclassified subsequently to profit or loss :				
Unrealized gains or losses from investments in equity instruments measured at FVOCI	\$ -	29	(232)	(112)

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Notes to consolidated financial statements

(iv) Approval of income tax

The Company's income tax returns for all fiscal years up to 2020 had been examined and approved by the R.O.C. tax authority.

(t) Share capital and other equity

The Group had no share capital change for the nine months ended September 30, 2022 and 2021 except below statement. Please refer to Note 6(t) of 2021 consolidated financial statements for detail information.

(i) Capital Stock

The Company's resolution of Board meeting held on January. 12, 2022, passed to retire 5,000 thousand shares of its treasury stocks bought back in 2019 for the purpose of transfer to employees, the related registration procedures had been finished. As of September 30, 2022, December 31 and September 30, 2021, the authorized share capital of the Company amounted to \$3,500,000 comprising 350,000 thousand shares with a par value of TWD10 per share, outstanding shares of stocks are 157,408, 162,408 and 162,408 thousand shares. Excluding shares of treasury stock that had been purchased by the Company and shares of stock held by the subsidiaries, outstanding shares of stock are 148,614 thousand shares.

(ii) Capital surplus

Capital surplus was as follows:

	September 30,2022	December 31,2021	September 30,2021
Treasury stock	\$ 35,317	25,503	25,503
Disgorgement	473	473	473
Return of employee stock ownership trust	50	4	1
Total	\$ 35,840	25,980	25,977

(iii) Earnings distribution

The appropriations of earnings for 2021 and 2020 had been approved in the meeting of the board of directors held on March 10, 2022, and 2021, the appropriation and dividend per share were as follows:

	2021	2020
Dividends distributed to ordinary shareholders (TWD):		
Cash	\$ 1.2	1.2

(iv) Other equity (net of tax)

	Foreign exchange differences arising from foreign operation	Unrealized gains (losses) on financial assets measured at FVOCI	Total
Balance on January 1, 2022	\$ (29,998)	(74,493)	(104,491)
— Changes of the Group	26,637	(30,412)	(3,775)
— Disposal of investments in equity instrument at FVOCI	-	(9,309)	(9,309)
Balance on September 30, 2022	\$ (3,361)	(114,214)	(117,575)

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

	Foreign exchange differences arising from foreign operation	Unrealized gains (losses) on financial assets measured at FVOCI	Total
Balance on January 1, 2021	\$ (18,296)	(99,519)	(117,815)
— Changes of the Group	(10,900)	17,703	6,803
— Disposal of investments in equity instrument at FVOCI	-	(23,542)	(23,542)
Balance on September 30, 2021	\$ (29,196)	(105,358)	(134,554)

(v) Treasury stock

The changes of treasury stocks were as follows:

(Expressed in thousands of shares)

<u>Reason to buy back</u>	<u>Beginning Shares</u>	<u>Increase shares</u>	<u>Decrease shares</u>	<u>Ending share</u>
January to September, 2022				
Transfer to employees	5,000	-	(5,000)	-
January to September, 2021				
Transfer to employees	5,000	-	-	5,000

As of September 30, 2022, December 31 and September 30, 2021, the costs of treasury stocks amounted to \$0, \$50,739 and \$50,739 respectively.

In accordance with Securities and Exchange Act requirements, treasury stocks held by the Company should not be pledged, and do not hold shareholder rights before their transfer.

Ying Dar Corp. and Bae Haw Corp., 100%-owned subsidiaries of the Company, held the Company's common stock. For the nine months ended September 30, 2022 and 2021, Ying Dar Corp. and Bae Haw Corp. did not purchase or dispose any of the Company's shares. As of September 30, 2022, December 31 and September 30, 2021, Ying Dar Corp. and Bae Haw Corp. together held 8,794 thousand shares of the Company's common stock, The cost was \$122,282 which was recognized in treasury stocks. As of September 30, 2022, December 31 and September 30, 2021, their market values amounted to \$175,448, \$171,051 and \$156,980, respectively.

(u) Earnings per share

The calculation of basic earnings per share and diluted earnings per share were as follows:

	July to September, 2022	July to September, 2021	January to September, 2022	January to September, 2021
Basic earnings per share				
Profit attributable to owners of parent	\$ 151,695	71,592	346,663	182,537
Weighted-average number of Ordinary shares at end of year (expressed in thousands of shares)	148,614	148,614	148,614	148,614
Expressed in New Taiwan dollars	\$ 1.02	0.48	2.33	1.23
Diluted earnings per share				
Profit attributable to owners of parent	\$ 151,695	71,592	346,663	182,537

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

	July to September, 2022	July to September, 2021	January to September, 2022	January to September, 2021
Weighted-average number of ordinary shares(expressed in thousands of shares)	148,614	148,614	148,614	148,614
Effect of potentially dilutive ordinary stock:				
– Employee bonus	604	256	1,426	806
(expressed in thousands of shares)				
Weighted-average number of ordinary shares-diluted (expressed in thousands of shares)	149,218	148,870	150,040	149,420
Expressed in New Taiwan dollars	\$ 1.02	0.48	2.31	1.22

In computing above basic earnings (loss) per share of ordinary stock for the nine months ended September 30, 2022 and 2021, the weighted-average numbers of shares of common stock outstanding excluded 8,794 thousand shares of common stock held by the Company's subsidiaries as treasury stock.

(v) Revenue from Contracts with Customers

(i) Disaggregation of revenue

	July to September 2022			
	Domestic	North America	Other operating department	Total
Primary geographical markets:				
Europe	\$ 648,797	-	222	649,019
USA	-	347,436	-	347,436
Others	200,844	78,810	15	279,669
Total	\$ 849,641	426,246	237	1,276,124
Major products:				
Liquid crystal display modules	\$ 245,959	146,921	-	392,880
Capacitive touch panel and capacitive touch panel module	583,658	275,625	-	859,283
Others	20,024	3,700	237	23,961
Total	\$ 849,641	426,246	237	1,276,124
	July to September 2021			
	Domestic	North America	Other operating department	Total
Primary geographical markets:				
Europe	\$ 606,225	-	746	606,971
USA	-	252,870	-	252,870
Others	170,438	63,847	108	234,393
Total	\$ 776,663	316,717	854	1,094,234
Major products:				
Liquid crystal display modules	\$ 212,108	115,956	-	328,064
Capacitive touch panel and capacitive touch panel module	549,287	187,695	-	736,982
Others	15,268	13,066	854	29,188
Total	\$ 776,663	316,717	854	1,094,234

