



EMERGING
DISPLAY
TECHNOLOGIES
CORP.

Stock code: 3038

Emerging Display Technologies Corp. 2020 Annual Shareholders' Meeting

Meeting Agenda (Translation)

Meeting Date: June 12, 2020

Meeting Place: No. 5, Central 1st Road, K.E.P.Z. Kaohsiung, Taiwan

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Emerging Display Technologies Corp.

2020 Annual Shareholders' Meeting Procedure

I. Call Meeting to Order

II. Meeting Agenda

Time: 9:00 a.m., June 12, 2020

Place: No. 5, Central 1st Road, K.E.P.Z. Kaohsiung, Taiwan

(edt's Headquarters at 1st Floor)

Attendants: All shareholders or their proxy holders

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

1. Reporting Items:

- (1) To report the business of 2019.
- (2) Supervisors' review report of 2019 audited financial statements.
- (3) To report the distribution of 2019 employees' compensation and remuneration for directors and supervisors.
- (4) Amendment to the Company's "Practice Principles for Ethical Management".
- (5) Status of share buyback program and adoption of the Company's "Rules of Year 2020 Share Repurchase for Transferring to Employees".

2. Adopting Items:

- (1) Adoption of the Business Report and Financial Statements of 2019.
- (2) Adoption of the proposal for distribution of 2019 profits.

3. Discussion Items:

- (1) Amendment to the Company's "Articles of Incorporation".
- (2) Amendment to the Company's "Rules for Making of Endorsements/Guarantees".
- (3) Amendment to the Company's "Procedures for Loaning Funds to Others".

4. Extemporary Motions

5. Meeting Adjourned

Reporting Items:

1. To report the business of 2019.

Explanatory Note: Please refer to Attachment 1 (page 5~9).

2. Supervisors' review report of 2019 audited financial statements.

Explanatory Note: Please refer to Attachment 2 (page 10).

3. To report the distribution of 2019 employees' compensation and remuneration for directors and supervisors.

Explanatory Note:

(1) The Company's 2019 profit before tax is NT\$301,052,374 (NT\$327,230,841 if employees' compensation and remuneration for directors excluded). In accordance with Article 22-1 of "Articles of Incorporation", the Company distribute 2019 employees' compensation and remuneration for directors and supervisors as follows,

◆ Employees' compensation: 5% allocated and NT\$16,361,542 in total.

◆ Remuneration for directors and supervisors: 3% allocated and NT\$9,816,925 in total.

◆ The above will be fully paid in cash.

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

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

4. Amendment to the Company's "Practice Principles for Ethical Management".

Explanatory Note: Please refer to Attachment 3 (page 11~15).

5. Status of share buyback program and adoption of the Company's "Rules of Year 2020 Share Repurchase for Transferring to Employees".

Explanatory Note: Please refer to Attachment 4 and 5 (page 16, 17~18).

Adopting Items:

1. 2019 Business Report and Financial Statements of the Company. Adoption is respectfully requested. (Proposed by the Board of Directors)

Explanatory Note:

- (1) 2019 Parent-Company-Only Financial Statements and Consolidated Financial Statements were audited by independent auditors, Po Jen, Yang and Yen Ta, Su of KPMG Taiwan.
- (2) 2019 Business Report, Independent Auditor's report and the aforementioned Financial Statements are attached hereto as Attachment 1, 6 and 7 (page 5~9, 19~26, 27~34).
- (3) Please proceed to adopt.

Resolution:

2. Distribution of 2019 Profits. Adoption is respectfully requested. (Proposed by the Board of Directors)

Explanatory Note:

- (1) In Fiscal Year 2019, the Company made a net profit of NT\$257,325,374. By adding previous years' retained earnings of NT\$68,681,489, proceeds from disposal of equity instruments at fair value through other comprehensive income of NT\$10,514,003, reversal of special reserve for equity deduction of NT\$9,958,469, reversal of special reserve for changes of market price of the Company's shares held by subsidiaries of NT\$38,735,481, and deducting changes of remeasurement from defined benefit plans of NT\$2,876,000, retirement of treasury stock of NT\$2,699,861, total distributable earnings for year amounted to NT\$379,638,955. After setting aside 10% of net profit as legal reserve of NT\$25,732,538, the profit to be distributed among shareholders shall be NT\$188,889,124 in cash dividends (NT\$1.2 per share). The cash dividends will be distributed according to the percent of shareholding on ex-dividend date and fully distributed until last integer and preclude fraction of dollar. The remainder of undistributed net earnings will be recorded as the Company's other income. Please refer to Attachment 8 (page 35) for profit allocation proposal.
- (2) In the event that, the proposed dividend distribution ratio is affected due to share buyback program, transfer of treasury stocks to employees, reduction of shares or any other reasons affecting the number of outstanding shares, it is proposed that the Chairman be fully authorized to handle such distribution.
- (3) Upon the approval of the shareholders' meeting, it is proposed that the Chairman be authorized to resolve the ex-dividend date.
- (4) Please proceed to adopt.

Resolution:

Discussion Items:

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

Explanatory Note: Please refer to Attachment 9 (page 36).

Resolution:

2. Amendment to the Company's "Rules for Making of Endorsements/Guarantees". Approval is respectfully requested. (Proposed by the Board of Directors)

Explanatory Note: Please refer to Attachment 10 (page 37~40).

Resolution:

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

Explanatory Note: Please refer to Attachment 11 (page 41~44).

Resolution:

Extemporaneous Motions

Meeting Adjourned

ATTACHMENT 1

Emerging Display Technologies Corp. 2019 Business Report

Dear Shareholders,

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

The results of our operating performance in 2019 and outlook for the future are as following:

2019 Business Report

1. Operating Performance

The consolidated net operating revenue in 2019 totaled NT\$4,107,559 thousand has a great increase of 45.72% over NT\$2,818,735 thousand in 2018 due to the growing sales of smart home appliances. Also, overall gross profit was increased due to the effects of proportional increase in product portfolio combining Capacitive Touch Panel (CTP) and Thin Film Transistor Liquid Crystal Display (TFT-LCD). Therefore, the consolidated net income was greatly increased by 129.17% and earnings per share reached NT\$1.73 which was the top in the past 14 years.

LCD modules make up around 40% of total sales. Because of increased demand from individual clients, Capacitive Touch Panel (CTP) and modules make up around 60% of sold amount and this has a positive effect on long-term set profit growth and effective capacity utilization.

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

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

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

2. Consolidated financial results & profitability analysis

Unit: NT\$ thousands

	2019	2018
Operating profit	314,590	60,968
Non-operating income and expenses	(10,690)	65,661
Profit before tax	303,900	126,629
Net profit	257,047	112,163
Return on assets	7.63%	3.52%
Return on shareholders' equity	13.66%	6.02%
Pre-tax income to paid-in capital	18.71%	7.26%
Profit ratio	6.25%	3.98%
Earnings per share (NT\$)	1.73	0.71

3. Research and development Status

- (1) From the establishment of **edt**, the research and development of new technology has been highly valued. We spare no effort in improving product quality and developing new varieties. Research and development results of 2019 are as following:

Item	R&D Results	Description of Benefits
1	3D Curved Touch Panel with Display Technology Development	Finish 10.1" demo box of 3D curved touch display to meet customers' demand for high-end products featuring, such as wearable devices and automobile dashboards applications.
2	Capacitive Touch Integrated with EMR(Electro Magnetic Resonance) Pen Technology	Finish the prototype development of capacitive and electromagnetic pen dual-mode touch display which is a mixed-sensor integration able to seamlessly and accurately switch between pen and finger input. It mainly applies to electronic signature pads, medical instruments, professional graphics tablets or tablets for education.
3	Smart Window with Gesture Recognition Technology Development	Successfully developed "3D gesture smart energy-saving electronic window device" has won 2019 Smart Innovation Application Award. This device can isolate radiant energy and improve the defect of Low-Emissivity (Low-E) glasses that can not be adjusted light transmittance by users according to the weather. Due to built-in 3D gesture recognition and embedded systems, this device can be controlled by hand or bluetooth remote control, even through the mobile app.
4	Anti-Shatter and Anti-UV Touch Display Development	It is designed not only to prevent the shattering of glass type touch display, but also to prevent the deterioration of touch display by absorbing UV ray. It can satisfy the safety demand in automotive, nautical, flight or outdoor applications.

