



EMERGING
DISPLAY
TECHNOLOGIES
CORP.

Stock code: 3038

Emerging Display Technologies Corp. 2021 Annual Shareholders' Meeting

Meeting Agenda (Translation)

Meeting Date: June 15, 2021

Meeting Place: No. 5, Central 1st Road, Cianjhen Dist., Kaohsiung, Taiwan, R.O.C.

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Emerging Display Technologies Corp.

2021 Annual Shareholders' Meeting Procedure

I. Call Meeting to Order

II. Meeting Agenda

Time: 9:00 a.m., June 15, 2021

Place: No. 5, Central 1st Road, Cianjhen Dist., Kaohsiung, Taiwan, R.O.C.

(edt's Headquarters at 1st Floor)

Attendants: All shareholders or their proxy holders

Chairman: Tseng, Jui-Ming (Chairman of the Board of Directors)

1. Reporting Items:

- (1) Report on 2020 business report.
- (2) Supervisors' review report of 2020 audited financial statements.
- (3) Report on distribution of 2020 employees' compensation and remuneration for directors and supervisors.
- (4) Report on 2020 earnings distribution of cash dividend.

2. Adopting Items:

- (1) Adoption of the Business Report and Financial Statements of 2020.
- (2) Adoption of the proposal for distribution of 2020 profits.

3. Discussion Items:

- (1) Amendment to the Company's "Articles of Incorporation".
- (2) Adoption of the Company's "Procedures for Election of Directors" and repeal of "Directors and Supervisors Election Rule".
- (3) Amendment to the Company's "Procedures for Loaning Funds to Others".

4. Election Items:

Election of all directors the Company.

5. Other Items:

Dismissal of the prohibition of non-competition obligation of the new directors and its representatives.

6. Extemporaneous Motions

7. Meeting Adjourned

Reporting Items:

1. Report on 2020 business report.

Explanatory Note: Please refer to Attachment 1 (page 6~10).

2. Supervisors' review report of 2020 audited financial statements.

Explanatory Note: Please refer to Attachment 2 (page 11).

3. Report on distribution of 2020 employees' compensation and remuneration for directors and supervisors.

Explanatory Note:

(1) The Company's 2020 profit before tax is NT\$270,169,240 (NT\$293,662,218 if employees' compensation and remuneration for directors excluded). In accordance with Article 22-1 of "Articles of Incorporation", the Company distribute 2020 employees' compensation and remuneration for directors and supervisors as follows,

◆ Employees' compensation: 5% allocated and NT\$14,683,111 in total.

◆ Remuneration for directors and supervisors: 3% allocated and NT\$8,809,867 in total.

◆ The above will be fully paid in cash.

(2) Qualification requirements of employees for the compensation include employees of subsidiary companies who meet certain specific requirements. The distribution amount will depend on employees seniority, position, job performance, overall contribution or special merits and employee qualification.

(3) There's no difference between the above distribution amount of employees compensation, remuneration for directors and supervisors and our book value recognized.

4. Report on 2020 earnings distribution of cash dividend.

Explanatory Note:

(1) Pursuant to Article 23-1 of the Company's "Articles of Incorporation", the Board of Directors has approved the appropriation of cash dividends of NT\$188,889,124 at NTD 1.2 per share.

(2) The cash dividends will be distributed according to the percent of shareholding on ex-dividend date and fully distributed until last integer and preclude fraction of dollar. The remainder of undistributed net earnings will be recorded as the Company's other income.

(3) The cash dividends were approved by the Board of Directors, and the Chairman was authorized to resolve the ex-dividend date and payment date. In the event that, the proposed dividend distribution ratio is affected due to share buyback program, transfer of treasury stocks to employees, reduction of shares or any other reasons affecting the number of outstanding shares, it is proposed that the Chairman be fully authorized to handle such distribution.

Adopting Items:

1. 2020 Business Report and Financial Statements of the Company. Adoption is respectfully requested. (Proposed by the Board of Directors)

Explanatory Note:

- (1) 2020 Parent-Company-Only Financial Statements and Consolidated Financial Statements were audited by independent auditors, Po Jen, Yang and Yen Ta, Su of KPMG Taiwan.
- (2) 2020 Business Report, Independent Auditor's report and the aforementioned Financial Statements are attached hereto as Attachment 1, 3 and 4 (page 6~10, 12~19, 20~27).
- (3) Please proceed to adopt.

Resolution:

2. Distribution of 2020 Profits. Adoption is respectfully requested. (Proposed by the Board of Directors)

Explanatory Note:

- (1) In Fiscal Year 2020, the Company made a net profit of NT\$233,466,089. By adding previous years' retained earnings of NT\$165,017,293, proceeds from disposal of equity instruments at fair value through other comprehensive income of NT\$8,537,363, and deducting changes of remeasurement from defined benefit plans of NT\$1,286,000, special reserve for equity deduction of NT\$15,203,479, total distributable earnings for year amounted to NT\$390,531,266. After setting aside 10% of net profit as legal reserve of NT\$24,071,745, the Board of Directors has determined the profit to be distributed among shareholders shall be NT\$188,889,124 in cash dividends (NT\$1.2 per share). Please refer to Attachment 5 (page 28) for profit allocation proposal.
- (2) Please proceed to adopt.

Resolution:

Discussion Items:

1. Amendment to the Company's "Articles of Incorporation". Approval is respectfully requested. (Proposed by the Board of Directors)

Explanatory Note: Please refer to Attachment 6 (page 29).

Resolution:

2. Adoption of the Company's "Procedures for Election of Directors" and repeal of "Directors and Supervisors Election Rule". (Proposed by the Board of Directors)

Explanatory Note: Please refer to Attachment 7 (page 32~34).

Resolution:

3. Amendment to the Company's "Procedures for Loaning Funds to Others". Approval is respectfully requested. (Proposed by the Board of Directors)

Explanatory Note: Please refer to Attachment 8 (page 35~37).

Resolution:

Election Items:

Election of all directors the Company. (Proposed by the Board of Directors)

Explanatory Note:

- (1) The term of office of the 9th directors and supervisors of the Company will expire on June 11, 2021.
- (2) Nine directors (including three independent directors) shall be elected this time in accordance with the Company Act, the Company's "Articles of Incorporation" and establishment of the audit committee. Newly elected directors will take office from the election date, the term of office from June 15, 2021 to June 14, 2024 for a term of three years. The Company will repeal the setup of supervisors at the same time.
- (3) The candidate nomination system is adopted. Shareholders shall elect the directors from the list of the candidates reviewed by the Board of Directors on May 4, 2021.

Related information of the candidates is as following:

Title	Candidate Name	Education & Experience	Shareholding (Unit: share)
Director	Tseng, Jui-Ming	MBA, CSU, Taiwan Hitachi / Sharp Chairman of the Company	11,043,723
Director	Hsieh, Hui-Tai	San Sin High School, Taiwan Director of Jen Da Transportation Director of the Company	6,386,867
Director	Wang, Tai-Kuang	Master, Physics and Astronomy, NCU, Taiwan Business Manager class of Taiwan AI Academy Solomon Technologies Corp. President & CEO of the Company	1,666,487
Director	Yu, Cheng-Chung	Bachelor, International business, CYCU, Taiwan Citizen Watch / Grand Pacific Optoelectronics Corp. Vice President of the Company	1,002,000
Director	Ying Dar Investment Development Corp. Representative: Huang, Hsiu-Wen	MBA, CUNY, Baruch College, USA / Yuanta Securities Corp. Financial Officer of the Company	5,346,672
Director	Bae Haw Investment Development Corp. Representative: Hsieh, Wen-Hsiung	Bachelor, Accounting, FCU, Taiwan Yuanta Securities Corp. Vice President & Chairman's Special Assistant & Corporate Governance Officer of the Company	3,447,716
Independent Director	Huang, Hui-Ling	Master, Accounting, NCCU, Taiwan DBS Bank / Ta Chong Bank / KPMG / Deloitte Partner of Legence Accounting Firm	0
Independent Director	Li, Chi-Cheng	Ph.D, MBA, NCKU, Taiwan Professor of Cheng Shiu University Representative of supervisor of Yung Chi Paint & Varnish Mfg. Co., Ltd. Independent Director of the Company	0
Independent Director	Huang, Fu-Di	Bachelor, Statistics, FCU, Taiwan KPMG / Supervisor of Taiwan Fushing Industry Corp. Independent Director of the Company	0

- (4) It is proposed to submit for election.

Resolution:

Other Items:

It is proposed to dismiss the non-competition obligation of the newly elected directors and its representatives. Approval is respectfully requested. (Proposed by the Board of Directors)

Explanatory Note:

- (1) According to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- (2) The director candidates of the Company may have competition situation, under the condition that such competition will not damage to the Company, it is proposed to dismiss the limitation on the non-competition obligation of the directors and its representatives from the date of newly elected directors taking office. The same applies when the directors are re-elected.

Resolution:

Extemporary Motions

Meeting Adjourned

ATTACHMENT 1

Emerging Display Technologies Corp. 2020 Business Report

Dear Shareholders,

First and foremost, I would like to thank you for taking time from your busy schedule to attend this shareholders' meeting. On behalf of **edt**, I would like to express my upmost appreciation for your support and encouragement.

The results of our operating performance in 2020 and outlook for the future are as following:

2020 Business Report

1. Operating Performance

Our consolidated net operating revenue in 2020 totaled NT\$3,737,299 thousand, a mere decline of 9.01% from NT\$4,107,559 thousand registered a year ago. Mainly benefited by the growing shipments in smart home appliances in 2019, both revenue and profit enjoyed historical high records in recent years. However, the impact of COVID-19 epidemic in 2020 weakened the sales performance in the end market of both Europe and the U.S. as sales of smart home appliances were not so hectic when such products launched in 2019, and its revenue declined somewhat considerably. Meanwhile, the unfavorable exchange rates affected the consolidated net profits, which declined by 9.36% with the earnings per share (EPS) standing at NT\$1.57. In individual products, the sales ratio of LCD modules (LCM) declined to below 40%, while the demand for Capacitive Touch Panel (CTP) and its modules comparatively increased with a ratio exceeding 60% out of total shipments. After our adjustment of product portfolio, the gross profit margin performed better than the previous year, and it has a positive effect on long-term set profit growth and effective capacity utilization.

Looking back on the past year, although there were still many unfavorable macro-environmental elements, we continued to enhance and improve the touch function of Capacitive Touch Panel (CTP) for diverse small niche markets to service the market demand of various emerging applications that accompany the growth of the "Internet of Things" and expect to achieve stable profit growth.

Combining CTP and TFT-LCD were generally called "Touch Display" which had the diverse development of touch function and will be deepened with the growth of emerging application markets. Encouraged by the improvement of various wireless information transmission technologies and medium-high end mobile computing products, simple and intuitive user interface design has become the mainstream for interactive information display system. Innovation in projected capacitive technology still awaits the touch panel industry to research and develop.

In the competitive environment of the diversified customized demand market, we have corresponded material application and software design with manufacturing process innovation, implemented professional and technical services, and is committed to the improvement of production yield rate and efficiency as well as effective operating cost control. Holding up to the support of our shareholders, we facilitate the best allocation of company resources and strive to achieve the set operating goals.