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

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	January to September 2022			
	Domestic	North America	Other operating department	Total
Primary geographical markets:				
Europe	\$ 1,830,742	-	479	1,831,221
USA	17	884,638	-	884,655
Others	591,677	193,648	78	785,403
Total	<u>\$ 2,422,436</u>	<u>1,078,286</u>	<u>557</u>	<u>3,501,279</u>
Major products:				
Liquid crystal display modules	\$ 769,609	400,836	-	1,170,445
Capacitive touch panel and capacitive touch panel module	1,594,063	651,662	-	2,245,725
Others	58,764	25,788	557	85,109
Total	<u>\$ 2,422,436</u>	<u>1,078,286</u>	<u>557</u>	<u>3,501,279</u>
January to September 2021				
	Domestic	North America	Other operating department	Total
Primary geographical markets:				
Europe	\$ 1,770,892	-	1,696	1,772,588
USA	214	630,257	-	630,471
Others	531,325	145,913	316	677,554
Total	<u>\$ 2,302,431</u>	<u>776,170</u>	<u>2,012</u>	<u>3,080,613</u>
Major products:				
Liquid crystal display modules	\$ 540,561	328,968	-	869,529
Capacitive touch panel and capacitive touch panel module	1,730,172	426,629	-	2,156,801
Others	31,698	20,573	2,012	54,283
Total	<u>\$ 2,302,431</u>	<u>776,170</u>	<u>2,012</u>	<u>3,080,613</u>

(ii) Contract balance

	September 30, 2022	December 31, 2021	September 30, 2021
Accounts receivable (including related parties)	\$ 734,157	755,372	720,673
Less: allowance for impairment	(5,744)	(5,842)	(7,432)
Total	<u>\$ 728,413</u>	<u>749,530</u>	<u>713,241</u>
Contract liability – Unearned revenue (recognized in other current liabilities)	<u>\$ 65,243</u>	<u>40,390</u>	<u>42,835</u>

Please refer to Note 6(d) for accounts receivables and impairment.

The amount of revenue recognized for the three months and nine months ended September 30, 2022 and 2021, that was included in the contract liability balance at the beginning of the period were \$6,967, \$1,331, \$17,597 and \$4,059 respectively.

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(w) Employee's remuneration, and directors' and supervisors' remuneration

According to the Company's articles of association, the Company should contribute no less than 5% of the profit as employee remuneration and a maximum of 3% as directors' and supervisors' remuneration when there is profit for the year. However, certain amounts of the earnings should be reserved if there is an accumulated loss from operations in previous years in advance of the appropriation of the employee bonuses. The aforementioned employee bonuses will be distributed in cash or stock to employees who satisfy certain specifications of the Group and its affiliates.

The Company accrued the amount of the remuneration of employees and of directors and supervisors were as follows :

	July to September, 2022	July to September, 2021	January to September, 2022	January to September, 2021
Employee's remuneration	<u>\$ 12,051</u>	<u>4,577</u>	<u>24,683</u>	<u>11,024</u>
Directors' and supervisors' remuneration	<u>\$ 6,199</u>	<u>2,747</u>	<u>13,778</u>	<u>6,615</u>

The above amount were estimated as the Company's net income before tax, excluding remuneration of employees and remuneration of directors and supervisors, multiplied by the appropriate percentage in compliance with the Company's articles. These expenses were recognized in operating costs and operating expenses for the respective period. In case the variances between actual and estimated expenses occur during next year, the variances concerned will be recognized in next year's profit. If the Company's Board of Directors resolve to issue its stocks as the remuneration of employees, it will be calculated based on the closing price of its stock on the day before the approval by of Directors.

The accrued compensation of employees amounted to \$14,486 and \$14,683 for 2021 and 2020, respectively, and the accrued remuneration of directors' and supervisor's amounted to \$8,691 and \$8,810 respectively. Actual distribution had no difference with accrued amounts. The previous distribution of compensation to employees, remuneration of directors and supervisors approved by Board of Directors for related information, please go to website: <http://emops.twse.com.tw>.

(x) Other operating income and expenses

Net other income (expenses) consists of rental income from investment property and lending space.

(y) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows :

	July to September, 2022	July to September, 2021	January to September, 2022	January to September, 2021
Bank deposits	\$ 1,080	31	1,594	1,095
Others	4	5	12	23
	<u>\$ 1,084</u>	<u>36</u>	<u>1,606</u>	<u>1,118</u>

(ii) Other income

The details of other income were as follows :

	July to September, 2022	July to September, 2021	January to September, 2022	January to September, 2021
Dividend income	\$ 15,495	17,528	25,799	27,398
Others	214	19	542	190
	<u>\$ 15,709</u>	<u>17,547</u>	<u>26,341</u>	<u>27,588</u>

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

(iii) Other gains and losses

Details of other gains and losses were as follows :

	July to September, 2022	July to September, 2021	January to September, 2022	January to September, 2021
Foreign exchange gains (losses)	\$ 69,285	2,532	132,380	(21,298)
Net gains (losses) on disposal of financial assets (liabilities) measured at fair value through profit or loss	7,768	1,152	7,071	5,853
Net gains on disposal of property, plant and equipment	-	-	330	436
Others	(643)	(791)	(1,397)	(795)
	<u>\$ 76,410</u>	<u>2,893</u>	<u>138,384</u>	<u>(15,804)</u>

(iv) Finance cost

Details of finance costs were as follows :

	July to September, 2022	July to September, 2021	January to September, 2022	January to September, 2021
Interest expenses				
Bank loans	\$ 1,799	1,525	4,700	4,365
Lease liabilities	724	840	2,172	2,325
Management fee of syndicated loan	50	50	150	150
	<u>\$ 2,573</u>	<u>2,415</u>	<u>7,022</u>	<u>6,840</u>

(z) Financial instruments

There was no significant change of the Group's fair value of financial instruments, exposure to credit risk, liquidity risk and market risk except below statements. Please refer to Note 6(z) of 2021 consolidated financial statements.