5	Microchip maXTouch Solution Development	Finish the first version firmware adjustment of three modules and send samples to customers for evaluation.
6	2D Touch+3D Gesture Recognition Technology Development	In addition to the 2D touch function, it also supports non-contact 3D gesture recognition and basic gesture recognition such as horizontal move, vertical move, and rotation (forward and reverse). Moreover, it can track gesture coordinates through the spatial coordinate algorithm design developed by us.
7	Development of Water Tolerance Capacitive Touch Module	There is no need to turn off the capacitance sensing function to perform one-finger coordinate reporting with liquid interference. Moreover, there is no problem of misreporting the coordinate.
8	Value Line Embedded Product	Finish eight types of products on the STM32F746 and STM32F750 platforms, which are 4.3", 5" and 7" TFT-LCD.
9	Embedded with PoE	Finish five types of products on the STM32H750 platforms, which are 7" and 10.1" 1024*600 resolution TFT-LCD.
10	Embedded with Wireless	Design an expansion module for the STM32F750 and STM32H750 platforms, including BLE with SD card, which can be used for ten products.
11	Intellectual Property Rights (include Patents and Trade Secret)	Number of intellectual property right proposals totaled 22, which include 11 patent proposals and 11 trade secret proposals. Number of intellectual property rights granted totaled 7 (proposals accumulated in the previous years).

(2) Future research and development projects and corresponding budget

In response to the vast market of increasingly popular interaction displays, we plan on investing NT\$130,120 thousand into research and development in 2020. In addition to sparing no effort in the research and development of existing areas, we are also quite prepared for new application related software / hardware technologies, such as touch function, somatosensory technology, and embedded system software. Future research and development projects are as follows:

- ◆ Capacitive Touch Integrated with EMR(Electro Magnetic Resonance) Pen Technology
- ◆ Embedded Product Platform
- ◆ Boot Loader Online Firmware Updates
- ◆ Development Board
- ◆ CTP Water Tolerance Improvement with AI
- ◆ Microchip maXTouch Solution Development
- ◆ Digital Transformation Development for Collaborative Robot(Cobot/Co-robot) Application
- ◆ 2D Touch Display Module + AI Edge Computing + MCU/MPU + 3D Gesture Recognition Technology Development
- ◆ 2D Touch Display Module + AI Edge Computing + MCU/MPU + Simple Audio Recognition Technology Development
- ◆ 2D Touch Display Module + AI Edge Computing + MCU/MPU + Sensor Fusion Recognition Technology (3D Gesture + Simple Audio) Development

Summary of Business Plan for 2020

1. Business objectives

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

2. Expected sales numbers and its basis

- (1) Expected sales numbers for 2020:
 - ① LCD modules 2,900 thousand units
 - ② CTP and modules 1,600 thousand units
- (2) Basis for expected sales numbers of 2020:
 - ① With the emerging trend of various pan-intelligent products, applications for internet of things, smart home, and wearable devices, the future market demand and application of touch panels will continue to grow.
 - ② The considerable growth potential for small and medium size TFT panels in consumer and pan-industrial electronic products can drive up the sale of TFT modules.
 - ③ Integrated touch display design has become the mainstream gradually with various application market and the customization requirements are relatively high. We believe that there will be a yearly double-digit growth for solutions of touch function combined with display panel.

3. Key sales strategies

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

Future Development Strategies

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

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

1. In response to EU RoHS and REACH regulations as well as consideration of environmental climate change caused by the greenhouse effect, we will actively work with supplies and vendors in corresponding managerial activities that save energy and reduce carbon emission to comply with environmental trends and enhance product competitiveness.
2. In response to trade war, we will effectively readjust and reallocate production line in each area to lower tariff influence to zero.
3. Due to COVID-19, global consumers' demand slowdown and further, the oversupply of LCD panels will cause external environment more competitive. **edt** will keep expand customized and high value-added products to overcome it.
4. Due to industry characteristics and the overall environment, the average selling price is declining gradually and is bound to affect the increase of gross margin. We will seek continuous growth in revenue and profit through product re-organization, manufacturing process improvement and more efficient supply chain management.
5. Over 90% of total operating revenue of **edt** is export in 2019. Since exchange rate fluctuations have a significant impact on us, efficient and stable financial operations will be used for risk aversion.

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

ATTACHMENT 2

Emerging Display Technologies Corp. Supervisors' Review Report

The Board of Directors report the business report, consolidated financial statements, parent-company-only financial statements and profit allocation proposal of 2019. Of the said documents, the financial statements have been duly audited by Certified Public Accountants Po Jen, Yang and Yen Ta, Su of KPMG Taiwan.

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

Submitted to:

2020 Shareholders' Meeting of the Company

Emerging Display Technologies Corp.

Supervisor: Lin, Yu-Fen



Supervisor: Tseng, Shu-Ling



Supervisor: Ting, Hung-Hsun



March 17, 2020

ATTACHMENT 3

Emerging Display Technologies Corp. Amendment to “Practice Principles for Ethical Management”

Original Article		Amended Article		Notes
Article 5	The Corporation abides by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith, and establishes good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.	Article 5	The Corporation abides by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith <u>and obtains approval from the Board of Directors</u> , and establishes good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.	Following 23 May 2019 Letter No. Taiwan-Stock-Governance-10800 08378 of the Taiwan Stock Exchange Corporation.
Article 7	The Corporation analyzes business activities within our business scope which are at a higher risk of being involved in unethical conduct, and establishes prevention programs and enhances relevant preventive measures. The Corporation establishes the prevention programs, which at least include preventive measures against the following: (Below paragraph omitted)	Article 7	The Corporation <u>establishes a risk assessment mechanism against unethical conduct, analyzes and assesses on a regular basis</u> business activities within our business scope which are at a higher risk of being involved in unethical conduct, and establishes prevention programs <u>accordingly and reviews their adequacy and effectiveness on a regular basis</u> . The Corporation <u>refers to prevailing domestic and foreign standards or guidelines in establishing the</u> prevention programs, which at least include preventive measures against the following: (Below paragraph omitted)	Following 23 May 2019 Letter No. Taiwan-Stock-Governance-10800 08378 of the Taiwan Stock Exchange Corporation.
Article 8	The Corporation and our respective business group clearly specify in our rules and external documents the ethical management policies and the commitment by the Board of Directors and senior management on rigorous and thorough implementation of such policies, and carry out the policies in internal management and in commercial activities.	Article 8	The Corporation and our respective business group clearly specify in our rules and external documents <u>and on the Corporation’s website</u> the ethical management policies and the commitment by the Board of Directors and senior management on rigorous and thorough implementation of such policies, and carry out the policies in internal management and in commercial activities.	Following 23 May 2019 Letter No. Taiwan-Stock-Governance-10800 08378 of the Taiwan Stock Exchange Corporation.
Article 17	The directors, supervisors, managers, employees, mandataries, and substantial controllers of the Corporation exercise the due care of good administrators to urge the Corporation to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of our ethical management policies.	Article 17	The directors, supervisors, managers, employees, mandataries, and substantial controllers of the Corporation exercise the due care of good administrators to urge the Corporation to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of our ethical management policies.	Following 23 May 2019 Letter No. Taiwan-Stock-Governance-10800 08378 of the Taiwan Stock Exchange Corporation.

