

Stock Code : 3038

**(English Translation of Financial Report Originally Issued
in Chinese)**

**EMERGING DISPLAY TECHNOLOGIES CORP. AND
SUBSIDIARIES**

**For the three months ended March 31, 2023 and 2022
(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, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2023 and 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with ISRE 2410, "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 \$449,047 thousand and \$295,368 thousand, constituting 10.70% and 7.95% of consolidated total assets as of March 31, 2023 and 2022, respectively, total liabilities amounting to \$109,842 thousand and \$89,963 thousand, constituting 5.49% and 5.26% of consolidated total liabilities as of March 31, 2023 and 2022, respectively, and total comprehensive gain (loss) amounting to loss \$13,558 thousand and gain \$17,913 thousand, constituting (11.48)% and 15.06% of consolidated total comprehensive gain (loss) for the three months ended March 31, 2023 and 2022, 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, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed by the Financial Supervisory Commission of the Republic of China.

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

KPMG

Taipei, Taiwan (Republic of China)

May 5, 2023

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

Consolidated Balance Sheets

March 31, 2023, December 31, 2022, and March 31, 2022

(Expressed in thousands of New Taiwan Dollars)

(Reviewed, not audited)

Assets		March 31, 2023		December 31, 2022		March 31, 2022		Liabilities and Equity		March 31, 2023		December 31, 2022		March 31, 2022	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets :								Current liabilities :							
1100	Cash and cash equivalents (Note 6(a))	\$ 1,313,819	31	1,307,122	30	855,897	23	2100	Short-term loans (Note 6(m))	\$ 250,000	6	270,000	6	-	-
1110	Financial assets at fair value through profit or loss, current (Note 6(b))	32,542	1	399	-	31	-	2120	Financial liability at fair value through profit and loss (Note 6(b))	-	-	1,933	-	63	-
1120	Financial assets at fair value through other comprehensive income, current (Note 6(c))	433,555	10	387,178	9	402,375	11	2150	Notes payable	207	-	20	-	20	-
1170	Accounts receivable, net (Note 6(d) and (v))	671,176	16	698,482	16	621,889	17	2170	Accounts payable	493,828	12	581,980	14	611,226	16
1200	Other notes receivable and other receivables (Notes 6(e))	10,673	-	3,378	-	4,185	-	2200	Other payables (Note 6(n))	530,438	13	387,923	9	436,417	12
1220	Income tax assets	375	-	252	-	116	-	2230	Income tax liabilities	98,439	2	84,754	2	43,434	1
130X	Inventories (Note 6(f))	899,487	22	1,044,614	24	1,156,704	31	2280	Lease liabilities, current (Notes 6(p))	12,655	-	13,418	-	11,208	-
1470	Other current assets (Notes 6(g) and 8)	67,893	2	65,150	2	50,642	1	2300	Other current liabilities (Notes 6(v))	72,479	2	72,058	2	52,554	1
Total current assets		3,429,520	82	3,506,575	81	3,091,839	83	Total current liabilities		1,458,046	35	1,412,086	33	1,154,922	30
Non-current assets:								Non-current liabilities :							
1517	Financial assets at fair value through other comprehensive income, non-current (Note 6(c))	143,280	3	155,738	4	130,869	4	2540	Long-term loans (Notes 6(o) and 8)	399,093	10	399,013	9	397,898	11
1600	Property, plant and equipment (Notes 6(i) ,8 and 9)	463,691	11	461,222	11	331,622	9	2570	Deferred income tax liabilities	-	-	-	-	8	-
1755	Right-of-use assets (Notes 6(j))	61,848	2	64,786	2	70,097	2	2580	Lease liabilities, non-current (Notes 6(p))	52,979	1	55,052	1	62,040	2
1760	Investment property (Notes 6(k))	57,436	1	58,053	1	54,609	1	2640	Net defined benefit liabilities, non-current	90,340	2	90,867	3	94,705	3
1780	Intangible assets (Note 6(l))	5,090	-	5,247	-	3,416	-	2645	Guarantee deposits received	595	-	600	-	561	-
1840	Deferred income tax assets	24,997	1	24,559	1	21,743	1	2670	Other non-current liabilities—other	260	-	312	-	468	-
1980	Other non-current financial assets (Notes 6(g))	9,579	-	9,593	-	8,876	-	Total non-current liabilities		543,267	13	545,844	13	555,680	16
Total non-current assets		765,921	18	779,198	19	621,232	17	Total liabilities		2,001,313	48	1,957,930	46	1,710,602	46
								Equity attributable to owners of parent (Note 6(t)) :							
								3100	Ordinary shares	1,574,076	38	1,574,076	37	1,574,076	42
								3200	Capital surplus	35,902	1	35,840	1	25,253	1
								3300	Retained earnings	736,110	17	897,783	21	546,456	15
								3400	Other equity interest	(85,433)	(2)	(120,343)	(3)	(73,494)	(2)
								3500	Treasury stock	(122,282)	(3)	(122,282)	(3)	(122,282)	(3)
								Total equity attributable to shareholders of the parent		2,138,373	51	2,265,074	53	1,950,009	53
								36XX	Non-controlling interests (Note 6(h))	55,755	1	62,769	1	52,460	1
Total assets		\$ 4,195,441	100	4,285,773	100	3,713,071	100	Total equity		2,194,128	52	2,327,843	54	2,002,469	54
								Total liabilities and equity		\$ 4,195,441	100	4,285,773	100	3,713,071	100

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2023 and 2022

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

(Reviewed, not audited)

	For the three months ended March 31			
	2023		2022	
	Amount	%	Amount	%
Operating revenue (Note 6(v))	\$ 1,132,253	100	1,027,899	100
Operating cost (Notes 6(f, r and w) and 12)	898,594	79	847,429	82
Gross profit	233,659	21	180,470	18
Operating expenses (Notes 6(d, r and w) 7 and 12) :				
Selling expenses	57,970	5	56,557	6
General and administrative expenses	36,975	3	37,892	4
Research and development expenses	30,923	3	28,613	3
Expected credit impairment loss	(312)	-	(98)	-
Total operating expenses	125,556	11	122,964	13
Net other income and expenses (Note 6(x))	1,029	-	955	-
Net operating income	109,132	10	58,461	5
Non-operating income and expenses (Notes 6(y)) :				
Interest income	10,610	1	112	-
Other income	2,062	-	1,624	-
Other gains and losses	(14,383)	(2)	33,600	3
Finance costs	(4,088)	-	(2,196)	-
Total Non-operating income and expenses	(5,799)	(1)	33,140	3
Profit (loss) before income tax	103,333	9	91,601	8
Less: Income tax expense (Note 6(s))	13,735	1	14,078	1
Profit (Loss)	89,598	8	77,523	7
Other comprehensive income :				
Items that will not be reclassified subsequently to profit or loss				
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	29,703	2	29,321	3
Less : Income tax related to items that will not be reclassified subsequently (Note 6(s))	-	-	(232)	-
	29,703	2	29,553	3
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign financial statements	(1,226)	-	11,887	1
Less: Income tax related to items that will be reclassified subsequently (Note 6(s))	-	-	-	-
	(1,226)	-	11,887	1
Other comprehensive income, net	28,477	2	41,440	4
Comprehensive income	118,075	10	118,963	11
Profit (loss) attributable to				
Shareholders of the parent	89,618	8	77,794	7
Non-controlling interests	(20)	-	(271)	-
Net Profit (loss)	89,598	8	77,523	7
Comprehensive income attributable to :				
Shareholders of the parent	125,089	11	111,555	10
Non-controlling interests	(7,014)	(1)	7,408	1
Total comprehensive income	\$ 118,075	10	118,963	11
Earnings per share (Note 6(u))(expressed in New Taiwan dollars) :				
Basic earnings per share	\$ 0.60		0.52	
Diluted earnings per share	\$ 0.60		0.52	

See accompanying notes to consolidated financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)
EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES
Consolidated Statements of Changes in Stockholders' Equity
For the three months ended March 31, 2023 and 2022
(Expressed in thousands of New Taiwan dollars)
(Reviewed, not audited)

	Equity attributable to shareholders of parent										
	Retained earnings					Other equity interest			Total equity attributable to shareholders of parent	Non-controlling interests	Total Equity
	Ordinary shares	Capital surplus	Legal capital reserve	Special capital reserve	Unappropriated earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury stock			
Balance at January 1, 2022	\$ 1,624,076	25,980	106,820	117,815	430,152	(29,998)	(74,493)	(173,021)	2,027,331	45,052	2,072,383
Profit	-	-	-	-	77,794	-	-	-	77,794	(271)	77,523
Other comprehensive income	-	-	-	-	-	11,532	22,229	-	33,761	7,679	41,440
Total comprehensive income	-	-	-	-	77,794	11,532	22,229	-	111,555	7,408	118,963
Appropriation and distribution of retained earnings:											
Cash dividends of common stock	-	-	-	-	(188,889)	-	-	-	(188,889)	-	(188,889)
Proceeds from disposal equity instruments at FVOCI	-	-	-	-	2,764	-	(2,764)	-	-	-	-
Retirement of treasury stock	(50,000)	(739)	-	-	-	-	-	50,739	-	-	-
Return of employee stock ownership trust	-	12	-	-	-	-	-	-	12	-	12
Balance as of March 31, 2022	\$ 1,574,076	25,253	106,820	117,815	321,821	(18,466)	(55,028)	(122,282)	1,950,009	52,460	2,002,469
Balance at January 1, 2023	\$ 1,574,076	35,840	132,078	104,491	661,214	(4,429)	(115,914)	(122,282)	2,265,074	62,769	2,327,843
Profit	-	-	-	-	89,618	-	-	-	89,618	(20)	89,598
Other comprehensive income	-	-	-	-	-	(1,186)	36,657	-	35,471	(6,994)	28,477
Total comprehensive income	-	-	-	-	89,618	(1,186)	36,657	-	125,089	(7,014)	118,075
Appropriation and distribution of retained earnings:											
Cash dividends of common stock	-	-	-	-	(251,852)	-	-	-	(251,852)	-	(251,852)
Proceeds from disposal equity instruments at FVOCI	-	-	-	-	561	-	(561)	-	-	-	-
Return of employee stock ownership trust	-	62	-	-	-	-	-	-	62	-	62
Balance as of March 31, 2023	\$ 1,574,076	35,902	132,078	104,491	499,541	(5,615)	(79,818)	(122,282)	2,138,373	55,755	2,194,128