2. Consolidated financial results & profitability analysis

Unit: NT\$ thousands

	2020	2019
Operating profit	333,952	314,590
Non-operating income and expenses	(59,843)	(10,690)
Profit before tax	274,109	303,900
Net profit	232,996	257,047
Return on assets	6.68%	7.63%
Return on shareholders' equity	11.84%	13.66%
Pre-tax income to paid-in capital	16.87%	18.71%
Profit ratio	6.23%	6.25%
Earnings per share (NT\$)	1.57	1.73

3. Research and development Status

- (1) From the establishment of **edt**, the research and development of new technology has been highly valued. We spare no effort in improving product quality and developing new varieties. Research and development results of 2020 are as following:

Item	R&D Results	Description of Benefits
1	Capacitive Touch Integrated with EMR(Electro Magnetic Resonance) Pen Technology	Finish the development of 10.1" demo box with capacitive and electromagnetic pen dual-mode touch display. It is a mixed-sensor integration able to seamlessly and accurately switch between pen and finger input, mainly applies to electronic signature pads, medical instruments, professional graphics tablets or tablets for education.
2	Air Touch Technology for Capacitive Touch Panel	Through the development of the Air Touch algorithm with the external MCU with the capacitive touch IC, edt has successfully developed the first-generation technology that can perform normal non-contact man-machine interface control when the finger is floating at a height of 20mm above the panel. We will continue to develop the second-generation technology and expect to increase the Air Touch floating sensing height to 40mm.
3	Microchip maXTouch Solution Development	Through the establishment of independent sensor simulation and firmware parameter adjustment resources by maXTouch Solution, 5" and 12.1" CTP have been approved by customers to enter mass production.

4	CTP Water Tolerance Improvement with AI	Improve the water tolerance of the capacitive touch panel through better layout design, and assist customers to solve the problem of false touch or inoperability caused by the shower head flushing on the panel with the touch IC to build a water-tolerance algorithm in the MCU. We will continue to study the MCU built-in AI algorithm to solve the problem of coupling capacitance effect interference caused by the edge wiring when there is water on the panel.
5	2D Touch Display Module + AI Edge Computing in MCU + Simple Audio Recognition Technology Development	Finish the development of capacitive touch display module with 2D touch function and short-voice control function through the establishment of short voice command pre-processing algorithms and AI algorithms in the MCU. We can expand the short voice command recognition function on the existing capacitive touch display module for customers.
6	Wide Viewing Angle Embedded Product	Finish 4 types of wide viewing angle embedded products on STM32F750 and STM32H750 platform.
7	Add-On Board for Embedded Product	Finish the development of 3 types of "Add-On board", which can help customers to verify concepts and product integration applications. It also realizes the expansion of wired and wireless applications.
8	Integration Air Touch Embedded Product	Finish the integration of various air touch technology in embedded product applications.
9	Intellectual Property Rights (include Patents and Trade Secret)	Number of intellectual property right proposals totaled 24, which include 18 patent proposals and 6 trade secret proposals. Number of intellectual property rights granted totaled 18 (proposals accumulated in the previous years).

(2) Future research and development projects and corresponding budget

In response to the vast market of increasingly popular interaction displays, we plan on investing NT\$164,440 thousand into research and development in 2021. In addition to sparing no effort in the research and development of existing areas, we are also quite prepared for new application related software / hardware technologies, such as touch function, somatosensory technology, and embedded system software. Future research and development projects are as follows:

- ◆ Floating Imaging with Air Touch Technology Development
- ◆ Light Field Floating Image Technology Development
- ◆ Flexible Liquid Crystal Device Technology Development
- ◆ Touchless Solution Technology Development
- ◆ Embedded System Development
- ◆ Microchip maXTouch Solution Development
- ◆ CTP Water Tolerance Improvement with AI
- ◆ Capacitive Touch Panel with Pressure Sensing Function
- ◆ AIoT + Audio/3D Gesture Recognition Technology Application Development
- ◆ Collecting Big Data for AI Application with Collaborative Robot (Cobot/Co-robot)

Summary of Business Plan for 2021

1. Business objectives

- (1) Develop new technologies and products to expand market.
 - ① Develop technology of black and white color panel effect.
 - ② Optimize optical bonding process.
- (2) Develop innovative business model for touch display solution.
 - ① Develop smart embedded solution.
 - ② Enhance the service ability of software / firmware.
- (3) Upgrade digital production information and construct intelligent factory.
 - ① Digitalization of production management and lean manufacturing process.
 - ② Intelligent manufacturing to lower human factors.
- (4) Enhance efficacy of research and development.
 - ① Develop human machine somatosensory technology.
 - ② Establish the development ability of machine learning technology.

2. Expected sales numbers and its basis

- (1) Expected sales numbers for 2021:
 - ① LCD modules 2,300 thousand units
 - ② CTP and its modules 2,200 thousand units
- (2) Basis for expected sales numbers of 2021:
 - ① With the emerging trend of various pan-intelligent products, applications for internet of things, smart home, and wearable devices, the future market demand and application of touch panels will continue to grow.
 - ② The considerable growth potential for small and medium size TFT panels in consumer and pan-industrial electronic products can drive up the sale of TFT modules.
 - ③ Integrated touch display design has become the mainstream gradually with various application market and the customization requirements are relatively high. We believe that there will be a yearly double-digit growth for solutions of touch function combined with display panel.

3. Key sales strategies

- (1) Continuous technological development of the CTP manufacturing process and its material, as well as lamination technology / surface treatment / free form cutting technology of related touch sensors and display panels.
- (2) Actively develop new high value-added products and markets, such as large size products and small and medium size displays with embedded systems, and combined with optical bonding, water tolerance, antibacterial touch, 3D gesture control and so on.
- (3) Both business model of low-volume high-mix and high-volume low-mix has pros and cons. Under the principle of 50/50, edt will adopt the sales strategy with most appropriate percentage of above two business models according to supply chain and new technology appliance.

Future Development Strategies

1. Focus on the innovative technology development of Capacitive Touch Panel (CTP) and continuous proportional increase of niche type Capacitive Touch Panel product structure.
2. Enhance differentiation design ability of TFT-LCD module, actively seek out sales orders for TFT, and satisfy the different customized needs of clients.
3. Continuously enhance design development of pan-industrial control and medical application products to maintain future growth and profitability. Develop embedded system solution, assist the customer in integrated software, firmware and hardware design, and further differentiate and provide high value-added.
4. Actively build IP strategies and invest in research and development to develop futuristic product technology such as 3D gesture, water tolerance touch and intelligent algorithm, so as to seize prior opportunity into high margin markets.
5. Improve the localized and immediate service quality for major clients via the technical service function of overseas channels.

The Impact of the External Competitive Environment, Regulatory Environment and Macroeconomic Conditions

1. In response to EU RoHS and REACH regulations as well as consideration of environmental climate change caused by the greenhouse effect, we will actively work with supplies and vendors in corresponding managerial activities that save energy and reduce carbon emission to comply with environmental trends and enhance product competitiveness.
2. In response to trade war, we will effectively readjust and reallocate production line in each area to lower tariff influence to zero.
3. A trend under the COVID-19 epidemic is “work from home” and “remote teaching”. This brings a strong demand in the end market and the production of LCD panels continues to be tight, maintaining an upward situation in panel prices. And the short of materials has remained the price at its high points. Regarded as long-term supply chain relationship, we enable to minimize the impact of material shortages to an extent; and to this end, we prepare materials in advance so as to reduce the pressure of rising prices, and adjust the capacity allocation with more flexibilities to meet customer’s requirements at the same time.
4. During the post-epidemic era, the supply shortage under the globalized economic system is impacting all walks of life for the moment. Aided by long and stable cooperation ties with customers, we have now made an effort into a sustained growth in revenue and profit in the years to come by providing the optimized product portfolio, improving the manufacturing process, and strengthening supply chain communication with effective management.
5. Over 90% of total operating revenue of **edt** is export in 2020. Since exchange rate fluctuations have a significant impact on us, efficient and stable financial operations will be used for risk aversion.

With dedication to becoming the leading brand with the most complete solutions of small and medium size interaction displays, **edt** stride to hold up to shareholders' expectations and achieve the basis for sustainability and stable development.

ATTACHMENT 2

Emerging Display Technologies Corp. Supervisors' Review Report

The Board of Directors report the business report, consolidated financial statements, parent-company-only financial statements and profit allocation proposal of 2020. Of the said documents, the financial statements have been duly audited by Certified Public Accountants Po Jen, Yang and Yen Ta, Su of KPMG Taiwan.

The above business report, consolidated financial statements, parent-company-only financial statements and profit allocation proposal have been audited by us as Supervisors of the Company. We deem no inappropriateness on these documents. Pursuant to Article 219 of the Company Act, we hereby present the audited report. Please review.

Submitted to:

2021 Shareholders' Meeting of the Company

Emerging Display Technologies Corp.

Supervisor: Lin, Yu-Fen



Supervisor: Tseng, Shu-Ling



Supervisor: Ting, Hung-Hsun



March 17, 2021

ATTACHMENT 3

Independent Auditors' Report

To the Board of Directors of Emerging Display Technologies Corp.:

Opinion

We have audited the financial statements of Emerging Display Technologies Corp. ("the Company"), which comprise the balance sheets as of December 31, 2020 and 2019, the statements of comprehensive income, changes in equity and cash flows for the years then ended December 31, 2020 and 2019, and notes to the parent-company-only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we judged shall be presented in the financial report as follows:

1. Valuation of accounts receivable

Please refer to Note 4(f) for accounting policy of accounts receivable valuation and Note 5(a) for accounting assumption and estimation uncertainty of impairment of accounts receivable.

Information regarding accounts receivable is shown in Note 6 (d) of the parent-company-only financial statements.

Description of key audit matters:

The Company's customers are the manufacturers of industrial equipment, smart home devices, handheld devices, and information appliance products. The customers' delayed payments were due to the need to clarify the responsibility of problematic products resulted from failure of process or usage of end products, and global economic turmoil. Because of the inherent credit risk of receivables, the financial statements users value the collection results. Since the accounts receivable is significant to the financial statements, they are one of the key areas our audit focused on.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included understanding the process of account checking and collection with customers; analyzing the receivable aging report; reviewing the historical receipt and bad debt records; and understanding the forward-looking industrial economy status and concentration of credit risk of the customers. In addition, we also evaluated the appropriateness of related disclosures in the parent-company-only financial statements.

2. Valuation of obsolete inventory

Please refer to Note 4(g) for accounting policy of obsolete inventory and Note 5(b) for accounting assumption and estimation uncertainty of obsolete inventory valuation. Information regarding obsolete inventory valuation is shown in Note 6(f) of the parent-company-only financial statements.

Description of key audit matters:

Obsolete inventory is carried at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The Company is engaged in the manufacture and sale of liquid crystal displays and capacity touch panels. It focuses on the small and medium sized niche markets of non-consumable area. The products are used in industrial equipment, smart home devices, handheld devices, and information appliance products. The development strategy of the Company is diversifying and customizing its products which may result in having an impact on its obsolete inventory cost. As a consequence, there is a risk that the net realizable value of obsolete inventory may turn out to be lower than its carrying value. Therefore, the valuation of obsolete inventory is one of the key areas our audit focused on.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included selecting samples to test the accuracy of inventory aging report; analyzing the changes of inventory aging, and examining the provision of inventory by reviewing the historical accuracy on provision. We assessed the changes of obsolescence inventory in the subsequent events and the basis of net realizable value to evaluate the accuracy of the Company's provisions. In addition, we also assessed the appropriateness of the provisions and disclosures made by the management.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the parent-company-only financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent-company-only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent-company-only financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting. Unless the management either intends to liquidate the Company or to cease its operations, there is no realistic alternative but to do so.

Those charged with governance (including the Supervisors) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent-company-only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent-company-only financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent-company-only financial statements. Or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the disclosures, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on these parent-company-only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent-company-only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Po Jen, Yang and Yen Ta, Su.

KPMG

Taipei, Taiwan (Republic of China)

March 10, 2021

Notes to Readers

The accompanying parent company only financial statements are intended only to present the statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

EMERGING DISPLAY TECHNOLOGIES CORP.

Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2020		December 31, 2019		Liabilities and Equity		December 31, 2020		December 31, 2019	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 1,159,414	32	1,298,535	36	2100	Short-term borrowings (note 6(m))	\$ 700,000	20	400,000	11
1110	Financial assets at fair value through profit or loss, current (note 6(b))	58,817	2	54,094	2	2120	Financial liabilities at fair value through profit or loss, current (note 6(b))	195	-	994	-
1120	Financial assets at fair value through other comprehensive income, current (note 6(c))	138,432	4	87,024	2	2150	Notes payable	1,234	-	307	-
1170	Accounts receivable, net (notes 6(d) and (u))	457,575	13	321,107	9	2170	Accounts payable	355,622	10	385,101	11
1180	Accounts receivable - related parties, net (notes 6(d), (u), and 7)	202,276	6	289,755	8	2180	Accounts payable - related parties (note 7)	90,862	3	96,640	3
1200	Other receivables (note 6(e))	5,510	-	18,066	-	2200	Other payables (note 6(n))	240,354	7	253,878	7
1210	Other receivables - related parties (notes 6(e) and 7)	-	-	20,986	1	2220	Other payables - related parties (note 7)	7,984	-	7,471	-
130X	Inventories (note 6(f))	794,173	22	712,294	20	2230	Income tax liabilities	49,083	1	55,631	2
1470	Other current assets (notes 6(g), (y) and 8)	75,060	2	50,834	1	2280	Lease liabilities, current (note 6(p))	1,966	-	1,928	-
	Total current assets	<u>2,891,257</u>	<u>81</u>	<u>2,852,695</u>	<u>79</u>	2322	Long-term borrowings, current portion (notes 6(o) and 8)	-	-	319,555	9
	Non-current assets:					2300	Other current liabilities (note 6(u))	41,974	1	22,299	1
1517	Financial assets at fair value through other comprehensive income, non-current (note 6(c))	31,611	1	34,442	1		Total current liabilities	<u>1,489,274</u>	<u>42</u>	<u>1,543,804</u>	<u>44</u>
1550	Investments accounted for using equity method (notes 6(h) and 7)	273,765	7	288,846	8		Non-Current liabilities:				
1600	Property, plant and equipment (notes 6(j), 8 and 9)	278,747	8	309,051	9	2570	Deferred income tax liabilities (note 6(r))	354	-	-	-
1755	Right-of-use assets (note 6(k))	60,927	2	64,469	2	2580	Lease liabilities, non-current (note 6(p))	60,671	2	63,432	2
1780	Intangible assets (note 6(m))	4,091	-	3,760	-	2640	Net defined benefit liability, non-current (note 6(q))	87,048	2	88,546	2
1840	Deferred income tax assets (note 6(r))	31,634	1	32,729	1	2645	Guarantee deposits received	34	-	34	-
1980	Other non-current financial assets (notes 6(g) and (y))	5,834	-	2,866	-	2670	Other non-current liabilities	728	-	936	-
	Total non-current assets	<u>686,609</u>	<u>19</u>	<u>736,163</u>	<u>21</u>		Total non-current liabilities	<u>148,835</u>	<u>4</u>	<u>152,948</u>	<u>4</u>
							Total liabilities	<u>1,638,109</u>	<u>46</u>	<u>1,696,752</u>	<u>48</u>
							Equity attributable to owners of parent (notes 6(c), (s) and 7):				
						3100	Common stock	1,624,076	45	1,624,076	45
						3200	Capital surplus	15,423	-	4,397	-
						3300	Retained earnings	591,094	17	539,266	15
						3400	Other equity interest	(117,815)	(3)	(102,612)	(3)
						3500	Treasury stock	(173,021)	(5)	(173,021)	(5)
							Total equity	<u>1,939,757</u>	<u>54</u>	<u>1,892,106</u>	<u>52</u>
							Total liabilities and equity	<u>\$ 3,577,866</u>	<u>100</u>	<u>\$ 3,588,858</u>	<u>100</u>
	Total assets	<u>\$ 3,577,866</u>	<u>100</u>	<u>3,588,858</u>	<u>100</u>						

See accompanying notes to financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)
EMERGING DISPLAY TECHNOLOGIES CORP.
Statements of Comprehensive Income
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

	2020		2019	
	Amount	%	Amount	%
4000 Operating revenue (notes 6(u) and 7)	\$ 3,642,433	100	3,991,472	100
5000 Operating costs (notes 6(f), (l), (q), (v), 7 and 12)	<u>2,959,499</u>	81	<u>3,312,715</u>	83
Gross profit	682,934	19	678,757	17
5910 Less: Unrealized profit (loss) from sales (note 7)	15,309	-	13,567	-
5920 Add: Realized profit (loss) from sales (note 7)	<u>13,567</u>	-	<u>9,687</u>	-
Gross profit	<u>681,192</u>	19	<u>674,877</u>	17
Operating expenses (notes 6(d), (l), (q), (v), 7 and 12):				
6100 Selling expenses	137,735	4	173,432	4
6200 Administrative expenses	99,698	3	90,719	2
6300 Research and development expenses	115,565	3	112,856	3
6450 Expected credit impairment loss (gain) (note 6(d))	<u>5,481</u>	-	<u>(923)</u>	-
Net operating income	<u>358,479</u>	10	<u>376,084</u>	9
6500 Net other income (expenses) (note 6(w))	<u>528</u>	-	<u>-</u>	-
Net operating income	<u>323,241</u>	9	<u>298,793</u>	8
Non-operating income and expenses (notes 6(c), (k), (s) and 7):				
7100 Interest income	9,663	-	21,651	1
7010 Other income	11,190	-	9,601	-
7020 Other gains and losses	(68,680)	(2)	(30,175)	(1)
7050 Finance costs	(10,853)	-	(13,235)	-
7070 Share of profit of associates and joint ventures accounted for using equity method	<u>5,608</u>	-	<u>14,417</u>	-
Total non-operating income and expenses	<u>(53,072)</u>	(2)	<u>2,259</u>	-
7900 Profit from continuing operations before tax	270,169	7	301,052	8
7950 Less: Income tax expenses (note 6(r))	<u>36,703</u>	1	<u>43,727</u>	2
Profit	<u>233,466</u>	6	<u>257,325</u>	6
8300 Other comprehensive income:				
8310 Components of other comprehensive income that will not be reclassified to profit or loss				
8311 Gains (losses) on remeasurements of defined benefit plans	(1,286)	-	(2,876)	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note 6(s))	19,932	1	30,292	1
8330 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss (note 6(s))	(22,115)	(1)	(3,980)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(r))	<u>298</u>	-	<u>-</u>	-
	<u>(3,767)</u>	-	<u>23,436</u>	1
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements (note 6(s))	(4,355)	-	(5,166)	-
8380 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss (note 6(s))	170	-	(674)	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(r))	<u>-</u>	-	<u>-</u>	-
Components of other comprehensive income that will be reclassified to profit or loss	<u>(4,185)</u>	-	<u>(5,840)</u>	-
8300 Other comprehensive income	<u>(7,952)</u>	-	<u>17,596</u>	1
8500 Comprehensive income	<u>\$ 225,514</u>	<u>6</u>	<u>\$ 274,921</u>	<u>7</u>
Earnings per share (New Taiwan Dollars) (note 6(t)):				
9750 Basic net income per share (New Taiwan Dollars)	<u>\$ 1.57</u>		<u>1.73</u>	
9850 Diluted net income per share (New Taiwan Dollars)	<u>\$ 1.56</u>		<u>1.72</u>	

See accompanying notes to financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

EMERGING DISPLAY TECHNOLOGIES CORP.
Statements of Changes in Equity
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Total other equity interest		Treasury stock	Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		
Balance on January 1, 2019	\$ 1,744,076	28,226	45,822	109,212	200,673	(8,271)	(104,299)	(273,209)	1,742,230
Profit	-	-	-	-	257,325	-	-	-	257,325
Other comprehensive income	-	-	-	-	(2,876)	(5,840)	26,312	-	17,596
Total comprehensive income	-	-	-	-	254,449	(5,840)	26,312	-	274,921
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	11,193	-	(11,193)	-	-	-	-
Cash dividends on common stock	-	-	-	-	(78,704)	-	-	-	(78,704)
Special reserve	-	-	-	42,095	(42,095)	-	-	-	-
Purchase of treasury stock	-	-	-	-	-	-	-	(50,738)	(50,738)
Retirement of treasury stock	(120,000)	(28,226)	-	-	(2,700)	-	-	150,926	-
Cash dividends to subsidiaries	-	4,397	-	-	-	-	-	-	4,397
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	10,514	-	(10,514)	-	-
Balance on December 31, 2019	1,624,076	4,397	57,015	151,307	330,944	(14,111)	(88,501)	(173,021)	1,892,106
Profit	-	-	-	-	233,466	-	-	-	233,466
Other comprehensive income	-	-	-	-	(1,286)	(4,185)	(2,481)	-	(7,952)
Total comprehensive income	-	-	-	-	232,180	(4,185)	(2,481)	-	225,514
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	25,733	-	(25,733)	-	-	-	-
Cash dividends on common stock	-	-	-	-	(188,889)	-	-	-	(188,889)
Reversal of special reserve	-	-	-	(48,695)	48,695	-	-	-	-
Exercise of disgorgement	-	473	-	-	-	-	-	-	473
Cash dividends to subsidiaries	-	10,553	-	-	-	-	-	-	10,553
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	8,537	-	(8,537)	-	-
Balance on December 31, 2020	\$ 1,624,076	15,423	82,748	102,612	405,734	(18,296)	(99,519)	(173,021)	1,939,757

See accompanying notes to financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

EMERGING DISPLAY TECHNOLOGIES CORP.

Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) operating activities:		
Profit before tax	\$ 270,169	301,052
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	60,103	68,672
Amortization expense	1,365	1,020
Expected credit impairment loss (gain)	5,481	(923)
Net gain on financial assets or liabilities at fair value through profit or loss	(7,336)	(4,809)
Interest expense	10,853	13,235
Interest income	(9,575)	(21,487)
Dividend income	(7,646)	(7,600)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(5,608)	(14,417)
Gain on disposal of property, plant and equipment	-	(367)
Unrealized profit from sales	15,309	13,567
Realized profit from sales	(13,567)	(9,687)
Unrealized foreign exchange loss	31,606	30,378
Total adjustments to reconcile profit	80,985	67,582
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in accounts receivable	(145,315)	(118,554)
Decrease in accounts receivable – related parties	82,869	42,015
Decrease in other receivable	3,679	5,581
Decrease (increase) in inventories	(81,879)	13,632
Increase in other current assets	(24,543)	(9,105)
Total changes in operating assets	(165,189)	(66,431)
Changes in operating liabilities:		
Increase (decrease) in notes payable	927	(413)
Decrease in accounts payable	(25,713)	(10,597)
Decrease in accounts payable – related parties	(3,020)	(7,793)
Increase (decrease) in other payable	(9,603)	41,576
Increase in other payable – related parties	818	3,962
Increase in other current liabilities	19,675	9,670
Decrease in net defined benefit liability	(2,784)	(2,556)
Increase (decrease) in other non-current liabilities	(208)	936
Total changes in operating liabilities	(19,908)	34,785
Total changes in operating assets and liabilities	(185,097)	(31,646)
Total adjustments	(104,112)	35,936
Cash inflow generated from operations	166,057	336,988
Interest received	11,266	20,884
Dividends received	7,613	7,600
Interest paid	(10,398)	(12,355)
Income taxes paid	(42,218)	(6,797)
Net cash flows from operating activities	132,320	346,320
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(101,460)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	80,033	121,297
Acquisition of financial assets at fair value through profit or loss	(60,350)	(95,030)
Proceeds from disposal of financial assets at fair value through profit or loss	62,165	173,198
Proceeds from residuals of long-term investments under equity method	194	-
Acquisition of property, plant and equipment	(30,825)	(31,111)
Proceeds from disposal of property, plant and equipment	-	367
Acquisition of intangible assets	(1,696)	(2,332)
Increase in other receivables due from related parties	-	(44,603)
Decrease in other receivables due from related parties	20,951	67,608
Increase in other financial assets	(2,950)	(7)
Dividends received	3,006	3,434
Net cash flows from (used in) investing activities	(30,932)	192,821
Cash flows from (used in) financing activities:		
Increase in short-term loans	300,000	30,000
Repayments of long-term borrowings	(320,000)	(80,000)
Disgorgement received	591	-
Cash dividends paid	(188,883)	(78,704)
Payments to acquire treasury stock	-	(50,738)
Repayments of lease liabilities	(1,558)	(1,866)
Net cash flows used in financing activities	(209,850)	(181,308)
Effect of exchange rate changes on cash and cash equivalents	(30,659)	(27,301)
Net increase (decrease) in cash and cash equivalents	(139,121)	330,532
Cash and cash equivalents at beginning of period	1,298,535	968,003
Cash and cash equivalents at end of period	\$ 1,159,414	1,298,535

See accompanying notes to financial statements.