Original Article	Amended Article	Notes
<p>To achieve sound ethical management, the Corporation establishes a dedicated unit that is responsible for establishing and supervising the implementation of the ethical management policies and prevention programs. The dedicated unit reports to the Board of Directors on a regular basis.</p>	<p>To achieve sound ethical management, the Corporation establishes a dedicated unit that is <u>under the Board of Directors and avail itself of adequate resources and staff itself with competent personnel</u>, responsible for establishing and supervising the implementation of the ethical management policies and prevention programs. The dedicated unit <u>is in charge of the following matters, and reports to the Board of Directors on a regular basis (at least once a year):</u></p> <ol style="list-style-type: none"> <u>1. Assisting in incorporating ethics and moral values into the Corporation's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.</u> <u>2. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the Corporation's operations and business.</u> <u>3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.</u> <u>4. Promoting and coordinating awareness and educational activities with respect to ethics policy.</u> <u>5. Developing a whistle-blowing system and ensuring its operating effectiveness.</u> <u>6. Assisting the Board of Directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</u> 	

	Original Article	Amended Article	Notes
Article 20	(Above paragraph omitted) The internal audit unit of the Corporation examines accordingly the compliance with the prevention programs and submits an audit report to the Board of Directors. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.	(Above paragraph omitted) The internal audit unit of the Corporation, <u>based on the results of assessment of the risk of involvement in unethical conduct, devises relevant audit plans which including auditees, audit scope, audit items, audit frequency, etc., and examines</u> accordingly the compliance with the prevention programs. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary. <u>The results of examination in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit and put down in writing in the form of an audit report to be submitted to the Board of Directors.</u>	Following 23 May 2019 Letter No. Taiwan-Stock-Governance-10800 08378 of the Taiwan Stock Exchange Corporation.
	(New article)	Article 23 <u>The Corporation adopts a concrete whistle-blowing system and scrupulously operates the system. The whistle-blowing system includes at least the following:</u> <u>1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow internal and external personnel of the Corporation to submit reports.</u> <u>2. Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors or supervisors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.</u> <u>3. Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.</u> <u>4. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.</u> <u>5. Confidentiality of the identity of whistle-blowers and the content of reported cases, and an undertaking regarding anonymous reporting.</u>	Following 23 May 2019 Letter No. Taiwan-Stock-Governance-10800 08378 of the Taiwan Stock Exchange Corporation.

Original Article		Amended Article		Notes
			<p><u>6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.</u></p> <p><u>7. Whistle-blowing incentive measures.</u></p> <p><u>When material misconduct or likelihood of material impairment to the Corporation comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors or supervisors in written form.</u></p>	
Article 23	<p>The Corporation provides a proper whistle-blowing channel and keeps confidentiality of the identity of whistle-blowers and the content of reported cases.</p> <p>The Corporation adopts a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and makes immediate disclosure on the Corporation's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.</p>	Article 24	<p>The Corporation adopts <u>and publishes</u> a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and makes immediate disclosure on the Corporation's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.</p>	Revising the article no. and following 23 May 2019 Letter No. Taiwan-Stock-Governance-10800 08378 of the Taiwan Stock Exchange Corporation.
Article 24	<p>The Corporation discloses the status of implementing ethical management on the Corporation's websites, annual reports, and prospectuses, and discloses these Principles on the Market Observation Post System.</p>	Article 25	<p><u>The Corporation collects quantitative data about the promotion of ethical management and continuously analyzes and assesses the effectiveness of the promotion of ethical management policies.</u> The Corporation also discloses the <u>measures taken for implementing ethical management, the status of implementation, the foregoing quantitative data, and the effectiveness of promotion</u> on the Corporation's websites, annual reports, and prospectuses, and discloses these Principles on the Market Observation Post System.</p>	Revising the article no. and following 23 May 2019 Letter No. Taiwan-Stock-Governance-10800 08378 of the Taiwan Stock Exchange Corporation.
Article 25	<p>The Corporation at all times monitors the development of relevant local and international regulations concerning ethical management and encourage our directors, supervisors, managers, and employees to make suggestions, based on which the adopted ethical management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.</p>	Article 26	<p>The Corporation at all times monitors the development of relevant local and international regulations concerning ethical management and encourage our directors, supervisors, managers, and employees to make suggestions, based on which the adopted ethical management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.</p>	Revising the article no..

Original Article		Amended Article		Notes
Article 26	(Above paragraph omitted) These Principles have been passed by the Board of Directors on November 4, 2014. The first amendment was approved on March 6, 2015.	Article <u>27</u>	(Above paragraph omitted) <u>For the Corporation that has established an audit committee, the provisions regarding supervisors in these Principles applies mutatis mutandis to the audit committee.</u> These Principles have been passed by the Board of Directors on November 4, 2014. The first amendment was approved on March 6, 2015. <u>The second amendment was approved on August 6, 2019.</u>	Revising the article no. and amending the approval date of this amendment agreed by the Board of Directors.

ATTACHMENT 4

Emerging Display Technologies Corp. Status of Share Buyback Program

1. Already completed

April 24, 2020

Time of the buyback	1st time of 2019
The purpose of the buyback	Transfer to employees
The period for the buyback	Jan. 9, 2019~Jan. 29, 2019
The price range of the shares to be bought back	NT\$7~11
The type and number of the shares already bought back	Common stock / 5,000,000 shares
The monetary amount of the shares already bought back	NT\$50,738,984
The ratio of the number of shares bought back to the planned number of shares to be bought	100%
The number of shares that have been canceled and that have been transferred	-
The cumulative number of shares held by the Corporation	5,000,000 shares
The ratio of the cumulative number of shares held by the Corporation to the total number of the Corporation's issued shares	3.08%

2. Still in progress

April 24, 2020

Time of the buyback	1st time of 2020
The purpose of the buyback	Transfer to employees
The type of the shares to be bought back	Common stock
The ceiling on the total monetary amount of the buyback	NT\$152,729,511
The planned period for the buyback	Mar. 24, 2020~May 23, 2020
The number of shares to be bought back	7,000,000 shares
The price range of the shares to be bought back	NT\$12~20
The type and number of the shares already bought back	Common stock / 0 shares
The monetary amount of the shares already bought back	NT\$0
The ratio of the number of shares that were bought back to the planned number of shares to be bought back	0%

ATTACHMENT 5

Emerging Display Technologies Corp. Rules of Year 2020 Share Repurchase for Transferring to Employees