See accompanying notes to consolidated financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)
EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the years ended March 31, 2023 and 2022
(Expressed in thousands of New Taiwan Dollars)
(Reviewed, not audited)

	For the three months ended March 31	
	2023	2022
Cash flows from (used in) operating activities :		
Profit (Loss) before tax	\$ 103,333	91,601
Adjustments :		
Adjustments to reconcile profit (loss) :		
Depreciation expense	17,619	15,133
Amortization expense	330	332
Expected credit impairment gain	(312)	(98)
Net (gains) losses on financial assets or liabilities at fair value through profit or loss	(3,626)	73
Interest expense	4,088	2,196
Interest income	(10,607)	(108)
Dividend income	(1,860)	(1,550)
Loss (gain) on disposal of property, plant, equipment	17	(385)
Unrealized foreign exchange loss (gain)	3,186	(12,378)
Others	62	12
Total adjustments to reconcile profit	<u>8,897</u>	<u>3,227</u>
Changes in operating assets and liabilities		
Changes in operating assets:		
Decrease in accounts receivable	26,922	141,888
Decrease in other notes and accounts receivable	767	299
Decrease (Increase) in inventories	143,635	(96,954)
Decrease in other current assets	6,709	2,384
Total net changes in operating assets	<u>178,033</u>	<u>47,617</u>
Changes in operating liabilities :		
Increase (Decrease) in notes payable	187	(66)
(Decrease) Increase in accounts payable	(87,590)	38,562
Decrease in other payable	(103,697)	(41,992)
Increase (Decrease) in other current liabilities	438	(3,229)
Decrease in net defined benefit liability	(527)	(6,272)
Decrease in other non-current liabilities	(52)	(52)
Total changes in operating liabilities	<u>(191,241)</u>	<u>(13,049)</u>
Total changes in operating assets and liabilities	<u>(13,208)</u>	<u>34,568</u>
Total adjustments	<u>(4,311)</u>	<u>37,795</u>
Cash inflow generated from operations	99,022	129,396
Interest received	8,525	66
Dividends received	-	34
Interest paid	(3,986)	(2,604)
Income taxes paid	(618)	(430)
Net cash flows from (used in) operating activities	<u>102,943</u>	<u>126,462</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(9,952)	(103,950)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	15,528
Acquisition of financial assets at fair value through profit or loss	(30,870)	(10,000)
Proceeds from disposal of financial assets at fair value through profit or loss	-	10,001
Acquisition of property, plant and equipment	(22,008)	(9,535)
Proceeds from disposal of property, plant, equipment	479	385
Acquisition of intangible assets	(172)	(62)
Increase in Other financial assets	(8,235)	(241)
Net cash flows from (used in) investing activities	<u>(70,758)</u>	<u>(97,874)</u>
Cash flows from (used in) financing activities:		
Decrease in short-term loans	(20,000)	-
Repayment of lease liabilities	(3,535)	(3,150)
Net cash flows from (used in) financing activities	<u>(23,535)</u>	<u>(3,150)</u>
Effects of changes in foreign exchange rates	<u>(1,953)</u>	<u>14,103</u>
Net increase in cash and cash equivalents	6,697	39,541
Cash and cash equivalents at beginning of period	1,307,122	816,356
Cash and cash equivalents at end of period	<u>\$ 1,313,819</u>	<u>855,897</u>

See accompanying notes to financial statements.

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

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

(Reviewed, not audited)

(1) Organization and Business Scope

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

(2) Financial Statements Authorization Date and Authorization Process

The consolidated financial statements were authorized for issuance by the Board of Directors on May 5, 2023.

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

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2023:

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

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non current”
- IFRS16 “Requirements for Sale and Leaseback Transactions”
- Amendments to IAS 1 “Non current Liabilities with Covenants”

(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

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

applied in these consolidated financial statements is consistent with those applied in the consolidated financial statements for the year ended December 31, 2022. Please refer to Note 4 of 2022 consolidated financial statement for detail information.

(b) Basis of consolidation

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

Name of investor	Name of the subsidiary	Business Activity	Percentage ownership			Remarks
			March 31,2023	December 31,2022	March 31,2022	
The Company	Emerging Display Technologies Corp., U.S.A	Sale of CTP and LCDs	100.00%	100.00%	100.00%	Major Subsidiary
The Company	Emerging Display International (Samoa) Corp.	Investment holding	78.49%	78.49%	78.49%	Note
The Company	EDT-Europe ApS	Customer service and business support	100.00%	100.00%	100.00%	Note
The Company	Emerging Display Technologies Korea	Sale of CTP and LCDs	100.00%	100.00%	100.00%	Note
The Company	EDT-Japan Corp.	Customer service and business support	100.00%	100.00%	100.00%	Note
The Company	Ying Dar Investment Development Corp.	Investment	100.00%	100.00%	100.00%	Note
The Company	Bae Haw Investment Development Corp.	Investment	100.00%	100.00%	100.00%	Note
The Company	Ying Cheng Investment Corp.	Investment	52.50%	52.50%	52.50%	
Ying Dar Investment Development Corp.	Emerging Display International (Samoa) Corp.	Investment holding	5.90%	5.90%	5.90%	Note
Bae Haw Investment Development Corp.	Emerging Display International (Samoa) Corp.	Investment holding	11.41%	11.41%	11.41%	Note
Emerging Display International (Samoa) Corp.	Dong Guan Emerging Display Limited	Manufacturing of CTP and LCDs	100.00%	100.00%	100.00%	Note

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

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

(c) Income tax

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

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 all recognized as current income tax expense.

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

(d) Employee benefit

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

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

(5) Significant accounting assumptions and judgments, and major sources of estimates uncertainty

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

In preparing the consolidated financial statements, critical accounting judgments and key sources of estimation uncertainty used by management in the application of accounting policies are consistent with those described in Note 5 of the consolidated financial statements for the year ended December 31, 2022.

(6) Explanation of significant accounting

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, 2022. Please refer to Note 6 of 2022 consolidated financial statements.

(a) Cash and cash equivalents

	March 31,2023	December 31,2022	March 31,2022
Cash and cash equivalents	\$ 405	325	479
Demand deposits	317,873	404,178	524,797
Check deposits	199	30	34
Time deposits	995,342	902,589	330,587
Total	\$ 1,313,819	1,307,122	855,897

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

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

	March 31,2023	December 31,2022	March 31,2022
Current financial assets mandatorily measured at fair value through profit or loss :			
Open-end bond funds	\$ 30,540	-	-
Forward exchange contract	-	-	31
Swap contract	2,002	399	-
Total	\$ 32,542	399	31
Current financial liabilities measured at fair value through profit or loss :			
Forward exchange contract	\$ -	-	63
Swap contract	-	1,933	-
Total	\$ -	1,933	63

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

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

The abovementioned financial assets were not pledged as collateral.

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

Forward exchange contract :

March 31,2023			
	Contract amount (Thousand Dollar)	Currency	Maturity period
Swap contract	USD 4,000	TWD to USD	2023.4.12~2023.5.8
December 31,2022			
	Contract amount (Thousand Dollar)	Currency	Maturity period
Swap contract	USD 6,000	TWD to USD	2023.1.11~2023.3.13
March 31,2022			
	Contract amount (Thousand Dollar)	Currency	Maturity period
Forward exchange contract Sell	USD 1,000	USD to CNY	2022.4.6~2022.5.6

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

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

	March 31,2023	December 31,2022	March 31,2022
Debt instruments at fair value through other comprehensive income – current :			
Corporate bonds – FORCAY	\$ 29,411	29,272	-
Corporate bonds – TAISEM	30,752	30,475	-
Total	60,163	59,747	-
Equity instruments at fair value through other comprehensive income-current:			
Common stocks listed on domestic markets -current:			
Innolux Corp.	\$ 15,053	11,471	19,271
Nan Ya Plastics Corporation	23,250	21,300	9,320
Pegatron Co., Ltd.	15,055	13,716	15,638
CoAsia Electronics Corp.	5,391	5,556	6,109
Quanta Computer Inc.	62,281	50,538	61,722
Shian Yih Electronic Co., Ltd.	39,903	27,641	32,775
Chicony Electronics Co., Ltd.	28,590	25,890	26,940
Lite-On Technology Corp.	41,341	39,556	42,222

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	March 31,2023	December 31,2022	March 31,2022
Mega Financial Holding Co., Ltd.	41,808	38,450	53,024
Taiwan Cement Corp., Ltd.	31,629	29,240	39,421
ASE Technology Holding Co., Ltd.	33,187	27,701	30,533
China Development Financial Holding Corp.	22,590	22,680	13,440
Advanced International Multitech Co.,Ltd	-	-	23,610
Evergreen Marine Corp. (Taiwan) Ltd.	13,314	13,692	28,350
Total	373,392	327,431	402,375
Total	\$ 433,555	387,178	402,375
Equity instruments at fair value through other comprehensive income-noncurrent:			
Common stocks unlisted on domestic markets – non-current:			
Ascendax Venture Capital Corp.	\$ 25,612	21,032	20,799
Chenfeng Optronics Corp.	116,830	133,910	109,200
Total	142,442	154,942	129,999
Preference stocks listed on domestic markets- non-current :			
Fubon Financial Holding Co., Ltd	838	796	870
Total	\$ 143,280	155,738	130,869

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

The Group has assessed that the above securities were held within a business model whose objective was achieved by both collecting contractual cash flows and selling securities. Therefore, they have been classified as debt instruments at fair value through other comprehensive income.

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

The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for strategic purposes.

For the three months ended March 31, 2023 and 2022, the Group has recognized the dividend income of \$1,860 and \$1,550 from equity instruments designated at fair value through other comprehensive income, respectively.