(i) Credit risk

1) Exposure to credit risk

The Group's maximum exposure to credit risk was the carrying amount of financial assets and contract assets.

2) Concentration of credit risk

As of September 30, 2022, December 31, 2021, and September 30, 2021, two customers accounted for 37.17%、46.31% and 40.63% of total accounts receivable balance.

3) Accounts receivable of credit risk

Please refer to Note 6(d) for accounts receivable and notes receivable of credit risk exposure.

Other financial assets measured at amortized cost including other accounts receivable, refundable deposits, and certificate deposit recognized as debt instrument without active market. All of these financial assets are considered to be low risk, and thus the impairment provision recognized during the period was limited to 12 months expected credit losses. None of the expected credit losses that should be included in the assessment. Please refer to Note 6(e) and 6(g).

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

(ii) Liquidity risk

Details of financial liabilities categorized by due dates were as follows. The amounts include interest expenses but exclude the impacts of negotiated net amounts.

	<u>Carrying amount</u>	<u>Contracted cash flows</u>	<u>Less than 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
September 30, 2022							
Non-derivative financial liabilities							
Secured Long-term loans (including long term loans, current portion) (floating rate)	\$ 397,959	(422,459)	(3,324)	(3,361)	(6,721)	(409,053)	-
Unsecured Short-term loans (floating rate)	60,000	(60,062)	(60,062)	-	-	-	-
Accounts payable (non-interest bearing)	565,694	(565,694)	(565,694)	-	-	-	-
Notes payable (non-interest bearing)	33	(33)	(33)	-	-	-	-
Other notes and accounts payable (non-interest bearing)	381,010	(381,010)	(381,010)	-	-	-	-
Lease liability (fixed interest rate)	71,809	(99,833)	(8,218)	(7,794)	(9,218)	(10,958)	(63,645)
Guarantee deposits received (non-interest bearing)	619	(619)	-	-	(619)	-	-
	<u>\$ 1,477,124</u>	<u>(1,529,710)</u>	<u>(1,018,341)</u>	<u>(11,155)</u>	<u>(16,558)</u>	<u>(420,011)</u>	<u>(63,645)</u>
December 31, 2021							
Non-derivative financial liabilities							
Secured Long-term loans (including long term loans, current portion)	\$ 398,349	(419,034)	(2,290)	(2,341)	(4,644)	(409,759)	-
Accounts payable (no interest)	559,800	(559,800)	(559,800)	-	-	-	-
Notes payable (no interest)	86	(86)	(86)	-	-	-	-
Other payable (no interest)	290,708	(290,708)	(290,708)	-	-	-	-
Lease liability (fixed interest)	80,374	(112,713)	(7,810)	(6,683)	(12,752)	(13,622)	(71,846)
Guarantee deposits received (no interest)	544	(544)	-	-	(510)	(34)	-
	<u>\$ 1,329,861</u>	<u>(1,382,885)</u>	<u>(860,694)</u>	<u>(9,024)</u>	<u>(17,906)</u>	<u>(423,415)</u>	<u>(71,846)</u>
September 30, 2021							
Non-derivative financial liabilities							
Secured Long-term loans (Including long term loans, current portion) (floating rate)	\$ 398,613	(420,088)	(2,290)	(2,315)	(4,617)	(410,866)	-
Unsecured Short-term loans (floating rate)	194,445	(194,619)	(194,619)	-	-	-	-
Accounts payable (non-interest bearing)	518,821	(518,821)	(518,821)	-	-	-	-
Notes payable (non-interest bearing)	185	(185)	(185)	-	-	-	-
Other payable (non-interest bearing)	258,962	(258,962)	(258,962)	-	-	-	-
Lease liability (fixed interest rate)	82,570	(115,632)	(8,017)	(7,133)	(12,310)	(15,333)	(72,839)
Guarantee deposits received (non-interest bearing)	547	(547)	-	-	-	(547)	-
Derivative financial liabilities							
Swap Contract:	12						
		6,961	6,961	-	-	-	-
Cash in							
Cash out		(6,963)	(6,963)	-	-	-	-
	<u>\$ 1,454,155</u>	<u>(1,508,856)</u>	<u>(982,896)</u>	<u>(9,448)</u>	<u>(16,927)</u>	<u>(426,746)</u>	<u>(72,839)</u>

The Group does not expect that the cash flows could occur significantly earlier or at significantly different amount.

(iii) Market Risk

1) Currency risk

Significant financial assets and liabilities exposed to foreign currency risk were as follows :

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	September 30, 2022			December 31, 2021			September 30, 2021			
	Foreign currency	Exchang e rate	TWD amount	Foreign currency	Exchange rate	TWD amount	Foreign currency	Exchange rate	TWD amount	
<u>Financial assets</u>										
<u>Monetary items</u>										
USD	\$	58,112	31.75	1,845,066	55,966	27.68	1,549,141	56,062	27.85	1,561,324
JPY		4,369	0.2201	962	18,516	0.2405	4,453	26,474	0.2490	6,592
CNY		7,352	4.473	32,886	1,061	4.344	4,610	763	4.305	3,284
EUR		18	31.26	567	61	31.32	1,911	115	32.32	3,711
<u>Non-monetary items</u>										
USD		4,000	31.75	127,000	503	27.68	13,922	692	27.85	19,262
<u>Financial liabilities</u>										
<u>Monetary items</u>										
USD	\$	21,119	31.75	670,541	19,232	27.68	532,329	23,783	27.85	662,354
JPY		19,251	0.2201	4,237	15,651	0.2405	3,764	17,281	0.249	4,303
<u>Non-monetary items</u>										
USD		-	-	-	800	27.68	22,144	250	27.85	6,963

The Group's exposure to foreign currency risk arises from the translation of the cash and cash equivalents, accounts receivables, other receivables, financial assets and liabilities at fair value through profit or loss, financial assets measured at fair value through other comprehensive income, accounts payables, and other payables. As of September 30, 2022 and 2021, if the exchange rate of the TWD versus the USD, CNY, JPY, and EUR have increased or decreased by 1%, given no changes in other factors, profit after tax would have increased or decreased by \$8,022 and \$6,839, respectively, and other comprehensive income after tax would have increase or decrease by \$0 and \$110, respectively. The analysis is performed on the same basis of prior year.

