(English Translation of Financial Report Originally Issued in Chinese)

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

For the Three months ended March 31, 2018 and 2017
(With Independent Auditors' Review Report Thereon)

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Independent Auditors' Review Report

The Board of Director's
Emerging Display Technologies Corp.

Introduction

We have reviewed the accompanying consolidated balance sheets of Emerging Display Technologies Corp. (the Company) and subsidiaries as of March 31, 2018 and 2017, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2018 and 2017, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards ("IASs") 34, "Interim Financial Reporting" endorsed by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our review.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standards 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain nonsignificant subsidiaries, which were not reviewed by independent accountants. These financial statements reflect total assets amounting to $286,780 thousand and $283,812 thousand, constituting 8.46% and 8.32% of consolidated total assets as of March 31, 2018 and 2017, respectively, total liabilities amounting to $25,662 thousand and $76,208 thousand, constituting 1.66% and 4.97% of consolidated total liabilities as of March 31, 2018 and 2017, respectively, and total comprehensive loss amounting to $1,889 thousand and $4,713 thousand, constituting 16.74% and 13.90% of consolidated total comprehensive loss for the three months ended March 31, 2018 and 2017, respectively.

Qualified Conclusion

Based on our reviews, except for the effects of the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent accountants, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Emerging Display Technologies Corp. and subsidiaries as of March 31, 2018 and 2017, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2018 and 2017 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IASs 34, "Interim Financial Reporting" endorsed by the Financial Supervisory Commission of the Republic of China.

Emphasis of Matter

As stated in Note 3(a), the consolidated financial statements of The Company and its subsidiaries applied for the International Financial Reporting Standard 9, “Financial Instruments” starting from January 1, 2018, and elected not to restate the consolidated financial statements for prior periods. Our conclusion is not modified in respect of this matter.

KPMG
CPA: Potree Yang and David Chen
Kaohsiung,Taiwan, R.O.C.
May 4, 2018

Emerging Display Technologies Corp. and its subsidiaries

Consolidated Balance Sheets

March 31, 2018 and 2017

(expressed in thousands of New Taiwan Dollars)

(Reviewed, not audited)

ASSET	2018.3.31 Amount	%	2017.12.31 Amount	%	2017.3.31 Amount	%
CURRENT ASSET：						
Cash and cash equivalent (Note 6(a))	$ 1,135,860	34	1,148,720	33	805,675	24
Current financial assets at fair value through profit or loss (Note 6(b))	189,787	6	-	-	49	-
Current financial assets at fair value through other comprehensive income (Note 6(c))	155,347	5	-	-	-	-
Available for sale financial assets－current (Note 6(d))	-	-	417,630	12	475,738	14
Current investments in debt instrument without active market (Notes 6(e) and 8)	-	-	4,423	-	277,868	8
Accounts receivable, net (Note 6(g))	447,819	13	490,408	14	377,955	11
Other receivables (Note 6(h))	16,282	-	16,702	-	19,180	1
Current tax assets	1,407	-	1,419	-	2,962	-
Inventories (Note 6(i))	765,884	23	783,309	22	749,814	22
Other current assets (Note 6(j) and 8)	46,215	1	44,210	1	16,603	-
Total current Asset	2,758,601	82	2,906,821	82	2,725,844	80
NONCURRENT ASSET：						
Non-current financial assets at fair value through other comprehensive income (Note 6(c))	152,021	4	-	-	-	-
Non-current financial assets carried at cost (Note 6(f))	-	-	185,000	6	185,000	6
Property, plant and equipment (Notes 6(l), 8 and 9)	426,268	13	391,411	11	437,238	13
Investment Property (Notes 6(m) and 8)	-	-	-	-	16,957	-
Intangible assets (Note 6(n))	3,450	-	3,540	-	3,741	-
Deferred tax assets	38,424	1	32,691	1	33,025	1
Prepayments on purchase of equipment	2,878	-	6,368	-	1,016	-
Other non-current financial assets (Notes 6(h) and 8)	8,245	-	9,292	-	9,141	-
Total noncurrent assets	631,286	18	628,302	18	686,118	20
TOTAL	$ 3,389,887	100	3,535,123	100	3,411,962	100

LIABILITIES AND EQUITY	2018.3.31 Amount	%	2017.12.31 Amount	%	2017.3.31 Amount	%
CURRENT LIABILITY：						
Short-term loans (Notes 6(o), 6(af) and 8)	$ 493,480	15	557,000	16	884,045	26
Short-term notes and bills payable (Notes 6(f), 6(af))	43,000	1	-	-	-	-
Financial liability at fair value through profit and loss (Note 6(b))	418	-	-	-	5,995	-
Notes payable	1,447	-	1,141	-	1,848	-
Accounts payable	346,811	11	343,654	10	353,708	10
Other payables	152,858	5	197,414	6	165,873	5
Current tax liabilities	12,780	-	18,235	-	13,446	-
Other current liabilities	13,486	-	18,839	-	17,825	1
Total current liabilities	1,064,280	32	1,136,283	32	1,442,740	42
NONCURRENT LIABILITIES：						
Long-term loans (Notes 6(q), 6(af) and 8)	398,431	12	398,246	11	-	-
Deferred tax liabilities	-	-	-	-	2,812	-
Net Defined Benefit liabilities-noncurrent	82,402	2	82,998	3	87,879	3
Guarantee deposits received	251	-	34	-	160	-
Total noncurrent liabilities	481,084	14	481,278	14	90,851	3
Total liabilities	1,545,364	46	1,617,561	46	1,533,591	45
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (Notes 6(u))：						
Capital stock	1,834,076	54	1,834,076	52	1,894,076	56
Capital surplus	23,873	1	23,873	1	28,920	1
Retained earnings	301,877	9	325,664	9	296,099	8
Other equity interest	(84,822)	(3)	(74,872)	(2)	(79,553)	(2)
Treasury stock	(298,565)	(9)	(273,209)	(8)	(341,848)	(10)
Total equity attributable to shareholders of the parent	1,776,439	52	1,835,532	52	1,797,694	53
Non-controlling interests(Note 6(k))	68,084	2	82,030	2	80,677	2
Total equity	1,844,523	54	1,917,562	54	1,878,371	55
TOTAL	$ 3,389,887	100	3,535,123	100	3,411,962	100

See accompanying notes to consolidated financial statements.

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2018 and 2017

(expressed in thousands of New Taiwan Dollars)
(Reviewed, not audited)

	For the three months ended March 31			
	2018		2017	
	Amount	%	Amount	%
Operating revenue (Note 6(w),6(x))	$ 704,679	100	726,863	100
Operating cost (Notes 6(i) ,6(s)),6(y) and 12)	600,382	85	600,686	83
Gross profit	104,297	15	126,177	17
Operating expenses (Notes 6(s), 6(y) and 12):				
Selling expenses	46,104	7	45,286	6
General and administrative expenses	28,650	4	30,285	4
Research and development expenses	21,017	3	20,717	3
Reversal of expected credit loss	(258)	-	-	-
Total operating expenses	95,513	14	96,288	13
Net other income (Note 6(z))	486	-	309	-
Operating profit	9,270	1	30,198	4
Non operating income and expenses (Note 6(aa)):				
Other income	4,432	1	2,720	-
Other gains and losses, net	(36,748)	(5)	(81,346)	(11)
Finance cost	(3,433)	(1)	(1,938)	-
	(35,749)	(5)	(80,564)	(11)
Profit before tax	(26,479)	(4)	(50,366)	(7)
Less: Tax benefit (Note 6(t))	(10,747)	(2)	(8,032)	(1)
Net Profit(Loss)	(15,732)	(2)	(42,334)	(6)
Other comprehensive income：				
Items that will not be reclassified to profit or loss				
Unrealized profit(loss) from investments in equity instruments measured at fair value through other comprehensive income	4,322	-	-	-
Income tax related to items that will not be reclassified to profit or loss (Note 6(t))	-	-	-	-
	4,322	-	-	-
Items that will be reclassified into profit or loss：				
Foreign currency translation difference	127	-	(9,793)	(1)
Unrealized gain(loss) on available-for-sale financial Assets (Note (ab))	-	-	19,119	2
Less: Income tax related to items that will be reclassified subsequently (Note(t))	-	-	908	-
	127	-	8,418	1
Othe comprehensive income, net	4,449	-	8,418	1
Comprehensive income	$ (11,283)	(2)	(33,916)	(5)
Profit (loss) attributable to				
Shareholders of the parent	$ (15,473)	(2)	(42,285)	(6)
Non-controlling interests	(259)	-	(49)	-
Net Profit (loss)	$ (15,732)	(2)	(42,334)	(6)
Comprehensive income attributable to				
Shareholders of the parent	$ (12,157)	(2)	(34,226)	(5)
Non-controlling interests	874	-	310	-
Total comprehensive income	$ (11,283)	(2)	(33,916)	(5)
Earings per share (Note 6(v))(expressed in New Taiwan Dollars):				
Basic earnings per share	$ (0.10)		(0.25)	
Diluted earnings per share	$ (0.10)		(0.25)	

See accompanying notes to consolidated financial statements.

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the three months ended March 31, 2018 and 2017

(In Thousands of New Taiwan Dollars)

(Reviewed, not audited)

	Equity attributable to shareholders of parent											
			Retained earnings			Other equity interest						
	Common stock	Capital surplus	Legal capital reserve	Special capital reserve	Unappropriated earnings	Foreign currency translation difference	Unrealized gains (losses) on financial assets measured at fair value through Other comprehensive income	Unrealized gain(loss) on available-for-sale financial assets	Treasury stock	Total equity attributable to shareholders of parent	Non-controlling interests	Total Equity
Balance as of January 1, 2017	**$ 1,949,076**	**33,663**	**21,614**	**96,448**	**220,322**	**(293)**	**-**	**(87,319)**	**(273,209)**	**1,960,302**	**80,367**	**2,040,669**
Profit (loss) for the period	-	-	-	-	(42,285)	-	-	-	-	(42,285)	(49)	(42,334)
Other comprehensive income (loss) for the period	-	-	-	-	-	(9,594)	-	17,653	-	8,059	359	8,418
Total comprehensive income (loss) for the period	-	-	-	-	(42,285)	(9,594)	-	17,653	-	(34,226)	310	(33,916)
Repurchase of treasury stock	-	-	-	-	-	-	-	-	(128,382)	(128,382)	-	(128,382)
Cancellation of treasury stock	(55,000)	(4,743)	-	-	-	-	-	-	59,743	-	-	-
Balance as of March 31, 2017	**$ 1,894,076**	**28,920**	**21,614**	**96,448**	**178,037**	**(9,887)**	**-**	**(69,666)**	**(341,848)**	**1,797,694**	**80,677**	**1,878,371**
Balance as of January 1, 2018	**$ 1,834,076**	**23,873**	**40,391**	**123,710**	**161,563**	**(8,709)**	**-**	**(66,163)**	**(273,209)**	**1,835,532**	**82,030**	**1,917,562**
Effects of retrospective application	-	-	-	-	(8,314)	-	(79,429)	66,163	-	(21,580)	(14,820)	(36,400)
Balance at January 1, 2018 after adjustments	1,834,076	23,873	40,391	123,710	153,249	(8,709)	(79,429)	-	(273,209)	1,813,952	67,210	1,881,162
Profit (loss) for the period	-	-	-	-	(15,473)	-	-	-	-	(15,473)	(259)	(15,732)
Other comprehensive income for the period	-	-	-	-	-	49	3,267	-	-	3,316	1,133	4,449
Total comprehensive income (loss) for the period	-	-	-	-	(15,473)	49	3,267	-	-	(12,157)	874	(11,283)
Repurchase of treasury stock	-	-	-	-	-	-	-	-	(25,356)	(25,356)	-	(25,356)
Balance as of March 31, 2018	**$ 1,834,076**	**23,873**	**40,391**	**123,710**	**137,776**	**(8,660)**	**(76,162)**	**-**	**(298,565)**	**1,776,439**	**68,084**	**1,844,523**

See accompanying notes to consolidated financial statements.