For the three months ended March 31, 2023 and 2022, the Group with the objective of investment and financial management had sold financial assets at fair value of \$4,122 and \$15,528, respectively, and accumulated gain on disposal of investments were \$561 and \$2,764, respectively, which had been reclassified from other equity interest to retained earnings.

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

The abovementioned financial assets were not pledged as collateral.

For the purpose of increasing investment profits, the Group entrusts partial listed companies as the beneficiary. According to the terms of the contract, the Group does not transfer risk and remuneration of these financial assets, and they had not been derecognized. As of March 31, 2023, December 31, 2022 and March 31, 2022, the carrying amount of the listed stocks which were entrusted to financial institutions for security lending amounted to \$15,053, \$11,471 and \$19,271, respectively.

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(d) Accounts receivable

	March 31,2023	December 31,2022	March 31,2022
Accounts receivable-measured as amortized cost	\$ 672,160	704,601	627,640
Allowance for impairment	(984)	(6,119)	(5,751)
	\$ 671,176	698,482	621,889

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

March 31,2023			
	Carrying amount of Accounts Receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Current	\$ 637,200	0.12%	745
Overdue less than 90 days	34,302	0.21%	70
Overdue 91~180 days	658	25.68%	169
Overdue 181~270 days	-	-	-
Overdue 271~365 days	-	-	-
	\$ 672,160		984
December 31,2022			
	Carrying amount of Accounts Receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Current	\$ 583,448	0.12%	677
Overdue less than 90 days	111,988	0.55%	617
Overdue 91~180 days	-	-	-
Overdue 181~270 days	4,343	0.07%	3
Overdue 271~365 days	-	-	-
Overdue 365 days	4,822	100%	4,822
	\$ 704,601		6,119

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	March 31,2022		
	Carrying amount of Accounts Receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Current	\$ 551,776	0.12%	638
Overdue less than 90 days	68,861	0.42%	289
Overdue 91~180 days	2,173	0.10%	2
Overdue 181~270 days	8	0.10%	-
Overdue 271~365 days	-	-	-
Overdue 365 days	4,822	100%	4,822
	\$ 627,640		5,751

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

	For the three months ended March 31,2023	For the three months ended March 31,2022
Balance on January 1	\$ 6,119	5,842
Reversal of impairment loss	(312)	(98)
Write-off of account due to irrecoverable	(4,822)	-
Effect of changes in foreign currency exchange rates	(1)	7
Ending balance	\$ 984	5,751

The abovementioned financial assets were not pledged as collateral.

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

(e) Other notes receivable and other receivables

	March 31,2023	December 31,2022	March 31,2022
Loans to employee	\$ 625	795	1,305
Interest receivable	3,864	1,782	57
Dividend receivable	1,860	-	1,550
Stock receivable	4,122	-	-
Others	202	801	1,273
Allowance for impairment	-	-	-
	\$ 10,673	3,378	4,185

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

(f) Inventories

	March 31,2023	December 31,2022	March 31,2022
Raw materials and supplies	\$ 362,138	449,879	521,390
Work in process	282,327	287,408	425,935
Finished goods	231,308	279,878	207,389
Inventories in transit	23,714	27,449	1,990
	\$ 899,487	1,044,614	1,156,704

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The details of cost of sales are as follows :

	For the three months ended March 31,2023	For the three months ended March 31,2022
Reclassification to cost of sales and expenses	\$ 864,954	833,760
Write down of inventories (Reversal of write downs)	13,163	(130)
Unamortized manufacturing expenses	5,080	3,596
Loss on scrap	15,469	10,257
Others	(72)	(54)
	\$ 898,594	847,429

For the three months ended March 31, 2023, write down of inventories due to the reduction of inventories cost to the net realizable value was recognized as an addition of operating costs.

For the three months ended March 31, 2022, the previous write down inventories were sold, therefore, the net realizable value of inventories lowered than cost no longer existed. The reversal of write down was recognized as a reduction of operating costs.

Inventories were not pledged as collaterals.

(g) Other current assets

The details of other current assets are as follows :

	March 31,2023	December 31,2022	March 31,2022
Income tax refund receivable	\$ 2,240	3,347	2,173
Prepayment for purchases	11,634	11,649	6,403
Prepaid expense	7,124	5,974	6,606
Prepaid sales tax	36,120	36,779	28,768
Restricted time deposits	2,533	2,558	2,542
Refundable deposits	17,821	9,593	8,876
Others	-	4,843	4,150
	\$ 77,472	74,743	59,518
Book as:			
Other current assets	\$ 67,893	65,150	50,642
Other financial assets – non-current	9,579	9,593	8,876
	\$ 77,472	74,743	59,518

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

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

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

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Name of subsidiaries	Principal place of business	Proportion of non-controlling interest voting equity		
		March 31,2023	December 31,2022	March 31,2022
Ying Cheng Investment Corp.	Taiwan	47.5%	47.5%	47.5%
Emerging Display International (Samoa) Corp.	Samoa	4.2%	4.2%	4.2%

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

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

	March 31,2023	December 31,2022	March 31,2022
Current asset	\$ 9,791	9,803	9,870
Non-current asset	100,140	114,780	93,600
Current liability	(50)	(50)	(30)
Net asset	<u>\$ 109,881</u>	<u>124,533</u>	<u>103,440</u>
Non-controlling equity closing book amount	<u>\$ 52,194</u>	<u>59,153</u>	<u>49,134</u>

	For the three months ended March 31,2023	For the three months ended March 31,2022
Operating revenue	\$ -	-
Net loss	\$ (12)	(12)
Other comprehensive income	(14,640)	15,420
Comprehensive income	<u>\$ (14,652)</u>	<u>15,408</u>
Loss attributable to non-controlling interest	<u>\$ (6)</u>	<u>(6)</u>
Comprehensive income attributable to non-controlling interest	<u>\$ (6,960)</u>	<u>7,319</u>

	For the three months ended March 31,2023	For the three months ended March 31,2022
Cash flow from operating activities	\$ (12)	(32)
Cash flow from investing activities	-	-
Cash flow from financing activities	-	-
Net increase(decrease) in cash and cash equivalents	<u>\$ (12)</u>	<u>(32)</u>

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

	March 31,2023	December 31,2022	March 31,2022
Current asset	\$ 149,136	164,617	123,368
Non-current asset	34,042	36,515	39,059
Current liability	(98,393)	(113,663)	(75,625)
Non-current liability	-	(1,388)	(7,618)
Net asset	\$ 84,785	86,081	79,184
Non-controlling equity closing book amount			
Current asset	\$ 3,561	3,616	3,326
	For the three months ended March 31,2023	For the three months ended March 31,2022	
Operating revenue	\$ 50,411	54,762	
Net loss	\$ (351)	(6,324)	
Other comprehensive income	(945)	8,460	
Comprehensive income	\$ (1,296)	2,136	
Loss attributable to non-controlling interest	\$ (14)	(265)	
Comprehensive income attributable to non-controlling interest	\$ (54)	89	
	For the three months ended March 31,2023	For the three months ended March 31,2022	
Cash flow from operating activities	\$ 5,752	(6,736)	
Cash flow from investing activities	(9,011)	(985)	
Cash flow from financing activities	(1,973)	(1,837)	
Effects of changes in foreign exchange rates	188	660	
Net decrease in cash and cash equivalents	\$ (5,044)	(8,898)	

(i) Property, plant and equipment

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

	Land	Building and construction	Machinery and equipment	Office equipment	Other	Total
Cost or deemed cost:						
Balance at January 1, 2023	\$ 39,122	1,119,400	2,399,606	38,265	213,744	3,810,137
Additions	-	3,379	1,916	-	11,322	16,617
Reclassification	-	718	5,634	-	(6,352)	-
Disposals	-	(368)	(27,323)	(7,665)	(3,073)	(38,429)
Effect of changes in exchange rates	(120)	447	1,051	(16)	26	1,388
Balance at March 31, 2023	\$ 39,002	1,123,576	2,380,884	30,584	215,667	3,789,713
Balance at January 1, 2022	\$ 23,268	1,055,674	2,373,003	28,388	157,510	3,637,843
Additions	-	522	9	-	7,610	8,141
Disposals	-	-	-	-	(2,312)	(2,312)

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	Land	Building and construction	Machinery and equipment	Office equipment	Other	Total
Effect of changes in exchange rates	794	2,728	7,266	262	282	11,332
Balance at March 31, 2022	<u>\$ 24,062</u>	<u>1,058,924</u>	<u>2,380,278</u>	<u>28,650</u>	<u>163,090</u>	<u>3,655,004</u>
Depreciation:						
Balance at January 1, 2023	\$ -	844,100	2,339,498	26,683	138,634	3,348,915
Depreciation	-	3,452	4,583	563	5,260	13,858
Disposals	-	(246)	(27,323)	(7,665)	(2,699)	(37,933)
Effect of changes in exchange rates	-	211	974	(24)	21	1,182
Balance at March 31, 2023	<u>\$ -</u>	<u>847,517</u>	<u>2,317,732</u>	<u>19,557</u>	<u>141,216</u>	<u>3,326,022</u>
Balance at January 1, 2022	\$ -	830,811	2,319,409	27,193	127,668	3,305,081
Depreciation	-	2,971	4,550	80	3,985	11,586
Disposals	-	-	-	-	(2,312)	(2,312)
Effect of changes in exchange rates	-	1,864	6,773	228	162	9,027
Balance at March 31, 2022	<u>\$ -</u>	<u>835,646</u>	<u>2,330,732</u>	<u>27,501</u>	<u>129,503</u>	<u>3,323,382</u>
Carrying amount:						
Balance at January 1, 2023	<u>\$ 39,122</u>	<u>275,300</u>	<u>60,108</u>	<u>11,582</u>	<u>75,110</u>	<u>461,222</u>
Balance at March 31, 2023	<u>\$ 39,002</u>	<u>276,059</u>	<u>63,152</u>	<u>11,027</u>	<u>74,451</u>	<u>463,691</u>
Balance at January 1, 2022	<u>\$ 23,268</u>	<u>224,863</u>	<u>53,594</u>	<u>1,195</u>	<u>29,842</u>	<u>332,762</u>
Balance at March 31, 2022	<u>\$ 24,062</u>	<u>223,278</u>	<u>49,546</u>	<u>1,149</u>	<u>33,587</u>	<u>331,622</u>