The Group has variety kinds of functional currencies, hence we use summarized method to disclose exchange gain (loss) of monetary items. For the three months and the nine months ended September 30, 2022 and 2021, foreign exchange gain or loss (including realized and unrealized) amounted to gain \$69,285, gain \$2,532, gain \$132,380 and loss \$21,298, respectively.

2) Interest rate analysis

Please refer to liquidity risk management for the detail of the Group's financial liabilities' interest exposure.

The sensitivity analysis of interest was made based on the interest rate of derivative and non-derivative instruments at the reporting date. The analysis of liabilities bearing floating interest rates was prepared based on the assumption that the outstanding amount at the reporting date had existed for the whole year. When internal report to the Group's top management regarding the interest rate change, they use 0.25% increase or decrease of interest rate assumption as the interest rate change which also represents this is the reasonable interest rate range assessed by the top management.

If interest rates on loans had increased or decreased by 0.25% with all other variables held constantly, profit after tax for the nine months ended September 30, 2022 and 2021 would have been decreased or increased by \$690 and \$892, respectively, mainly as a result of liabilities bearing floating interest rates.

3) Other price risk

If the prices of financial instrument change at reporting date, with all other variables held constant, the influences were as follows:

Equity price at reporting date	For the nine months ended September 30			
	2022		2021	
	Other comprehensive income after tax	Net profit (loss)	Other comprehensive income after tax	Net profit (loss)
Increase 3%	\$ 14,777	-	13,195	133
Decrease 3%	\$ (14,777)	-	(13,195)	(133)

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(iv) Fair value

1) Categories and fair values of financial instruments

The fair value of financial assets and liabilities at fair value through profit or loss, and financial assets at fair value through other comprehensive income, are measured on a recurring basis. The following table shows the carrying amount and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information on financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value and on investments in equity instruments which do not have any quoted price in an active market and lease liability.

	September 30, 2022				
	Carrying Amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at FVTPL					
Swap Contract:	\$ 5,461	-	5,461	-	5,461
Financial assets at FVOCI					
Equity instrument with quoted market prices	321,033	321,033	-	-	321,033
Equity instrument at fair value without quoted market prices	<u>171,466</u>	-	-	171,466	171,466
Subtotal	<u>492,499</u>				
Financial assets at amortized cost					
Cash and cash equivalent	1,066,283	-	-	-	-
Account receivables	728,413	-	-	-	-
Other account receivables	1,498	-	-	-	-
Restricted deposit	2,547	-	-	-	-
Refundable deposits	<u>9,535</u>	-	-	-	-
(recognized in other assets - noncurrent)					
Subtotal	<u>1,808,276</u>				
Total	<u>\$ 2,306,236</u>				
Financial liabilities at amortized cost					
Bank loans	\$ 457,959	-	-	-	-
Notes payable	33	-	-	-	-
Accounts payable	565,694	-	-	-	-
Other notes and accounts payable	381,010	-	-	-	-
Lease liabilities	71,809	-	-	-	-
Guarantee deposits	<u>619</u>	-	-	-	-
Subtotal	<u>1,477,124</u>				
Total financial liabilities	<u>\$ 1,477,124</u>				

	December 31, 2021				
	Carrying Amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at FVTPL					
Forward exchange contract	\$ 42	-	42	-	42
Financial assets at FVOCI					
Equity instrument with quoted market prices	302,975	302,975	-	-	302,975
Equity instrument at fair value without quoted market prices	<u>112,586</u>	-	-	112,586	112,586
Subtotal	<u>415,561</u>				
Financial assets at amortized cost					
Cash and cash equivalent	816,356	-	-	-	-
Account receivables	749,530	-	-	-	-
Other account receivables	2,823	-	-	-	-
Restricted deposit	3,050	-	-	-	-
Refundable deposits	<u>7,988</u>	-	-	-	-
(recognized in other assets - noncurrent)					
Subtotal	<u>1,579,747</u>				
Total	<u>\$ 1,995,350</u>				

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2) Valuation techniques and assumptions used in fair value determination

Non-derivative instruments

If a financial instrument has a quoted price in an active market, the quoted price is used as fair value. Quoted prices of major stock exchanges and quoted prices of government bonds are the basis for measuring the fair value of stocks listed on an exchange, stocks listed on the OTC, and debt instruments with quoted prices in an active market.

The fair values of the Group's listed securities and open-end funds with standard terms and conditions and traded in active markets are determined by the quoted market prices.

Measurements of fair value of financial instruments without active market are based on valuation technique. Fair value measured by valuation technique can be extrapolated from similar financial instruments, discounted cash flow method or other valuation technique. Using discounted cash flow method to calculate fair value, the main assumption is to reflect monetary time value and return of invest risk to discount and measure based on investee's estimated future cash flow.

Derivative instruments

The fair value of Swap contracts and Forward exchange contracts is based on quoted prices from the counterparty.

3) Transfer between level 1 and level 2

There was no transfer between the fair value hierarchy levels for the year ended September 30, 2022 and 2021.

4) Movement of financial assets through other comprehensive income categorized within Level 3.

	Financial assets measured at FVOCI	
	Unquoted equity instruments	
Balance on January 1, 2022	\$	112,586
Recognized in other comprehensive income		58,880
Balance on September 30, 2022	\$	171,466
Balance on January 1, 2021	\$	97,826
Recognized in other comprehensive income		(4,384)
Balance on September 30, 2021	\$	93,442

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include financial assets measured at fair value through other comprehensive income— equity investments.

The Group's equity investments without active market in Level 3 have more than one significant unobservable input. The significant unobservable inputs of equity investments without active market are individually independent, and there is no correlation between them.