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES
Consolidated Statement of Cash flows
For the three months ended March 31, 2018 and 2017
(expressed in thousands of New Taiwan Dollars)
(Reviewed, not audited)

	For the three months ended March 31	
	2018	2017
Cash flows from operating activities:		
Profit(loss) before tax	$ (26,479)	(50,366)
Adjustments:		
Income and expenses having no effect on cash flows:		
Depreciation expense	16,030	24,922
Amortization expense	357	308
Reversal of expected credit loss	(258)	-
Reversal of provision for bad debt expense	-	(225)
Net loss on financial assets or liabilities at fair value through profit or loss	7,393	10,601
Interest expense	3,433	1,938
Interest income	(4,239)	(2,246)
Dividend income	-	(280)
Gain on disposal of investments	-	(1,970)
Unrealized foreign exchange loss	9,808	47,485
Total adjustments to reconcile profit (loss)	32,524	80,533
Changes in operating assets and liabilities		
Net changes in operating assets:		
Accounts receivable	38,286	(16,848)
Other receivable	257	548
Inventories	15,523	(2,601)
Other current assets	2,818	3,861
Total net changes in operating assets	56,884	(15,040)
Net changes in operating liabilities:		
Notes payable	306	(355)
Accounts payable	3,948	19,578
Other payables	(46,605)	(60,092)
Other current liabilities	(5,336)	(3,259)
Net defined benefit liability	(596)	(626)
Total net change in operating liabiliaties	(48,283)	(44,754)
Total net change in operating asset and liabilities	8,601	(59,794)
Total adjustments	41,125	20,739
Cash generated from operating activities	14,646	(29,627)
Interest received	4,402	2,118
Dividends received	-	280
Interest paid	(3,203)	(1,835)
Income taxes paid	(464)	(347)
Net cash flows from operating activities	15,381	(29,411)
Cash flows from investing activities:		
Acquisition of financial assets measured at fair value through other comprehensive income	(831)	-
Acquisition of financial assets measured at fair value through profit or loss	(58,780)	-
Proceeds of financial assets measured at fair value through profit or loss	126,032	-
Acquisition of available-for-sale financial assets	-	(94,588)
Proceeds from disposal of available-for-sale financial assets	-	48,843
Proceeds from disposal of Debt Instrument Without Active Market	-	126,579
Acquisition of property, plant and equipment	(47,020)	(8,965)
Proceeds from disposal of property, plant, equipment	-	658
Acquisition of intangible assets	(265)	(181)
Decrease in other financial assets	1,077	499
Increase in prepayments on purchase of equipment	-	(639)
Net cash flows used in investing activities	20,213	72,206
Cash flows from financing activities:		
Increase in short-term loans (Decrease)	(63,520)	172,053
Increase in Short-term notes and bills payable	43,000	-
Decrease in guarantee deposits received	219	-
Payments to acquire treasury shares	(23,270)	(128,382)
Net cash provided by (used in) financing activities	(43,571)	43,671
Effects of changes in foreign exchange rates	(4,883)	(25,444)
Net (Decrease) increase in cash and cash equivalent	(12,860)	61,022
Cash and cash equivalents, beginning of the period	1,148,720	744,653
Cash and cash equivalents, end of the period	$ 1,135,860	805,675

See accompanying notes to consolidated financial statements.

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

For the three months ended March 31, 2018 and 2017

(All amounts expressed in thousands of New Taiwan Dollars, unless specified otherwise)

(Reviewed, not audited)

1. Organization and Business Scope

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

2. Financial Statements Authorization Date and Authorization Process

The consolidated financial statements were authorized for issuance by the Board of Directors on May 4, 2018.

3. Application of New and Revised International Financial Reporting Standards and Interpretations

(1)Impact of new and revised International Financial Reporting Standards and Interpretations endorsed by the Financial Supervisory Commission, R.O.C. ("FSC")

The following new standards, interpretations and amendments have been endorsed by the FSC and are effective for annual periods beginning on or after January 1, 2018:

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendment to IFRS 2 "Clarifications of Classification and Measurement of Share-based Payment Transactions"	January 1, 2018
Amendments to IFRS 4 "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts"	January 1, 2018
IFRS 9 "Financial Instruments"	January 1, 2018
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2018
Amendment to IAS 7 "Disclosure Initiative"	January 1, 2017
Amendment to IAS 12 " Recognition of Deferred Tax Assets for Unrealized Losses"	January 1, 2017
Amendments to IAS 40 "Transfers of Investment Property"	January 1, 2018
Annual Improvements to IFRS Standards 2014–2016 Cycle:	
Amendments to IFRS 12	January 1, 2017
Amendments to IFRS 1 and Amendments to IAS 28	January 1, 2018
IFRIC 22 "Foreign Currency Transactions and Advance Consideration"	January 1, 2018

Except for the following items, the Group believes that the adoption of the above IFRSs would not have any material impact on its consolidated financial statements. The extent and impact of signification changes are as follows:

A. IFRS 9 Financial Instruments

IFRS 9 replaces IAS 39 " Financial Instruments: Recognition and Measurement" which contains classification and measurement of financial instruments, impairment and hedge accounting.

As a result of the adoption of IFRS 9, the Group adopted the consequential amendments to IAS 1 "Presentation of Financial Statements" which requires impairment of financial assets to be presented in a separate line item in the statement of profit or loss and OCI. Previously, the Group's approach was to include the impairment of trade receivables in selling expenses. Additionally, the Group adopted the consequential amendments to IFRS 7 "Financial Instruments: Disclosures" that are applied to disclosures about 2018 but generally have not been applied to comparative information.

The significant changes in accounting policies due to the application of IFRS 9 are as follows:

1) Classification of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The standard eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. In addition, IAS 39 has an exception to the measurement requirements for investments in unquoted equity instruments that do not have a quoted market price in an active market (and derivatives on such and instrument) and for which fair value cannot therefore be measured reliable. Such financial instruments are measured at cost. IFRS 9 removes this exception, requiring all equity investments (and derivatives on them) to be measured at fair value. Please refer to Note 4(c) for an explanation of how the Group classifies and measures financial assets and accounts for related gains and losses under IFRS 9.

The adoption of IFRS 9 did not have any a significant impact on its accounting policies on financial liabilities.

2) Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than they are under IAS 39 – please refer to Note 4(c). Please refer to Note 4(c) for an explanation of impairment of financial assets under IFRS 9.

3) Transition

The adoption of IFRS 9 have been applied retrospectively, except as described below:

Differences in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognized in retained earnings and other equity interest as on January 1, 2018. Accordingly, the information presented for 2017 does not generally reflect the requirements of IFRS 9 and therefore is not comparable to the information presented for 2018 under IFRS 9.

- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.
  - The determination of the business model within which a financial asset is held.
  - The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.
  - The designation of certain investments in equity instruments not held for trading as at FVOCI.
- When initial applying date of IFRS 9, the Group may determine that credit risk of debt securities has not increased significantly if the asset has low credit risk.

4) Classification of financial assets on the date of initial application of IFRS 9

The following table shows the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group's financial assets as of January 1, 2018. (There is no change in both categories and carrying value of financial liabilities.)

	IAS39		IFRS9	
	Measurement categories	**Carrying Amount**	**Measurement categories**	**Carrying Amount**
Financial Assets				
Cash and equivalents	Loans and receivables	$ 1,148,720	Amortized cost	1,148,720
Debt instruments	Available-for-sale (Note 1)	264,014	measured at FVTPL	264,014
Investments in debt instrument without active market	Loans and receivables (Note 2)	4,970	Amortized cost	4,970
Equity instruments	Available-for-sale (Note 3)	153,616	measured at FVOCI	153,616
	Carried at cost (Note 4)	185,000	measured at FVOCI	148,600
	Carried at cost	-	measured at FVTPL	-
Accounts receivable, net	Loans and receivables (Note 5)	507,110	Amortized cost	507,110
Other financial assets (refundable deposits)	Loans and receivables (Note 5)	8,745	Amortized cost	8,745

Except Cash and cash equivalents, Investments in debt instrument without active market, Accounts receivable, net and Other financial assets (refundable deposits), the following table reconciles the carrying amounts of financial assets under IAS 39 to the carrying amounts under IFRS 9 upon transition to IFRS 9 on 1 January, 2018.

	2017.12.31 IAS 39 Carrying Amount	Reclassifications	Remeasurements	2018.1.1 IFRS 9 Carrying Amount	2018.1.1 Retained earnings	2018.1.1 Other equity	2018.1.1 Non-controlling interests	Remarks
Financial assets at FVTPL								
Debt instruments：								
From available-for-sale	$ -	264,014	-	264,014	(8,314)	8,314	-	(Note 1)
Total	$ -	264,014	-	264,014	(8,314)	8,314	-	
Financial assets at FVOCI								
Equity instruments：								
Available-for-sale	$ 153,616	-	-	153,616	-	-	-	
From Financial assets carried at cost	-	185,000	(36,400)	148,600	-	(21,580)	(14,820)	(Note 4)
Debt instruments：								
From available-for-sale to FVTPL	264,014	(264,014)	-	-	-	-	-	
Total	$ 417,630	(79,014)	(36,400)	302,216	-	(21,580)	(14,820)	

Note 1：Under IAS 39, these debt instruments (Open-end mutual funds) were designated as available for sale financial assets. The finance department of the Group holds the portfolio to acquire the dividends but might sell these debt instruments during the normal operation to meet its liquidity demand. The Group thinks the business model to invest the funds is to receive cash flow and sell financial asset. These funds were managed on a fair value basis and their performance was monitored on this basis. These assets have been classified as measured at FVTPL under IFRS 9. At initial application of IFRS 9, it results in an increase of $8,314 in other equity and a decrease of $8,314 in retained earnings, respectively.

Note 2：Under IAS 39, restricted time deposits were designated as debt instrument without active market, classified as Loans and receivables. As permitted by IFRS 9, these assets were reclassified as financial assets measured at Amortized cost. The Group intends to hold these assets to maturity date to receive contract cash flow. The cash flow of financial assets is to pay principal and outstanding interest of the principal.

Note 3：As permitted by IFRS 9, the Group has designated these available for sale financial assets at the date of initial application as mandatorily measured at FVOCI.

Note 4：These equity securities represent investments that the Group intends to hold for the long term for strategic purposes. As permitted by IFRS 9, the Group has designated these investments at the date of initial application as measured at FVOCI. Accordingly, a decrease of $36,400 in carrying amount of financial assets carried at cost, and the decrease of $21,580 and $14,820 in other equity interest and Non-controlling interests were recognized on January 1, 2018.

Note 5：Accounts receivables, other receivables and refundable deposits that were classified as loans and receivables under IAS 39 are now classified at amortized cost of financial assets.

B. IFRS 15 “Revenue from Contracts with Customers”

IFRS 15 replaces the existing revenue recognition guidance, including IAS 18 “Revenue” and IAS 11 “Construction Contracts”. The Group applies this standard retrospectively with the cumulative effect, it needs not restate those contracts, but instead, continues to apply IAS 11, IAS 18 and the related Interpretations for comparative reporting period. Please refer to Note 4(d) and 4(e) for an explanation of the related accounting policies of revenue under IFRS 15.

The Group believes when the timing of the related risks and rewards of the goods ownership transferred is similar to the timing when control transferred and the Group does not expect that there will be a significant impact on its consolidated financial statements.

C. Amendments to IAS 7 “Disclosure Initiative”

The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.

To satisfy the new disclosure requirements, the Group presents reconciliation between the opening and closing balances for liabilities with changes arising from financing activities as Note 6(af).

D. Amendments to IAS 12 “Recognition of Deferred Tax assets for Unrealized Losses”

The amendments clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value.

The Group estimates the application of the abovementioned amendments would change the estimate of deferred tax asset. However there was no material impact on the conslidated financial statements for first quarter 2018.

E. IFRIC 22 “Foreign Currency Transactions and Advance Consideration”

The date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of each payment or receipt date. The Group plans to apply IFRIC22 prospectively to all assets, profit and loss are recognized after the date of the initial application (1 January 2018).

(2)Newly released or amended standards and interpretations not yet endorsed by the FSC

A summary of the new standards and amendments issued by the IASB but not yet endorsed by the FSC.