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

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

(j) Right-of-use assets

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

	Land	Building and construction	Transportation equipment	Total
Right-of-use assets cost:				
Balance at January 1, 2023	\$ 61,840	51,857	2,239	115,936
Additions	-	-	693	693
Effect of changes in foreign exchange rates	-	31	12	43
Balance at March 31, 2023	<u>\$ 61,840</u>	<u>51,888</u>	<u>2,944</u>	<u>116,672</u>
Balance at January 1, 2022	\$ 66,409	51,684	658	118,751
Additions	106	-	-	106
Disposals	(4,674)	(4,463)	-	(9,137)
Effect of changes in foreign exchange rates	-	1,286	23	1,309
Balance at March 31, 2022	<u>\$ 61,841</u>	<u>48,507</u>	<u>681</u>	<u>111,029</u>
Depreciation:				
Balance at January 1, 2023	\$ 10,742	39,447	961	51,150
Depreciation	630	2,701	304	3,635
Effect of changes in foreign exchange rates	-	35	4	39
Balance at March 31, 2023	<u>\$ 11,372</u>	<u>42,183</u>	<u>1,269</u>	<u>54,824</u>
Balance at January 1, 2022	\$ 8,204	32,761	311	41,276
Depreciation	648	2,667	70	3,385

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	Land	Building and construction	Transportation equipment	Total
Disposals	-	(4,463)	-	(4,463)
Effect of changes in foreign exchange rates	-	721	13	734
Balance at March 31, 2022	\$ 8,852	31,686	394	40,932
Carrying amount:				
Balance at January 1, 2023	\$ 51,098	12,410	1,278	64,786
Balance at March 31, 2023	\$ 50,468	9,705	1,675	61,848
Balance at January 1, 2022	\$ 58,205	18,923	347	77,475
Balance at March 31, 2022	\$ 52,989	16,821	287	70,097

(k) Investment property

Investment property includes assets owned by the Group such as office buildings leased to third party.

Based on original lease terms of investment property, non-cancellable lease term is four years and the lessee has the right to extend upon expiry. Subsequent lease term will consult with the lessee and didn't charge contingent rental. Please refer to Note 6(q) for information of the rental income.

Rental income of leased investment property has a fixed amount.

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

	Land	Building and construction	Total
Cost or deemed cost:			
Balance at January 1, 2023	\$ 48,882	16,714	65,596
Effect of changes in foreign exchange rates	(414)	(141)	(555)
Balance at March 31, 2023	\$ 48,468	16,573	65,041
Balance at January 1, 2022	\$ 44,059	15,065	59,124
Effect of changes in foreign exchange rates	1,504	514	2,018
Balance at March 31, 2022	\$ 45,563	15,579	61,142
Depreciation:			
Balance at January 1, 2023	\$ -	7,543	7,543
Depreciation	-	126	126
Effect of changes in foreign exchange rates	-	(64)	(64)
Balance at March 31, 2023	\$ -	7,605	7,605
Balance at January 1, 2022	\$ -	6,157	6,157
Depreciation	-	162	162
Effect of changes in foreign exchange rates	-	214	214
Balance at March 31, 2022	\$ -	6,533	6,533
Carrying amount:			
Balance at January 1, 2023	\$ 48,882	9,171	58,053
Balance at March 31, 2023	\$ 48,468	8,968	57,436

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	Land	Building and construction	Total
Balance at January 1, 2022	\$ 44,059	8,908	52,967
Balance at March 31, 2022	\$ 45,563	9,046	54,609

There was no significant differences of the Group's fair value of investment property which compared with the consolidated financial statements Note 6(k) for the year ended December 31, 2022.

The investment property was not pledged as collateral.

(I) Intangible assets

The movements of intangible assets were as follows:

	Patent	Computer software cost	Golf membership card	Total amount
Initial cost:				
Balance as of January 1, 2023	\$ 3,203	9,057	2,750	15,010
Individual acquisition	146	26	-	172
Disposals	(410)	-	-	(410)
Effects of changes in foreign exchange rates	-	(3)	-	(3)
Balance as of March 31, 2023	\$ 2,939	9,080	2,750	14,769
Balance as of January 1, 2022	\$ 3,029	8,991	-	12,020
Individual acquisition	35	27	-	62
Effects of changes in foreign exchange rates	-	34	-	34
Balance as of March 31, 2022	\$ 3,064	9,052	-	12,116
Amortization:				
Balance as of January 1, 2023	\$ 1,831	7,932	-	9,763
Amortization	72	258	-	330
Disposals	(410)	-	-	(410)
Effects of changes in foreign exchange rates	-	(4)	-	(4)
Balance as of March 31, 2023	\$ 1,493	8,186	-	9,679
Balance as of January 1, 2022	\$ 1,494	6,841	-	8,335
Amortization	67	265	-	332
Effects of changes in foreign exchange rates	-	33	-	33
Balance as of March 31, 2022	\$ 1,561	7,139	-	8,700
Carrying amount:				
Balance as of January 1, 2023	\$ 1,372	1,125	2,750	5,247
Balance as of March 31, 2023	\$ 1,446	894	2,750	5,090
Balance as of January 1, 2022	\$ 1,535	2,150	-	3,685
Balance as of March 31, 2022	\$ 1,503	1,913	-	3,416

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The intangible assets of the group were not pledged as collateral.

(m) Short-term loans

The details of short-term loans were as follows:

	March 31,2023	December 31,2022	March 31,2022
Unsecured bank loans	\$ 250,000	270,000	-
Unused lines of credit	\$ 1,581,852	1,565,680	1,989,000
Range of interest rates	1.36%~1.63%	1.21%~1.70%	-

Short-term loans were not pledged as collateral.

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

(n) Other payables

	March 31,2023	December 31,2022	March 31,2022
Salaries and bonus payables	\$ 75,211	166,390	68,985
Employee remuneration payables	32,618	27,018	19,460
Directors' and supervisors' remuneration payables	16,146	12,786	9,711
Employee benefit liabilities	32,530	31,402	31,383
Dividends payable	251,852	-	188,889
Payables on equipment	11,364	16,769	6,395
Others	110,717	133,558	111,594
	\$ 530,438	387,923	436,417

(o) Long-term loans

The details of long-term loans were as follows :

	March 31,2023	December 31,2022	March 31,2022
Commercial paper payable	\$ -	-	400,000
Secured bank loans	400,000	400,000	-
Less: discount on long-term loans	907	987	2,102
Total	\$ 399,093	399,013	397,898
Unused long-term credit lines	\$ 400,000	400,000	400,000
Range of interest rates	1.8965%	1.8965%	1.4007%

The Group signed a 5-year syndicated loan contract with E-SUN bank and six other banks on May 15, 2020, with a revolving credit line of \$800,000 from the first appropriation date to maturity date, wherein \$800,000 can be appropriated by using the banks' own fund and \$600,000 by using Group-issued commercial paper guaranteed by the banks, and the combined credit line should not exceed \$800,000. According to the loan contract, 9 months after the date the contract was signed will be considered as the first appropriation date to calculate the revolving credit even if the credit line is unused after 9

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months. The credit line, with a total of five phases, decreases every 6 months, beginning the 36th month after the first appropriation date. The first to fourth phases of the total credit line amounting to \$800,000 will decrease by 12.5%, and the fifth phase will decrease by 50%. As the credit line decreases, the residual of the excess credit line will be repaid upon maturity. The Group issued a total of \$400,000 commercial paper on February 5, 2021. For the related information and concerned restricted terms, please refer to Note 6(o) of 2022 consolidated financial statements.

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

(p) Lease liabilities

The details of lease liabilities were as follows :

	March 31,2023	December 31,2022	March 31,2022
Current	<u>\$ 12,655</u>	<u>13,418</u>	<u>11,208</u>
Non-Current	<u>\$ 52,979</u>	<u>55,052</u>	<u>62,040</u>

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

The amounts recognized in profit or loss were as follows :

	For the years ended March 31,2023	For the years ended March 31,2022
Interest on lease liabilities	<u>\$ 630</u>	<u>749</u>
Expenses relating to short-term leases	<u>\$ 198</u>	<u>477</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 64</u>	<u>186</u>

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

	For the years ended March 31,2023	For the years ended March 31,2022
Total cash outflow for leases	<u>\$ 4,222</u>	<u>4,485</u>

(i) Lease of land, building and construction

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

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

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

(ii) Other leases

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

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

(q) Operating lease

There was no increase for operating lease for the three months ended March 31, 2023 and 2022, for detail of Investment property leases, please refer to Note 6(q) of the 2022 consolidated financial statements.

(r) Employee benefits

(i) Defined benefit plan

There were no significant market fluctuations, curtailments, settlement or other one-time events after the end of the previous financial year, the pension cost measurement and disclosure of interim pension cost were calculated based on actuarial adopted on December 31, 2022 and 2021.

Cost recognized in expense was as below :

	<u>For the years ended March 31,2023</u>	<u>For the years ended March 31,2022</u>
Operating cost	\$ 441	251
Selling expenses	32	15
General and administrative expenses	74	43
Research and development expenses	54	31
	<u><u>\$ 601</u></u>	<u><u>340</u></u>

(ii) Defined Contribution Plan

Cost recognized in expense was as below :

	<u>For the years ended March 31,2023</u>	<u>For the years ended March 31,2022</u>
Operating cost	\$ 6,834	6,949
Selling expenses	1,650	1,725
General and administrative expenses	610	621
Research and development expenses	771	714
	<u><u>\$ 9,865</u></u>	<u><u>10,009</u></u>

(s) Income tax

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

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

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	For the years ended March 31,2023	For the years ended March 31,2022
Current tax expense		
Current	\$ 16,106	14,081
Adjustment for prior periods	(1,932)	-
	14,174	14,081
Deferred tax expense (benefit)		
Origination and reversal of temporary differences	(439)	(3)
	(439)	(3)
Income tax expense	\$ 13,735	14,078

(ii) For the three months ended March 31, 2023 and 2022 no income tax was recognized directly in equity.