ATTACHMENT 4

Independent Auditors' Report

To the Board of Directors of Emerging Display Technologies Corp.:

Opinion

We have audited the accompanying consolidated financial statements of Emerging Display Technologies Corp. and subsidiaries (the Group), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2020 and 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the Group's consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards(IFRS), International Accounting Standards(IAS), IFRIC Interpretations(IFRIC), and SIC Interpretations(SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we judged shall be presented in the consolidated financial report as follows:

1. Valuation of accounts receivable

Please refer to Note 4(g) for accounting policy of accounts receivable valuation and Note 5(a) for accounting assumption and estimation uncertainty of impairment of accounts receivable. Information regarding accounts receivable is shown in Note 6 (d) of the consolidated financial statements.

Description of key audit matters:

The Group's customers are the manufacturers of industrial equipment, smart home devices, handheld devices, and information appliance products. The customers' delayed payments were due to the need to clarify the responsibility of problematic products resulted from failure of process or usage of end products, and global economic turmoil. Because of the inherent credit risk of receivables, the financial statements users value the collection results. Since the accounts receivable is significant to the financial statements, they are one of the key areas our audit focused on.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included understanding the process of account checking and collection with customers; analyzing the receivable aging report; reviewing the historical receipt and bad debt records; and understanding the forward looking industrial economy status and concentration of credit risk of the customers. In addition, we also evaluated the appropriateness of related disclosures in the consolidated financial statements.

2. Valuation of obsolete inventory

Please refer to Note 4(h) for accounting policy of obsolete inventory and Note 5(b) for accounting assumption and estimation uncertainty of obsolete inventory valuation. Information regarding obsolete inventory valuation is shown in Note 6(f) of the consolidated financial statements.

Description of key audit matters:

Obsolete inventory is carried at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The Group is engaged in the manufacture and sale of liquid crystal displays and capacity touch panels. It focuses on the small and medium sized niche markets of non-consumable area. The products are used in industrial equipment, smart home devices, handheld devices, and information appliance products. The development strategy of the Group is diversifying and customizing its products which may result in having an impact on its obsolete inventory cost. As a consequence, there is a risk that the net realizable value of obsolete inventory may turn out to be lower than its carrying value. Therefore, the valuation of obsolete inventory is one of the key areas our audit focused on.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included selecting samples to test the accuracy of inventory aging report; analyzing the changes of inventory aging, and examining the provision of inventory by reviewing the historical accuracy on provision. We assessed the changes of obsolescence inventory in the subsequent events and the basis of net realizable value to evaluate the accuracy of the Group's provisions. In addition, we also assessed the appropriateness of the provisions and disclosures made by the management.

Other Matters

We have also audited the parent company only financial statements of Emerging Display Technologies Corp. as of and for the year ended December 31, 2020 and 2019, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting. Unless the management either intends to liquidate the Group or to cease its operations, there is no realistic alternative but to do so.

Those charged with governance including supervisors are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements. Or, if such disclosures are inadequate, we have to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on this consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Po Jen, Yang and Yen Ta, Su.

KPMG

Taipei, Taiwan (Republic of China)

March 10, 2021

Notes to Readers

The accompanying consolidated financial statements are intended only to present the statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements and Report Originally Issued in Chinese)
EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

Assets	2020.12.31		2019.12.31		Liabilities and equity	2020.12.31		2019.12.31	
	Amount	%	Amount	%		Amount	%	Amount	%
Current assets:					Current liabilities:				
Cash and cash equivalents (Note 6(a))	\$ 1,242,331	34	1,368,252	38	Short-term loans (Notes 6(m))	\$ 700,000	19	400,000	11
Financial assets at fair value through profit or loss, current (Note 6(b))	58,817	2	54,094	1	Financial liabilities at fair value through profit or loss, current (Notes 6(b))	195	-	994	-
Financial assets at fair value through other comprehensive income, current (Note 6(c))	159,760	5	109,554	3	Notes payable	1,234	-	307	-
Accounts receivable, net (Note 6(d) and 6 (v))	589,550	16	537,591	15	Accounts payable	400,068	11	431,437	12
Other receivables (Note 6(e))	6,090	-	18,684	-	Other payables (Notes 6(n))	274,518	8	283,605	8
Income tax assets	18	-	95	-	Income tax liabilities	51,559	2	57,038	2
Inventories (Note 6(f))	870,501	24	803,035	22	Lease liabilities, current (Notes 6(p))	7,325	-	11,907	-
Other current assets (Note 6(g) and 8)	83,002	2	59,389	2	Long-term loans, current portion (Notes 6(o) and 8)	-	-	319,555	9
Total current assets	3,010,069	83	2,950,694	81	Other current liabilities (Notes 6(v))	43,204	1	23,398	-
Non-current assets:					Total current liabilities	1,478,103	41	1,528,241	42
Financial assets at fair value through other comprehensive income, non-current (Note 6(c))	98,691	3	140,762	4	Non-current liabilities:				
Property, plant and equipment (Notes 6(i) ,8 and 9)	331,314	9	365,955	10	Deferred income tax liabilities (Note 6(s))	354	-	-	-
Right-of-use assets (Notes 6(j))	67,228	2	77,207	2	Lease liabilities, non-current (Notes 6(p))	61,833	2	66,575	2
Investment property (Notes 6(k))	55,158	2	57,834	2	Net defined benefit liabilities, non-current (Note 6(r))	87,048	2	88,546	2
Intangible assets (Note 6(l))	4,111	-	3,777	-	Guarantee deposits received	558	-	587	-
Deferred income tax assets (Note 6(s))	31,928	1	33,003	1	Other non-current liabilities	728	-	936	-
Other non-current financial assets (Notes 6(g) and 8)	10,690	-	7,634	-	Total non-current liabilities	150,521	4	156,644	4
Total non-current assets	599,120	17	686,172	19	Total liabilities	1,628,624	45	1,684,885	46
					Equity attributable to shareholders of the parent (Note 6 (c) and 6 (t)):				
					Common stock	1,624,076	45	1,624,076	45
					Capital surplus	4,397	-	4,397	-
					Retained earnings	539,266	15	539,266	15
					Other equity interest	(102,612)	(3)	(102,612)	(3)
					Treasury stock	(173,021)	(5)	(173,021)	(5)
					Total equity attributable to shareholders of the parent	1,892,106	52	1,892,106	52
					Non-controlling interests (Note 6(h))	59,875	2	59,875	2
					Total equity	1,951,981	54	1,951,981	54
TOTAL	\$ 3,609,189	100	3,636,866	100	TOTAL	\$ 3,609,189	100	3,636,866	100

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 Comprehensive Income
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
Operating revenue (Note 6(v))	\$ 3,737,299	100	4,107,559	100
Operating cost (Note 6(f, l, r & w) and 12)	2,951,432	79	3,306,539	80
Gross profit	<u>785,867</u>	21	<u>801,020</u>	20
Operating expenses (Note 6(d, l, r & w) 7 and 12):				
Selling expenses	200,931	5	244,031	6
General and administrative expenses	133,865	4	132,038	3
Research and development expenses	115,565	3	112,855	3
Expected credit impairment loss (gain) (Note 6(d))	5,618	-	(1,560)	-
Total operating expenses	<u>455,979</u>	12	<u>487,364</u>	12
Net other income (expenses) (Note 6(q, x))	4,064	-	934	-
Operating profit	<u>333,952</u>	9	<u>314,590</u>	8
Non-operating income and expenses (Note 6(q, x)):				
Interest income	9,699	-	20,636	1
Other income	15,496	-	12,025	-
Other gains and losses	(73,675)	(2)	(29,096)	(1)
Finance costs	(11,363)	-	(14,255)	-
Total Non-operating income and expenses	<u>(59,843)</u>	(2)	<u>(10,690)</u>	-
Profit before income tax	274,109	7	303,900	8
Income tax expense (Note 6(s))	41,113	1	46,853	1
Profit	<u>232,996</u>	6	<u>257,047</u>	7
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit obligation	(1,286)	-	(2,876)	-
Unrealized losses on investments in equity instruments at fair value through other comprehensive income (Note 6(t))	(20,822)	(1)	19,699	-
Less: Income tax related to items that will not be reclassified subsequently (Note 6(s))	298	-	-	-
	<u>(22,406)</u>	(1)	<u>16,823</u>	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation (Note 6(t))	(4,143)	-	(6,003)	-
Less: Income tax related to items that will be reclassified subsequently (Note 6(s))	-	-	-	-
	<u>(4,143)</u>	-	<u>(6,003)</u>	-
Other comprehensive income, net	(26,549)	(1)	10,820	-
Comprehensive income	<u>206,447</u>	5	<u>267,867</u>	7
Profit (loss) attributable to				
Shareholders of the parent	233,466	6	257,325	7
Non-controlling interests	(470)	-	(278)	-
Net Profit (loss)	<u>232,996</u>	6	<u>257,047</u>	7
Comprehensive income attributable to				
Shareholders of the parent	225,514	6	274,921	7
Non-controlling interests	(19,067)	(1)	(7,054)	-
Total comprehensive income	<u>\$ 206,447</u>	5	<u>\$ 267,867</u>	7
Earnings per share (Note 6(u)) (expressed in New Taiwan Dollars)				
Basic earnings per share	<u>\$ 1.57</u>		<u>1.73</u>	
Diluted earnings per share	<u>\$ 1.56</u>		<u>1.72</u>	