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”	Effective date to be determined by IASB
IFRS 16 “Leases”	January 1, 2019
IFRS 17 “Insurance Contracts”	January 1, 2021
IFRIC 23 “Uncertainty over Income Tax Treatments”	January 1, 2019
Amendments to IFRS 9 “Prepayment features with negative compensation”	January 1, 2019
Amendments to IAS 28 “Long-term interests in associates and joint ventures”	January 1, 2019
Annual Improvements to IFRS Standards 2015–2017 Cycle	January 1, 2019
Amendments to IAS 19 “Plan Amendment, Curtailment or Settlement”	January 1, 2019

Those which may be relevant to the Group are set out below:

Issuance/Release Dates	Standards or interpretation	Content of amendment
January 13, 2016	IFRS 16 "Leases"	The new standard of accounting for lease in amended as follows: ・For a contract that is, or contains, a lease, the lessee shall recognize a right-of-use asset and a lease liability in the balance sheet. In the statement of profit or loss and other comprehensive income, a lessee shall present interest expense on the lease liability separately from the depreciation charge for the right-of use asset during the lease term. ・A lessor classifies a lease as either a finance lease or an operating lease, and therefore, the accounting remains similar to IAS 17.
June 7, 2017	IFRIC 23 "Uncertainty over Income Tax Treatments"	・The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments. An entity is to assume that a taxation authority with the right to examine any amounts reported to it will examine those amounts and will have full knowledge of all relevant information when doing so. ・If the entity concludes that it is probable that a particular tax treatment is accepted, the entity has to determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax filings. If it's not probable that a particular tax treatment is accepted, the entity has to use the most likely amount or the expected value of the tax treatment to reflect the influence of the resolution of the uncertainty over income tax treatments.

The Group is evaluating the impact on financial position and financial performance of the initial adoption of the above mentioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

4. Summary of Significant Accounting Policies

(a) Statement of compliance

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

Except as described below, the significant accounting policies for the consolidated financial statement applied in these consolidated financial statements is consistent with those applied in the consolidated financial statements for the year ended December 31, 2017. Please refer to Note 4 of 2017 consolidated financial statement for detail information.

(b) Basis of consolidation

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

			Percentage ownership			
Name of investor	**Name of the subsidiary**	**Business Activity**	**2018.3.31**	**2017.12.31**	**2017.3.31**	**Remarks**
The Company	Emerging Display Technologies Corp., U.S.A	Sale of CTP and LCDs	100.00%	100.00%	100.00%	Major Subsidiary
The Company	Emerging Display International (Samoa) Corp.	Investment holding	78.49%	78.49%	78.49%	Note
The Company	EDT-Europe ApS	Customer service and business support	100.00%	100.00%	100.00%	Note
The Company	Tremendous Explore Corp.	Trading	100.00%	100.00%	100.00%	Note
The Company	Emerging Display Technologies Korea	Customer service and business support	100.00%	100.00%	100.00%	Note
The Company	EDT-Japan Corp.	Customer service and business support	100.00%	100.00%	100.00%	Note
The Company	Ying Dar Investment Development Corp.	Investment	100.00%	100.00%	100.00%	Note
The Company	Bae Haw Investment Development Corp.	Investment	100.00%	100.00%	100.00%	Note
The Company	Ying Cheng Investment Corp.	Investment	52.50%	52.50%	52.50%	Note
Ying Dar Investment Development Corp.	Emerging Display International (Samoa) Corp.	Investment holding	5.90%	5.90%	5.90%	Note
Bae Haw Investment Development Corp.	Emerging Display International (Samoa) Corp.	Investment holding	11.41%	11.41%	11.41%	Note
Emerging Display International (Samoa) Corp.	Dong Guan Emerging Display Limited	Manufacturing of CTP and LCDs	100.00%	100.00%	100.00%	Note

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

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

(c) Financial instruments (applicable from January 1, 2018)

(i) Financial assets

Financial assets are classified into the following categories: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

The Group shall reclassify all affected financial assets only when it changes its business model for managing its financial assets.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL：

- it is held within a business model whose objective is to hold assets to collect contractual cash flows；and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal amount and interst on the principal amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at amortized cost, less impairment losses, using the effective interest method. Interest income, foreign exchange gains and losses, and impairment loss, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL：

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets；and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal amount and interst on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment' s fair value in other comprehensive income. This election is made on an investment-by-investment basis.

A financial asset measured at FVOCI is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses, and impairment losses, derived from debt investments are recognized in profit or loss; whereas dividends derived from equity investments are recognized as income in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses of financial assets measured at FVOCI are recognized in OCI. On derecognition, gains and losses accumulated in OCI of debt investments are reclassified to profit or loss. However, gains and losses accumulated in OCI of equity investments are reclassified to retain earnings instead of profit or loss.

Dividend income derived from equity investments is recognized on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the exdividend date.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which otherwise meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets in this category are measured at fair value at initial recognition. Attributable transaction costs are recognized in profit or loss as incurred. Subsequent changes that are measured at fair value, which take into account any dividend and interest income, are recognized in profit or loss.

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivables, refundable deposits and other financial assets) and contract assets.

The Group measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL：

・debt instruments that are determined to have low credit risk at the reporting date; and

・other debt instruments and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivables and contract assets is always measured at an amount equal to lifetime ECL.

Lifetime ECL is the ECL that results from all possible default events over the expected life of a financial instrument.

12-month ECL is the portion of ECL that results from default events that is possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available (without undue cost or effort). This includes both quantitative and qualitative information and analysis, based on the Group’ s historical experience, informed credit assessment and including forward-looking information.

When the contract amount is past due or the borrower is unlikely to pay its credit obligations to the Group in full, the Group considers the credit risk on a financial asset has increased significantly or a financial asset to be in default.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is ‘ credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt instruments at FVOCI, the loss allowance is recognized in other comprehensive income, and the amount of loss allowances (or reversal) is charged to profit or loss.

The gross carrying amount of a financial asset is written off either partially or in full to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

5) Derecognition of financial assets

Financial assets are derecognized when the contractual rights of the cash inflow from the assets are terminated, or when the Group transfers substantially all the risks and rewards of ownership of the financial assets to other company.

On derecognition of a debt instrument in its entirety, the difference between the carrying amount and the sum of the consideration received or receivable and any cumulative gain or loss that had been recognized in other comprehensive income and presented in " other equity – unrealized gains or losses on fair value through other comprehensive income" is recognized in profit or loss.

On partial derecognition of a debt instrument in its entirety, the Group separates the carrying amount into the part of debt instrument that continues to be recognized and the part that is derecognized based on the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part derecognized and the sum of the consideration received for the part derecognized, and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income, shall be recognized in profit or loss. The cumulative gain or loss that had been recognized in other comprehensive income would be separated into the part that continues to be recognized and the part that is derecognized based on the relative fair values of those parts.

(ii) Derivative financial instruments, including hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Derivatives are recognized initially at fair value, and attributable transaction costs are recognized in profit or loss as incurred. Derivatives are subsequently remeasured to fair value, and the resulting gain or losse is recognized in profit or loss immediately. When a derivative is designated as a hedging instrument, its timing of recognition in profit or loss is determined based on the nature of the hedging relationship. When the fair value of a derivative instrument is positive, it is classified as a financial asset, and when the fair value is negative, it is classified as a financial liability.

(d)Revenue from contracts with customers (applicable from January 1, 2018)

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer.

The accounting policies for the Group's main types of revenue are explained below.

(i) Sale of good

The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The Group provides standard warranties for goods sold and has obligation to refund payments for the defective goods, in which the Group has recognized provisions for warranties to fulfill the obligation.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

Contract liability is primarily generated from advanced receipts of commodity sales contract. The Group will recognize revenue when deliver commodity to customers.

(ii) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

(e)Contract cost with customers (Applicable from January 1, 2018)

(i) Incremental cost of obtaining a contract

If the Group is expected to receive the incremental cost of obtaining customer's contract, the cost should recognize as asset. Incremental costs are costs that would not have been incurred had that individual contract not been obtained. Any other costs of obtaining a contract are expensed when incurred, unless they are explicitly chargeable to the customer regardless of whether the contract is obtained. As a practical expedient, incremental costs of obtaining a contract can be expensed if the amortization period would be one year or less.

(ii) Costs to fulfil a contract

In accounting for costs to fulfil a contract, the Group must first assess whether the costs fall within the scope of another IFRS (eg IAS 2 Inventories, IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets) and, if so, account for them in accordance with that standard. The Group can only recognize the cost as an asset only if they:

- Relate directly to a contract, or to an anticipated contract that can be specifically identified
- Generate or enhance resources to be used to satisfy performance obligations in future, and
- Are expected to be recovered.

General and administrative costs that are not explicitly chargeable to the customer and the costs of wasted materials, labor and other resources that were not reflected in the price of the contract do not qualify. Costs relating to satisfied or partially satisfied performance obligations must be expensed.

(f) Income tax

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

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

When income tax rate changes occur in interim period, the effect on deferred income tax is recognized in the period at once.

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

(g) Employee benefit

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

5. Critical Accounting Judgement and Key Sources of Estimation and Uncertainty

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

Except as described below, in preparing the consolidated financial statements, critical accounting judgments and key sources of estimation uncertainty used by management in the application of accounting policies are consistent with those described in note 5 of the consolidated financial statements for the year ended December 31, 2017.

The Group has estimated the loss allowance of receivables that is based on the risk of a default occurring and the rate of expected credit loss. The Group has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs. The relevant assumptions and input values, please refer to note 6(g).

6. Explanation of significant accounting items

The explanation of significant accounting items of this quarterly consolidated financial statements had no significant difference compared with the Group consolidated financial statements for the year ended December 31, 2017. Please refer to Note 6 of 2017 consolidated financial statements.

(a) Cash and cash equivalents

	2018.3.31	2017.12.31	2017.3.31
Cash and cash equivalents	$ 284	248	309
Demand deposits	394,778	258,634	352,948
Check deposits	573	2,647	375
Time deposits	710,615	857,088	421,713
Repurchase agreement	29,610	30,103	30,330
Total	**$ 1,135,860**	**1,148,720**	**805,675**

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

	2018.3.31	2017.12.31	2017.3.31
Current financial assets mandatorily measured at fair value through profit or loss：			
Open-end mutual funds	$ 189,687	-	-
Forward Contract	100	-	-
Current financial assets held-for-trading：			
Swap Contract	-	-	49
Total	**$ 189,787**	**-**	**49**

	2018.3.31	2017.12.31	2017.3.31
Current financial liabilities measured at fair value through profit or loss：			
Swap Contract	$ 418	-	-
Current financial liabilities held-for-trading：			
Swap Contract	-	-	5,995
Total	**$ 418**	**-**	**5,995**

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

The Group uses derivative instruments to hedge certain currency the Group is exposed to arising from its operating activities. The Group's derivative instruments were as follows (as of March 31, 2018, presented under financial assets mandatorily measured at FVTPL and financial liabilites held for trading; as of December 31, 2017 and March 31, 2017, presented under financial assets held for trading and financial liabilites held for trading):

	2018.3.31		
	Contract amount (in thousand)	**Currency**	**Maturity period**
Swap Contract	USD 4,000	TWD to USD	2018.04.10~2018.06.19
Forward Contract	USD 250	USD to CNY	2018.04.12

	2017.3.31		
	Contract amount (in thousand)	**Currency**	**Maturity period**
Swap Contract	USD 10,000	TWD to USD	2017.04.11~2017.06.20

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

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

		2018.3.31
Equity instruments at fair value through other comprehensive income-current:		
Listed stocks in Taiwan	$	155,347
Equity instruments at fair value through other comprehensive income-noncurrent:		
Unlisted companies stocks	$	151,190
Listed preferred stocks in Taiwan		831
	$	152,021

Please refer to Note 13(a)(iii) for the details of equity instruments.

(i) Equity instruments at fair value through other comprehensive income

The purpose that the Group invests in the abovementioned equity instruments is for longterm strategies, but rather for trading purpose. Therefore, those equity securities are designated as at FVTOCI, whereas, were presented under available-for-sale financial assets and financial assets carried at cost as of December 31, 2017 and March 31, 2017. Please refer to note 6(d) and 6(f).

For the three months ended March 31, 2018 the Group has not recognized any dividend income from the abovementioned equity instruments designated at fair value through other comprehensive income.

(ii) Please refer to Note 6(ac) for market risk.

(iii) The aforesaid financial assets were not pledged as collateral.