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

	For the years ended March 31,2023	For the years ended March 31,2022
Items that will not be reclassified subsequently to profit or loss :		
Unrealized gains or losses from investments in equity instruments measured at FVOCI	\$ -	(232)

(iv) Approval of income tax

The Company's income tax returns for all fiscal years up to 2021 have been examined and approved by the R.O.C. tax authority.

(t) Share capital and other equity

The Group had no share capital change for the three months ended March 31, 2023 and 2022 except below statement. Please refer to Note 6(t) of 2022 consolidated financial statements for detail information.

(i) Ordinary shares

As of March 31, 2023, December 31, 2022 and March 31, 2022, the authorized share capital of the Company amounted to \$3,500,000, comprising 350,000 thousand shares with a par value of New Taiwan dollars (TWD) 10 per share. Issued shares were both 157,408 thousand shares.

Reconciliation of shares issued by the Company was as follows:

	Expressed in thousands of thousand shares	
	Ordinary shares	
	2023	2022
Balance on January 1	157,408	162,408
Retirement of treasury shares	-	(5,000)
Balance on March 31	157,408	157,408

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The 5,000 thousand treasury shares repurchased in 2019 to transfer to employees had been overdue, and therefore they were regarded as unissued. The Company retired the treasury shares based on a resolution approved during the board meeting held on January 12, 2022. The related registration procedures had been completed.

The weighted-average numbers of shares of common stock outstanding excluded treasury stock and the common stock held by the Company's subsidiaries were both 148,614 thousand shares.

(ii) Capital surplus

Capital surplus was as follows :

	March 31,2023	December 31,2022	March 31,2022
Treasury stock	\$ 35,317	35,317	24,764
Disgorgement	473	473	473
Return of employee stock ownership trust	112	50	16
Total	\$ 35,902	35,840	25,253

(iii) Earnings distribution

The appropriations of earnings for 2022 and 2021 have been approved in the meeting of the board of directors held on March 9, 2023 and March 10, 2022, the appropriation and dividend per share were as follows :

	2022	2021
Dividends distributed to ordinary shareholders (TWD) :		
Cash	\$ 1.6	1.2

(iv) Other equity (net of tax)

	Foreign exchange differences arising from foreign operation	Unrealized gains (losses) on financial assets measured at FVOCI	Total
Balance at January 1, 2023	\$ (4,429)	(115,914)	(120,343)
— Changes of the Group	(1,186)	36,657	35,471
Disposal of investments in equity instrument measured at FVOCI	-	(561)	(561)
Balance at March 31, 2023	\$ (5,615)	(79,818)	(85,433)

	Foreign exchange differences arising from foreign operation	Unrealized gains (losses) on financial assets measured at FVOCI	Total
Balance at January 1, 2022	\$ (29,998)	(74,493)	(104,491)
— Changes of the Group	11,532	22,229	33,761
Disposal of investments in equity instrument measured at FVOCI	-	(2,764)	(2,764)
Balance at March 31, 2022	\$ (18,466)	(55,028)	(73,494)

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(v) Treasury stock

The changes of treasury stocks were as follows :

(Expressed in thousands of shares)

Reason to buy back	Beginning Shares	Increase shares	Decrease shares	Ending share
January to March, 2022				
Transfer to employees	5,000	-	(5,000)	-

In accordance with Article 28 2 of the Securities and Exchange Act requirements as stated above, the number of shares repurchased should not exceed 10 percent of all shares outstanding. Also, the value of the repurchased shares should not exceed the sum of the Company's retained earnings, share premium, and realized capital reserves. The aforementioned repurchased shares and amount did not exceed statutory limit.

As of March 31, 2023, December 31 and March 31, 2022, the costs of treasury stocks were \$0.

In accordance with Securities and Exchange Act requirements, treasury stocks held by the Company should not be pledged, and do not hold shareholder rights before their transfer. Ying Dar Corp. and Bae Haw Corp., 100%-owned subsidiaries of the Company, held the Company's common stock. For the three months ended March 31, 2023 and 2022, Ying Dar Corp. and Bae Haw Corp. did not purchase or dispose any of the Company's shares. As of March 31, 2023, December 31 and March 31, 2022, Ying Dar Corp. and Bae Haw Corp. together held 8,794 thousand shares of the Company's common stock, The cost was \$122,282 which was recognized in treasury stocks. As of March 31, 2023, December 31 and March 31, 2022, their market values amounted to \$229,094, \$178,526 and \$167,972, respectively.

(u) Earnings per share

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

	For the three months ended March 31	
	2023	2022
Basic earnings per share		
Profit attributable to owners of parent	\$ 89,618	77,794
Weighted-average number of ordinary shares at end of year (expressed in thousands of shares)	148,614	148,614
Expressed in New Taiwan dollars	\$ 0.60	0.52
Diluted earnings per share		
Profit attributable to owners of parent	\$ 89,618	77,794
Weighted-average number of ordinary shares (expressed in thousands of shares)	148,614	148,614
Effect of potentially dilutive ordinary stock:		
— Employee bonus (expressed in thousands of shares)	1,060	835
Weighted-average number of ordinary shares- diluted (expressed in thousands of shares)	149,674	149,449
Expressed in New Taiwan dollars	\$ 0.60	0.52

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In computing above basic earnings (loss) per share of ordinary stock for the three months ended March 31, 2023 and 2022, the weighted-average numbers of shares of common stock outstanding excluded 8,794 thousand shares of common stock held by the Company's subsidiaries as treasury stock.

(v) Revenue from Contracts with Customers

(i) Disaggregation of revenue

	For the three months ended March 31			
	2023			
	Domestic	North America	Other operating department	Total
Primary geographical markets:				
Europe	\$ 660,232	-	78	660,310
USA	4,405	175,757	-	180,162
Others	233,550	58,158	73	291,781
Total	<u>\$ 898,187</u>	<u>233,915</u>	<u>151</u>	<u>1,132,253</u>
Major products:				
Liquid crystal display modules	\$ 253,044	151,602	-	404,646
Capacitive touch panel and capacitive touch panel module	629,331	77,718	-	707,049
Others	15,812	4,595	151	20,558
Total	<u>\$ 898,187</u>	<u>233,915</u>	<u>151</u>	<u>1,132,253</u>
	For the three months ended March 31			
	2022			
	Domestic	North America	Other operating department	Total
Primary geographical markets:				
Europe	\$ 573,533	-	82	573,615
USA	17	221,974	-	221,991
Others	177,929	54,303	61	232,293
Total	<u>\$ 751,479</u>	<u>276,277</u>	<u>143</u>	<u>1,027,899</u>
Major products:				
Liquid crystal display modules	\$ 243,354	110,053	-	353,407
Capacitive touch panel and capacitive touch panel module	485,688	147,619	-	633,307
Others	22,437	18,605	143	41,185
Total	<u>\$ 751,479</u>	<u>276,277</u>	<u>143</u>	<u>1,027,899</u>

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(ii) Contract balance

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Accounts receivable (including related parties)	\$ 672,160	704,601	627,640
Less: allowance for impairment	(984)	(6,119)	(5,751)
Total	\$ 671,176	698,482	621,889
Contract liability – Unearned revenue (recognized in other current liabilities)	\$ 62,651	56,237	38,343

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

The amount of revenue recognized for the three months ended March 31, 2023 and 2022, that was included in the contract liability balance at the beginning of the period were \$7,105 and \$4,270 respectively.

(w) Employee’s remuneration, and directors’ remuneration

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

The Company accrued the remuneration of employees amounted and the remuneration of directors' amounted were as follows :

	<u>For the three months ended March 31</u>	
	<u>2023</u>	<u>2022</u>
Employee’s remuneration	\$ 5,600	4,974
Directors’ remuneration	\$ 3,360	2,984

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

The accrued compensation of employees amounted to \$27,018 and \$14,486 for 2022 and 2021, respectively, and the accrued remuneration of directors’ amounted to \$16,211 and \$8,691 respectively. Actual distribution had no difference with accrued amounts. The previous distribution of compensation to employees, remuneration of directors approved by Board of Directors for related information, please go to website: <http://emops.twse.com.tw>.

(x) Other operating income and expenses

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

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(y) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows :

	For the three months ended March 31	
	2023	2022
Bank deposits	\$ 10,041	108
Others	569	4
	\$ 10,610	112

(ii) Other income

The details of other income were as follows :

	For the three months ended March 31	
	2023	2022
Dividend income	\$ 1,860	1,550
Others	202	74
	\$ 2,062	1,624

(iii) Other gains and losses

Details of other gains and losses were as follows :

	For the three months ended March 31	
	2023	2022
Foreign exchange (losses) gains	\$ (12,945)	33,535
Net gains on disposal of financial assets (liabilities) measured at fair value through profit or loss	1,684	328
Net (losses) gains on disposal of property, plant and equipment	(17)	385
Others	(3,105)	(648)
	\$ (14,383)	33,600

(iv) Finance cost

Details of finance costs were as follows :

	For the three months ended March 31	
	2023	2022
Interest expenses		
Bank loans	\$ 3,408	1,397
Lease liabilities	630	749
Management fee of syndicated loan	50	50
	\$ 4,088	2,196

(z) Financial instruments

There was no significant change of the Group's fair value of financial instruments, exposure to credit risk, liquidity risk and market risk except below statements. Please refer to Note 6(z) of 2022 consolidated financial statements.

(i) Credit risk

1) Exposure to credit risk

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

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2) Concentration of credit risk

As of March 31, 2023, three customers accounted for 45.73% of total accounts receivable balance. As of December 31 and March 31, 2022, two customer accounted for 38.90% and 32.98% of total accounts receivable balance.