Adopted on March 24, 2020

- Article 1 In order to motivate employees and enhance staff coherence, the Company adopts these “Rules of Year 2020 Share Repurchase for Transferring to Employees” (hereinafter “Rules”) in accordance with Article 28-2, paragraph 1, subparagraph 1 of the Securities and Exchange Act and the provisions of the “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies” issued by the Financial Supervisory Commission. Any repurchase of shares and transfer to employees by the Company, in addition to complying with applicable laws and regulations, shall be processed in accordance with these Rules.
- Article 2 The shares repurchased to be transferred to employees are the Company's common shares. The rights and obligations associated with those shares, unless otherwise regulated by applicable laws and regulations or these Rules, will be the same as other outstanding common shares of the Company.
- Article 3 In accordance with these Rules, the repurchased shares may be transferred to employees in a single transfer or multiple transfers within three (3) years from the date of the shares repurchased. The shares not transferred within the said time limit shall be deemed as unissued by the Company, and an amendment registration of share cancellation shall be duly processed.
- Article 4 All full-time formal employees who have joined the Company and its subordinate company at home and abroad (the term “subordinate company” is in accordance with Article 369-2, paragraph 1 of the Company Act) on or before the record date of subscription are eligible to subscribe to shares in the amounts set out in Article 5 herein. Employees entitled to subscribe the shares resign during the record date of subscription and the payment period will lose their rights.
- Article 5 The number of shares to which employees may subscribe will be determined based on employees' rank, seniority, and performance evaluations, the total shares repurchased on the record date of subscription, and maximum number of shares subscribed of each employee, and approved by the Chairman of the Board.
- Article 6 The transfer procedures of this share repurchase program:
- (1) Subject to the resolution of the Board of Directors, the repurchase of the Company's shares will be publicly announced, reported, and then executed.
 - (2) The Chairman of the Board is authorized under these Rules to establish and announce the record date of subscription, the standard for subscription amount, the payment period, the rights contents, restrictions, etc. However, the amount may be subscribed by the managerial officers shall be reviewed by the Remuneration Committee and approved by the Board of Directors.

- (3) Employees who have not subscribed and accomplished payment at the conclusion of the designated subscription and payment period will be deemed to have waived their subscription rights. In the event of a remaining number of subscriptions, the Chairman of the Board is authorized to grant to other employees for subscription to the remaining shares.
- (4) Numbers of shares actually subscribed with payment received shall be calculated, and the registration of share transfers will be carried out accordingly.

Article 7 The transfer price of the shares repurchased will be determined by the average price of the actual repurchase shares. (The calculation will be rounded off to dime in NT Dollar.) Based on the Company's "Articles of Incorporation", transfer of shares to employees at a price lower than average price of the actual repurchase shares shall be adopted by a large majority representing two thirds of the votes at a shareholders' meeting attended by shareholders representing a majority of the total number of issued shares, and shall be included in the proposed resolution and explain the provisions of Article 10-1 of " Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies". If there is either an increase or a decrease in the number of the issued shares of the Company's common stock prior to the transfer, the transfer price may be adjusted accordingly within a range proportional to the increase or decrease.

The formula of adjusted transfer price:

Adjusted transfer price = Average price of the actual repurchase shares × Number of the Company's common shares issued as completion of the repurchase program ÷ Number of the Company's common shares issued before transfer of shares to employees

Article 8 After the repurchased shares being transferred and registered under employees' names, unless otherwise specified, the rights and obligations of the shares are the same as the ordinary.

Article 9 These Rules will be adopted and take effect subject to a resolution of the Board of Directors, and may be amended by submission to the Board of Directors for a resolution.

Article 10 These Rules shall be reported in the shareholders' meeting. This shall apply to any amendments.

ATTACHMENT 6

Independent Auditors' Report

Opinion

We have audited the financial statements of Emerging Display Technologies Corp. (“the Company”), which comprise the balance sheets as of December 31, 2019 and 2018, the statements of comprehensive income, changes in equity and cash flows for the years then ended December 31, 2019 and 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

1. Valuation of inventory

Please refer to Note 4(g) Inventories and Note 5 of the financial statements for inventories and accounting estimate of inventory valuation, respectively. Information regarding the inventory is shown in Note 6(f) of the financial statements.

Description of key audit matters:

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

How the matter was addressed in our audit:

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

2. Accounts receivables

Please refer to Note 4(f) of the financial statement for accounts receivable valuation, respectively. Information regarding the inventory is shown in Note 6 (d) of the financial statement.

Description of key audit matters:

The Company's customers are the manufacturers of industrial equipment, smart home devices, handheld devices, and information appliance product. The cause of some customers' delayed payment was due to the need to clarify the responsibility of problematic products that resulted from the failure of process or usage of the end product. Because of the inherent credit risk of receivables, financial statements users value collection results. Also, the amount of accounts receivable is significant to financial statements. Therefore, accounts receivables are one of the key areas our audit focused on.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included understanding the process of account checking and collection with customers; analyzing the receivable aging report; reviewing the historical receipt and bad debt records, industrial economy, and concentration of credit risk of the customers; evaluating the reasonableness of expected credit loss policy, and evaluating the appropriateness of related disclosures.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)

March 10, 2020

Notes to Readers

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

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

(English Translation of Financial Statements Originally Issued in Chinese)

EMERGING DISPLAY TECHNOLOGIES CORP.

Balance Sheets

December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2019		December 31, 2018		Liabilities and Equity		December 31, 2019		December 31, 2018	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 1,298,535	36	968,003	29	2100	Short-term borrowings (notes 6(m))	\$ 400,000	11	370,000	11
1110	Financial assets at fair value through profit or loss, current (note 6(b))	54,094	2	126,459	4	2120	Financial liabilities at fair value through profit or loss, current (notes 6(b))	994	-	-	-
1120	Financial assets at fair value through other comprehensive income, current (note 6(c))	87,024	2	184,704	5	2150	Notes payable	307	-	720	-
1170	Accounts receivable, net (notes 6(d),(u))	321,107	9	207,313	6	2170	Accounts payable	385,101	11	402,381	12
1180	Accounts receivable - related parties, net (note 6(d),(u) and 7)	289,755	8	336,872	10	2180	Accounts payable - related parties (note 7)	96,640	3	105,463	3
1200	Other receivables (note 6(e) ,(y))	18,066	-	15,826	2	2200	Other payables	253,878	7	209,312	6
1210	Other receivables - related parties (note 6(e) ,(y) and 7)	20,986	1	44,537	-	2220	Other payables - related parties (note 7)	7,471	-	3,735	-
130X	Inventories (note 6(f))	712,294	20	725,926	22	2230	Income tax liabilities	55,631	2	12,934	-
1470	Other current assets (note 6(f),(y) and 8)	50,834	1	41,973	1	2280	Lease liabilities, current (notes 6(o))	1,928	-	-	-
	Total current assets	<u>2,852,695</u>	<u>79</u>	<u>2,651,613</u>	<u>79</u>	2322	Long-term borrowings, current portion (notes 6(n) and 8)	319,555	9	-	-
						2300	Other current liabilities (notes 6(u))	22,299	1	12,629	-
							Total current liabilities	<u>1,543,804</u>	<u>44</u>	<u>1,117,174</u>	<u>32</u>
Non-current assets:						Non-Current liabilities:					
1517	Financial assets at fair value through other comprehensive income, non-current (note 6(c))	34,442	1	32,286	1	2540	Long-term borrowings (notes 6(n) and 8)	-	-	398,888	12
1550	Investments accounted for using equity method (notes 6(h))	288,846	8	287,165	9	2570	Deferred income tax liabilities (note 6(r))	-	-	932	-
1600	Property, plant and equipment (note 6(j),and 8)	309,051	9	340,513	10	2580	Lease liabilities, non-current (note 6(o))	63,432	2	-	-
1755	Right- of -use assets (note 6(k))	64,469	2	-	-	2640	Net defined benefit liability, non-current (note 6(q))	88,546	2	88,226	3
1780	Intangible assets (note 6(i))	3,760	-	2,448	-	2645	Guarantee deposits received	34	-	34	-
1840	Deferred income tax assets (note 6(r))	32,729	1	27,893	1	2670	Other non-current liabilities	936	-	-	-
1980	Other non-current financial assets (note 6(g),(y))	2,866	-	5,566	-		Total non-current liabilities	<u>152,948</u>	<u>4</u>	<u>488,080</u>	<u>15</u>
	Total non-current assets	<u>736,163</u>	<u>21</u>	<u>695,871</u>	<u>21</u>		Total liabilities	<u>1,696,752</u>	<u>48</u>	<u>1,605,254</u>	<u>47</u>
						Equity attributable to owners of parent (note 6(s)):					
						3100	Ordinary shares	1,624,076	45	1,744,076	52
						3200	Capital surplus	4,397	-	28,226	1
						3300	Retained earnings	539,266	15	355,707	11
						3400	Other equity interest	(102,612)	(3)	(112,570)	(3)
						3500	Treasury shares	(173,021)	(5)	(273,209)	(8)
							Total equity	<u>1,892,106</u>	<u>52</u>	<u>1,742,230</u>	<u>53</u>
							Total liabilities and equity	<u>\$ 3,588,858</u>	<u>100</u>	<u>3,347,484</u>	<u>100</u>
	Total assets	<u>\$ 3,588,858</u>	<u>100</u>	<u>3,347,484</u>	<u>100</u>						