(iv) With the objective of investment and financial management, the Group as the beneficiary entrusts partial listed companies to bank. According to the terms of the contract, the Group does not lose control on these financial assets, and they are hence not derecognized. As of March 31, 2018, the book value our Group entrusted to the financial institutions is $33,002.

(d) Available-for-sale financial assets

		2017.12.31	**2017.3.31**
Listed stocks in Taiwan	$	153,616	149,376
Foreign listed stocks		-	69,715
Open-end mutual funds		264,014	256,647
	$	417,630	475,738

Please refer to Note 6(ac) for credit risk and market risk.
The abovementioned financial assets were not pledged as collateral.

For the purpose of increasing investment benefits, the Group entrusts partial listed companies as the beneficiary. According to the terms of the contract, the Group does not lose control on these financial assets, and they are hence not derecognized. As at December 31 and March 31, 2017, the carrying amount of the listed stocks which were entrusted to financial institutions for security lending amounted to $31,898 and $15,950 , respectively.

(e) Current investments in debt instrument without active market

	2017.12.31	2017.3.31
Restricted Certificate Deposit-current	$ 4,970	278,425
Current	$ 4,423	277,868
Non-current(recorded in other noncurrent financial assets)	547	557
	$ 4,970	278,425

The abovementioned financial assets were recognized as financial assets measured at amortized cost in other current assets as of March 31, 2018. Please refer to note 6(j).

The abovementioned financial assets pledged as collateral for loans are disclosed in Note 8.

(f) Financial assets at cost

	2017.12.31	2017.3.31
Unlisted stocks	$ 185,000	185,000

The abovementioned investments held by the Group were measured at cost less impairment as of December 31 and March 31, 2017. Due to it belongs to trade without active market ,therefore, the Group management had determined that the fair value cannot be measured reliably. The assets were classified as financial assets measured at FVTOCI as of March 31, 2018. Please refer to note 6(c).

The abovementioned financial assets were not pledged as collateral.

(g) Accounts receivable

	2018.3.31	2017.12.31	2017.3.31
Accounts receivables-measured as amortized cost	$ 470,204	513,052	400,365
Allowance for impairment	(22,385)	(22,644)	(22,410)
	$ 447,819	490,408	377,955

The Group applies the simplified approach to provide for the loss allowance used for expected credit losses, which permit the use of lifetime expected loss provision for all receivables on March 31, 2018. To measure the expected credit losses, accounts receivables have been grouped based on past default experience of the customers and shared credit risk characteristics, as well as incorporate forward looking information.

The loss allowance provision as of March 31, 2018 was determined as follows：

	Carrying amount of Accounts Receivable	Weighted-average loss rate	Loss allowance for lifetime expected credit losses
Not over due	$ 385,400	-	-
Over due less than 90 days	61,931	-	-
Over due 91~270 days	491	1%	3
Over due over 271 days	22,382	100%	22,382
	$ 470,204		22,385

As of December 31, 2017 and March 31, 2017, the Group measured the loss allowance for accounts receivable using the incurred loss model. As of December 31, 2017 and March 31, 2017, the aging analysis of unimpaired overdue receivables was as follows:

	2017.12.31	2017.3.31
Over due less than 30 days	$ 77,067	48,110
Over due 31~90 days	18,920	5,501
Over due 91~270 days	5,335	291
Over due over 271 days	32	23
	$ 101,354	53,925

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

	Three months ended March 31		
		2017	
	2018	Individually assessed for impairment	Collectively assessed for impairment
Balance at beginning of the period (IAS 39)	$ 22,644	22,345	303
Adjustments on initial application of IFRS 9	-		
Balance at beginning of the period (IFRS 9)	22,644		
Reversal of impairment loss	(258)	-	(225)
Effect of changes in foreign currency exchange rates	(1)	-	(13)
Balance at end of the period	$ 22,385	22,345	65

The abovementioned financial assets were not pledged as collateral.

(h) Other receivables

	2018.3.31	2017.12.31	2017.3.31
Other receivables	$ 19,047	19,530	22,062
Other receivables- deposits paid	8,245	8,745	8,584
allowance for doubtful accounts	(2,765)	(2,828)	(2,882)
	$ 24,527	25,447	27,764
Book as :			
Net other receivables	$ 16,282	16,702	19,180
Other financial assets－deposits paid	8,245	8,745	8,584
	$ 24,527	25,447	27,764

As of March 31, 2018, analysis of expected credit losses for other receivables(including deposits paid) was as follows:

	Carrying amount of other Receivable	Weighted-average loss rate	Loss allowance for lifetime expected credit losse
Not over due	$ 24,527	-	-
Over due over one year	2,765	100%	2,765
	$ 27,292		2,765

The Group had no other receivables which were over due but not impaired as of December 31, 2017 and March 31, 2017.

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

	Three months ended March 31		
		2017	
	2018	Individually assessed for impairment	Collectively assessed for impairment
Balance at beginning of the period (IAS 39)	$ 2,828	3,064	-
Adjustments on initial application of IFRS 9	-		
Balance at beginning of the period (IFRS 9)	2,828		
Effect of changes in foreign currency exchange rates	(63)	(182)	-
Balance at end of the period	$ 2,765	2,882	-

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

(i) Inventory

		2018.3.31	2017.12.31	2017.3.31
Raw materials	$	265,646	216,886	193,339
Work in process		256,770	301,857	327,932
Finished goods		238,370	257,127	225,057
Inventories in transit		5,098	7,439	3,486
	$	765,884	783,309	749,814

For the three months ended March 31, 2018 and 2017, write-down inventory to net realized value amounted to 2,124 and 3,499 which was recognized in the cost of revenue, respectively.
Inventories were not pledged as collateral.

(j) Other current assets:

The details of other current assets are as follows:

		2018.3.31	2017.12.31	2017.3.31
Income tax refund receivable	$	2,059	1,655	1,262
Prepayment for purchases		4,908	5,274	1,422
Prepaid expense		9,887	8,221	10,574
Prepaid sales tax		24,983	29,060	3,345
Other financial assets		4,378	-	-
	$	46,215	44,210	16,603

The abovementioned other financial assets was certificate deposit recognized as debt investment without active market as of December 31 and March 31, 2017. Please refer to Note 6(e).
The abovementioned other financial assets pledged as collateral for loans were disclosed in Note 8.

(k) Non-controlling interests' share of subsidiaries

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

Name of subsidiaries	Principal place of business	Proportion of non-controlling interest voting equity		
		2018.3.31	2017.12.31	2017.3.31
Ying Cheng Investment Corp.	Taiwan	47.5%	47.5%	47.5%
Emerging Display International (Samoa) Corp.	Samoa	4.2%	4.2%	4.2%

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

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

		2018.3.31	2017.12.31	2017.3.31
Current Asset	$	12,736	12,762	10,340
Non-Current Asset		121,020	150,000	150,000
Current Liability		(161)	(180)	(60)
Net Asset	$	133,595	162,582	160,280
Non-Controlling equity closing book amount	$	63,458	77,227	76,133

	For the three months ended March 31		
		2018	2017
Operating revenue	$	-	-
Net profit (loss)	$	(6)	(6)
Other comprehensive income		2,220	1,175
Comprehensive income	$	2,214	1,169
Loss attributable to non-controlling interest	$	(3)	(3)
Comprehensive income attributable to non-controlling interest	$	1,052	555

	For the three months ended March 31		
		2018	2017
Cash flow from operating activities	$	(28)	(7)
Cash flow from investing activities		-	-
Cash flow from financing activities		-	-
Net decrease in cash and cash equivalents	$	(28)	(7)

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

		2018.3.31	2017.12.31	2017.3.31
Current Asset	$	125,431	135,885	127,033
Non-Current Asset		9,922	10,666	12,329
Current Liability		(25,213)	(32,179)	(31,169)
Net Asset	$	110,140	114,372	108,193
Non-Controlling equity closing book amount	$	4,626	4,803	4,544

	For the three months ended March 31	
	2018	**2017**
Operating revenue	$ 51,907	72,019
Net Loss	$ (6,110)	(1,098)
Other comprehensive income	1,878	(4,747)
Comprehensive income	$ (4,232)	(5,845)
Profit(Loss) attributable to non-controlling interest	$ (256)	(46)
Comprehensive income attributable to non-controlling interest	$ (178)	(245)

	For the three months ended March 31	
	2018	**2017**
Cash flow from operating activities	$ 18,318	8,302
Cash flow from investing activities	294	(44)
Cash flow from financing activities	-	-
Effects of changes in foreign exchange rates	527	(1,002)
Net increase in cash and cash equivalents	$ 19,139	7,256

(l) Property, plant and equipment

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

	Land	Building and construction	Machinery and equipment	Office equipment	Other	Total
Cost or deemed cost:						
Balance at January 1, 2018	$ 47,370	993,922	2,570,386	31,291	98,296	3,741,265
Additions	21,496	20,572	344	-	9,630	52,042
Disposals	-	-	(361)	-	-	(361)
Effect of movements in exchange rates	(1,043)	464	4,074	(45)	106	3,556
Balance at March 31, 2018	$ 67,823	1,014,958	2,574,443	31,246	108,032	3,796,502
Balance at January 1, 2017	$ 51,334	994,153	2,580,349	31,970	160,152	3,817,958
Additions	-	740	1,675	-	5,600	8,015
Reclassification	-	-	686	-	(686)	-
Disposals	-	-	-	(36)	(1,249)	(1,285)
Effect of movements in exchange rates	(3,057)	(3,334)	(10,425)	(647)	(276)	(17,739)
Balance at March 31, 2017	$ 48,277	991,559	2,572,285	31,287	163,541	3,806,949

	Land	Building and construction	Machinery and equipment	Office equipment	Other	Total
Depreciation						
Balance at January 1, 2018	$ -	766,947	2,486,900	29,346	66,661	3,349,854
Depreciation for the year	-	3,619	8,032	216	4,163	16,030
Disposals	-	-	(361)	-	-	(361)
Effect of movements in exchange rates	-	689	4,002	(39)	59	4,711
Balance at March 31, 2018	$ -	771,255	2,498,573	29,523	70,883	3,370,234
Balance at January 1, 2017	$ -	752,899	2,460,290	28,948	116,794	3,358,931
Depreciation for the year	-	3,887	16,938	291	3,716	24,832
Disposals	-	-	-	(36)	(591)	(627)
Effect of movements in exchange rates	-	(2,513)	(10,131)	(610)	(171)	(13,425)
Balance at March 31, 2017	$ -	754,273	2,467,097	28,593	119,748	3,369,711
Carrying amounts:						
Balance at January 1, 2018	$ 47,370	226,975	83,486	1,945	31,635	391,411
Balance at March 31, 2018	$ 67,823	243,703	75,870	1,723	37,149	426,268
Balance at January 1, 2017	$ 51,334	241,254	120,059	3,022	43,358	459,027
Balance at March 31, 2017	$ 48,277	237,286	105,188	2,694	43,793	437,238

Please refer to note 6(aa) for detail of disposal gain and loss.
Property, plant and equipment pledged as collateral for long-term loans and finance were disclosed in note 8.

(m)Investment property

The details of investment property were as follows:

	Land	Building and construction	Total
Book value or deemed cost:			
Balance at January 1, 2017	$ 10,079	21,670	31,749
Balance at March 31, 2017	$ 10,079	21,670	31,749
Depreciation and impairment loss:			
Balance at January 1, 2017	$ -	14,702	14,702
Depreciation for the year	-	90	90
Balance at March 31, 2017	$ -	14,792	14,792
Carrying amounts:			
Balance at January 1, 2017	$ 10,079	6,968	17,047
Balance at March 31, 2017	$ 10,079	6,878	16,957
Fair value：			
Balance at March 31, 2017			$ 20,475

The fair value of investment property is measured by the finance department. The finance department has assessed the investment property based on its location and category. The fair value of the Group's investment property was determined by Level 3 fair value measurement inputs.

When measuring the fair value of investment property, the Group considered the present value of net cash flows to be generated from leasing the property. The expected net cash flows were discounted using the yield to reflect the inherent risk of the net cash flows. The fair value of Group's investment property as of March 31, 2017 had no significant difference with 2016 consolidated financial statements disclosed in Note 6(k). The yields applied to the net annual rentals to determine the fair value of investment property were 2.826%.

The investment property was sold in November, 2017.