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Quantified information of significant unobservable inputs was as follows :

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income-equity investments without an active market	Discounted Cash Flow Method	<ul style="list-style-type: none"> • Continuing growth rate (as of September 30,2022, December 31,2021 and September 30, 2021 ranged from 1.44%、1.44% and 0.48% respectively) • Weighted average cost of capital (as of September 30,2022, December 31,2021 and September 30, 2021 ranged from 9.80%、9.75% and 10.20% respectively) • Market illiquidity discount rate (as of September 30,2022, December 31,2021 and September 30, 2021 ranged from 34.53%、58.64% and 65.40% respectively) • Non-controlling interests discount rate (as of September 30,2022, December 31,2021 and September 30, 2021 ranged from 29.48%、29.48% and 29.87% respectively) 	<ul style="list-style-type: none"> • If the continuing growth rate was higher, the estimated fair value would increase. • If WACC was higher, the estimated fair value would decrease. • If the market illiquidity discount rate was higher, the estimated fair value would decrease. • If the non-controlling interests discount rate was higher, the estimated fair value would decrease.
Financial assets at fair value through other comprehensive income-equity investments without an active market	Net Asset Value Method	<ul style="list-style-type: none"> • Net Asset Value 	N/A

6) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumption

The Group's measurement on the fair value of financial instruments is deemed reasonable despite different valuation models or assumptions may lead to different results. For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on other comprehensive income :

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Inputs	Fluctuation in inputs	Changes in fair value reflected in OCI	
		Favorable	Unfavorable
September 30, 2022			
Continuing growth rate 1.44%	0.1%	\$ 1,470	1,540
Weighted average cost of capital 9.80%	0.1%	1,890	1,890
Market illiquidity discount rate 34.53%	1%	2,310	2,310
Non-controlling interests discount rate 29.48%	1%	2,170	2,170
December 31, 2021			
Continuing growth rate 1.44%	0.1%	\$ 1,050	1,050
Weighted average cost of capital 9.75%	0.1%	1,400	1,400
Market illiquidity discount rate 58.64%	1%	2,240	2,170
Non-controlling interests discount rate 29.48%	1%	1,260	1,260
September 30, 2021			
Continuing growth rate 0.48%	0.1%	\$ 700	700
Weighted average cost of capital 10.20%	0.1%	910	910
Market illiquidity discount rate 65.40%	1%	2,100	2,100
Non-controlling interests discount rate 29.87%	1%	1,050	1,050

The favorable and unfavorable effects represented the changes in fair value, and fair value was based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflected the effects of changes in a single input, and it did not include the interrelationships and variances with another input.

(aa) Financial risk management

There was no significant change of the Group's financial risk management objectives and policy as disclosed in 2021 consolidated report. Please refer to Note 6(aa) of 2021 consolidated financial statements.

(ab) Capital management

The Group's capital management objectives, policies and procedures were compliance with 2021 consolidated financial statements. Further, there was no significant change of the summary quantitative information as disclosed in 2021 consolidated financial statements. Please refer to Note 6(ab) of 2021 consolidated financial statements. °

(ac) Financing activities of non-cash transaction

The Group's investing and financing activities which did not affect the current cash flow were as follows :

- (i) Please refer to Note 6(j) for right of use assets.

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(ii) Reconciliation of liabilities arising from financing activities were as follows :

	January 1, 2022	Cash flows	Non-cash changes			September 30, 2022
			Foreign exchange movement	Amortized	Other (Note 2)	
Short-term loans	-	60,000	-	-	-	60,000
Long-term loans (including long term loans, current portion)	\$ 398,349	-	-	(390)	-	397,959
Lease liabilities	80,374	(9,921)	285	-	1,071	71,809
Guarantee deposits	544	-	75	-	-	619
Total liabilities from financing activities	\$ 479,267	50,079	360	(390)	1,071	530,387

	January 1, 2021	Cash flows	Non-cash changes			September 30, 2021
			Foreign exchange movement	Amortized	Other (Note 2)	
Short-term loans	\$ 700,000	(505,445)	(110)	-	-	194,445
Long-term loans (including long term loans, current portion)	(1,600) (Note 1)	400,000	-	213	-	398,613
Lease liabilities	69,158	(10,464)	(451)	-	24,327	82,570
Guarantee deposits	558	-	(11)	-	-	547
Total liabilities from financing activities	\$ 768,116	(115,909)	(572)	213	24,327	676,175

(Note 1) Previous prepaid syndicated related expense

(Note 2) Obtain (Reduce) the right-of-use assets

(7) Transactions with Related Parties

Compensation of key management personnel

The information on key management personnel compensation was as follows :

	July to September, 2022	July to September, 2021	January to September, 2022	January to September, 2021
Short-term employee benefits	\$ 14,292	10,339	35,660	24,941
Post-employment benefits	136	170	401	382
	\$ 14,428	10,509	36,061	25,323

(8) Pledged Assets

The details and carrying values of pledged assets were as follows :

Pledged Assets	Purpose	September 30,2022	December 31,2021	September 30,2021
Restricted time deposits-current	Guarantee for customs	\$ 2,547	2,538	1,534
Restricted time deposits-non-current	Performance guarantee	-	512	515
Property, plant and equipment-buildings	Guarantee for long-term loans	169,367	173,195	174,872
		\$ 171,914	176,245	176,921

(9) Commitments and Contingencies

As of September 30, 2022 and 2021, the Group has signed contracts for the purchase of office. The unrecognized contingencies of contracts for the purchase of office amounted to \$64,132 and \$6,127, respectively.

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(10) Losses Due to Major Disasters : None

(11) Significant Subsequent Events : None

(12) Other

(a) The details of the Group's employee benefits, depreciation, and amortization were as follows :

By function	For the three months ended September 30					
	2022			2021		
	Recorded as operating cost	Recorded as operating expenses	Total	Recorded as operating cost	Recorded as operating expenses	Total
Employee benefits (Note)	172,604	84,713	257,317	144,535	58,620	203,155
Depreciation	14,047	3,649	17,696	12,234	3,491	15,725
Amortization	140	258	398	71	228	299

By function	For the nine months ended September 30					
	2022			2021		
	Recorded as operating cost	Recorded as operating expenses	Total	Recorded as operating cost	Recorded as operating expenses	Total
Employee benefits (Note)	467,952	232,069	700,021	390,523	180,556	571,079
Depreciation	38,211	9,895	48,106	37,725	10,537	48,262
Amortization	284	779	1,063	213	705	918

Note: The Government subsidy related to COVID-19 for the three months and nine months ended September 30, 2021, amounted to \$7,832, and was recognized in decrease of Employee benefits.

(b) Seasonal operation :

The operation of the Group hadn't been affected by either seasonal or periodical factors.