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)
EMERGING DISPLAY TECHNOLOGIES CORP.
Statements of Comprehensive Income
For the years ended December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

	2019		2018	
	Amount	%	Amount	%
4000 Operating revenue (notes 6(u) and 7)	\$ 3,991,472	100	2,708,895	100
5000 Operating costs (notes 6(f), (l), (q), (v), 7 and 12)	<u>3,312,715</u>	<u>83</u>	<u>2,346,998</u>	<u>87</u>
Gross profit	678,757	17	361,897	13
5910 Less: Unrealized profit (loss) from sales (note 7)	13,567	-	9,687	-
5920 Add: Realized profit (loss) on from sales (note 7)	<u>9,687</u>	<u>-</u>	<u>12,338</u>	<u>-</u>
Gross profit	<u>674,877</u>	<u>17</u>	<u>364,548</u>	<u>13</u>
Operating expenses (notes 6(d), (l), (q), (v), 7 and 12):				
6100 Selling expenses	173,432	4	123,801	5
6200 Administrative expenses	90,719	2	86,103	3
6300 Research and development expenses	112,856	3	103,245	4
6450 Expected credit impairment loss	<u>(923)</u>	<u>-</u>	<u>661</u>	<u>-</u>
Net operating income	<u>376,084</u>	<u>9</u>	<u>313,810</u>	<u>12</u>
6500 Net other income (expenses) (note 6(w))	<u>-</u>	<u>-</u>	<u>194</u>	<u>-</u>
Net operating income	<u>298,793</u>	<u>8</u>	<u>50,932</u>	<u>1</u>
Non-operating income and expenses (note 6(x) and 7):				
7010 Other income	31,252	1	33,604	1
7020 Other gains and losses	(30,175)	(1)	40,115	1
7050 Finance costs	(13,235)	-	(12,259)	-
7070 Share of profit (loss) of associates and joint ventures accounted for using equity method	<u>14,417</u>	<u>-</u>	<u>10,966</u>	<u>-</u>
Total non-operating income and expenses	<u>2,259</u>	<u>-</u>	<u>72,426</u>	<u>2</u>
7900 Profit (loss) from continuing operations before tax	301,052	8	123,358	3
7950 Less: Income tax expenses (note 6(r))	<u>43,727</u>	<u>2</u>	<u>11,432</u>	<u>-</u>
Profit (loss)	<u>257,325</u>	<u>6</u>	<u>111,926</u>	<u>3</u>
8300 Other comprehensive income:				
8310 Components of other comprehensive income that will not be reclassified to profit or loss				
8311 Gains (losses) on remeasurements of defined benefit plans (note 6(q))	(2,876)	-	(7,672)	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note 6(s))	30,292	1	(15,204)	(1)
8330 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss (note 6(s))	(3,980)	-	(7,214)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(r))	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>23,436</u>	<u>1</u>	<u>(30,090)</u>	<u>(1)</u>
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements (note 6(s))	(5,166)	-	858	-
8380 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss (note 6(s))	(674)	-	(420)	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(r))	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Components of other comprehensive income that will be reclassified to profit or loss	<u>(5,840)</u>	<u>-</u>	<u>438</u>	<u>-</u>
8300 Other comprehensive income	<u>17,596</u>	<u>1</u>	<u>(29,652)</u>	<u>(1)</u>
8500 Comprehensive income	<u>\$ 274,921</u>	<u>7</u>	<u>82,274</u>	<u>2</u>
Earnings per share (New Taiwan Dollars) (note 6(t)):				
9750 Basic net income per share (New Taiwan Dollars)	<u>\$ 1.73</u>		<u>0.71</u>	
9850 Diluted net income per share (New Taiwan Dollars)	<u>\$ 1.72</u>		<u>0.71</u>	

See accompanying notes to financial statements.

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

EMERGING DISPLAY TECHNOLOGIES CORP.

Statements of Changes in Equity

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Total other equity interest				Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gains (losses) on available-for-sale financial assets	Treasury shares	
Balance on January 1, 2018	\$ 1,834,076	23,873	40,391	123,710	161,563	(8,709)	-	(66,163)	(273,209)	1,835,532
Effects of retrospective application	-	-	-	-	(8,314)	-	(79,429)	66,163	-	(21,580)
Balance on January 1, 2018 after adjustments	1,834,076	23,873	40,391	123,710	153,249	(8,709)	(79,429)	-	(273,209)	1,813,952
Profit	-	-	-	-	111,926	-	-	-	-	111,926
Other comprehensive income	-	-	-	-	(7,672)	438	(22,418)	-	-	(29,652)
Total comprehensive income	-	-	-	-	104,254	438	(22,418)	-	-	82,274
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	5,431	-	(5,431)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(68,349)	-	-	-	-	(68,349)
Reversal of special reserve	-	-	-	(14,498)	14,498	-	-	-	-	-
Purchase of treasury share	-	-	-	-	-	-	-	-	(89,237)	(89,237)
Retirement of treasury share	(90,000)	763	-	-	-	-	-	-	89,237	-
Cash dividends to subsidiaries	-	3,590	-	-	-	-	-	-	-	3,590
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	2,452	-	(2,452)	-	-	-
Balance on December 31, 2018	1,744,076	28,226	45,822	109,212	200,673	(8,271)	(104,299)	-	(273,209)	1,742,230
Profit	-	-	-	-	257,325	-	-	-	-	257,325
Other comprehensive income	-	-	-	-	(2,876)	(5,840)	26,312	-	-	17,596
Total comprehensive income	-	-	-	-	254,449	(5,840)	26,312	-	-	274,921
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	11,193	-	(11,193)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(78,704)	-	-	-	-	(78,704)
Special reserve	-	-	-	42,095	(42,095)	-	-	-	-	-
Purchase of treasury share	-	-	-	-	-	-	-	-	(50,738)	(50,738)
Retirement of treasury share	(120,000)	(28,226)	-	-	(2,700)	-	-	-	150,926	-
Cash dividends to subsidiaries	-	4,397	-	-	-	-	-	-	-	4,397
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	10,514	-	(10,514)	-	-	-
Balance on December 31, 2019	\$ 1,624,076	4,397	57,015	151,307	330,944	(14,111)	(88,501)	-	(173,021)	1,892,106

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

EMERGING DISPLAY TECHNOLOGIES CORP.