As of March 31, 2017, the investment property had been pledged as collateral for finance were disclosed in note 8.

(n) Intangible assets

		Patent and other	Computer software cost	Total
Book value detail as below:				
Balance at January 1, 2018	$	2,002	1,538	3,540
Balance at March 31, 2018	$	2,017	1,433	3,450
Balance at January 1, 2017	$	1,843	2,025	3,868
Balance at March 31, 2017	$	1,903	1,838	3,741

There was no increase for acquisition, disposal, reversal or write-down of impairment loss of investment property for the three months ended March 31, 2018 and 2017. Please refer Note 12 for amortization amount. Other related information, please refer to Note 6(l) of 2017 consolidated financial statements.

Intangible assets were not pledged as collateral.

(o) Short-term loans

The details of short-term loans were as follows:

		2018.3.31	2017.12.31	2017.3.31
Letters of credit	$	480	-	2,045
Unsecured bank loans		493,000	557,000	590,000
Secured bank loans		-	-	292,000
Total	$	493,480	557,000	884,045
Unused lines of credit	$	1,144,424	1,130,126	1,087,794
Interest rates applied		0.92%~1.05%	0.88%~1.05%	0.88%~1.10%

Please refer to Note 6(w) for interest expense detail.

Assets pledged as collateral for short-term loans were disclosed in note 8.

As of March 31, 2018, December 31, 2017 and March 31, 2017, The Group's acceptance credit for purchases of raw materials amounted to $19,588, $8,917 and $7,287, respectively.

(p) Short-term notes and bills payable

	2018.3.31	2017.12.31	2017.3.31
Commercial paper payable	$ 43,000	-	-

As of March 31, 2018, the interest rate of abovementioned commercial paper payable was 0.938%.

(q) Long-term loans

The details of long-term loans were as follows:

	2018.3.31	2017.12.31	2017.3.31
Secured bank loans	$ 400,000	400,000	-
Less: current portion	(1,569)	(1,754)	-
Total	$ 398,431	398,246	-
Unused lines of credit	$ 400,000	400,000	800,000
Interest rates applied	1.7895%	1.7895%	-

On November 17, 2016, the Group entered into a syndicated loan agreement with eight banks leaded by Tai Shin Bank for the period from the date of first borrowing to the end of the three-year term. The financial facility amounted to $800,000. On August 15, 2017, an amount of $400,000 was borrowed. Repayment will be made in three installments, every six months after the expiration of two years from the borrowing date. The first and second repayments will be $80,000 respectively. The third repayment will be $240,000. The concerned restricted terms , please refer to Note 6(n) of 2017 consolidated financial statements.

Assets pledged as collateral for long-term loans were disclosed in note 8.

(r) Operating lease

There was no increase for operating lease for three months ended March 31, 2018 and 2017. Please refer to Note 6(o) of the 2017 consolidated financial statements.

(s) Employee Benefit

(i) Defined benefit plan

There were no significant market fluctuations, curtailments, settlement or other one-time events after the end the previous financial year, the pension cost measurement and disclosure of interim pension cost were calculated based on actuarial adopted on December 31, 2017 and 2016.

Cost recognized in profit or loss was as below:

	For three months ended March 31	
	2018	**2017**
Operating cost	$ 368	373
Selling expenses	16	16
General and administrative expenses	50	46
Research and development expenses	40	38
	$ 474	**473**

(ii) Defined Contribution Plan

Cost recognized in profit or loss was as below：

	For three months ended March 31	
	2018	**2017**
Operating cost	$ 5,723	5,451
Selling expenses	1,245	1,291
General and administrative expenses	514	486
Research and development expenses	574	548
	$ 8,056	**7,776**

(t) Income tax

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

According to the amendments to the "Income Tax Act" enacted by the office of the President of the Republic of China (Taiwan) on February 7, 2018, the corporate income tax rate was adjusted from 17% to 20% effective in 2018. The effect of the change in tax rate on deffered tax amounted to 5,725 was recognized in full in the first quarter of 2018.
The amounts of income tax expense (benefit) were as follows:

	For three months ended March 31	
	2018	**2017**
Current tax expense		
Current	$ 97	11
	97	11
Deferred tax expense		
Origination and reversal of temporary differences	(5,119)	(8,043)
Change in tax rate	(5,725)	-
	(10,844)	(8,043)
The amounts of income tax	**$ (10,747)**	**(8,032)**

For three months ended March 31,2018 and 2017, no income tax was recognized directly in equity.

The amounts of income tax recognized in other comprehensive income were as follows:

	For three months ended March 31	
	2018	**2017**
Unrealized gain (loss) on available-for-sale financial assets	$ -	(908)

The Group's income tax returns for all fiscal years up to 2016 have been examined and approved by the R.O.C. tax authority.

(u) Share capital and other equity

The Group had no share capital change for the three months ended March 31, 2018 and 2017 except below statement. Please refer to Note 6(r) of 2017 consolidated financial statements for detail information.

(i) Common Stock

As of March 31, 2018, December 31 and March 31, 2017, the authorized share capital of the Company amounted to $3,500,000 comprising 350,000 thousand shares with a par value of TWD10 per share.

Issued shares was as follows:

	Common Stock	
(Expressed in thousand of shares)	**January to March, 2018**	**January to March, 2017**
Balance at January 1, 2018	183,408	194,908
Cancellation of treasury shares	-	(5,500)
Balance at March, 2018	**183,408**	**189,408**

As of March 31, 2018, December 31 and March 31, 2017, excluding shares of treasury stock that had been purchased by the Company and shares of stock held by the subsidiaries, outstanding shares of stock are 160,068, 162,613 thousand shares and 162,613 thousand shares, respectively.

(ii) Capital surplus

Capital surplus was as follows:

	2018.3.31	**2017.12.31**	**2017.3.31**
Treasury stock	$ 23,873	23,873	28,920

According to the Company Act, any realized capital surplus is initially used to cover any deficit, and the balance, if any, could be transferred to common stock as stock dividend or distributed as cash based on a resolution approved by the stockholders. Realized capital surplus includes the premium derived from the issuance of shares of stock in excess of par value and endowments received by the Company. According to the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", the combined amount of any portions capitalized in any one year may not exceed 10% of paid-in capital.

(iii) Earnings distribution

The appropriations of earnings for 2017 have been approved in the meeting of the board of directors held on March 14, 2018. And the appropriations of earnings for 2016 had been approved in the shareholders' meeting held on June 8, 2017. The appropriation and dividend per share were as follows:

	2017(Estimated)	2016(Actual)
Cash dividend to shareholders (TWD)		
Cash	$ 0.4	0.40852705(Note)

Note: The Company's shareholders meeting resolved to pay dividends TWD0.4 per share but adjucted to TWD0.40852705 per share due to treasury stock affected outstanding shares.

(iv) Other equity

	Foreign exchange differences arising from foreign operation	Financial assets measured at FVTOCI	Unrealized gains (losses) on available-for- sale financial assets	Total
Balance at January 1, 2018	$ (8,709)	-	(66,163)	(74,872)
Adjustments on initial application of new standards	-	(79,429)	66,163	(13,266)
Balance at January 1, 2018 after adjustments	(8,709)	(79,429)	-	(88,138)
The Group	49	3,267	-	3,316
Balance at March 31, 2018	$ (8,660)	(76,162)	-	(84,822)
Balance at January 1, 2017	$ (293)	-	(87,319)	(87,612)
The Group	(9,594)	-	17,653	8,059
Balance at March 31, 2017	$ (9,887)	-	(69,666)	(79,553)

(v) Treasury stock

The changes of treasury stocks were as follows:

(Expressed in thousand of shares)

Reason to buy back	Beginning Shares	Increase shares	Decrease shares	Ending share
January to March, 2018				
Maintain the Company's credit and stockholders' equity	-	2,545	-	2,545
Transfer to employees	12,000	-	-	12,000
	12,000	2,545	-	14,545
January to March, 2017				
Maintain the Company's credit and stockholders' equity	-	11,500	(5,500)	6,000
Transfer to employees	12,000	-	-	12,000
	12,000	11,500	(5,500)	18,000

Resolutions were passed during the board meetings held on March 2,2018, for the Company to repurchase 4,000 thousand shares of its stock. As of March 31, 2018, the Company has repurchased 2,545 thousand shares. The Company's Board of Directores held on January 5, and February 20, 2017, respectively, approved to repurchase 11,500 thousand shares of its stock with face value$115,000, which were completed as of March 31, 2017. Resolution passed during the boarding meeting held on February 9, 2017 to retire 5,500 thousand shares of its treasury stock. The related registration procedures had been finished.

In accordance with the requirements under section 28(2) of the Securities and Exchange Act, the number of shares repurchased should not exceed 10 percent of all common shares issued. Also, the value of repurchased shares should not exceed the sum of the Company's retained earnings, share premium, and realized capital reserves. The above amount did not exceed the statutory limit.

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

Ying Dar Corp. and Bae Haw Corp., 100%-owned subsidiaries of the Company, held the Company's common stock. For the three months ended March 31, 2018 and 2017, Ying Dar Corp. and Bae Haw Corp. did not purchase or dispose of any of the Company's shares. As of March 31, 2018 ,December 31, 2017 and March 31, 2017, Ying Dar Corp. and Bae Haw Corp. together held 8,794 thousand shares of the Company's common stock, and their market values amounted to $87,592, $87,944 and $96,738, respectively.

(v) Earnings per share

	January to March, 2018	January to March, 2017
Basic earnings per share		
Loss attributable to owners of parent	$ (15,473)	(42,285)
Weighted-average number of ordinary shares at end of year (expressed in thousands of shares)	162,136	167,340
Expressed in New Taiwan dollars	$ (0.10)	(0.25)
Diluted earnings per share		
Loss attributable to owners of parent	$ (15,473)	(42,285)
Weighted-average number of ordinary shares (expressed in thousands of shares)	162,136	167,340
Effect of potentially dilutive ordinary stock:		
－Employee bonus (expressed in thousands of shares)	-	-
Weighted-average number of ordinary shares-diluted (expressed in thousands of shares)	162,136	167,340
Expressed in New Taiwan dollars	$ (0.10)	(0.25)

Note: There were no dilutive potential ordinary shares for the three months ended March 31, 2018 and 2017.

In computing above basic earnings (loss) per share of ordinary stock for three months ended March 31, 2018 and 2017, the weighted-average numbers of shares of common stock outstanding excluded 8,794 thousand shares of common stock held by the Company's subsidiaries as treasury stock.

(w) Revenue from Contracts with Customers

(i) Disaggregation of revenue

		January to March, 2018				
		Domestic	**North America**	**Mainland China**	**Other operating department**	**Total**
Primary geographical markets:						
Europe	$	280,077	2,144	-	94	282,315
USA		-	186,216	-	-	186,216
Others		145,718	90,411	-	19	236,148
Total	$	425,795	278,771	-	113	704,679
Major products:						
Liquid crystal display modules	$	301,241	185,433	-	-	486,674
Capacitive touch panel and capacitive touch panel Module		116,809	93,107	-	-	209,916
Other		7,745	231	-	113	8,089
Total	$	425,795	278,771	-	113	704,679

Please refer to note 6(x) for net revenue for the three months ended March 31, 2017.

(x) Revenue

For the three months ended March 31, 2017, the Group's net revenue was sales of goods, amounted to $726,863. Please refer to note 6(w) for net revenue for the three months ended March 31, 2018.

(y) Employee compensation, and directors' and supervisors' remuneration

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

For the three months ended March 31, 2018 and 2017, the Company is in net operating loss before tax, so there's no need to accrue the compensation of employees and remuneration of Directors' and supervisors'.

The accrued compensation of employees amounted to $3,476 and 11,500 for 2017 and 2016 financial reports, respectively, and the accrued remuneration of directors' and supervisor's amounted to $2,086 and $6,900, respectively. Actual distribution had no difference with accrued amounts. For related information, please go to website: http://emops.com.tw.

(z) Other operating income and expenses

Other operating income and expenses were rental revenue.