3) Accounts receivable of credit risk

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

(ii) Liquidity risk

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

	<u>Carrying amount</u>	<u>Contracted cash flows</u>	<u>Due within 6 months</u>	<u>Due in 6- 12months</u>	<u>Due in 1- 2 years</u>	<u>Due in 2- 5 years</u>	<u>Due in over 5 years</u>
March 31, 2023							
Non-derivative financial liabilities							
Secured Long-term loans							
(including long term loans, current portion)(floating rate)	\$ 399,093	421,095	3,242	3,803	7,586	406,464	-
Unsecured short term borrowings							
(floating rate)	250,000	250,764	250,764	-	-	-	-
Accounts payable (no interest)	493,828	493,828	493,828	-	-	-	-
Notes payable (no interest)	207	207	207	-	-	-	-
Other payable (no interest)	530,438	530,438	530,438	-	-	-	-
Lease liability							
(fixed interest rate)	65,634	92,456	7,964	6,770	4,744	10,870	62,108
Guarantee deposits received							
(no interest)	595	595	-	-	34	561	-
	<u>\$ 1,739,795</u>	<u>1,789,383</u>	<u>1,286,443</u>	<u>10,573</u>	<u>12,364</u>	<u>417,895</u>	<u>62,108</u>
December 31, 2022							
Non-derivative financial liabilities							
Secured Long-term loans							
(including long term loans, current portion)(floating rate)	\$ 399,013	(423,506)	(3,741)	(3,824)	(7,607)	(408,334)	-
Unsecured short term borrowings							
(floating rate)	270,000	(270,854)	(270,854)	-	-	-	-
Accounts payable (no interest)	581,980	(581,980)	(581,980)	-	-	-	-
Notes payable (no interest)	20	(20)	(20)	-	-	-	-
Other payable (no interest)	387,923	(387,923)	(387,923)	-	-	-	-
Lease liability (fixed interest)	68,470	(95,830)	(8,222)	(7,405)	(6,521)	(10,805)	(62,877)
Guarantee deposits received							
(no interest)	600	(600)	-	-	(34)	(566)	-

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Derivative financial liabilities									
Swap Contract		1,933							
Cash in			93,835	93,835	-	-	-		
Cash out			(92,130)	(92,130)	-	-	-		
			\$ 1,709,939	(1,759,008)	(1,251,035)	(11,229)	(14,162)	(419,705)	(62,877)
March 31, 2022									
Non-derivative financial liabilities									
Secured Long-term loans									
(including long term loans, current portion)(floating rate)									
	\$	397,898	(421,583)	(2,794)	(2,794)	(5,618)	(410,377)	-	-
Accounts payable(no interest)		611,226	(611,226)	(611,226)	-	-	-	-	-
Notes payable (no interest)		20	(20)	(20)	-	-	-	-	-
Other payable (no interest)		436,417	(436,417)	(436,417)	-	-	-	-	-
Lease liability (fixed interest rate)		73,248	(102,511)	(7,358)	(6,449)	(12,038)	(11,280)	(65,386)	-
Guarantee deposits received (no interest)		561	(561)	-	-	(561)	-	-	-
Derivative financial liabilities									
Forward exchange contract		63							
Cash in			28,601	28,601	-	-	-	-	-
Cash out			(28,625)	(28,625)	-	-	-	-	-
			\$ 1,519,433	(1,572,342)	(1,057,839)	(9,243)	(18,217)	(421,657)	(65,386)

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

(iii) Market Risk

1) Currency risk

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

	March 31, 2023			December 31, 2022			March 31, 2022			
	Foreign currency	Exchange rate	TWD amount	Foreign currency	Exchange rate	TWD amount	Foreign currency	Exchange rate	TWD amount	
<u>Financial assets</u>										
<u>Monetary items</u>										
USD	\$	69,577	30.45	2,118,618	70,108	30.71	2,153,031	45,746	28.625	1,309,490
JPY		24,918	0.2288	5,701	3,900	0.2324	906	32,876	0.2353	7,736
CNY		5,307	4.431	23,516	5,426	4.408	23,916	1,674	4.5060	7,542
EUR		104	33.15	3,445	32	32.72	1,061	62	31.92	1,977
<u>Non-monetary items</u>										
USD		5,003	30.45	152,340	3,000	30.71	92,130	250	28.625	7,156
<u>Financial liabilities</u>										
<u>Monetary items</u>										
USD	\$	18,818	30.45	573,007	20,382	30.71	625,933	25,183	28.625	720,877
JPY		17,348	0.2288	3,969	16,711	0.2324	3,884	15,613	0.2353	3,674
EUR		-	-	-	119	32.72	3,884	43	31.92	1,381
<u>Non-monetary items</u>										
USD		-	-	-	3,000	30.71	92,130	750	28.625	21,469

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The Group's exposure to foreign currency risk arises from the translation of the cash and cash equivalents, accounts receivable, other receivables, financial assets and liabilities measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income, accounts payables, and other payables. As of March 31, 2023 and 2022, if the exchange rate of the TWD versus the USD, CNY, JPY, and EUR have increased or decreased by 1%, given no changes in other factors. For the three months ended March 31, 2023 and 2022, profit after tax would have increased or decreased by \$11,043 and \$4,551, and other comprehensive income after tax would have increased or decreased by \$481 and \$0, respectively. The analysis is performed on the same basis of prior year.

The Group has variety kinds of functional currencies, hence we use summarized method to disclose exchange gain (loss) of monetary items. For the three months ended March 31, 2023 and 2022, foreign exchange gain (including realized and unrealized) amounted to lose \$12,945 and gain \$33,535, respectively.

2) Interest rate analysis

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

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

If interest rates on loans had increased or decreased by 0.25% with all other variables held constantly, Profit after tax for the three months ended March 31, 2023 and 2022 would have been decreased or increased by \$325 and \$200, respectively, mainly as a result of liabilities bearing floating interest rates.

3) Other price risk

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

Equity price at reporting date	For the three months ended March 31			
	2023		2022	
	Other comprehensive income after tax	Net profit (loss)	Other comprehensive income after tax	Net profit (loss)
Increase 3%	\$ 16,946	733	15,999	-
Decrease 3%	\$ (16,946)	(733)	(15,999)	-

(iv) Fair value

1) Categories and fair values of financial instruments

The fair value of financial assets and liabilities at fair value through profit or loss, and financial assets at fair value through other comprehensive income, are measured on a recurring basis. The following table shows the carrying amount and fair value of financial assets and financial

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

	March 31, 2023				
	Carrying	Fair value			Amount
	Amount	Level 1	Level 2	Level 3	
Financial assets at FVTPL					
Swap contract	\$ 2,002	-	2,002	-	2,002
Debt instrument with quoted market prices	<u>30,540</u>	30,540	-	-	30,540
Subtotal	<u>32,542</u>				
Financial assets at FVOCI					
Debt instrument with quoted market prices	60,163	60,163	-	-	60,163
Equity instrument with quoted market prices	374,230	374,230	-	-	374,230
Equity instrument at fair value without quoted market prices	<u>142,442</u>	-	-	142,442	142,442
Subtotal	<u>576,835</u>				
Financial assets at amortized cost					
Cash and cash equivalent	1,313,819	-	-	-	-
Account receivables	671,176	-	-	-	-
Other account receivables	10,673	-	-	-	-
Restricted deposit	2,533	-	-	-	-
Refundable deposits (recognized in other assets - noncurrent)	<u>17,821</u>	-	-	-	-
Subtotal	<u>2,016,022</u>				
Total financial assets	<u>\$ 2,625,399</u>				
Financial liabilities at amortized cost					
Bank loans	\$ 649,093	-	-	-	-
Notes payable	207	-	-	-	-
Accounts payable	493,828	-	-	-	-
Other payable	530,438	-	-	-	-
Lease liabilities	65,634	-	-	-	-
Guarantee deposits	<u>595</u>	-	-	-	-
Total financial liabilities	<u>\$ 1,739,795</u>				

	December 31, 2022				
	Carrying	Fair value			Amount
	Amount	Level 1	Level 2	Level 3	
Financial assets at FVTPL					
Swap contract	<u>\$ 399</u>	-	399	-	399
Financial assets at FVOCI					
Debt instrument with quoted market prices	59,747	59,747	-	-	59,747
Equity instrument with quoted market prices	328,227	328,227	-	-	328,227
Equity instrument at fair value without quoted market prices	<u>154,942</u>	-	-	154,942	154,942
Subtotal	<u>542,916</u>				

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December 31, 2022					
	Carrying	Fair value			Amount
	Amount	Level 1	Level 2	Level 3	
Financial assets at amortized cost					
Cash and cash equivalent	1,307,122	-	-	-	-
Account receivables	698,482	-	-	-	-
Other notes receivable and other receivables	3,378	-	-	-	-
Restricted deposit	2,558	-	-	-	-
Refundable deposits (recognized in other assets - noncurrent)	9,593	-	-	-	-
Subtotal	<u>2,021,133</u>				
Total financial assets	<u>\$ 2,564,448</u>				
Financial liabilities at FVTPL					
Swap contract	\$ 1,933	-	1,933	-	1,933
Financial liabilities at amortized cost					
Bank loans	669,013	-	-	-	-
Notes payable	20	-	-	-	-
Accounts payable	581,980	-	-	-	-
Other notes payable and other payables	387,923	-	-	-	-
Lease liabilities	68,470	-	-	-	-
Guarantee deposits	600	-	-	-	-
Subtotal	<u>1,708,006</u>				
Total financial liabilities	<u>\$ 1,709,939</u>				
March 31, 2022					
	Carrying	Fair value			Amount
	Amount	Level 1	Level 2	Level 3	
Financial assets at FVTPL					
Forward exchange contracts	\$ 31	-	31	-	31
Financial assets at FVOCI					
Equity instrument with quoted market prices	403,245	403,245	-	-	403,245
Equity instrument at fair value without quoted market prices	129,999	-	-	129,999	129,999
Subtotal	<u>533,244</u>				
Financial assets at amortized cost					
Cash and cash equivalent	855,897	-	-	-	-
Account receivables	621,889	-	-	-	-
Other account receivables	4,185	-	-	-	-
Restricted deposit	2,542	-	-	-	-
Refundable deposits (recognized in other assets - noncurrent)	8,876	-	-	-	-
Subtotal	<u>1,493,389</u>				
Total financial assets	<u>\$ 2,026,664</u>				
Financial liabilities at FVTPL					
Forward exchange contracts	\$ 63	-	63	-	63
Financial liabilities at amortized cost					
Bank loans	\$ 397,898	-	-	-	-
Notes payable	20	-	-	-	-
Account payable	611,226	-	-	-	-
Other payable	436,417	-	-	-	-
Lease liability	73,248	-	-	-	-
Guarantee deposits received	561	-	-	-	-
Subtotal	<u>1,519,370</u>				
Total financial liabilities	<u>\$ 1,519,433</u>				

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

The Group measures its assets and liabilities use input observable market data. The fair value hierarchy categorizes the inputs used in valuation techniques are 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).