Statements of Cash Flows

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	2019	2018
Cash flows from (used in) operating activities:		
Profit before tax	\$ 301,052	123,358
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	68,672	62,896
Amortization expense	1,020	3,054
Expected credit impairment (gain) loss	(923)	661
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(4,809)	7,139
Interest expense	13,235	12,259
Interest income	(21,487)	(18,504)
Dividend income	(7,600)	(11,066)
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using equity method	(14,417)	(10,966)
Gain on disposal of property, plant and equipment	(367)	(1,347)
Unrealized profit from sales	13,567	9,687
Realized profit on from sales	(9,687)	(12,338)
Unrealized foreign exchange loss (gain)	30,378	(4,278)
Total adjustments to reconcile profit	<u>67,582</u>	<u>37,197</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in accounts receivable	(118,554)	28,462
Decrease in accounts receivable – related parties	42,015	14,326
Decrease in other receivable	5,581	780
Decrease (increase) in inventories	13,632	(74,346)
Increase in other current assets	(9,105)	(29,191)
Total changes in operating assets	<u>(66,431)</u>	<u>(59,969)</u>
Changes in operating liabilities:		
Decrease in notes payable	(413)	(421)
Increase (decrease) in accounts payable	(10,597)	116,571
Increase (decrease) in accounts payable – related parties	(7,793)	8,852
Increase in other payable	41,576	39,172
Increase (decrease) in other payable – related parties	3,962	(739)
Increase (decrease) in other current liabilities	9,670	(5,318)
Decrease in net defined benefit liability	(2,556)	(2,444)
Increase in other non-current liabilities	936	-
Total changes in operating liabilities	<u>34,785</u>	<u>155,673</u>
Total changes in operating assets and liabilities	<u>(31,646)</u>	<u>95,704</u>
Total adjustments	<u>35,936</u>	<u>132,901</u>
Cash inflow generated from operations	336,988	256,259
Interest received	20,884	18,587
Dividends received	7,600	11,066
Interest paid	(12,355)	(11,450)
Income taxes paid	(6,797)	(10,753)
Net cash flows from operating activities	<u>346,320</u>	<u>263,709</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(98,356)
Proceeds from disposal of financial assets at fair value through other comprehensive income	121,297	22,405
Acquisition of financial assets at fair value through profit or loss	(95,030)	(58,780)
Proceeds from disposal of financial assets at fair value through profit or loss	173,198	189,195
Acquisition of property, plant and equipment	(31,111)	(69,311)
Proceeds from disposal of property, plant and equipment	367	1,347
Prepayment for investments	-	(2,700)
Increase in other receivables-related parties	(44,603)	(43,094)
Decrease in other receivables-related parties	67,608	-
Acquisition of intangible assets	(2,332)	(2,077)
Decrease (increase) in other financial assets	(7)	4,057
Dividends received	3,434	4,981
Net cash flows used in investing activities	<u>192,821</u>	<u>(52,333)</u>
Cash flows from (used in) financing activities:		
Decrease (increase) in short-term borrowings	30,000	(187,000)
Repayments of long-term borrowings	(80,000)	-
Cash dividends paid	(78,704)	(68,349)
Payments to acquire treasury shares	(50,738)	(89,237)
Repayments of lease liabilities	(1,866)	-
Net cash flows used in financing activities	<u>(181,308)</u>	<u>(344,586)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(27,301)</u>	<u>2,599</u>
Net increase (decrease) in cash and cash equivalents	<u>330,532</u>	<u>(130,611)</u>
Cash and cash equivalents at beginning of period	<u>968,003</u>	<u>1,098,614</u>
Cash and cash equivalents at end of period	<u>\$ 1,298,535</u>	<u>968,003</u>

See accompanying notes to financial statements.

ATTACHMENT 7

Independent Auditors' Report

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

Opinion

We have audited the accompanying consolidated financial statements of Emerging Display Technologies Corp. and subsidiaries (the Group), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2019 and 2018, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the Group's consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2019 and 2018, and its consolidated financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards(IFRS), International Accounting Standards(IAS), IFRIC Interpretations(IFRIC), and SIC Interpretations(SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

1. Valuation of inventory

Please refer to Note 4(h) Inventories and Note 5 of the consolidated financial statements for inventories and accounting estimate of inventory valuation, respectively. Information regarding the inventory is shown in Note 6(f) of the consolidated financial statements.

Description of key audit matters:

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

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included selecting samples to test the accuracy of inventory aging report; analyzing the changes of inventory aging; assessing the reasonableness of the accounting policy, such as provision of inventory valuation and obsolescence, reviewing the accuracy of prior year's inventory allowance and assessing the reasonableness of the provision. Moreover, we assess the changes of obsolescence inventory in the subsequent events, and the basis of net realizable value to evaluate the accuracy of the Group's provisions. In addition, we also assessed the appropriateness of the provisions and disclosures made by the management.

2. Accounts receivable

Please refer to Note 4(g) of the consolidated financial statement for receivable. Information regarding the account receivable impairment assessment is shown in Note 6 (d) of the consolidated financial statements.

Description of key audit matters:

The Group's customers are the manufacturers of industrial equipment, smart home devices, handheld devices, and information appliance product. The cause of some customers delayed payment was there is a need to clarify the responsibility of problematic products that resulted from the failure of process or the usage of end product. Because of the inherent credit risk of receivables, financial statements users value collection results. Also, the amount of accounts receivable is significant to financial statements. Therefore, this is one of the key areas our audit focused on.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included understanding the processes of account checking and collection with customers; analyzing the receivable aging report; reviewing the historical receipt and bad debt records, industrial economy, and concentration of credit risk of the customers; evaluating the reasonableness of expected credit loss policy, and evaluating the appropriateness of related disclosures.

Other Matters

We have also audited the parent company only financial statements of Emerging Display Technologies Corp. as of and for the year ended December 31, 2019 and 2018, on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on this consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)

March 10, 2020

Notes to Readers

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

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

(English Translation of Financial Statements and Report Originally Issued in Chinese)
EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

Assets	2019.12.31		2018.12.31		Liabilities and Equity	2019.12.31		2018.12.31	
	Amount	%	Amount	%		Amount	%	Amount	%
Current assets:					Current liabilities:				
Cash and cash equivalents (Note 6(a))	\$ 1,368,252	38	1,029,113	30	Short-term loans (Notes 6(m))	\$ 400,000	11	370,000	11
Financial assets at fair value through profit or loss, current (Note 6(b))	54,094	1	126,459	4	Financial liabilities at fair value through profit or loss, current (Notes 6(b))	994	-	-	-
Financial assets at fair value through other comprehensive income, current (Note 6(c))	109,554	3	203,906	6	Notes payable	307	-	720	-
Accounts receivable, net (Note 6(d) and 6 (u))	537,591	15	468,844	14	Accounts payable	431,437	12	459,356	14
Other receivables (Note 6(e) and 6(y))	18,684	-	15,840	-	Other payables	283,605	8	237,415	7
Income tax assets	95	-	630	-	Income tax liabilities	57,038	2	14,199	-
Inventories (Note 6(f))	803,035	22	844,538	25	Lease liabilities, current (Notes 6(o))	11,907	-	-	-
Other current assets (Note 6(g) and 8)	59,389	2	55,271	2	Long-term loans, current portion (Notes 6(n) and 8)	319,555	9	-	-
Total current assets	2,950,694	81	2,744,601	81	Other current liabilities (Notes 6(u))	23,398	-	14,909	-
Non-current assets:					Total current liabilities	1,528,241	42	1,096,599	32
Financial assets at fair value through other comprehensive income, non-current (Note 6(c))	140,762	4	152,526	5	Non-current liabilities:				
Property, plant and equipment (Notes 6(i) ,6(k) and 8)	365,955	10	455,838	13	Long-term loans (Notes 6(n) and 8)	-	-	398,888	12
Right-of-use assets (Notes 6(j))	77,207	2	-	-	Deferred income tax liabilities (Note 6(r))	-	-	932	-
Investment property (Notes 6(i) ,6(k) and 6(p))	57,834	2	-	-	Lease liabilities, non-current (Notes 6(o))	66,575	2	-	-
Intangible assets (Note 6(l))	3,777	-	2,471	-	Net defined benefit liabilities, non-current (Note 6(q))	88,546	2	88,226	3
Deferred income tax assets (Note 6(r))	33,003	1	28,132	1	Guarantee deposits received	587	-	264	-
Other non-current financial assets (Notes 6(g) and 8)	7,634	-	10,500	-	Other non-current liabilities	936	-	-	-
Total non-current assets	686,172	19	649,467	19	Total non-current liabilities	156,644	4	488,310	15
					Total liabilities	1,684,885	46	1,584,909	47
					Equity attributable to shareholders of the parent (Note 6 (s)):				
					Common stock	1,624,076	45	1,744,076	51
					Capital surplus	4,397	-	28,226	1
					Retained earnings	539,266	15	355,707	10
					Other equity interest	(102,612)	(3)	(112,570)	(3)
					Treasury stock	(173,021)	(5)	(273,209)	(8)
					Total equity attributable to shareholders of the parent	1,892,106	52	1,742,230	51
					Non-controlling interests(Note 6(h))	59,875	2	66,929	2
					Total equity	1,951,981	54	1,809,159	53
TOTAL	\$ 3,636,866	100	3,394,068	100	TOTAL	\$ 3,636,866	100	3,394,068	100