(aa) Non-operating income and expenses

(i) Other income

Details of other income were as follows:

		January to March, 2018	January to March, 2017
Interest income			
Bank deposits	$	4,239	2,246
Other loans and receivables		38	40
Dividend Revenue		-	280
Others		155	154
	$	**4,432**	**2,720**

(ii) Other gains and losses

Details of other gains and losses were as follows:

		January to March, 2018	January to March, 2017
Foreign exchange gains (losses), net	$	(29,355)	(67,031)
Net gains on disposal of investments and financial liability			
Net gains on disposal of Available-for-sale financial assets		-	1,970
Loss on valuation of financial assets (liability) measured at fair value through profit or loss, net		(7,393)	(15,041)
Others		-	(1,244)
	$	**(36,748)**	**(81,346)**

(iii) Finance costs

Details of finance costs were as follows:

		January to March, 2018	January to March, 2017
Interest expenses			
Bank loans	$	3,371	1,938
Management fee of syndicated loan		62	-
	$	**3,433**	**1,938**

(ab) Reclassified adjustments of the components in other comprehensive income

Details of the Reclassified adjustments of the components in other comprehensive income were as follows:

		January to March, 2017
Available-for-sale financial assets		
Net change in fair value occurred in current year	$	21,276
Net change in fair value reclassified to income		(2,157)
Net change in fair value recognized in other comprehensive income	$	19,119

(ac) Financial instruments

There was no significant change of the Group's fair value of financial instruments, exposure to credit risk, liquidity risk and market risk except below statements. Please refer to Note 6(y) of 2017 consolidated financial statements.

(i) Credit risk

1. Exposure to credit risk

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

2. Concentration of credit risk

To reduce the credit risk of accounts receivable, the Group continuously evaluates customers' financial condition, and requires customers to provide a guarantee if necessary. The Group periodically measures the possibility of collecting the accounts receivable and also records an allowance for doubtful accounts, which is always under the expectation of the management. The Group has no significant concentration of its accounts receivable as of March 31, 2018, December 31, and March 31, 2017.

3. Accounts receivable and Debt instrument of credit risk

Please refer to Note 6(g) for accounts receivable of credit risk exposure. Please refer to Note 6(e) and Note 6(h) for the detail and allowance for impairment for the three months ended March 31, 2017 with other Financial assets measured at amortized cost include other accounts receivable, refundable deposits, and certificate deposit recognized as bond investment without active market on December 31 and March 31,2017.

Please refer to Note 6(b) for the detail of debt instrument measured at FVOCI recognized as available-for-sale financial assets as of December 31,2017 and allowance for impairment for the three months ended March 31, 2017.

Please refer to Note 6(h) for the loss allowance provision for the abovementioned financial assets measured at amortized cost as of March 31, 2018.

(ii) Liquidity risk

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

	Carry amount	Contracted cash flows	Due within 6 months	Due in 6-12months	Due in 1-2 years	Due in 2-5 years	Due in over 5 years
March 31, 2018							
Non-derivative financial liabilities							
Secured loans (floating rate)	$ 398,431	(418,430)	(3,589)	(3,569)	(169,672)	(241,600)	-
Unsecured loans (floating rate)	493,480	(493,734)	(493,734)	-	-	-	-
Short-term notes and bills payable (fixed rate)	43,000	(43,000)	(43,000)	-	-	-	-
Accounts payable(non-interest bearing)	346,811	(346,811)	(346,811)	-	-	-	-
Notes payable (non-interest bearing)	1,447	(1,447)	(1,447)	-	-	-	-
Other payable (non-interest bearing)	76,158	(76,158)	(76,158)	-	-	-	-
Guarantee deposits received (non-interest bearing)	251	(251)	-	-	(34)	(217)	-
Derivative financial liabilities							
Swap Contract：	418						
Cash in		116,511	116,511	-	-	-	-
Cash out		(116,420)	(116,420)	-	-	-	-
	$ 1,359,996	(1,379,740)	(964,648)	(3,569)	(169,706)	(241,817)	-
December 31, 2017							
Non-derivative financial liabilities							
Secured loans (floating rate)	$ 398,246	(418,411)	(3,550)	(5,393)	(86,617)	(322,851)	-
Unsecured loans (floating rate)	557,000	(557,461)	(557,461)	-	-	-	-
Accounts payable(non-interest bearing)	343,654	(343,654)	(343,654)	-	-	-	-
Notes payable (non-interest bearing)	1,141	(1,141)	(1,141)	-	-	-	-
Other payable (non-interest bearing)	81,396	(81,396)	(81,396)	-	-	-	-
Guarantee deposits received (non-interest bearing)	34	(34)	-	-	(34)	-	-
	$ 1,381,471	(1,402,097)	(987,202)	(5,393)	(86,651)	(322,851)	-
March 31, 2017							
Non-derivative financial liabilities							
Secured loans (floating rate)	$ 292,000	(292,095)	(292,095)	-	-	-	-
Unsecured loans (floating rate)	592,045	(592,558)	(592,558)	-	-	-	-
Accounts payable(non-interest bearing)	353,708	(353,708)	(353,708)	-	-	-	-
Notes payable (non-interest bearing)	1,848	(1,848)	(1,848)	-	-	-	-
Other payable (non-interest bearing)	84,274	(84,274)	(84,274)	-	-	-	-
Guarantee deposits received (non-interest bearing)	160	(160)	-	-	-	(160)	-
Derivative financial liabilities							
Swap Contract：	5,995						
Cash out		(278,536)	(278,536)	-	-	-	-
Cash in		272,970	272,970	-	-	-	-
	$ 1,330,030	(1,330,209)	(1,330,049)	-	-	(160)	-

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

(iii) Market Risk

1. Exchange rate risk

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

		2018.3.31			2017.12.31			2017.3.31		
		Foreign currency	**Exchange rate**	**TWD amount**	**Foreign currency**	**Exchange rate**	**TWD amount**	**Foreign currency**	**Exchange rate**	**TWD amount**
Financial assets										
Monetary items										
USD	$	55,316	29.105	1,609,973	59,972	29.76	1,725,249	49,074	30.33	1,488,404
JPY		24,113	0.2739	6,605	7,511	0.2642	1,984	9,670	0.2713	2,623
CNY		218	4.647	1,011	47	4.565	214	2,821	4.407	12,432
Non-Monetary item										
USD		5,929	29.105	172,561	8,280	29.76	246,400	10,198	30.33	309,308
Financial Liabilities										
Monetary items										
USD		8,250	29.105	240,126	8,852	29.76	263,445	9,741	30.33	295,447
JPY		22,898	0.2739	6,272	28,159	0.2642	7,440	29,272	0.2713	7,941
NTD		2,181	1	2,181	4,752	1	4,752	2,884	1	2,884
Non-Monetary item										
USD		14	29.105	418	-	-	-	198	30.330	5,995

The foreign currency risk is mainly incurred from the translation of cash and cash equivalents, accounts receivable, other receivables, financial assets measured at FVTPL, loans, accounts payable, bonds payable and other payables. As of March 31, 2018 and 2017, the exchange rate of the TWD versus the USD, CNY, and JPY increases or decreases by 1%, given no changes in other factors, loss after tax will increase or decrease by $11,242 and $9,882, respectively.

The Group has variety kinds of functional currencies, hence we use summarized method to disclose exchange gain or loss of monetary items. For the three months ended March 31, 2018 and 2017, the exchange loss and profit (including realized and unrealized) that resulted from monetary items translated to the functional currency was loss $29,356 and loss $67,031, respectively.

2. Interest rate risk

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

The sensitivity analysis of interest is made based on the interest rate of derivative and non-derivative instruments at the reporting date. The analysis of liabilities bearing floating interest rates is prepared based on the assumption that the outstanding amount at the reporting date had existed for the whole year.

When internal report to the Group's top management regarding the interest rate change, they use 1% increase or decrease of interest rate assumption as the interest rate change which also represents this is the reasonable interest rate range assessed by the top management.

If interest rates on loans had increased or decreased by 1% with all other variables held constantly. The impact on the Group will be as follows:

January to March,2018		January to March,2017	
Increase 1%	**Decrease 1%**	**Increase 1%**	**Decrease 1%**
After-tax loss	**After-tax loss**	**After-tax loss**	**After-tax loss**
$ 24	24	18	18

The above-mentioned variables attribute to the Group's change of interest rate on loan.

3. Other price risk

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

	January to March,2018		January to March,2017	
Equity price at reporting date	**Other comprehensive income after tax**	**Net profit (loss)**	**Other comprehensive income after tax**	**Net profit (loss)**
Increase 3%	$ 5,602	4,656	12,694	-
Decrease 3%	$ (5,602)	(4,656)	(12,694)	-

(iv) Fair value

1. Categories and fair values of financial instruments

The fair value of financial assets and liabilities at fair value through profit or loss, and financial assets at fair value through other comprehensvie inocome (available for sale financial assets), are measured on a recurring basis.

The following table shows the carrying amount and fair value of financial assets and fianacial liabilities, including their levels in the fair value hierarchy. It does not include fair value information on fianacial assets and financial liabilities not measured at fair value if the carring amount is a reasonable approximation of fair value and on investments in equity instruments which do not have any quoted price in an active market.

	2018.3.31				
	Carrying Amount	**Fair value**			
		Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at FVTPL					
Derivative financial assets	$ 100	-	100	-	100
Debt instrument with quoted market prices.	189,687	189,687	-	-	189,687
	189,787				
Financial assets at FVOCI					
Equity instrument with quoted market prices	156,178	156,178	-	-	156,178
Equity instrument at fair value without quoted market prices	151,190	-	-	151,190	151,190
	307,368				
Financial assets at amortized cost					
Cash and Cash equivalent	1,135,860	-	-	-	-
Account Receivables	447,819	-	-	-	-
Other Account Receivables	16,282	-	-	-	-
Certificate deposit (recognized in other assets -current)	4,378	-	-	-	-
Refundable deposits (recognized in other assets -noncurrent)	8,245	-	-	-	-
	1,612,584				
Total	$ 2,109,739				

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	2018.3.31				
	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilites at FVTPL					
Derivative financial liabilities	$ 418	-	418	-	418
Financial liabilites at amortized cost					
Bank loans	934,911	-	-	-	-
Notes payable	1,447	-	-	-	-
Account payable	346,811	-	-	-	-
Other payable	76,158	-	-	-	-
Guarantee deposits received	251	-	-	-	-
	1,359,578				
Total	$ 1,359,996				

	2017.12.31				
	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	Total
Available-for-sale financial assets					
Stocks in listed companies	$ 153,616	153,616	-	-	153,616
Open-end fund	264,014	264,014	-	-	264,014
Financial assets carried at cost	185,000	-	-	-	-
	602,630				
Loans and receivables					
Cash and Cash equivalent	1,148,720	-	-	-	-
Debt instrument without active market	4,970	-	-	-	-
Account Receivables	490,408	-	-	-	-
Other Account Receivables	16,702	-	-	-	-
Refundable deposits (recognized in other assets - noncurrent)	8,745	-	-	-	-
	1,669,545				
Total	$ 2,272,175				
Financial liabilities at amortized cost					
Bank loans	$ 955,246	-	-	-	-
Notes payable	1,141	-	-	-	-
Account payable	343,653	-	-	-	-
Other payable	81,396	-	-	-	-
Guarantee deposits received	34	-	-	-	-
Total	$ 1,381,470				

	2017.3.31				
	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at FVTPL					
Swap Contracts	$ 49	-	49	-	49
Available-for-sale financial assets					
Stocks in listed companies	219,091	219,091	-	-	219,091
Open-end fund	256,647	256,647	-	-	256,647
Financial assets carried at cost	185,000	-	-	-	-
	660,738				
Loans and receivables					
Cash and Cash equivalent	805,675	-	-	-	-
Debt instrument without active market	278,425	-	-	-	-
Account Receivables	377,955	-	-	-	-
Other Account Receivables	19,180	-	-	-	-
Refundable deposits (recognized in other assets - noncurrent)	8,584	-	-	-	-
	1,489,819				
Total	$ 2,150,606				

	2017.3.31				
	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL					
Swap Contracts	$ 5,995	-	5,995	-	5,995
Financial liabilities at amortized cost					
Bank loans	884,045	-	-	-	-
Notes payable	1,848	-	-	-	-
Account payable	353,708	-	-	-	-
Other payable	84,274	-	-	-	-
Guarantee deposits received	160	-	-	-	-
	1,324,035				
Total	$ 1,330,030				

2. The Group measures its assets and liabilities use input observable market data. The fair value hierarchy categorizes the inputs used in valuation techniques as follows
   - Level 1: quoted prices (unadjusted) in the active markets for identified assets or liabilities.
   - Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
   - Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
3. Valuation techniques and assumptions unused in fair value determination

   The methodology and assumptions used by the Group to estimate without using fair-value measures as follows:

   Fair value measurement for financial assets and liabilities is based on the latest quoted price and agreed-upon price if these prices are available in active market.