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 Equity
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to shareholders of parent										
	Retained earnings					Other equity interest			Total equity attributable to shareholders of parent	Non-controlling interests	Total equity
	Common stock	Capital surplus	Legal capital reserve	Special capital reserve	Unappropriated earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Treasury stock			
Balance on January 1, 2019	\$ 1,774,076	28,226	45,822	109,212	200,673	(8,271)	(104,299)	(273,209)	1,742,230	66,929	1,809,159
Profit	-	-	-	-	257,325	-	-	-	257,325	(278)	257,047
Other comprehensive income	-	-	-	-	(2,876)	(5,840)	26,312	-	17,596	(6,776)	10,820
Total comprehensive income	-	-	-	-	254,449	(5,840)	26,312	-	274,921	(7,054)	267,867
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	11,193	-	(11,193)	-	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	(78,704)	-	-	-	(78,704)	-	(78,704)
Special reserve	-	-	-	42,095	(42,095)	-	-	-	-	-	-
Purchase of treasury stock	-	-	-	-	-	-	-	(50,738)	(50,738)	-	(50,738)
Retirement of treasury stock	(120,000)	(28,226)	-	-	(2,700)	-	-	150,926	-	-	-
Cash dividends to subsidiaries	-	4,397	-	-	-	-	-	-	4,397	-	4,397
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	10,514	-	(10,514)	-	-	-	-
Balance on December 31, 2019	1,624,076	4,397	57,015	151,307	330,944	(14,111)	(88,501)	(173,021)	1,892,106	59,875	1,951,981
Profit	-	-	-	-	233,466	-	-	-	233,466	(470)	232,996
Other comprehensive income	-	-	-	-	(1,286)	(4,185)	2,481	-	(7,952)	(18,597)	(26,549)
Total comprehensive income	-	-	-	-	232,180	(4,185)	2,481	-	255,514	(19,067)	206,447
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	25,733	-	(25,733)	-	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	(188,889)	-	-	-	(188,889)	-	(188,889)
Reversal of special reserve	-	-	-	(48,695)	48,695	-	-	-	-	-	-
Exercise of disgorgement	-	473	-	-	-	-	-	-	473	-	473
Cash dividends to subsidiaries	-	10,553	-	-	-	-	-	-	10,553	-	10,553
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	8,537	-	(8,537)	-	-	-	-
Balance on December 31, 2020	\$ 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

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 years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) operating activities		
Profit before tax	\$ 274,109	303,900
Adjustments :		
Adjustments to reconcile profit (loss):		
Depreciation expense	74,705	83,955
Amortization expense	1,447	1,055
Expected credit impairment loss (gain)	5,618	(1,560)
Net gain on financial assets or liabilities at fair value through profit or loss	(7,336)	(4,809)
Interest expense	11,363	14,255
Interest income	(9,611)	(20,472)
Dividend income	(9,320)	(8,716)
Gain on disposal of property, plant, equipment	-	(568)
Unrealized foreign exchange loss	33,909	31,256
Total adjustments to reconcile profit	<u>100,775</u>	<u>94,396</u>
Changes in operating assets and liabilities		
Changes in operating assets:		
Accounts receivable	(68,996)	(77,928)
Other accounts receivable	3,688	4,957
Inventories	(71,387)	38,403
Other current assets	(22,263)	(5,599)
Total net changes in operating assets	<u>(158,958)</u>	<u>(40,167)</u>
Net changes in operating liabilities:		
Notes payable	927	(413)
Accounts payable	(28,037)	(19,702)
Other payables	(4,896)	44,049
Other current liabilities	18,739	9,712
Net defined benefit liability	(2,784)	(2,556)
Other non-current liabilities	(208)	936
Total net change in operating liabilities	<u>(16,259)</u>	<u>32,026</u>
Total net change in operating assets and liabilities	<u>(175,217)</u>	<u>(8,141)</u>
Total adjustments	<u>(74,442)</u>	<u>86,255</u>
Cash inflow generated from (used in) operating activities	199,667	390,155
Interest received	11,303	19,869
Dividends received	9,287	8,716
Interest paid	(10,908)	(13,376)
Income taxes paid	(45,463)	(9,245)
Net cash flows from (used in) operating activities	<u>163,886</u>	<u>396,119</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(101,773)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	80,033	121,298
Acquisition of financial assets at fair value through profit or loss	(60,350)	(95,030)
Proceeds from disposal of financial assets at fair value through profit or loss	62,165	173,198
Acquisition of property, plant and equipment	(32,763)	(37,320)
Proceeds from disposal of property, plant, equipment	-	568
Acquisition of intangible assets	(1,780)	(2,361)
Acquisition of investment property	(886)	-
Other financial assets	(3,006)	(22)
Net cash flows from (used in) investing activities	<u>(58,360)</u>	<u>160,331</u>
Cash flows from (used in) financing activities:		
Short-term loans	300,000	30,000
Repayments of long-term loans	(320,000)	(80,000)
Increase in guarantee deposits received	-	339
Disbursement received	591	-
Cash dividends	(178,330)	(74,307)
Payments to acquire treasury stock	-	(50,738)
Repayment of lease liabilities	(11,616)	(12,826)
Net cash flows from (used in) financing activities	<u>(209,355)</u>	<u>(187,532)</u>
Effects of changes in foreign exchange rates	<u>(22,092)</u>	<u>(29,779)</u>
Net increase (decrease) in cash and cash equivalents	(125,921)	339,139
Cash and cash equivalents at beginning of year	1,368,252	1,029,113
Cash and cash equivalents at end of year	<u>\$ 1,242,331</u>	<u>1,368,252</u>

See accompanying notes to consolidated financial statements.

ATTACHMENT 5

Emerging Display Technologies Corp. 2020 Profit Distribution Proposal

	Unit: NT\$
Beginning retained earnings	\$165,017,293
Plus: Net income of year 2020	233,466,089
Proceeds from disposal of equity instruments at fair value through other comprehensive income	8,537,363
Less: Changes of remeasurement of defined benefit plan	(1,286,000)
Special reserve for equity deduction	(15,203,479)
Retained earnings available for distribution	390,531,266
Less: 10% of legal reserve	(24,071,745)
Distribution item:	
Cash dividend for common share holders (NT\$1.2per share)	(188,889,124)
Unappropriated retained earnings	\$177,570,397

ATTACHMENT 6

Emerging Display Technologies Corp. Amendment to “Articles of Incorporation”

Original Article		Amended Article		Notes
Article 7	The share certificates of the Corporation shall all be registered that are affixed with the signatures or personal seals of three or more directors of the Corporation and legally certified before issuance thereof. For the shares to be issued to the public, the Corporation may be exempted from printing any share certificate for the shares issued, but shall appoint a centralized securities custody enterprise/institution to make recordation of the issue of such shares.	Article 7	The share certificates of the Corporation shall all be registered that are affixed with the signatures or personal seals of <u>the director representing</u> the Corporation and legally certified before issuance thereof. For the shares to be issued to the public, the Corporation may be exempted from printing any share certificate for the shares issued, but shall appoint a centralized securities custody enterprise/institution to make recordation of the issue of such shares.	In coordination with the amendment of Company Act.
	Chapter 4: Directors and Supervisor		Chapter 4: Directors and <u>Audit Committee</u>	In coordination with the establishment of Audit Committee.
Article 15	<p>The Corporation shall have seven to nine directors <u>and three supervisors</u> who shall be elected by the Shareholders’ Meeting from among the persons with disposing capacity. The term of office of a director and a supervisor shall be three years and eligible for re-election. The total number of shares held by all directors <u>and supervisors</u> shall respectively be no less than the percentage regulated by the competent authority.</p> <p>The election of directors <u>and supervisors</u> shall adopt a candidates nomination system as specified in Article 192-1 of the Company Act. Accepting the nomination of director <u>and supervisor</u> candidates, announcement to the public, and related issues shall comply with the relevant regulations of the Company Act and the Securities and Exchange Act. The election of independent directors and non-independent directors shall be held together. The number of independent directors and non-independent directors elected shall be calculated separately.</p>	Article 15	<p>The Corporation shall have seven to nine directors who shall be elected by the Shareholders’ Meeting from among the persons with disposing capacity. The term of office of a director and a supervisor shall be three years and eligible for re-election. The total number of shares held by all directors shall respectively be no less than the percentage regulated by the competent authority.</p> <p>The election of directors shall adopt a candidates nomination system as specified in Article 192-1 of the Company Act. Accepting the nomination of director candidates, announcement to the public, and related issues shall comply with the relevant regulations of the Company Act and the Securities and Exchange Act. The election of independent directors and non-independent directors shall be held together. The number of independent directors and non-independent directors elected shall be calculated separately.</p> <p>Independent directors must be not less than <u>three</u> in number and not less than</p>	In coordination with the establishment of Audit Committee.

Original Article		Amended Article		Notes
	Independent directors must be not less than two in number and not less than one-fifth of the total number of directors in the aforesaid number of directors. The election of independent directors shall adopt a candidates nomination system. The independent directors shall be elected from among a list of nominated candidates in the Shareholders' Meeting. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors shall be prescribed by the competent authority.		one-fifth of the total number of directors in the aforesaid number of directors. The election of independent directors shall adopt a candidates nomination system. The independent directors shall be elected from among a list of nominated candidates in the Shareholders' Meeting. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors shall be prescribed by the competent authority.	
Article 16	The Board of Directors shall be organized by the directors and elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors. The chairman of the Board of Directors shall externally represent the Corporation. The Board of Directors shall be authorized to determine the remuneration for directors <u>and supervisors</u> , taking in account the standards of related listed companies, business operation of the Corporation, and the value of the services provided. <u>The remuneration of the chairman of the Board of Directors shall be limited to no more than double that of the general manager.</u>	Article 16	The Board of Directors shall be organized by the directors and elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors. The chairman of the Board of Directors shall externally represent the Corporation. The Board of Directors shall be authorized to determine the remuneration for directors, taking in account the standards of related listed companies, business operation of the Corporation, and the value of the services provided.	Operational requirement for the Corporation and in coordination with the establishment of Audit Committee.
Article 19	<u>In addition to performing their duties, supervisors may attend the meeting of the Board of Directors to state their opinions, but they shall not have a vote.</u>	Article 19	<u>The Corporation shall establish an audit committee in accordance with regulations in Article 14-4 of the Securities and Exchange Act. The audit committee shall be composed of the entire number of independent directors, and its members, exercise of powers and other compliance requirements shall be handled in accordance with the relevant laws and regulations. Further, the audit committee charter shall be adopted by the Board of Directors.</u>	In coordination with the establishment of Audit Committee.
Article 19-1	<u>The entitled shareholders may recommend the list of directors and supervisors as reference for election of the following term.</u>	Article 19-1	(Deleted)	A candidates nomination system for the election of directors has been regulated in Article 15.

Original Article		Amended Article		Notes
Article 19-2	The Corporation may purchase liability insurance for the legal compensation liabilities of directors <u>and supervisors</u> on the execution of business within their term of office.	Article 19-1	The Corporation may purchase liability insurance for the legal compensation liabilities of directors on the execution of business within their term of office.	In coordination with the establishment of Audit Committee and revising the article number.
Article 21	The Board of Directors shall prepare the following reports at the end of each fiscal year and <u>send to supervisors for verification 30 days prior to the regular meeting of shareholders, then</u> submit to the Shareholders' Meeting for ratification. 1. Annual business report, 2. Financial statements, 3. Surplus earnings distribution or loss make-up proposal.	Article 21	The Board of Directors shall prepare the following reports at the end of each fiscal year and submit to the Shareholders' Meeting for ratification. 1. Annual business report, 2. Financial statements, 3. Surplus earnings distribution or loss make-up proposal.	In coordination with the establishment of Audit Committee.
Article 22-1	When there is profit for the current year, the Corporation shall allocate 5 percent or more as employees' compensation and 3 percent or less as remuneration for directors <u>and supervisors</u> . However, the Corporation's accumulated losses shall have been covered. Qualification requirements of employees, including the employees of subsidiaries of the Corporation meeting certain specific requirements, may be entitled to receive shares or cash for above employees' compensation.	Article 22-1	When there is profit for the current year, the Corporation shall allocate 5 percent or more as employees' compensation and 3 percent or less as remuneration for directors. However, the Corporation's accumulated losses shall have been covered. Qualification requirements of employees, including the employees of subsidiaries of the Corporation meeting certain specific requirements, may be entitled to receive shares or cash for above employees' compensation.	In coordination with the establishment of Audit Committee.
Article 27	(Above paragraph omitted) The seventeenth Amendment was approved on June 12, 2020.	Article 27	(Above paragraph omitted) The seventeenth Amendment was approved on June 12, 2020. <u>The eighteenth Amendment was approved on June 15, 2021.</u>	Amending the approval date of this amendment agreed by Shareholders' Meeting.