See accompanying notes to consolidated financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)
EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
Operating revenue (Note 6(u))	\$ 4,107,559	100	2,818,735	100
Operating cost (Note 6(f , l, p, q & v) and 12)	3,306,539	80	2,339,384	83
Gross profit	801,020	20	479,351	17
Operating expenses (Note 6(d, l, p, q & v) 7 and 12):				
Selling expenses	244,031	6	188,586	7
General and administrative expenses	132,038	3	127,386	4
Research and development expenses	112,855	3	103,245	4
Expected credit impairment loss	(1,560)	-	1,244	-
Total operating expenses	487,364	12	420,461	15
Net other income (expenses) (Note 6(p, w))	934	-	2,078	-
Operating profit	314,590	8	60,968	2
Non-operating income and expenses(Note 6(x)):				
Other income	32,661	1	34,829	1
Other gains and losses	(29,096)	(1)	43,098	2
Finance costs	(14,255)	-	(12,266)	-
Total Non-operating income and expenses	(10,690)	-	65,661	3
Profit before income tax	303,900	8	126,629	5
Income tax expense (Note 6(r))	46,853	1	14,466	1
Profit	257,047	7	112,163	4
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit obligation (Note 6(q))	(2,876)	-	(7,672)	-
Unrealized losses on investments in equity instruments at fair value through other comprehensive income (Note 6(s))	19,699	-	(21,734)	(1)
Less: Income tax related to items that will not be reclassified subsequently (Note 6(r))	-	-	-	-
	16,823	-	(29,406)	(1)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation(Note 6(s))	(6,003)	-	337	-
Less: Income tax related to items that will be reclassified subsequently (Note 6(r))	-	-	-	-
	(6,003)	-	337	-
Other comprehensive income, net	10,820	-	(29,069)	(1)
Comprehensive income	267,867	7	83,094	3
Profit (loss) attributable to				
Shareholders of the parent	257,325	7	111,926	4
Non-controlling interests	(278)	-	237	-
Net Profit (loss)	257,047	7	112,163	4
Comprehensive income attributable to				
Shareholders of the parent	274,921	7	82,274	3
Non-controlling interests	(7,054)	-	820	-
Total comprehensive income	\$ 267,867	7	83,094	3
Earnings per share (New Taiwan Dollars) (Note 6(t)):				
Basic earnings per share	\$ 1.73		0.71	
Diluted earnings per share	\$ 1.72		0.71	

See accompanying notes to consolidated financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)
EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the years ended December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to shareholders of parent											
	Retained earnings					Other equity interest				Total equity attributable to shareholders of parent	Non-controlling interests	Total Equity
	Common stock	Capital surplus	Legal capital reserve	Special capital reserve	Unappropriated earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Unrealized gains(losses) on available-for- sale financial assets	Treasury stock			
										Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Unrealized gains(losses) on available-for- sale financial assets	Total equity attributable to shareholders of parent
Balance at January 1, 2018	\$ 1,834,076	23,873	40,391	123,710	161,563	(8,709)	-	(66,163)	(273,209)	1,835,532	82,030	1,917,562
Effects of retrospective application	-	-	-	-	(8,314)	-	-	66,163	-	(21,580)	(14,820)	(36,400)
Balance on January 1, 2018 after adjustments	1,834,076	23,873	40,391	123,710	153,249	(8,709)	-	-	(273,209)	1,813,952	67,210	1,881,162
Profit	-	-	-	-	111,926	-	-	-	-	111,926	237	112,163
Other comprehensive income	-	-	-	-	(7,672)	438	-	-	-	(29,652)	583	(29,069)
Total comprehensive income	-	-	-	-	104,254	438	-	-	-	82,274	820	83,094
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	5,431	-	(5,431)	-	-	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	(68,349)	-	-	-	-	(68,349)	-	(68,349)
Reversal of special reserve	-	-	-	(14,498)	14,498	-	-	-	-	-	-	-
Purchase of treasury stock	-	-	-	-	-	-	-	-	(89,237)	(89,237)	-	(89,237)
Retirement of treasury stock	(90,000)	763	-	-	-	-	-	-	89,237	-	-	-
Cash dividends to subsidiaries	-	3,590	-	-	-	-	-	-	-	3,590	-	3,590
Cash dividends distribution of subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,101)	(1,101)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	2,452	-	-	-	-	-	-	-
Balance at December 31, 2018	1,744,076	28,226	45,822	109,212	200,673	(8,271)	(104,299)	-	(273,209)	1,742,230	66,929	1,809,159
Profit	-	-	-	-	257,325	-	-	-	-	257,325	(278)	257,047
Other comprehensive income	-	-	-	-	(2,876)	(5,840)	-	-	-	17,596	(6,776)	10,820
Total comprehensive income	-	-	-	-	254,449	(5,840)	-	-	-	274,921	(7,054)	267,867
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	11,193	-	(11,193)	-	-	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	(78,704)	-	-	-	-	(78,704)	-	(78,704)
Special reserve	-	-	-	42,095	(42,095)	-	-	-	-	-	-	-
Purchase of treasury stock	-	-	-	-	-	-	-	-	(50,738)	(50,738)	-	(50,738)
Retirement of treasury stock	(120,000)	(28,226)	-	-	(2,700)	-	-	-	150,926	-	-	-
Cash dividends to subsidiaries	-	4,397	-	-	-	-	-	-	-	4,397	-	4,397
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	10,514	-	-	-	-	-	-	-
Balance at December 31, 2019	\$ 1,624,076	4,397	57,015	151,307	330,944	(14,111)	(88,501)	-	(173,021)	1,892,106	59,875	1,951,981

See accompanying notes to consolidated financial statements.