   When market value is unavailable, fair value of financial assets and liabilities are evaluated based on the discounted cash flow of the financial assets and liabilities.
4. Valuation techniques and assumptions used in fair value determination

   Non-derivative instruments

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

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

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

   Derivative instruments

   The fair value of Swap contracts is based on quoted prices from the counterparty.
5. Transfers between Level 1 and Level 2

   There was no transfer between the fair value hierarchy levels for the three months ended March 31, 2018 and 2017.
6. Reconciliation for financial assets at fair value through other comprehensive income categorized within Level 3 for the three months ended March 31, 2018

	Financial assets at FVOCI	
	Equity instrument without quoted market prices	
Balance at January 1,2018	$	185,000
Adjustments on initial application of IFRS 9		(36,400)
Balance after adjustment at January 1,2018		148,600
Recognized in other comprehensive income		2,590
Balance at March 31,2018	**$**	**151,190**

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

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

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

Quantified information of significant unobservable inputs was as follows：

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant between significant fair value measurement
Fair value through other comprehensive income- equity investments without active market－CHENFENG OPTRONICS CORPORATION	Discounted cash flow Method	• Continuing growth rate 1.7% • Weighted Average Cost of Capital 9.13% • Long-term pre-tax net income margin 9.22% • Market illiquidity discount 43.99% • Non-controlling interests discount29.87%	• If the multiplier and control premium were higher, the estimated fair value would increase. • If the market illiquidity discount were higher, the estimated fair value would decrease. • If the market illiquidity discount were higher, the estimated fair value would decrease. • If WACC, Non-controlling interests discount, and Market illiquidity discount were higher, the estimated fair value would decrease. • If the continuing growth rate and long-term net income margin were higher, the estimated fair value would increase.

8. Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Group' s measurement on the fair value of financial instruments is deemed reasonable despite different valuation models or assumptions may lead to different results.

For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on other comprehensive income：

	Inputs	Fluctuation in inputs	Other comprehensive income Favourable	Other comprehensive income Unfavour-able
March 31, 2018				
Financial assets at fair value through other comprehensive income- equity investments without active market				
	Continuing growth rate 1.7%	0.1%	$ 1,750	1,680
	Weighted Average Cost of Capital 9.13%	0.5%	11,690	10,150
	Market illiquidity discount 43.99%	1%	2,520	2,520
	Non-controlling interests discount 29.87%	1%	2,100	1,960

The favourable and unfavourable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique.

(ad) Financial risk management

There was no significant change of the Group's financial risk management objectives and policy as disclosed in 2017 consolidated report. Please refer to Note 6(z) of 2017 consolidated financial statements.

(ae) Capital management

The Group's capital management objectives, policies and procedures were compliance with 2017 consolidated financial statements. Further, there was no significant change of the summary quantitative information as disclosed in 2017 consolidated financial statements. Please refer to Note 6(aa) of 2017 consolidated financial statements.

(ad) Financing activities not affecting current cash flow

Reconciliation of liabilities arising from financing activities were as follows：

	January 1, 2018	Cash flows	Non-cash changes Foreign exchange movement	March 31, 2018
Short-term loans	$ 557,000	(63,520)	-	493,480
Short-term notes and bills payable	-	43,000	-	43,000
Long-term loans	400,000	-	-	400,000
Total liabilities from financing activities	**$ 957,000**	**(20,520)**	**-**	**936,480**

7. Transactions with Related Parties

Compensation of key management personnel

The information on key management personnel compensation was as follows:

	January to March,2018	January to March,2017
Short-term employee benefits	$ 5,136	5,261
Post-employment benefits	125	136
Termination benefits	-	-
Other long-term benefits	-	-
Share-based payments	-	-
	$ 5,261	5,397

As of March 31, 2018 and 2017, the Group provided four and five of their own cars and a rental car for their key management personnel to use. The book value of those cars amounted to $8,812 and 11,672, respectively as of March 31, 2018 and 2017, and the rental car expense amounted to $226 for the three months ended March 31, 2018 and 2017.

8. Pledged Assets

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

Pledged Assets	Purpose	2018.3.31	2017.12.31	2017.3.31
Other financial assets(Debt investments without active)－time deposits－current	Guarantee for customs	$ 1,526	1,521	1,513
Investment property	Guarantee for short-term borrowings	-	-	14,187
Other financial assets(Debt investments without active)－time deposits－current	Guarantee for short-term borrowings	2,852	2,902	276,355
Other financial assets(Debt investments without active)－time deposits－noncurrent	Guarantee Letter of Credit for lease contract	-	547	557
Other financial assets－time deposits－noncurrent	Guarantee Letter of Credit for lease contract	536	-	-
Property, plant and equipment－buildings	Guarantee for long-term borrowings	211,931	215,140	-
		$ 216,845	220,110	292,612

9. Commitments and Contingencies

(a) As of March 31, 2018, December 31, 2017 and March 31, 2017, the Group's unused letters of credit for purchases of raw materials, machinery and equipment amounted to $11,454, $21,797 and $27,604, respectively.

(b) As of March 31, 2018, December 31, 2017 and March 31, 2017, the Group has signed contracts for the purchase of equipment. The unrecognized contingencies of contracts for the purchase of property, plant and equipment amounted to $10,390, $11,384 and $15,727, respectively.

10. Losses Due to Major Disaster: None.

11. Significant Subsequent Event:

Resolutions were passed during the board meetings held on March 2, 2018, for the Company to repurchase 4,000 thousand shares of its stock from March to April, 2018. As of May 4, 2018, the board meetings approved financial report, the Company has repurchased completely.

12. Others

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

	January to March,2018			January to March,2017		
	Recorded as operating cost	**Recorded as operating expenses**	**Total**	**Recorded as operating cost**	**Recorded as operating expenses**	**Total**
Employee expenses:						
Salaries and wages	78,601	43,789	122,390	81,115	41,831	122,946
Labor and health insurance	10,311	3,593	13,904	10,595	3,496	14,091
Pension expense	6,091	2,439	8,530	5,824	2,425	8,249
Other personnel cost	4,910	1,550	6,460	6,910	1,490	8,400
Depreciation	14,933	1,097	16,030	23,715	1,207	24,922
Amortization	183	174	357	182	126	308

(b) Seasonal operation:

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

13. Supplementary Disclosure Requirements

(a) Information on significant transactions:

In accordance with the ROC "Guidelines Governing the Preparation of Financial Reports by Securities Issuers", the required disclosures for the three months ended March 31, 2018 were as follows:

(i) Loans extended to other parties:

No.	Lender	Counter-party	Financial statement account	Related Party	Maximum balance for the period (Note1)	Ending balance (Note 1)	Actual amount provided (Note 1)	Interest rate	Nature of Finance-ing	Amount of sales to (purchases from) counter-party	Reason for financing	Loss allowance	Collateral		Limit of financing amount for individual counter-party	Limit of total financing amount	remark
													Item	Value			
0	The Company	Emerging Display Technologies Corp., U.S.A.	Other receiv-ables -related parties	Yes	42,202 (USD 1,450,000)	42,202 (USD 1,450,000)	42,202 (USD 1,450,000)	4.67%	The need for short-term finance-ing	-	Businessturnover	-	-	-	177,644 (Note 2)	710,576 (Note 2)	Note3

Note1: It used the rate of exchange at March 31, 2018.

Note2: Limit of financing amount for individual counter-party shall not exceed 10% of the lender's net assets value as of the period. Limit of total financing amount shall not exceed 40% of the Company's net asset value.

Note 3: It was eliminated in the consolidation.

(ii) Guarantees provided to other parties: None.

(iii) Securities owned as of March 31, 2018 (subsidiaries, associates and joint ventures not included):

Name of security holder	Name of security and type	Relationship between the Investee and the company	Financial statement account	March 31,2018				Remark
				Units (shares)	Carrying Value	Ratio	Market value(or net equity value)	
The Company	Ascendax Venture Capital Corp. stock	-	Financial assets at FVOCI－noncurrent	1,000,000	10,000	5.00%	10,000	-
The Company	Chenfeng Optronics Corp. stock	-	Financial assets at FVOCI－noncurrent	1,000,000	20,170	2.17%	20,170	-
The Company	Fubon Financial Holding Co., Ltd.Preferred Shares B	-	Financial assets at FVOCI－noncurrent	13,845	831	-	831	-
The Company	Innolux Corp. stock	-	Financial assets at FVOCI－current	1,147,089	15,027	0.01%	15,027	-
The Company	Fubon Financial Holding Co., Ltd. stock	-	Financial assets at FVOCI－current	300,000	15,060	-	15,060	-
The Company	Radiant Opto Electronics Corp. stock	-	Financial assets at FVOCI－current	250,000	17,975	0.05%	17,975	-
The Company	Taiwan Cement Corp., Ltd. stock	-	Financial assets at FVOCI－current	300,000	10,965	0.01%	10,965	-
The Company	Synnex Technology International Co. , Ltd. stock	-	Financial assets at FVOCI－current	474,600	20,645	0.03%	20,645	-
The Company	Pegatron Co., Ltd. stock	-	Financial assets at FVOCI－current	216,000	15,768	0.01%	15,768	-
The Company	Mega Financial Holding Co., Ltd stock	-	Financial assets at FVOCI－current	555,000	13,986	-	13,986	-
The Company	Coasia Microelectronics Corp. stock	-	Financial assets at FVOCI－current	441,508	5,828	0.32%	5,828	-
The Company	Shian Yih Electronic Co., Ltd. stock	-	Financial assets at FVOCI－current	480,000	13,392	0.78%	13,392	-
The Company	Yuanta Asia Pacific ex Jpn Invt Grd Govt Bd Idx (A)	-	Financial assets at FVTPL－current	2,000,000.00	17,225	-	17,225	-
The Company	Edmond de Rothschild Fund – Europe Convertibles(A)-USD	-	Financial assets at FVTPL－current	8,468.12	26,399	-	26,399	-
The Company	JPMorgan Funds – Asia Pacific Income Fund - JPM Asia Pacific Income A (acc) - USD	-	Financial assets at FVTPL－current	86,206.90	55,350	-	55,350	-
The Company	Fidelity Funds - Euro Balanced Fund A-ACC-USD (hedged)	-	Financial assets at FVTPL－current	88,226.18	30,840	-	30,840	-
The Company	UBS (Lux) Bond Sicav - USD High Yield (USD)	-	Financial assets at FVTPL－current	3,700.00	30,291	-	30,291	-
The Company	BlackRock Global Fund - Emerging Markets Bond Fund A2 USD	-	Financial assets at FVTPL－current	56,561.09	29,582	-	29,582	-
Ying Dar Investment Development Corp	Shian Yih Electronic Co., Ltd. stock	-	Financial assets at FVOCI－current	550,000	15,345	0.90%	15,345	-
Ying Dar Investment Development Corp	AGV Products Corporation stock	-	Financial assets at FVOCI－current	101,500	754	0.02%	754	-
Ying Dar Investment Development Corp	The Company's stock	The Company	Financial assets at FVOCI－noncurrent	5,346,672	53,253	2.92%	53,253	(Note)
Bae Haw Investment Development Corp.	Everest Technology Inc.	-	Financial assets at FVTPL－current	1,000,000	-	1.47%	-	-
Bae Haw Investment Development Corp.	Shian Yih Electronic Co., Ltd. stock	-	Financial assets at FVOCI－current	380,000	10,602	0.62%	10,602	-
Bae Haw Investment Development Corp.	The Company's stock	The Company	Financial assets at FVOCI－noncurrent	3,447,716	34,339	1.88%	34,339	(Note)
Ying Cheng Investment Corp.	Chenfeng Optronics Corp. stock	-	Financial assets at FVOCI－noncurrent	6,000,000	121,020	13.03%	121,020	-

Note: It was eliminated in the consolidation.