2) Valuation techniques and assumptions used in fair value determination

Non-derivative instruments

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

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

Measurements of fair value of financial instruments without active market are based on valuation technique 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 and Forward exchange contract is based on quoted prices from the counterparty.

3) Transfer between level 1 and level 2

There was no transfer between the fair value hierarchy levels for the year ended March 31, 2023 and 2022.

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

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

	Financial assets at fair value through other comprehensive income	
	Unquoted equity instruments	
Balance at January 1, 2023	\$	154,942
Recognized in other comprehensive income		(12,500)
Balance at March 31, 2023	\$	142,442
Balance at January 1, 2022	\$	112,586
Recognized in other comprehensive income		17,413
Balance at March 31, 2022	\$	129,999

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

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

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

Quantified information of significant unobservable inputs was as follows :

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income-equity investments without an active market	Discounted Cash Flow Method	<ul style="list-style-type: none"> • Continuing growth rate (as of March 31,2023, December 31,2022 and March 31, 2022 was 1.44%) • Weighted average cost of capital (as of March 31,2023, December 31,2022 and March 31, 2022 ranged from 13.7754%、12.0298% and 9.01% respectively) • Market illiquidity discount rate (as of March 31,2023, December 31,2022 and March 31, 2022 ranged from 32.51%、33.76% and 53.63% respectively) • Non-controlling interests discount rate (as of March 31,2023, December 31,2022 and March 31, 2022 was 29.48%) 	<ul style="list-style-type: none"> • If the continuing growth rate was higher, the estimated fair value would increase. • If WACC were higher, the estimated fair value would decrease. • If the market illiquidity discount rate was higher, the estimated fair value would decrease. • If the non-controlling interests discount rate was higher, the estimated fair value would decrease.

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income-equity investments without an active market	Net Asset Value Method	· Net Asset Value	N/A

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

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

Inputs	Fluctuation in inputs	Changes in fair value reflected in OCI	
		Favorable	Unfavorable
March 31, 2023			
Continuing growth rate 1.44%	0.1%	\$ 630	700
Weighted average cost of capital 13.7754%	0.1%	1,050	1,050
Market illiquidity discount rate 32.51%	1%	1,750	1,750
Non-controlling interests discount rate 29.48%	1%	1,610	1,680
December 31, 2022			
Continuing growth rate 1.44%	0.1%	\$ 910	910
Weighted average cost of capital 12.0298%	0.1%	1,470	1,470
Market illiquidity discount rate 33.76%	1%	2,030	2,030
Non-controlling interests discount rate 29.48%	1%	1,890	1,890
March 31, 2022			
Continuing growth rate 1.44%	0.1%	\$ 1,260	1,190
Weighted average cost of capital 9.01%	0.1%	1,680	1,540
Market illiquidity discount rate 53.63%	1%	2,380	2,380
Non-controlling interests discount rate 29.48%	1%	1,540	1,540

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

(aa) Financial risk management

There was no significant change of the Group’s financial risk management objectives and policy as disclosed in 2022 consolidated report. Please refer to Note 6(aa) of 2022 consolidated financial statements.

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

(ab) Capital management

The Group's capital management objectives, policies and procedures were compliance with 2022 consolidated financial statements. Further, there was no significant change of the summary quantitative information as disclosed in 2022 consolidated financial statements. Please refer to Note 6(ab) of 2022 consolidated financial statements.

(ac) Financing activities of non-cash transaction

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

- (i) Please refer to Note 6(j) for right of use assets.
- (ii) Reconciliation of liabilities arising from financing activities were as follows :

	January 1, 2023	Cash flows	Non-cash changes			March 31, 2023
			Foreign exchange movement	Amortized	Other (Note)	
Short-term loans	\$ 270,000	(20,000)	-	-	-	250,000
Long-term loans (including long term loans, current portion)	399,013	-	-	80	-	399,093
Lease liabilities	68,470	(3,535)	6	-	693	65,634
Guarantee deposits	600	-	(5)	-	-	595
Total liabilities from financing activities	<u>\$ 738,083</u>	<u>(23,535)</u>	<u>1</u>	<u>80</u>	<u>693</u>	<u>715,322</u>

	January 1, 2022	Cash flows	Non-cash changes			March 31, 2022
			Foreign exchange movement	Amortized	Other (Note)	
Long-term loans (including long term loans, current portion)	\$ 398,349	-	-	(451)	-	397,898
Lease liabilities	80,374	(3,150)	592	-	(4,568)	73,248
Guarantee deposits	544	-	17	-	-	561
Total liabilities from financing activities	<u>\$ 479,267</u>	<u>(3,150)</u>	<u>609</u>	<u>(451)</u>	<u>(4,568)</u>	<u>471,707</u>

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

(7) Transactions with Related Parties

Compensation of key management personnel

- (i) The information on key management personnel compensation was as follows :

	For the three months ended March 31	
	2023	2022
Short-term employee benefits	\$ 11,443	11,047
Post-employment benefits	542	131
	<u>\$ 11,985</u>	<u>11,178</u>

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Notes to consolidated financial statements

(8) Pledged Assets

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

<u>Pledged Assets</u>	<u>Purpose</u>	<u>March 31,2023</u>	<u>December 31,2022</u>	<u>March 31,2022</u>
Restricted time deposits-current	Guarantee for customs	\$ 2,533	2,558	2,542
Property, plant and equipment – buildings	Guarantee for long-term loans	171,206	169,893	172,041
		<u>\$ 173,739</u>	<u>172,451</u>	<u>174,583</u>

(9) Commitments and Contingencies:

As of March 31, 2023 and 2022, the Group has signed contracts for the purchase of equipments. The unrecognized contingencies of those contracts amounted to \$22,934 and \$3,498, respectively.

(10) Losses Due to Major Disasters: None

(11) Significant Subsequent Events: None

(12) Other

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

By function	For the three months ended March 31					
	2023			2022		
	Recorded as operating cost	Recorded as operating expenses	Total	Recorded as operating cost	Recorded as operating expenses	Total
By item						
Employee benefits (Note)	142,001	79,441	221,442	143,420	72,843	216,263
Depreciation	13,599	4,020	17,619	11,975	3,158	15,133
Amortization	77	253	330	71	261	332

(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, 2023 were as follows :

- (i) Loans extended to other parties : None
- (ii) Guarantees provided to other parties: None

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

(iii) Securities owned as of March 31, 2023 (subsidiaries, associates and joint ventures not included) :

Name of security holder	Name of security and type	Relationship between issuer of security and the security holder	Financial statement account	March 31, 2023				Remarks
				Units (shares)	Carrying Value	Percentage of ownership	Fair value	
The Company	FTGF Western Asset Short Duration Blue Chip Bond Fund-A USD Acc USD	-	Financial assets at FVTPL – current	8,202,773	30,540	-	30,540	-
The Company	Corporate bonds FORCAY	-	Financial assets at FVOCI – current	-	29,411	-	29,411	-
The Company	Corporate bonds TAISEM	-	Financial assets at FVOCI – current	-	30,752	-	30,752	-
The Company	Ascendax Venture Capital Corp. stock	-	Financial assets at FVOCI – noncurrent	1,924,230	25,612	5.25%	25,612	-
The Company	Chenfeng Optronics Corp. stock	-	Financial assets at FVOCI – noncurrent	1,000,000	16,690	1.06%	16,690	-
The Company	Fubon Financial Holding Co., Ltd. Preferred Shares B	-	Financial assets at FVOCI – noncurrent	13,845	838	-	838	-
The Company	Innolux Corp. stock	-	Financial assets at FVOCI – current	1,038,115	15,053	0.01%	15,053	-
The Company	Quanta Computer Inc. stock	-	Financial assets at FVOCI – current	699,000	62,281	0.02%	62,281	-
The Company	Pegatron Co., Ltd. stock	-	Financial assets at FVOCI – current	216,000	15,055	0.01%	15,055	-
The Company	Chicony Electronics Co., Ltd. stock	-	Financial assets at FVOCI – current	300,000	28,590	0.04%	28,590	-
The Company	Lite-On Technology Corp. stock	-	Financial assets at FVOCI – current	564,000	41,341	0.02%	41,341	-
The Company	Mega Financial Holding Co., Ltd. stock	-	Financial assets at FVOCI – current	1,266,900	41,808	0.01%	41,808	-
The Company	Taiwan Cement Corp., Ltd. stock	-	Financial assets at FVOCI – current	868,943	31,629	0.01%	31,629	-
The Company	ASE Technology Holding Co., Ltd. stock	-	Financial assets at FVOCI – current	295,000	33,187	0.01%	33,187	-
The Company	Nan Ya Plastics Corporation. stock	-	Financial assets at FVOCI – current	300,000	23,250	-	23,250	-
The Company	China Development Financial Holding Corp. stock	-	Financial assets at FVOCI – current	1,800,000	22,590	0.01%	22,590	-
The Company	Evergreen Marine Corp. (Taiwan) Ltd. stock	-	Financial assets at FVOCI – current	84,000	13,314	-	13,314	-
The Company	Coasia Microelectronics Corp. stock	-	Financial assets at FVOCI – current	470,827	5,391	0.32%	5,391	-
The Company	Shian Yih Electronic Co., Ltd. stock	-	Financial assets at FVOCI – current	480,000	13,584	0.78%	13,584	-
Ying Dar Investment Development Corp	Shian Yih Electronic Co., Ltd. stock	-	Financial assets at FVOCI – current	550,000	15,565	0.90%	15,565	-
Ying Dar Investment Development Corp	The Company's stock	The Company	Financial assets at FVOCI – noncurrent	5,346,672	139,281	3.40%	139,281	(Note)
Bae Haw Investment Development Corp	Everest Technology Inc.	-	Financial assets at FVOCI – noncurrent	1,000,000	-	1.47%	-	-
Bae Haw Investment Development Corp	Shian Yih Electronic Co., Ltd. stock	-	Financial assets at FVOCI – current	380,000	10,754	0.62%	10,754	-
Bae Haw Investment Development Corp	The Company's stock	The Company	Financial assets at FVOCI – noncurrent	3,447,716	89,813	2.19%	89,813	(Note)
Ying Cheng Investment Corp.	Chenfeng Optronics Corp. stock	-	Financial assets at FVOCI – noncurrent	6,000,000	100,140	6.38%	100,140	-

Note: It was eliminated in the consolidation

- (iv) Accumulated trading amount of a single security in excess of \$300 million or 20% of the Group's issued share capital: None.
- (v) Acquisition of property, plant and equipment in excess of \$300 million or 20% of issued share capital: None.
- (vi) Disposal of property, plant and equipment in excess of \$300 million or 20% of issued share capital: None.