(13) Supplementary Disclosure Requirements

(a) Information on significant transactions :

In accordance with the ROC "Guidelines Governing the Preparation of Financial Reports by Securities Issuers", the required disclosures for the nine months ended September 30, 2022 were as follows :

(i) Loans extended to other parties: None

(ii) Guarantees provided to other parties: None

(iii) Securities owned as of September 30, 2022 (subsidiaries, associates and joint ventures not included):

Name of security holder	Name of security and type	Relationship between issuer of security and the security holder	Financial statement account	September 30, 2022				Remarks
				Units (shares)	Carrying value	Percentage of ownership	Fair value	
The Company	Ascendax Venture Capital Corp. stock	-	Financial assets at FVOCI— noncurrent	1,924,230	19,916	5.25%	19,916	-
The Company	Chenfeng Optronics Corp. stock	-	Financial assets at FVOCI— noncurrent	1,000,000	21,650	1.06%	21,650	-
The Company	Fubon Financial Holding Co., Ltd. Preferred Shares B	-	Financial assets at FVOCI— noncurrent	13,845	815	-	815	-
The Company	Innolux Corp. stock	-	Financial assets at FVOCI— current	1,147,089	11,987	0.01%	11,987	-
The Company	Quanta Computer Inc. stock	-	Financial assets at FVOCI— current	699,000	53,823	0.02%	53,823	-
The Company	Pegatron Co., Ltd. stock	-	Financial assets at FVOCI— current	216,000	12,636	0.01%	12,636	-

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Name of security holder	Name of security and type	Relationship between issuer of security and the security holder	Financial statement account	September 30, 2022				Remarks
				Units (shares)	Carrying value	Percentage of ownership	Fair value	
The Company	Chicony electronics co., Ltd. stock	-	Financial assets at FVOCI— current	300,000	24,720	0.04%	24,720	-
The Company	Lite-On Technology Corp. stock	-	Financial assets at FVOCI— current	620,000	39,556	0.03%	39,556	-
The Company	MEGA FHC. stock	-	Financial assets at FVOCI— current	1,266,900	39,464	0.01%	39,464	-
The Company	Taiwan Cement Corp., Ltd. stock	-	Financial assets at FVOCI— current	868,943	29,370	0.01%	29,370	-
The Company	ASE Technology Holding Co., Ltd. stock	-	Financial assets at FVOCI— current	295,000	23,630	0.01%	23,630	-
The Company	Nan Ya Plastics Corporation. stock	-	Financial assets at FVOCI— current	300,000	20,070	-	20,070	-
The Company	China Development Financial Holding Corp. stock	-	Financial assets at FVOCI— current	1,800,000	21,600	0.01%	21,600	-
The Company	Evergreen Marine Corp. (Taiwan) Ltd. stock	-	Financial assets at FVOCI— current	84,000	12,264	-	12,264	-
The Company	Coasia Microelectronics Corp. stock	-	Financial assets at FVOCI— current	470,827	5,721	0.32%	5,721	-
The Company	Shian Yih Electronic Co., Ltd. stock	-	Financial assets at FVOCI— current	480,000	11,568	0.78%	11,568	-
Ying Dar Investment Development Corp	Shian Yih Electronic Co., Ltd. stock	-	Financial assets at FVOCI— current	550,000	13,255	0.90%	13,255	-
Ying Dar Investment Development Corp	The Company's stock	The Company	Financial assets at FVOCI— noncurrent	5,346,672	106,666	3.40%	106,666	(Note)
Bae Haw Investment Development Corp	Everest Technology Inc	-	Financial assets at FVOCI— noncurrent	1,000,000	-	1.47%	-	-
Bae Haw Investment Development Corp	Shian Yih Electronic Co., Ltd. stock	-	Financial assets at FVOCI— current	23,000	554	0.04%	554	-
Bae Haw Investment Development Corp	The Company's stock	The Company	Financial assets at FVOCI— noncurrent	3,447,716	68,782	2.19%	68,782	(Note)
Ying Cheng Investment Corp	Chenfung Optronics Corp. stock	-	Financial assets at FVOCI— noncurrent	6,000,000	129,900	6.38%	129,900	-

Note: It was eliminated in the consolidation.

- (iv) Accumulated trading amount of a single security in excess of \$300 million or 20% of the Group's issued share capital: None.
- (v) Acquisition of property, plant and equipment in excess of \$300 million or 20% of issued share capital: None.
- (vi) Disposal of property, plant and equipment in excess of \$300 million or 20% of issued share capital: None.
- (vii) Sales to and purchases from related parties in excess of \$100 million or 20% of issued share capital was as follows :

Purchasing (selling) company	Counter party	Relationship	Detail of transaction				Circumstances of and reasons for deviation from regular trading conditions		Resulting receivables (payables)		Remarks
			Purchase (sale)	Amount	% of net purchase (sales)	Credit line	Unit price	Period for credit	Balance	% of notes and accounts receivable (payable)	
The Company	Emerging Display Technologies Corp., U.S.A.	Subsidiary of the Company	Sale	1,050,509	30.25%	3 months	Sales prices offered to Emerging Display Technologies Corp., U.S.A. was not significantly different from those offered to other customers	Considering the trading practices in North American market, the company set credit duration as three months for North American market, which is slightly longer than one to three months set in other markets.	346,553	42.01%	(Note)
Emerging Display Technologies Corp., U.S.A.	The Company	Subsidiary of the Company	Purchase	1,050,509	100.00%	3 months	The company is the major supplier for Emerging Display Technologies Corp., U.S.A.	The company is the major supplier for Emerging Display Technologies Corp., U.S.A.	(346,553)	100.00%	(Note)
The Company	Dong Guan Emerging Display Limited	Sub-subsidiary of the Company	Purchase (processing expense)	262,736	12.26%	1-3 months	The company is the only entity the sub-subsidiary provides processing service to. There is no comparable transaction.	The company is the only entity the sub-subsidiary provides processing service to.	(12,311)	2.45%	(Note)
Dong Guan Emerging Display Limited	The Company	Sub-subsidiary of the Company	Sale (processing revenue)	262,736	100.00%	1-3 months	The company is the only entity the sub-subsidiary provides processing service to. There is no comparable transaction.	The company is the only entity the sub-subsidiary provides processing service to.	12,311	100.00%	(Note)

Note: It was eliminated in the consolidation.