ATTACHMENT 7

Emerging Display Technologies Corp. Procedures for Election of Directors

Article 1 To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Article 21 of the Company's Corporate Governance Best Practice Principles.

Article 2 Except as otherwise provided by law and regulation or by the Company's Articles of Incorporation, elections of directors shall be conducted in accordance with these Procedures.

Article 3 The Company takes overall composition of the Board of Directors into consideration in the selection of directors. The composition of the Board of Directors will be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs. The policy includes, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The Board of Directors of the Company will consider adjusting its composition based on the results of performance evaluation.

Article 4 The qualifications for the independent directors of the Company shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of independent directors of the Company shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 5 Elections of directors at the Company are conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at the next shareholders' meeting. When the number of directors falls short by one third of the total number prescribed in the Company's Articles of Incorporation, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 6 The Company uses the cumulative voting method for election of the directors. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 7 The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 8 The number of directors will be as specified in the Company's Articles of Incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 9 Before the election begins, the chair shall appoint a number of counting personnel and persons with shareholder status to perform the respective duties of vote monitoring. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.

- Article 10 A ballot is invalid under any of the following circumstances:
1. The ballot was not prepared by a person with the right to convene.
 2. A blank ballot is placed in the ballot box.
 3. The writing is unclear and indecipherable or has been altered.
 4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
 5. Other words or marks are entered in addition to the number of voting rights allotted.
- Article 11 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair or an appointed person on the site.
- The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.
- Article 12 The Board of Directors of the Company shall issue notifications to the persons elected as directors.
- Article 13 These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders' meeting.
- These Procedures have been passed on June 15, 2021.

ATTACHMENT 8

Emerging Display Technologies Corp. Amendment to “Procedures for Loaning Funds to Others”

Original Article		Amended Article		Notes
Article 5	<p>(Above paragraph omitted)</p> <p>6. If, as a result of a change in circumstances, the loan balance exceeds the limit, the Corporation shall adopt rectification plans and submit the rectification plans to <u>all the supervisors (or Audit Committee) and independent directors.</u></p> <p>7. The Corporation may loan funds after the credit checking by financial department, approving by the chairman, and resolving upon by the Board of Directors.</p>	Article 5	<p>(Above paragraph omitted)</p> <p>6. If, as a result of a change in circumstances, the loan balance exceeds the limit, the Corporation shall adopt rectification plans and submit the rectification plans to the Audit Committee.</p> <p>7. The Corporation may loan funds after the credit checking by financial department, approving by the chairman, and resolving upon by the Board of Directors. <u>A material monetary loan shall require the approval of one-half or more of all Audit Committee members, and furthermore shall be submitted for a resolution by the Board of Directors. If the approval of one-half or more of all Audit Committee members is not obtained, this loan may be made if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.</u></p> <p>8. <u>The accounts receivable of the Corporation and subsidiaries (including related parties and non-related parties) that exceeds the normal credit period of three months and an amount exceeds NT\$45 million should be reported to the Board of Directors quarterly to pass a resolution whether its nature belongs to capital loans. (It will comply with Article 14-5 of the Securities and Exchange Act after establishing the Audit Committee in the future.) For non-fund loans and accounts, it is necessary for the Corporation to prove that there are no such intentions (e.g. taking legal actions, proposing specific and feasible control measures); otherwise it shall be regarded as a capital loan. As for received payments other than accounts receivable including subjects such as “other receivables”, “prepayments”, “refundable deposits”</u></p>	<p>In coordination with the establishment of Audit Committee and following 24 July 2020 “Q&A for Regulations Governing Loaning of Funds and Making of Endorsements /Guarantees by Public Companies” of the Financial Supervisory Commission.</p>

Original Article		Amended Article		Notes
			<p><u>and others, an amount of more than NT\$45 million or with special nature, the payment amount is non-contract relationship, either the payment amount does not match performance obligations stipulated in contract or reasons for the payment disappear and is yet to be recovered over three months will be handled in accordance with the practice of accounts receivable.</u></p> <p><u>9. According to Article 10, the fund loans recognized as aforesaid must make public announcement from the resolution date of the Board of Directors. As the amount is not in consistent with the original definition of accounting items in nature, it has to transfer to an appropriate accounting item (e.g. "other accounts receivable").</u></p>	
Article 7	The Corporation's internal auditors shall audit the operational procedures for loaning funds to others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify <u>all the supervisors (or Audit Committee) and independent directors</u> in writing of any material violation found.	Article 7	The Corporation's internal auditors shall audit the operational procedures for loaning funds to others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the Audit Committee in writing of any material violation found.	In coordination with the establishment of Audit Committee.
Article 13	<p>After passage by the Board of Directors, the Corporation shall submit these Procedures to <u>each supervisor and for approval by the shareholders' meeting.</u> Where there any director expresses dissent and it is contained in the minutes or a written statement, the Corporation shall submit the dissenting opinions to <u>each supervisor and for discussion by the shareholders' meeting.</u> The same shall apply to any amendments to these Procedures.</p> <p>When the Corporation submits these Procedures for discussion by the Board of Directors, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director expresses any dissent or reservation, it shall be specifically recorded in the minutes of the Board of Directors meeting.</p> <p><u>After establishing an Audit Committee,</u> when the Corporation adopts or amends these Procedures, the amended</p>	Article 13	<p>After passage by the Board of Directors, the Corporation shall submit these Procedures to the shareholders' meeting <u>for approval.</u> Where there any director expresses dissent and it is contained in the minutes or a written statement, the Corporation shall submit the dissenting opinions to the shareholders' meeting <u>for discussion.</u> The same shall apply to any amendments to these Procedures.</p> <p>When the Corporation submits these Procedures for discussion by the Board of Directors, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director expresses any dissent or reservation, it shall be specifically recorded in the minutes of the Board of Directors meeting.</p> <p>When the Corporation adopts or amends these Procedures, the amended procedures shall require the approval of one-half or more of all Audit</p>	In coordination with the establishment of Audit Committee.

Original Article		Amended Article		Notes
	procedures shall require the approval of one-half or more of all Audit Committee members, and furthermore shall be submitted for a resolution by the Board of Directors, <u>and the provisions of the preceding paragraph shall not apply.</u> If the approval of one-half or more of all Audit Committee members is not obtained, these Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting. The terms “all Audit Committee members” and “all directors” shall be counted as the actual number of persons currently holding those positions.		Committee members, and furthermore shall be submitted for a resolution by the Board of Directors. If the approval of one-half or more of all Audit Committee members is not obtained, these Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting. The terms “all Audit Committee members” and “all directors” shall be counted as the actual number of persons currently holding those positions.	
Article 15	(Above paragraph omitted) The seventh amendment was approved on June 12, 2020.	Article 15	(Above paragraph omitted) The seventh amendment was approved on June 12, 2020. <u>The eighth amendment was approved on June 15, 2021.</u>	Amending the approval date of this amendment agreed by Shareholders’ Meeting.

APPENDIX 1

Emerging Display Technologies Corp. Rules of Procedures for Shareholders' Meeting

Article 1

Shareholders' Meeting of the Corporation (the "Meeting") shall be conducted in accordance with these Rules of Procedures (the "Rules").

Article 2

Shareholders or their proxies shall attend the Meeting based on attendance certificates and submit the attendance cards for the purpose of signing in. The number of shares represented by shareholders attending the Meeting shall be calculated in accordance with the attendance cards by the shareholders. The attendance and voting of the Meeting shall be calculated based on number of shares.

Article 3

The Chairman shall call the Meeting to order when the number of shares represented by shareholders exceeded half of total outstanding shares. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the Chairman may postpone the time for the Meeting. The postponements shall be limited to two times at the most. If after two postponements no quorum can yet be constituted but the shareholder present at the Meeting represent more than one-third of the total outstanding shares, tentative resolutions may be made in accordance with Article 175 of the Company Act. The Chairman may announce the Meeting at any time and submit the tentative resolutions to the Meeting for approval if the number of outstanding shares represented by the shareholders present becomes sufficient to constitute the quorum during the process of the Meeting.

Article 4

The venue for a Meeting shall be the premises of the Corporation, or a place easily accessible to shareholders and suitable for a Meeting. The Meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

Article 5

The Chairman of the Board of Directors shall be the chairman presiding at the Meeting in the case the Meeting is convened by the Board of Directors. If, for any reason, the Chairman of the Board of Directors cannot preside at the Meeting, the chairman should designate one of Directors to preside at the Meeting. Where the Chairman doesn't designate a proxy, Directors may elect a person among themselves to act on behalf of Chairman. When the Meeting is convened by other persons who have the convening right, the Meeting shall be presided by the convener. If there are over two conveners,

they shall elect one as chairman. In the event that the chairman adjourns the Meeting in violation of these Rules, the shareholders may designate, by a majority of votes represented by shareholders attending the Meeting, one person as chairman to continue the Meeting. After the adjournment of the Meeting, the shareholders may not elect a chairman to continue the Meeting at the original address or at another location.

Article 6

The Corporation may appoint designated counsel, CPA, or other related persons to attend the Meeting and answer related questions. Persons handling affairs of the Meeting shall wear identification cards or badges.

Article 7

The process of the Meeting shall be tape recorded or videotaped and these tapes shall be preserved for at least one year.

Article 8

The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda. The above provision applies mutatis mutandis to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting. Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the discussion items (include special motions) listed in the agenda are resolved. After the adjournment of the Meeting, the shareholders may not elect a chairman to continue the Meeting at the original address or at another location.

Article 9

When a shareholder present at the Meeting wishes to speak, a Speech Note shall be filled out with summary of the speech, the shareholder's number and name. The sequence of speeches by shareholders should be decided by the chairman. If any shareholder present at the Meeting submit a Speech Note but does not speak, no speech shall be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail. Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders, otherwise the chairman shall stop such interruption.

Article 10

Unless otherwise permitted by the chairman, each shareholder shall not, for each discussion item, speak more than twice and each time not exceeding 5 minutes. In case of speech of any shareholder violates the above provision or exceeds the scope of the discussion item, the chairman may stop the speech of such shareholder.

Article 11

A corporate shareholder can only designated one representative to attend the Meeting. If a corporate shareholder designated two or more representatives to attend the Meeting, only one representative can speak for each discussion item.

Article 12

After the speech of a shareholder, the chairman may respond himself/herself or appoint an appropriate person to respond.

Article 13

The chairman may announce to end the discussion of any resolution and go into voting if the chairman deems it appropriate.

Article 14

Except as otherwise provided in the Company Act, the adoption of a discussion shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each discussion item, the chairman shall inquiry if there is no one opposed, then the discussion item shall be deemed adopted and the effect is the same as voting. A shareholder shall be entitled to one vote for each share held, except when the shares are deemed non-voting shares held by the Corporation. When one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 15

If there is amendment to or substitute for a discussion item, the chairman shall decide the sequence of voting for such discussion item, the amendment or the substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.

Article 16

The persons to check and the persons to record the ballots during a vote by casting ballots shall be appointed by the chairman. The persons checking the ballots shall be a shareholder. The result of voting shall be announced at the Meeting and placed on record.

Article 17

The chairman may conduct the disciplinary officers or the security guard to assist in keeping order of the Meeting place. Such disciplinary officers or security guards shall wear badges marked "Disciplinary Officers".

Article 18

When a Meeting is in progress, the chairman may announce a break based on time considerations.

Article 19

Any matter not provided in these Rules shall be handled in accordance with the Company Act or Articles of Incorporation of the Corporation.

Article 20

These Rules, and any amendments hereto, shall be implemented after adoption by Shareholders' Meeting.

APPENDIX 2

Emerging Display Technologies Corp. Articles of Incorporation

Chapter 1: General Provisions

Article 1

Under the Company Act, the name of the Corporation shall be Emerging Display Technologies Corporation.