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

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

Purchasing (selling) company	Counter party	Relationship	Detail of transaction				Circumstances of and reasons for deviation from regular trading conditions		Resulting receivables (payables)		Remarks
			Purchase (sale)	Amount	% of net purchase (sales)	Credit line	Unit price	Period for credit	Balance	% of notes and accounts receivable (payable)	
The Company	Emerging Display Technologies Corp., U.S.A.	Subsidiary of the Company	Sale	215,512	19.33%	3 months	Sales prices offered to Emerging Display Technologies Corp., U.S.A. was not significantly different from those offered to other customers	Considering the trading practices in North American market, the company set credit duration as three months for North American market, which is slightly longer than one to three months set in other markets.	208,945	27.92%	(Note)
Emerging Display Technologies Corp., U.S.A.	The Company	Subsidiary of the Company	Purchase	215,512	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.	(208,945)	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 208,945	3.50	-	-	53,236	-	(Note)

Note: It was eliminated in the consolidation.

(ix) Derivative financial instrument transactions :

Please refer to note 6(b).

(x) Significant inter-Group transactions :

No.	Name	Counterparty	Relationship (Note 1)	Details of transaction			% of total consolidated revenue or total asset
				Subject	Amount	Term of trading	
0	The Company	Emerging Display Technologies Corp., U.S.A.	1	Sales revenue	215,512	Considering the trading practices in North American market, the Group set credit duration as three months for North American market, which is slightly longer than one to three months set in other markets.	19.03%
				Accounts payable	208,945		4.98%
0	The Company	EDT-Europe ApS	1	Selling expenses-Commission	20,361	No non-related-party transaction to compare to.	1.80%
				Other payable	5,341		0.13%
0	The Company	Emerging Display Technologies Korea	1	Selling expenses-Commission	975	No non-related-party transaction to compare to.	0.09%
0	The Company	EDT-Japan Corp.	1	Selling expenses-Commission	3,188	No non-related-party transaction to compare to.	0.28%
0	The Company	Dong Guan Emerging Display Limited	1	Processing cost	50,411	No non-related-party transaction to compare to.	4.55%
				Accounts payable (Note 2)	4,397		0.10%

Note 1 : Relationship notes as follows :

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

Note 2 : The group's sales of raw material (including the group purchased on behalf of the related parties) and semi finished products to Dong Guan Emerging Display Limited were considered as contracted processing. The relative resulting transactions listed in accounts receivable (payable).

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

Relevant information about investees for the three months ended March 31, 2023 was as follows :

Name of investor	Name of investee	Location	Business scope	Original cost of investment		Held at the end of term			Net income (loss) of the investee	Investment income (less) recognized	Remarks
				March 31, 2023	December 31, 2022	Shares owned	Percentage owned	Carrying value			
The Company	Emerging Display Technologies Corp., U.S.A.	USA	Trading	121,656	121,656	3,500,000	100.00%	100,164 (Note 1)	(1,536)	(1,787)	Subsidiary (Note2)
The Company	Emerging Display International (Samoa) Corp.	Samoa	Investment holding	180,503	180,503	5,984,071	78.49%	66,548	(351)	(276)	Subsidiary (Note2)
The Company	EDT-Europe ApS	Denmark	Customer service and business support	71,172	71,172	1,825,000	100.00%	79,915	63	63	Subsidiary (Note2)
The Company	Emerging Display Technologies Korea	Korea	Business support	1,677	1,677	58,212,500	100.00%	1,584	54	54	Subsidiary (Note2)
The Company	EDT-Japan Corp.	Japan	Customer service and business support	17,401	17,401	5,000	100.00%	6,828	328	328	Subsidiary (Note2)
The Company	Ying Dar Investment Development Corp.	Taiwan	Investment	89,000	89,000	8,900,000	100.00%	31,712	(33)	(33)	Subsidiary (Note2)
The Company	Bae Haw Investment Development Corp.	Taiwan	Investment	89,000	89,000	8,900,000	100.00%	44,413	(52)	(52)	Subsidiary (Note2)
The Company	Ying Cheng Investment Corp.	Taiwan	Investment	84,000	84,000	8,400,000	52.50%	57,687	(12)	(6)	Subsidiary (Note2)
Ying Dar Investment Development Corp.	Emerging Display International (Samoa) Corp.	Samoa	Investment holding	13,234	13,234	450,000	5.90%	5,002	(351)	(21)	Subsidiary (Note2)
Bae Haw Investment Development Corp.	Emerging Display International (Samoa) Corp.	Samoa	Investment holding	25,488	25,488	870,000	11.41%	9,674	(351)	(40)	Subsidiary (Note2)

Note1: It was deducted unrealized profit from sales \$18,351.

Note2: It was eliminated in the consolidation.

(c) Information on investments in Mainland China :

(i) Information on investments in Mainland China :

Investee company	Main businesses and products	Received capital	Investment method	Accumulated amount invested in Mainland China as of Jan. 1, 2023	Invested capital remitted from or repatriated to Taiwan		Accumulated amount invested in Mainland China as of March. 31, 2023	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, 2023	Accumulated investment income repatriated to Taiwan as of March. 31, 2023
					Remittance	Repatriation						
Dong Guan Emerging Display Limited	Manufacturing of LCDs and Touch panel	248,516 (USD 7,625,300)	Investing through a third country by establishing a holding Group in a third country.	219,225 (USD 6,746,936) (Note1)	-	-	219,225 (USD 6,746,936)	(343)	95.80% (Note2)	loss of \$328 Based on the investee's financial statements audited by the same auditor as the Group (Note3)	71,820 (Note4)	-

(ii) Limitation on investments in Mainland China :

Accumulated investment amount remitted from Taiwan to Mainland China as of March 31, 2023	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
211,161 (Note8) (USD6,934,668) (Note5)	424,830 (Note8) (USD13,951,732) (Note6)	1,466,155 (Note7)

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

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

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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 loss of \$20 which was recognized by Ying Dar Investment Development Corp. and a loss of \$40 which was recognized by Bae Haw Investment Development Corp.

Note 4 : The amount includes \$4,423 which was invested by Ying Dar Investment Development Corp. and \$8,554 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 \$102,596 for Ying Dar Investment Development Corp. and \$80,535 for Bae Haw Investment Development Corp.

Note 8 : Transactions denominated in foreign currencies were recorded using the rate of exchange at March 31, 2023.

(iii) Significant transactions :

The significant inter-Group transactions with the subsidiary in Mainland China, which were eliminated in the preparation of the consolidated financial statements, was disclosed in "information on significant transactions" for the three months ended March 31, 2023.

(d) Major shareholder :

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

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

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

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

(14) Segment Information

Reportable segment information was as follows :

	For the three months ended March 31					
	2023					
	Domestic	North America	Mainland China	Other operating Department	Adjustments and Eliminations	Total
Revenue:						
Sales to customers other than consolidated entities	\$ 898,187	233,915	-	151	-	1,132,253
Sales among consolidated entities	216,860	-	50,411	24,524	(291,795)	-
Total revenue	\$ 1,115,047	233,915	50,411	24,675	(291,795)	1,132,253
Segment Income	\$ 107,859	(1,963)	43	616	(3,222)	103,333
	For the three months ended March 31					
	2022					
	Domestic	North America	Mainland China	Other operating Department	Adjustments and Eliminations	Total
Revenue:						
Sales to customers other than consolidated entities	\$ 751,479	276,277	-	143	-	1,027,899
Sales among consolidated entities	269,771	-	54,762	18,619	(343,152)	-
Total revenue	\$ 1,021,250	276,277	54,762	18,762	(343,152)	1,027,899
Segment Income	\$ 95,401	1,725	(6,347)	(420)	1,242	91,601
	Domestic	North America	Mainland China	Other operating Department	Adjustments and Eliminations	Total
Segment Assets						
March 31,2023	\$ 3,808,164	333,440	173,362	102,832	(222,357)	4,195,441
December 31,2022	\$ 3,907,668	417,953	191,306	110,272	(341,426)	4,285,773
March 31,2022	\$ 3,457,351	354,649	153,357	21,016	(273,302)	3,713,071
Segment Liabilities						
March 31,2023	\$ 1,892,276	214,925	98,393	14,401	(218,682)	2,001,313
December 31,2022	\$ 1,849,373	296,874	115,050	22,930	(326,297)	1,957,930
March 31,2022	\$ 1,620,455	247,312	83,243	11,028	(251,436)	1,710,602

The following is the explanation of material reconciliation item :

- (a) For the three months ended March 31, 2023 and 2022, the operating segments revenue eliminated from the consolidated entities were \$291,795 and \$343,152, respectively.
- (b) For the three months ended March 31, 2023 and 2022, the operating segments profit and loss eliminated from the consolidated entities were \$3,222 and \$1,242, respectively.
- (c) As of March 31, 2023, December 31, 2022 and March 31, 2022, the operating segments assets eliminated from the consolidated entities were \$222,357, \$341,426 and \$273,302, respectively.
- (d) As of March 31, 2023, December 31, 2022 and March 31, 2022, the operating segments liabilities eliminated from the consolidated entities were \$218,682, \$326,297 and \$251,436, respectively.