(iv) Accumulated trading amount of a single security in excess of $300 million or 20% of the Company's issued share capital: None.

(v) Acquisition of property, plant and equipment in excess of $300 million or 20% of issued share capital: None.

(vi) Disposal of property, plant and equipment in excess of $300 million or 20% of issued share capital: None.

(vii) Sales to and purchases from related parties in excess of $100 million or 20% of issued share capital was as follows:

Purchasing (selling) company	Counterparty	Relation-ship	Detail of transaction				Circumstances of and reasons for deviation from regular trading conditions		Resulting receivables (payables)		Remarks
			Purchase (sale)	Amount	% of net purchase (sales)	Credit line	Unit price	Period for credit	Balance	% of notes and accounts receivable (payable)	
The Company	Emerging Display Technologies Corp., U.S.A.	Subsidiary of the Company	Sale	245,016	36.53%	3 months	Sales prices offered to Emerging Display Technologies Corp., U.S.A. was not significantly different from those offered to other customers	Considering the special trading practices in North American market, the Group set credit duration as three months for North American market, which is slightly longer than one to three months set in other markets.	291,678	52.97%	(Note)
Emerging Display Technologies Corp., U.S.A.	The Company	Subsidiary of the Company	Purchase	245,016	100.00%	3 months	The Company is the major supplier for Emerging Display Technologies Corp., U.S.A.	The Company is the major supplier for Emerging Display Technologies Corp., U.S.A.	(291,678)	100.00%	(Note)

Note: It was eliminated in the consolidation.

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

Name of company the has the receivables	Counterparty	Relationship	Balance of amount	Turnover ratio	Overdue		Amount collected in the subsequent period	Allowance for doubtful accounts	Remarks
					Amount	Status			
The Company	Emerging Display Technologies Corp., U.S.A.	Subsidiary of the Company	Account Receivables of 291,678	3.04	-	-	34,207	-	(Note)

Note: It was eliminated in the consolidation.

(ix) Derivative financial instrument transactions:

Please refer to Note 6(b).

(x) Significant inter-company transactions:

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No.	Name	Counterparty	Relationship (Note)	Details of transaction			
				Subject	Amount	Term of trading	% of total consolidated revenue or total asset
0	The Company	Emerging Display Technologies Corp., U.S.A.	1	Sales revenue Accounts receivable	245,016 291,678	Considering the special trading practices in North American market, the Group set credit duration as three months for North American market, which is slightly longer than one to three months set in other markets. The price in North American market is not significantly different from that in general market.	34.77% 8.60%
0	The Company	Tremendous Explore Corp.	1	Processing cost Accounts payable	52,220 61,722	No non-related-party transaction to compare to	7.41% 1.82%
0	The Company	Emerging Display Technologies Corp., U.S.A.	1	Selling expenses -Commission Other payable	181 301	No non-related-party transaction to compare to	0.03% 0.01%
0	The Company	EDT-Europe ApS	1	Selling expenses -Commission Other payable	13,735 858	No non-related-party transaction to compare to	1.95% 0.03%
0	The Company	Emerging Display Technologies Korea	1	Selling expenses -Commission	1,063	No non-related-party transaction to compare to	0.15%
0	The Company	EDT-Japan Corp.	1	Selling expenses -Commission	3,360	No non-related-party transaction to compare to	0.48%
1	Tremendous Explore Corp.	Dong Guan Emerging Display Limited	3	Processing cost Accounts payable	51,907 36,462	No non-related-party transaction to compare to	7.37% 1.08%
1	Tremendous Explore Corp.	Dong Guan Emerging Display Limited	3	Purchase material	31,937	No non-related-party transaction to compare to	4.53%
1	The Company	Emerging Display Technologies Corp., U.S.A.	1	Interest revenue Other receivable	16 42,202	Adjust by floating interest rate of Bank of America	- 1.24%

Note: Relationship notes as follows:

1. Parent company to subsidiary
2. Subsidiary to parent company
3. Subsidiary to subsidiary

(b) Information on investees

Relevant information about investees for the three months ended March 31, 2018 was as follows: (excluding investments in Mainland China)

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Name of investors	Name of investees	Location	Business scope	Original cost of investment		Balance as of March 31,2018			Net income (loss) of the investee	Investment income (loss) recognized	Remark
				2018.3.31	2017.12.31	Shares	Ratio	Carrying value			
The Company	Emerging Display Technologies Corp., U.S.A.	USA	Trading	121,656	121,656	3,500,000	100.00%	68,815 (Note1)	446	352	Subsidiary (Note2)
The Company	Emerging Display International (Samoa) Corp.	Samoa	Investment holding	180,503	180,503	5,984,071	78.49%	86,449	(6,110)	(4,796)	Subsidiary (Note2)
The Company	EDT-Europe ApS	Denmark	Customer service and business support	2,077	2,077	125,000	100.00%	2,198	613	613	Subsidiary (Note2)
The Company	Tremendous Explore Corp.	BVI	Trading	-	-	50,000	100.00%	(7,601)	(218)	(218)	Subsidiary (Note2)
The Company	Emerging Display Technologies Korea	Korea	Trading	1,677	1,677	58,212,500	100.00%	1,162	45	45	Subsidiary (Note2)
The Company	EDT-Japan Corp.	Japan	Customer service and business support	17,401	17,401	5,000	100.00%	3,191	209	209	Subsidiary (Note2)
The Company	Ying Cheng Investment Corp.	Taiwan	Investment	89,000	89,000	8,900,000	100.00%	24,845	(367)	(367)	Subsidiary (Note2)
The Company	Bae Haw Investment Development Corp.	Taiwan	Investment	89,000	89,000	8,900,000	100.00%	33,031	(703)	(703)	Subsidiary (Note2)
The Company	Ying Cheng Investment Corp.	Taiwan	Investment	84,000	84,000	8,400,000	52.50%	70,138	(6)	(3)	Subsidiary (Note2)
Ying Dar Investment Development Corp.	Emerging Display International (Samoa) Corp.	Samoa	Investment holding	13,234	13,234	450,000	5.90%	6,498	(6,110)	(361)	Subsidiary (Note2)
Bae Haw Investment Development Corp.	Emerging Display International (Samoa) Corp.	Samoa	Investment holding	25,488	25,488	870,000	11.41%	12,567	(6,110)	(697)	Subsidiary (Note2)

Note 1: It was deducted unrealized profit from sales $7,701.

Note 2: It was eliminated in the consolidation.

(c) Information on investments in Mainland China:

(1) Related information regarding investments in Mainland China

The related information regarding the Group's investments in Mainland China was summarized as follows:

Investee Group	Main business and products	Received capital	Investment method	Accumulated amount invested in Mainland China as of Jan. 1, 2018	Invested capital remitted from or repatriated to Taiwan		Accumulated amount invested in Mainland China as of March 31, 2018	Net income of investee	The Group's direct or indirect investment ratio	Investment gain (loss) recognized by the Group	Book value of the investment as of March 31, 2018	Investment income repatriated to Taiwan as of March 31, 2018
					Remittance	Repatriation						
Dong Guan Emerging Display Limited	Manufacturing of LCDs	248,516 (US$ 7,625,300)	Investing through a third country by establishing a holding Group in a third country.	219,225 (US$ 6,746,936) (Note 1)	-	-	219,225 (US$ 6,746,936)	(6,259)	95.80% (Note 2)	$5,996 Based on the investee's financial statements not reviewed by the auditor (Note 3)	96,378 (Note 4)	-

(2) Limitation on investment in Mainland China

Accumulated investment amount remitted from Taiwan to Mainland China as of March 31, 2018	Investment amount approved by the Investment Commission, Ministry of Economic Affairs	Limit on investment in Mainland China set by the Investment Commission, Ministry of Economic Affairs
201,834(Note 8) (US$6,934,668)(Note 5)	406,065(Note 8) (US$13,951,732)(Note 6)	1,153,144(Note 7)

Note 1: The amount includes $13,234 which was invested by Ying Dar Investment Development Corp. and $25,488 which was invested by Bae Haw Investment Development Corp.

Note 2: The ratio includes 5.90% which was held by Ying Dar Investment Development Corp. and 11.41% which was held by Bae Haw Investment Development Corp.

Note 3: The amount includes a gain of $369 which was recognized by Ying Dar Investment Development Corp. and a gain of $714 which was recognized by Bae Haw Investment Development Corp.

Note 4: The amount includes $5,936 which was invested by Ying Dar Investment Development Corp. and $11,479 which was invested by Bae Haw Investment Development Corp.

Note 5: The amount includes the remaining capital amounting to US$187,732 of Emerging Technologies Int'l Trading (Shanghai) Co., Ltd. didn't remit back after it had completed liquidation in 2009 due to net loss.

Note 6: The approved amount includes US$637,732 obtained from Ying Dar Investment Development Corp. and US$870,000 obtained from Bae Haw Investment Development Corp. The amount obtained from Ying Dar Investment Development Corp. includes the remaining capital amounting to US$187,732 of Emerging Technologies Int'l Trading (Shanghai) Co., Ltd. didn't remit back after it had completed liquidation in 2009 due to net loss.

Note 7: The amount includes $46,858 for Ying Dar Investment Development Corp. and $40,422 for Bae Haw Investment Development Corp.

Note 8: Transactions denominated in foreign currencies were recorded using the rate of exchange at March 31, 2018.

(3) Significant transactions:

The significant inter-Group transactons with the subsidiary in Mainland China, which were eliminated in the preparation of the consolidated financial statements, are disclosed in "information on significant reansactions" for the three months ended March 31, 2018.

14.Segment Information

Reportable segment information was as follows:

	January to March,2018					
	Domestic	**North America**	**Mainland China**	**Other operating Department**	**Adjustments and Eliminations**	**Total**
Revenue:						
Sales to customers other than consolidated entities	$ 425,795	278,771	-	113	-	704,679
Sales among consolidated entities	245,016	181	52,220	18,157	(315,574)	-
Total revenue	**$ 670,811**	**278,952**	**52,220**	**18,270**	**(315,574)**	**704,679**
Segment Income	**$ (26,104)**	**538**	**(6,329)**	**872**	**4,544**	**(26,479)**

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	January to March,2017					
	Domestic	**North America**	**Mainland China**	**Other operating Department**	**Adjustments and Eliminations**	**Total**
Revenue:						
Sales to customers other than consolidated entities	$ 440,452	286,315	-	96	-	726,863
Sales among consolidated entities	251,291	363	70,565	15,666	(337,885)	-
Total revenue	**$ 691,743**	**286,678**	**70,565**	**15,762**	**(337,885)**	**726,863**
Segment Income	**$ (41,012)**	**(2,798)**	**(4,480)**	**(1,273)**	**(803)**	**(50,366)**

	Domestic	**North America**	**Mainland China**	**Other operating Department**	**Adjustments and Eliminations**	**Total**
Segment Assets						
March 31,2018	**$ 3,209,985**	**418,353**	**126,151**	**15,730**	**(380,332)**	**3,389,887**
December 31,2017	**$ 3,379,433**	**438,078**	**137,507**	**15,588**	**(435,483)**	**3,535,123**
March 31,2017	**$ 3,264,049**	**325,149**	**161,587**	**14,074**	**(352,897)**	**3,411,962**
Segment Liabilities						
March 31,2018	**$ 1,541,531**	**341,928**	**58,408**	**9,179**	**(405,682)**	**1,545,364**
December 31,2017	**$ 1,643,070**	**360,385**	**71,544**	**9,868**	**(467,306)**	**1,617,561**
March 31,2017	**$ 1,552,993**	**249,030**	**69,718**	**6,082**	**(344,232)**	**1,533,591**

The following is the explanation of material reconciliation item:

1. For the three months ended March 31, 2018 and 2017, the operating segments revenue eliminated from the consolidated entities were $315,574 and $337,885, respectively.
2. For the three months ended March 31, 2018 and 2017, the operating segments profit and loss eliminated from the consolidated entities were $4,544 and 803, respectively.
3. As of March 31, 2018, December 31, 2017 and March 31, 2017, the operating segments assets eliminated from the consolidated entities were $380,332, $435,483 and $352,897, respectively.
4. As of March 31, 2018, December 31, 2017 and March 31, 2017, the operating segments liabilities eliminated from the consolidated entities were $405,682, $467,306 and $344,232, respectively.