Article 2

The scope of business of the Corporation shall be as follows:

1. CC01080 - Electronic Parts and Components Manufacturing
2. CC01110 - Computer and Peripherals Manufacturing
3. F119010 - Electronic Materials Wholesale
4. ZZ99999 - In addition to licensed business activities, the Corporation may conduct business that is neither prohibited nor restricted by law.

Article 3

The Corporation shall have its headquarters in Kaohsiung City, and shall be free, with the resolution of the Board of Directors, to set up branch offices at various locations in Taiwan and abroad when necessary.

Article 4

Public announcements of the Corporation shall be made in accordance with regulations in Article 28 of the Company Act.

Chapter 2: Stock Shares

Article 5

The total capital stock of the Corporation shall be in the amount of 3,500,000,000 New Taiwan Dollars, divided into 350,000,000 shares, with the par value at 10 New Taiwan Dollars each share. The Board of Directors shall be authorized to distribute the shares in installments. The Corporation may issue employee stock options. A total of 10,500,000 shares among the total capital stock should be reserved for issuing employee stock options. Transfer of shares to employees by the Corporation at a price lower than average of actual price brought back shall be adopted by a large majority representing two thirds of the votes at the Shareholders' Meeting attended by shareholders representing a majority of the total number of issued shares.

Article 6

The total amount of the Corporation reinvestment shall not be subjected to the restriction of forty percent or less of the Corporation's paid-up capital as regulated in Article 13 of the Company Act.

Article 7

The share certificates of the Corporation shall all be registered that are affixed with the signatures or personal seals of three or more directors of the Corporation and legally certified before issuance thereof. For the shares to be issued to the public, the Corporation may be exempted from printing any share certificate for the shares issued, but shall appoint a centralized securities custody enterprise/institution to make recordation of the issue of such shares.

Article 8

Shareholders who wish to assign their shares shall fill out an application, which is signed respectively by assignor and assignee, and apply for assignment with the Corporation. Assignment of shares shall not be set up as a defence against the Corporation, unless the assignee has been recorded in the shareholders' roster.

Article 9

The entries in the shareholders' roster shall not be altered within 60 days prior to the convening date of a regular Shareholders' Meeting, or within 30 days prior to the convening date of a special Shareholders' Meeting, or within 5 days prior to the target date fixed by the Corporation for distribution of dividends, bonus or other benefits.

Article 10

Stock transactions of the Corporation shall follow the "Regulations Governing the Administration of Shareholder Services of Public Companies" imposed by the competent authority.

Chapter 3: Shareholders' Meeting

Article 11

Shareholders' Meetings of the Corporation shall be of the following two kinds: (1) regular meeting of shareholders and (2) special meeting of shareholders. Regular meeting of shareholders shall be held at least once every year and convened within six months after close of each fiscal year by the Board of Directors. Special meeting of shareholders shall be held when necessary. All meetings of shareholders shall be convened in accordance with relevant laws, rules and regulations.

Article 12

A shareholder may appoint a proxy to attend the Shareholders' Meeting in his/her/its behalf by executing a power of attorney printed by the Corporation stating therein the scope of power authorized to the proxy if he/she/it is unable to attend.

Article 13

Except in the circumstances set forth in Article 179 of the Company Act which there is no right to vote, a shareholder shall have one voting power in respect of each share in his/her/its possession.

Article 14

Resolutions at the Shareholders' Meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Chapter 4: Directors and Supervisors

Article 15

The Corporation shall have seven to nine directors and three supervisors who shall be elected by the Shareholders' Meeting from among the persons with disposing capacity. The term of office of a director and a supervisor shall be three years and eligible for re-election. The total number of shares held by all directors and supervisors shall respectively be no less than the percentage regulated by the competent authority.

The election of directors and supervisors shall adopt a candidates nomination system as specified in Article 192-1 of the Company Act. Accepting the nomination of director and supervisor candidates, announcement to the public, and related issues shall comply with the relevant regulations of the Company Act and the Securities and Exchange Act. The election of independent directors and non-independent directors shall be held together. The number of independent directors and non-independent directors elected shall be calculated separately.

Independent directors must be not less than two in number and not less than one-fifth of the total number of directors in the aforesaid number of directors. The election of independent directors shall adopt a candidates nomination system. The independent directors shall be elected from among a list of nominated candidates in the Shareholders' Meeting. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors shall be prescribed by the competent authority.

Article 16

The Board of Directors shall be organized by the directors and elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors. The chairman of the Board of Directors shall externally represent the Corporation. The Board of Directors shall be authorized to determine the remuneration for directors and supervisors, taking in account the standards of related listed companies, business operation of the Corporation, and the value of the services provided. The remuneration of the chairman of the Board of Directors shall be limited to no more than double that of the general manager.

Article 17

The chairman of the Board of Directors shall manage affairs of the Corporation in accordance with the law, these Articles of Incorporation, and the resolutions of Shareholders' Meeting as well as the Board of Directors. In case the chairman of the Board of Directors can not exercise his power and authority for any cause, the proxy shall act according to Article 208 of the Company Act.

Article 18

The meeting of the Board of Directors shall be held at least once every quarter, and may be convened, at any time, in cases of necessity. Unless otherwise provided for in the Company Act and these Articles of Incorporation, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. In case a director cannot attend a meeting of the Board of Directors for any cause, he/she shall appoint another director to in his/her behalf by issuing a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting. A director may accept the appointment to act as the proxy of one other director only. In case a meeting of the Board of Directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Notices for the meeting of the Board of Directors shall be sent via written form, fax, or E-mail.

Article 19

In addition to performing their duties, supervisors may attend the meeting of the Board of Directors to state their opinions, but they shall not have a vote.

Article 19-1

The entitled shareholders may recommend the list of directors and supervisors as reference for election of the following term.

Article 19-2

The Corporation may purchase liability insurance for the legal compensation liabilities of directors and supervisors on the execution of business within their term of office.

Chapter 5: Managerial Personnel

Article 20

The Corporation may employ a certain number of managerial personnel. The appointment, discharge and the remuneration of managerial personnel shall be in accordance with Article 29 of the Company Act. The remuneration of managerial personnel shall take into account the standards of related listed companies in the industry, business operation of the Corporation, and the value of the services provided.

Chapter 6: Accounting

Article 21

The Board of Directors shall prepare the following reports at the end of each fiscal year and send to supervisors for verification 30 days prior to the regular meeting of shareholders, then submit to the Shareholders' Meeting for ratification.

1. Annual business report,
2. Financial statements,
3. Surplus earnings distribution or loss make-up proposal.

Article 22

The Corporation is at the steady growth stage of its business development. Residual dividend policy shall be adopted for dividend distribution of the Corporation, taking into consideration the future capital budget plans and operational capital needs of the Corporation, as well as the extent of dilution on earnings per share and influence upon return on equity. Hence, future distribution of earnings shall be made priority by way of cash dividend over stock dividend, provided the ratio for cash dividend shall be 50 percent or more of the total annual distribution.

Article 22-1

When there is profit for the current year, the Corporation shall allocate 5 percent or more as employees' compensation and 3 percent or less as remuneration for directors and supervisors. However, the Corporation's accumulated losses shall have been covered.

Qualification requirements of employees, including the employees of subsidiaries of the Corporation meeting certain specific requirements, may be entitled to receive shares or cash for above employees' compensation.

Article 23

The Corporation, when allocating the surplus profits after having paid all taxes and dues and covered accumulated losses, shall first set aside legal reserve and special reserve in accordance with relevant laws, rules and regulations. The said special reserve shall require to be reversed before distribution of earnings. If there is a remaining balance, the Board of Directors shall propose an earning distribution plan which distribution amount is no more than 80 percent of retained earnings available for distribution for the current year, then submit it to the Shareholders' Meeting for concurrence.

Article 23-1

The Corporation, in accordance with paragraph 5 of Article 240 of the Company Act, authorizes the distributable dividends and bonuses or legal reserve and special reserve stipulated in paragraph 1 of Article 241 of the Company Act in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the Shareholders' Meeting.

Chapter 7: Supplemental Provisions

Article 24

Owing to business purpose, the Corporation may make endorsements/guarantees for others.

Article 25

The internal organizational regulations of the Corporation and the details of business operation shall be determined separately by the Board of Directors.

Article 26

In regard to all matters not provided for in these Articles of Incorporation, the Company Act and other rules and regulations shall govern.

Article 27

These Articles of Incorporation are agreed to on September 14, 1994.

The first Amendment was approved on December 5, 1996.

The second Amendment was approved on October 20, 1997.

The third Amendment was approved on December 29, 1997.

The fourth Amendment was approved on May 28, 1998.

The fifth Amendment was approved on May 27, 1999.

The sixth Amendment was approved on May 23, 2000.

The seventh Amendment was approved on June 12, 2001.
The eighth Amendment was approved on June 13, 2002.
The ninth Amendment was approved on May 27, 2004.
The tenth Amendment was approved on May 31, 2005.
The eleventh Amendment was approved on June 8, 2006.
The twelfth Amendment was approved on June 11, 2007.
The thirteenth Amendment was approved on June 10, 2009.
The fourteenth Amendment was approved on June 6, 2012.
The fifteenth Amendment was approved on June 11, 2014.
The sixteenth Amendment was approved on June 7, 2016.
The seventeenth Amendment was approved on June 12, 2020.

APPENDIX 3

Emerging Display Technologies Corp. Directors and Supervisors Election Rule

- Article 1 This rule is set based on the regulation in the Company Act and Articles of Incorporation. The elections of the company directors and supervisors shall follow the regulation under this rule.
- Article 2 The elections of the company directors and supervisors shall be held during the shareholders' meeting.
- Article 3 The elections of the company directors and supervisors shall use the cumulative voting method unless other regulations were stated in Articles of Incorporation. Attendance card numbers printed on the ballots may be used instead of the names of voters. For the elections of the company directors and supervisor, each share will have the voting right equal to the numbers required for the directors and supervisors. Votes can be casted to the same or different candidates.
- Article 4 The number required for the company directors and supervisors are referred to the Articles of Incorporation. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially as directors or supervisors. If two candidates received the same number of votes and exceed the required number, they shall draw lots to determine the result. The Chairmen can draw lots if the candidate is absent.
If a candidate is elected as a director and a supervisor at the same time, he or she shall decide by himself or herself whether to be a director or a supervisor, and cannot be both at the same time.
If a candidate is a juristic-person representative and a shareholder and is elected as a director and a supervisor, he or she shall decide to be a director or a supervisor under the identity of a juristic-person or a shareholder. The vacancy shall be filled by the candidate with the next highest numbers of voting rights.
- Article 5 In the beginning of the election, the Chairman shall appoint a number of personnels to perform duties of monitor voting status and count voting result.
- Article 6 The ballot shall be made and provided by the company. It shall be numbered by the attendance number and noted with the number of voting rights.
- Article 7 The voter shall enter the candidate's account name and note the shareholder account number or unified business number in the candidate column of the ballot. If the candidate is a juristic-person shareholder, the name of the juristic-person and/or its representative's name shall be entered in the candidate column of the ballot.
- Article 8 Ballot is invalid under these circumstances:
1. Using a ballot that is not prepared by the company.
 2. A blank ballot is casted in the ballot box.
 3. Unable to identify the writing or it's been altered.

4. Two or more candidates' names are filled in a ballot.
5. The name of the candidate filled in a ballot is identical to other shareholder but did not enter the shareholder number or unified business number for verification.

Article 9 The voting result shall be checked if the sum of the valid and invalid ballots is correct by the vote monitoring personnel. The valid ballots and the voting rights shall be filled in the record chart, then the names of the winners shall be announced by the Chairman.