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- (viii) Receivables from related parties in excess of \$100 million or 20% of issued share capital were as follows :

Name of company the has the receivables	Counterparty	Relationship	Balance of amount	Turnover ratio	Overdue		Amount collected in the subsequent period	Allowance for doubtful accounts	Remarks
					Amount	Status			
The Company	Emerging Display Technologies Corp., U.S.A.	Subsidiary of the Company	Account receivables of 346,553	4.26	-	-	123,573	-	(Note)

Note: It was eliminated in the consolidation.

- (ix) Derivative financial instrument transactions :

Please refer to note 6(b).

- (x) Significant inter-Group transactions :

No.	Name	Counterparty	Relationship (Note)	Details of transaction			
				Subject	Amount	Term of trading	% of total consolidated revenue or total asset
0	The Company	Emerging Display Technologies Corp., U.S.A.	1	Sales revenue Accounts payable	1,050,509 346,553	Considering the trading practices in North American market, the Group set credit duration as three months for North American market, which is slightly longer than one to three months set in other markets.	30.00% 8.68%
0	The Company	EDT-Europe ApS	1	Selling expenses-Commission Other payable	46,820 9,011	No non-related-party transaction to compare to.	1.34% 0.23%
0	The Company	Emerging Display Technologies Korea	1	Selling expenses-Commission	2,639	No non-related-party transaction to compare to.	0.08%
0	The Company	EDT-Japan Corp.	1	Selling expenses-Commission	8,887	No non-related-party transaction to compare to.	0.25%
0	The Company	Dong Guan Emerging Display Limited	1	Processing cost Accounts payable	262,736 12,311	No non-related-party transaction to compare to.	7.50% 0.31%

Note : Relationship notes as follows :

- 1) Parent Group to subsidiary
- 2) Subsidiary to parent Group
- 3) Subsidiary to subsidiary

- (b) Information on investees (excluding information on investees in Mainland China) :

Relevant information about investees for the nine months ended September 30, 2022 was as follows :

Name of investor	Name of investee	Location	Business scope	Original cost of investment		Held at the end of term			Net income (loss) of the investee	Investment income (less) recognized	Remarks
				September 30, 2022	December 31, 2021	Shares owned	Percentage owned	Carrying value			
The Company	Emerging Display Technologies Corp., U.S.A.	USA	Trading	121,656	121,656	3,500,000	100.00%	109,588 (Note 1)	7,260	7,458	Subsidiary (Note2)
The Company	Emerging Display International (Samoa) Corp.	Samoa	Investment holding	180,503	180,503	5,984,071	78.49%	62,020	(7,368)	(5,783)	Subsidiary (Note2)
The Company	EDT-Europe ApS	Denmark	Customer service and business support	71,172	2,077	1,825,000	100.00%	76,029	1,366	1,366	Subsidiary (Note2)
The Company	Emerging Display Technologies Korea	Korea	Business support	1,677	1,677	58,212,500	100.00%	1,474	(15)	(15)	Subsidiary (Note2)
The Company	EDT-Japan Corp.	Japan	Customer service and business support	17,401	17,401	5,000	100.00%	6,205	702	702	Subsidiary (Note2)

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Name of investor	Name of investee	Location	Business scope	Original cost of investment		Held at the end of term			Net income (loss) of the investee	Investment income (less) recognized	Remarks
				September 30, 2022	December 31, 2021	Shares owned	Percentage owned	Carrying value			
The Company	Ying Dar Investment Development Corp.	Taiwan	Investment	89,000	89,000	8,900,000	100.00%	27,708	5,946	5,946	Subsidiary (Note2)
The Company	Bae Haw Investment Development Corp.	Taiwan	Investment	89,000	89,000	8,900,000	100.00%	42,121	3,016	3,016	Subsidiary (Note2)
The Company	Ying Cheng Investment Corp.	Taiwan	Investment	84,000	84,000	8,400,000	52.50%	73,364	(10)	(5)	Subsidiary (Note2)
Ying Dar Investment Development Corp.	Emerging Display International (Samoa) Corp.	Samoa	Investment holding	13,234	13,234	450,000	5.90%	4,662	(7,368)	(434)	Subsidiary (Note2)
Bae Haw Investment Development Corp.	Emerging Display International (Samoa) Corp.	Samoa	Investment holding	25,488	25,488	870,000	11.41%	9,015	(7,368)	(841)	Subsidiary (Note2)

Note1: It was deducted unrealized profit from sales \$16,099.

Note2: It was eliminated in the consolidation.

(c) Information on investees in Mainland China :

(i) Information on investments in Mainland China :

Investee company	Main businesses and products	Received capital	Investment method	Accumulated amount invested in Mainland China as of Jan. 1, 2022	Invested capital remitted from or repatriated to Taiwan		Accumulated amount invested in Mainland China as of September 30, 2022	Net income of investee	The Group's direct or indirect investment ratio	Investment gain (loss) recognized by the Group	Book value of the investment as of September 30, 2022	Accumulated investment income repatriated to Taiwan as of September 30, 2022
					Remittance	Repatriation						
Dong Guan Emerging Display Limited	Manufacturing of LCDs and Touch panel	248,516 (USD 7,625,300)	Investing through a third country by establishing a holding Group in a third country.	219,225 (USD 6,746,936) (Note1)	-	-	219,225 (USD 6,746,936)	(8,699)	95.80% (Note2)	loss of \$8,334 Based on the investee's financial statements audited by the same auditor as the Group (Note3)	66,022 (Note4)	-

(ii) Limitation on investments in Mainland China :

Accumulated investment amount remitted from Taiwan to Mainland China as of September 30, 2022	Investment amount approved by the Investment Commission, Ministry of Economic Affairs	Limit on investment in Mainland China set by the Investment Commission, Ministry of Economic Affairs
220,176(Note8) (USD6,934,668) (Note5)	442,967(Note8) (USD13,951,732) (Note6)	1,462,323(Note7)

Note1: The amount includes \$13,234 which was invested by Ying Dar Investment Development Corp. and \$25,488 which was invested by Bae Haw Investment Development Corp.

Note2: The ratio includes 5.90% which was held by Ying Dar Investment Development Corp. and 11.41% which was held by Bae Haw Investment Development Corp.

Note3: The amount includes a loss of \$513 which was recognized by Ying Dar Investment Development Corp. and a loss of \$993 which was recognized by Bae Haw Investment Development Corp.

Note4: The amount includes \$4,066 which was invested by Ying Dar Investment Development Corp. and \$7,863 which was invested by Bae Haw Investment Development Corp.