Article 10 If there is a question of a ballot, the vote monitoring personnel shall verify if it's valid. Invalid ballots shall be marked invalid and signed after the vote counting.

Article 11 A notification shall be issued to the elected directors and supervisors by the Board of Directors.

Article 12 Over half of the members of the directors and supervisors and among supervisors or among supervisors and directors, at least one shall not be related as one of the following:

1. Spouses
2. Second-degree relatives.

Article 13 When the elected director or supervisor did not meet the condition stated in the previous article, the following method shall be used to determine which director or supervisor is elected.

1. For those who did not meet the condition among directors, the director who received the least ballot has the lowest number of the voting right and shall be deemed invalid.
2. For those who did not meet the condition among supervisors, the previous subparagraph is applied.
3. For those who did not meet the condition among supervisors and directors, the supervisors who received the least ballot has the lowest number of the voting right and shall be deemed invalid.

Article 14 Any matter not listed in this rule shall be handled in accordance with the Company Act and related regulations.

Article 15 This rule, if amended, will be executed after the approval in the shareholders' meeting.

This rule has been passed by the board of directors on May 8, 1998.

The first amendment was approved on March 21, 2002.

The second amendment was approved on March 15, 2007.

The third amendment was approved on March 18, 2009.

APPENDIX 4

Emerging Display Technologies Corp. Procedures for Loaning Funds to Others

Article 1

The Corporation adopts these Procedures for the adherence to loan funds to others.

Article 2

The Corporation may loans funds to others under the following circumstances:

1. Where an inter-company or inter-firm business transaction calls for a loan arrangement.
2. Where an inter-company or inter-firm short-term financing facility is necessary. The term "short-term" means one year, or where the Corporation's operating cycle exceeds one year, one operating cycle.

Article 3

The Corporation shall follow Article 4, paragraph 1 where funds are loaned for reasons of business dealings. Where short-term financing is needed, the Corporation shall loan funds only for the following entities:

1. A company or a firm in which the Corporation directly and indirectly holds more than 50 percent of the voting shares and has a requirement due to business dealings.
2. A company or a firm which has a requirement due to purchasing materials or working capital.
3. Any entity which the Board of Directors has approved to loan funds to, except the Corporation's shareholders or any other person.

Article 4

1. Where an inter-company or inter-firm business transaction calls for a loan arrangement, provided that the financing amount to a single borrower shall not exceed the total amount of trading between both parties. The term "total amount of trading" shall mean the higher amount within purchasing or selling by the Corporation in the past year. The aggregate financing amount shall not exceed 10 percent of the Corporation's net worth.
2. Where an inter-company or inter-firm short-term financing facility is necessary or any entity which the Board of Directors has approved to loan funds to, provided that the financing amount to a single borrower nor the aggregate financing amount shall not exceed 40 percent of the Corporation's net worth. The restriction shall not apply to inter-company loans of funds between overseas companies in which the Corporation holds, directly or indirectly, 100% of the voting shares, nor to loans of fund to the Corporation by any overseas company in which the Corporation holds, directly or indirectly, 100% of the voting shares. However, the Corporation shall still prescribe limits on the aggregate amount of such loans and on the amount of such loans permitted to a single borrower, and shall specify limits on the durations of such loans.

Article 5

The Corporation follows below procedures to makes loans of funds:

1. The Corporation's subsidiary shall submit "Application Form for Loaning Funds to Others" to the Corporation's financial department for reviewing its necessity with relevant department. After that, the application will be submitted to the Board of Directors for approval.
2. Loaning funds to non-affiliated company shall follow the preceding procedures, obtain a guarantee bill with the same amount, and create a mortgage on the borrower's chattel or real property if necessary.
3. Before making a loan of funds to others, the Corporation shall carefully evaluate whether the loan is in compliance with these Procedures, keep a record of evaluation, and obtain the collateral if necessary. The Corporation shall take into full consideration each independent director's opinions; independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the Board of Directors' meeting. The Corporation may loan funds to others after the evaluation results have been submitted to and resolved upon by the Board of Directors. Loans of funds between the Corporation and subsidiaries, or between the subsidiaries, shall be submitted for a resolution by the Board of Directors pursuant to the preceding procedures, and the chairman may be authorized, for a specific borrowing counterparty, within a certain monetary limit resolved by the Board of Directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the counterparty to draw down.
4. The term "certain monetary limit" mentioned in the preceding paragraph on authorization for loans extended by the Corporation or any subsidiary to any single entity shall not exceed 10% of the net worth on the most current financial statements of the Corporation, except in cases of companies in compliance with Article 4, paragraph 2.
5. The Corporation shall record fund-loaning activities on "Record Sheet of Loaning Funds to Others" and truthfully record the following information: borrower, amount, date of approval by the Board of Directors, lending/borrowing date, and the following review procedures.
The review procedures include:
 - A. The necessity of and reasonableness of loaning funds to others.
 - B. Credit status and risk assessment of the entity to which the funds is loaned.
 - C. The impact on the Corporation's business operations, financial condition, and shareholders' equity.
 - D. Whether collateral must be obtained and appraisal of the value thereof.
6. If, as a result of a change in circumstances, the loan balance exceeds the limit, the Corporation shall adopt rectification plans and submit the rectification plans to all the supervisors (or audit committee) and independent directors.
7. The Corporation may loan funds after the credit checking by financial department, approving by the chairman, and resolving upon by the Board of Directors.

Article 6

Where funds are loaned for reasons of business dealings, the duration of loans is less than one year in principle, and extended one year after approved by the chairman. Under special circumstances, it also can be extended according to the actual needs after approved by the Board of Directors. Where short-term financing is needed, the Corporation shall loan funds less than one year, and not extend the duration.

The interest rate of loaning funds shall not be lower than the highest interest rate of the Corporation's short-term borrowings from the financial institutions. The Corporation calculates and receives the interest monthly or quarterly in principle; under special circumstances, the Corporation may adjust it according to the actual needs after approved by the chairman.

Article 7

The Corporation's internal auditors shall audit the operational procedures for loaning funds to others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the supervisors (or audit committee) and independent directors in writing of any material violation found.

Article 8

The Corporation shall usually pay attention to the financial condition, business operation, credit status, and so on of borrowers and guarantors after loaning funds. If the collateral was obtained, the Corporation shall also be careful of the value changing of collateral, inform the chairman if significant change occurs, and settle it appropriately according to the indication.

The borrower shall calculate the interest payable in advance when repaying at or before the maturity. The Corporation shall return the promissory note to the borrower or deal with mortgage cancellation after the borrower repaying all principal and interest.

The borrower shall immediately repay all principal and interest at maturity, or it shall propose to extend the duration in advance and report to the chairman for approval. An extension may not exceed six months and shall be allowed only once. The Corporation may directly follow the law to dispose the collateral or recover from the guarantor if the borrower violates the rule.

Article 9

1. All collateral, except land and securities, shall be covered by property damage insurance. For vehicles, comprehensive insurance shall be procured. The insured amount shall, in principle, be not less than the hypothecary value of the collateral. The Corporation shall be named as the beneficiary of the insurance. The insured object, quantity, location, coverage conditions and insurance endorsement must be consistent with the requirements of the Corporation. Where the house numbers of the building was not decided on the date of mortgage creation, the Land Location and Land Number shall be shown as its address.
2. The personnel in charge shall inform the borrower to renew the insurance contract before expiration.

Article 10

1. The Corporation shall enter the previous month's loan balances of the Corporation and subsidiaries to the information reporting website designated by the competent authority by the 10th day of each month.
2. The Corporation whose loans of funds reach one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:
 - A. The aggregate balance of loans to others by the Corporation and subsidiaries reaches 20 percent or more of the Corporation's net worth as stated in the latest financial statement.
 - B. The balance of loans by the Corporation and subsidiaries to a single enterprise reaches 10 percent or more of the Corporation's net worth as stated in the latest financial statement.
 - C. The amount of new loans of funds by the Corporation or subsidiaries reaches NT\$10 million or more, and reaches 2 percent or more of the Corporation's net worth as stated in the latest financial statement.

The Corporation shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 3 of the preceding paragraph.

"Date of occurrence" in these Procedures means the date of contract signing, date of payment, dates of Boards of Directors resolutions, or other date that can confirm the counterparty and monetary amount of the loan of funds, whichever date is earlier.

Article 11

Any violation of "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" or these Procedures by managers and personnel in charge will be punished according to the Corporation's employee work rules.

Article 12

The Corporation shall evaluate the status of the loans of funds and reserve sufficient allowance for bad debts, and shall adequately disclose relevant information in the financial reports and provide certified public accountants with relevant information for implementation of necessary auditing procedures.

Article 13

After passage by the Board of Directors, the Corporation shall submit these Procedures to each supervisor and for approval by the shareholders' meeting. Where there any director expresses dissent and it is contained in the minutes or a written statement, the Corporation shall submit the dissenting opinions to each supervisor and for discussion by the shareholders' meeting. The same shall apply to any amendments to these Procedures.

When the Corporation submits these Procedures for discussion by the Board of Directors, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director expresses any dissent or reservation, it shall be specifically recorded in the minutes of the Board of Directors meeting.

After establishing an audit committee, when the Corporation adopts or amends these Procedures, the amended procedures shall require the approval of one-half or more of all audit committee members, and furthermore shall be submitted for a resolution by the Board of Directors, and the provisions of the preceding paragraph shall not apply. If the approval of one-half or more of all audit committee members is not obtained, these Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors meeting. The terms "all audit committee members" and "all directors" shall be counted as the actual number of persons currently holding those positions.

Article 14

The Corporation's subsidiary intends to make loans to others shall formulate its own operational procedures for loaning funds to others with "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", and it shall comply with the procedures when loaning funds.

Article 15

These Procedures have been passed by the Board of Directors on May 8, 1998.

The first amendment was approved on June 13, 2002.

The second amendment was approved on June 18, 2003.

The third amendment was approved on June 8, 2006.

The fourth amendment was approved on June 10, 2009.

The fifth amendment was approved on June 16, 2011.

The sixth amendment was approved on June 7, 2013.

The seventh amendment was approved on June 12, 2020.

APPENDIX 5

Emerging Display Technologies Corp. Shareholdings of All Directors and Supervisors

Record date: April 17, 2021

Title	Name	Current Shareholding	
		Shares	Percentage
Chairman	Tseng, Jui-Ming	11,043,723	6.80%
Director	Hsieh, Hui-Tai	6,386,867	3.93%
Director	Ying Dar Investment Development Corp. Representative: Wang, Tai-Kuang	5,346,672	3.29%
Director	Bae Haw Investment Development Corp. Representative: Hsieh, Wen-Hsiung	3,447,716	2.12%
Director	Huang, Mao-Hsiung	1,674,536	1.03%
Independent Director	Li, Chi-Cheng	0	0.00%
Independent Director	Huang, Fu-Di	0	0.00%
Total Directors' shareholdings		27,899,514	17.17%
Supervisor	Lin, Yu-Fen	1,802,813	1.11%
Supervisor	Tseng, Shu-Ling	1,186,209	0.73%
Supervisor	Ting, Hung-Hsun	0	0.00%
Total Supervisors' shareholdings		2,989,022	1.84%

Note:

1. Total shares issued as of April 17, 2021: 162,407,603 common shares.
2. In accordance with Article 26 of the Securities and Exchange Act, the total shareholdings of Directors and Supervisors may not be less than below shares:
 - (1) Total register shares owned by all Directors should not less than 9,744,456 shares.
 - (2) Total register shares owned by all Supervisors should not less than 974,445 shares.
3. Based on Article 2 of the Rules and Review Procedures for Directors and Supervisors Share Ownership Ratio at Public Companies, edt had elected two independent directors, the minimum shareholding for all directors and supervisors other than the independent directors shall be decreased by 20 percent.