Note5: The amount includes the remaining capital amounting to US\$187,732 of Emerging Technologies Int'l Trading (Shanghai) Co., Ltd. didn't remit back after it had completed liquidation in 2009 due to net loss.

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Note6: The approved amount includes US\$637,732 obtained from Ying Dar Investment Development Corp. and US\$870,000 obtained from Bae Haw Investment Development Corp. The amount obtained from Ying Dar Investment Development Corp. includes the remaining capital amounting to US\$187,732 of Emerging Technologies Int'l Trading (Shanghai) Co., Ltd. didn't remit back after it had completed liquidation in 2009 due to net loss.

Note7: The amount includes \$80,625 for Ying Dar Investment Development Corp. and \$66,541 for Bae Haw Investment Development Corp.

Note8: Transactions denominated in foreign currencies were recorded using the rate of exchange at September 30, 2022.

(iii) Significant transactions :

The significant inter-Group transactions with the subsidiary in Mainland China, which were eliminated in the preparation of the consolidated financial statements, was disclosed in "information on significant transactions" for the six months ended September 30, 2022.

(d) Major shareholder :

Shareholder's Name	Shareholding	Shares	Percentage
Tseng, Jui-Ming		11,043,723	7.01%

Note1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustee who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, refer to Market Observation Post System.

(14) Segment Information

Reportable segment information was as follows :

	July to September, 2022					Total
	Domestic	North America	Mainland China	Other operating Department	Adjustments and Eliminations	
Revenue:						
Sales to customers other than consolidated entities	\$ 849,641	426,246	-	237	-	1,276,124
Sales among consolidated entities	390,110	-	106,355	19,492	(515,957)	-
Total revenue	\$ 1,239,751	426,246	106,355	19,729	(515,957)	1,276,124
Segment Income	\$ 179,310	2,803	2,929	3,196	1,349	189,587

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	July to September,2021					
	Domestic	North America	Mainland China	Other operating Department	Adjustments and Eliminations	Total
Revenue:						
Sales to customers other than consolidated entities	\$ 776,663	316,717	-	854	-	1,094,234
Sales among consolidated entities	<u>300,612</u>	<u>-</u>	<u>52,747</u>	<u>18,979</u>	<u>(372,338)</u>	<u>-</u>
Total revenue	<u>\$ 1,077,275</u>	<u>316,717</u>	<u>52,747</u>	<u>19,833</u>	<u>(372,338)</u>	<u>1,094,234</u>
Segment Income	<u>\$ 79,875</u>	<u>9,395</u>	<u>(9,636)</u>	<u>2,938</u>	<u>2,004</u>	<u>84,576</u>
	January to September,2022					
	Domestic	North America	Mainland China	Other operating Department	Adjustments and Eliminations	Total
Revenue:						
Sales to customers other than consolidated entities	\$ 2,422,436	1,078,286	-	557	-	3,501,279
Sales among consolidated entities	<u>1,050,076</u>	<u>-</u>	<u>262,736</u>	<u>58,345</u>	<u>(1,371,157)</u>	<u>-</u>
Total revenue	<u>\$ 3,472,512</u>	<u>1,078,286</u>	<u>262,736</u>	<u>58,902</u>	<u>(1,371,157)</u>	<u>3,501,279</u>
Segment Income	<u>\$ 424,670</u>	<u>9,187</u>	<u>(7,427)</u>	<u>2,613</u>	<u>(6,096)</u>	<u>422,947</u>
	January to September,2021					
	Domestic	North America	Mainland China	Other operating Department	Adjustments and Eliminations	Total
Revenue:						
Sales to customers other than consolidated entities	\$ 2,302,431	776,170	-	2,012	-	3,080,613
Sales among consolidated entities	<u>712,357</u>	<u>21</u>	<u>123,581</u>	<u>61,331</u>	<u>(897,290)</u>	<u>-</u>
Total revenue	<u>\$ 3,014,788</u>	<u>776,191</u>	<u>123,581</u>	<u>63,343</u>	<u>(897,290)</u>	<u>3,080,613</u>
Segment Income	<u>\$ 211,344</u>	<u>10,605</u>	<u>(20,734)</u>	<u>6,787</u>	<u>(4,643)</u>	<u>203,359</u>
Segment Assets						
September 30,2022	<u>\$ 3,599,739</u>	<u>490,794</u>	<u>172,376</u>	<u>103,165</u>	<u>(371,897)</u>	<u>3,994,177</u>
December 31,2021	<u>\$ 3,328,326</u>	<u>444,707</u>	<u>150,018</u>	<u>27,009</u>	<u>(360,617)</u>	<u>3,589,443</u>
September 30,2021	<u>\$ 3,351,188</u>	<u>367,993</u>	<u>143,612</u>	<u>29,903</u>	<u>(274,998)</u>	<u>3,617,698</u>
Segment Liabilities						
September 30,2022	<u>\$ 1,614,006</u>	<u>365,440</u>	<u>103,459</u>	<u>19,456</u>	<u>(369,809)</u>	<u>1,732,552</u>
December 31,2021	<u>\$ 1,427,514</u>	<u>342,284</u>	<u>81,739</u>	<u>16,470</u>	<u>(350,947)</u>	<u>1,517,060</u>
September 30,2021	<u>\$ 1,529,994</u>	<u>267,549</u>	<u>79,578</u>	<u>16,577</u>	<u>(264,585)</u>	<u>1,629,113</u>

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The following is the explanation of material reconciliation item :

- (a) For the three and nine months ended September 30, 2022 and 2021, the operating segments revenue eliminated from the consolidated entities were \$515,957, \$372,338, \$1,371,157 and \$897,290, respectively.
- (b) For the three and nine months ended September 30, 2022 and 2021, the operating segments profit and loss eliminated from the consolidated entities were loss \$1,349, loss \$2,004, profit \$6,096 and profit \$4,643, respectively.
- (c) As of September 30, 2022, December 31, 2021 and September 30, 2021, the operating segments assets eliminated from the consolidated entities were \$371,897, \$360,617 and \$274,998, respectively.
- (d) As of September 30, 2022, December 31, 2021 and September 30, 2021 the operating segments liabilities eliminated from the consolidated entities were \$369,809, \$350,947 and \$264,585, respectively.