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

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	2019	2018
Cash flows from (used in) operating activities		
Profit before tax	\$ 303,900	126,629
Adjustments :		
Adjustments to reconcile profit (loss):		
Depreciation expense	83,955	66,363
Amortization expense	1,055	3,190
Expected credit impairment (gain) loss	(1,560)	1,244
Net (gains) losses on financial assets or liabilities at fair value through profit or loss	(4,809)	7,139
Interest expense	14,255	12,266
Interest income	(20,472)	(17,316)
Dividend income	(8,716)	(12,926)
Gain on disposal of property, plant, equipment	(568)	(4,152)
Unrealized foreign exchange loss (gain)	31,256	(5,410)
Total adjustments to reconcile profit	<u>94,396</u>	<u>50,398</u>
Changes in operating assets and liabilities		
Changes in operating assets:		
Accounts receivable	(77,928)	28,170
Other accounts receivable	4,957	779
Inventories	38,403	(58,698)
Other current assets	(5,599)	(9,924)
Total net changes in operating assets	<u>(40,167)</u>	<u>(39,673)</u>
Net changes in operating liabilities:		
Notes payable	(413)	(421)
Accounts payable	(19,702)	115,954
Other payables	44,049	37,634
Other current liabilities	9,712	(4,826)
Net defined benefit liability	(2,556)	(2,444)
Other non-current liabilities	936	-
Total net change in operating liabilities	<u>32,026</u>	<u>145,897</u>
Total net change in operating assets and liabilities	<u>(8,141)</u>	<u>106,224</u>
Total adjustments	<u>86,255</u>	<u>156,622</u>
Cash inflow generated from (used in) operating activities	390,155	283,251
Interest received	19,869	17,399
Dividends received	8,716	12,926
Interest paid	(13,376)	(11,457)
Income taxes paid	(9,245)	(12,164)
Net cash flows from (used in) operating activities	<u>396,119</u>	<u>289,955</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(98,356)
Proceeds from disposal of financial assets at fair value through other comprehensive income	121,298	22,405
Acquisition of financial assets at fair value through profit or loss	(95,030)	(58,780)
Proceeds from disposal of financial assets at fair value through profit or loss	173,198	189,195
Acquisition of property, plant and equipment	(37,320)	(118,670)
Proceeds from disposal of property, plant, equipment	568	4,214
Prepayments on long-term equity investment	-	(2,700)
Acquisition of intangible assets	(2,361)	(2,121)
Other financial assets	(22)	4,350
Net cash flows from (used in) investing activities	<u>160,331</u>	<u>(60,463)</u>
Cash flows from (used in) financing activities:		
Short-term loans	30,000	(187,000)
Repayments of long-term loans	(80,000)	-
Increase in guarantee deposits received	339	225
Cash dividends	(74,307)	(65,859)
Payments to acquire treasury stock	(50,738)	(89,237)
Repayment of lease liabilities	(12,826)	-
Net cash flows from (used in) financing activities	<u>(187,532)</u>	<u>(341,871)</u>
Effects of changes in foreign exchange rates	<u>(29,779)</u>	<u>(7,228)</u>
Net increase (decrease) in cash and cash equivalents	339,139	(119,607)
Cash and cash equivalents at beginning of year	1,029,113	1,148,720
Cash and cash equivalents at end of year	<u>\$ 1,368,252</u>	<u>1,029,113</u>

See accompanying notes to consolidated financial statements.

ATTACHMENT 8

Emerging Display Technologies Corp. 2019 Profit Distribution Proposal

	Unit: NT\$
Beginning retained earnings	\$68,681,489
Plus: Net Income of year 2019	257,325,374
Proceeds from disposal of equity instruments at fair value through other comprehensive income	10,514,003
Reversal of special reserve for equity deduction	9,958,469
Reversal of special reserve for changes of market price of edt's shares held by subsidiaries	38,735,481
Less: Changes of remeasurement of defined benefit plan	(2,876,000)
Retirement of treasury stock	(2,699,861)
Retained earnings available for distribution	379,638,955
Less: 10% of legal reserve	(25,732,538)
Distribution item:	
Cash dividend for common share holders (NT\$1.2per share)	(188,889,124)
Unappropriated retained earnings	\$165,017,293

ATTACHMENT 9

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

Original Article		Amended Article		Notes
Article 23-1	(New article)	Article 23-1	<u>The Corporation, in accordance with paragraph 5 of Article 240 of the Company Act, authorizes the distributable dividends and bonuses or legal reserve and special reserve stipulated in paragraph 1 of Article 241 of the Company Act in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the Shareholders' Meeting.</u>	Operational requirement for the Corporation.
Article 27	These Articles of Incorporation are agreed to on September 14, 1994. The first Amendment was approved on December 5, 1996. The second Amendment was approved on October 20, 1997. The third Amendment was approved on December 29, 1997. The fourth Amendment was approved on May 28, 1998. The fifth Amendment was approved on May 27, 1999. The sixth Amendment was approved on May 23, 2000. The seventh Amendment was approved on June 12, 2001. The eighth Amendment was approved on June 13, 2002. The ninth Amendment was approved on May 27, 2004. The tenth Amendment was approved on May 31, 2005. The eleventh Amendment was approved on June 8, 2006. The twelfth Amendment was approved on June 11, 2007. The thirteenth Amendment was approved on June 10, 2009. The fourteenth Amendment was approved on June 6, 2012. The fifteenth Amendment was approved on June 11, 2014. The sixteenth Amendment was approved on June 7, 2016.	Article 27	These Articles of Incorporation are agreed to on September 14, 1994. The first Amendment was approved on December 5, 1996. The second Amendment was approved on October 20, 1997. The third Amendment was approved on December 29, 1997. The fourth Amendment was approved on May 28, 1998. The fifth Amendment was approved on May 27, 1999. The sixth Amendment was approved on May 23, 2000. The seventh Amendment was approved on June 12, 2001. The eighth Amendment was approved on June 13, 2002. The ninth Amendment was approved on May 27, 2004. The tenth Amendment was approved on May 31, 2005. The eleventh Amendment was approved on June 8, 2006. The twelfth Amendment was approved on June 11, 2007. The thirteenth Amendment was approved on June 10, 2009. The fourteenth Amendment was approved on June 6, 2012. The fifteenth Amendment was approved on June 11, 2014. The sixteenth Amendment was approved on June 7, 2016. <u>The seventeenth Amendment was approved on June 12, 2020.</u>	Amending the approval date of this amendment agreed by Shareholders' Meeting.

ATTACHMENT 10

Emerging Display Technologies Corp. Amendment to “Rules for Making of Endorsements/Guarantees”

Original Article		Amended Article		Notes
Article 4	The Corporation’s aggregate endorsement/guarantee amount shall be 50% or less of the Corporation’s net worth, and the amount of endorsements/guarantees for any single entity shall be 40% or less of the Corporation’s net worth. The aggregate endorsement/guarantee amount shall be 50% or less of the Corporation’s net worth, and the amount of endorsements/guarantees for any single entity shall be 40% or less of the Corporation’s net worth, that the Corporation and our subsidiaries as a whole are permitted to make. The Corporation’s net worth shall be in accordance with the latest financial statements audited by certified public accountants.	Article 4	<u>The maximum amount of endorsements/guarantees permitted to a company with which the Corporation does business shall be the total amount of trading between both parties. The term “total amount of trading” shall mean the higher amount within purchasing or selling by the Corporation.</u> The Corporation’s aggregate endorsement/guarantee amount shall be 50% or less of the Corporation’s net worth, and the amount of endorsements/guarantees for any single entity shall be 40% or less of the Corporation’s net worth. The aggregate endorsement/guarantee amount shall be 50% or less of the Corporation’s net worth, and the amount of endorsements/guarantees for any single entity shall be 40% or less of the Corporation’s net worth, that the Corporation and our subsidiaries as a whole are permitted to make. The Corporation’s net worth shall be in accordance with the latest financial statements audited by certified public accountants.	Following 7 March 2019 Order No. Financial-Supervisory-Securities-Auditing -1080304826 of the Financial Supervisory Commission.
Article 5	(Above paragraph omitted) 3. Where the entity for which an endorsement/guarantee is made no longer meets the requirements of Article 3, or the amount of endorsement/guarantee exceeds the limit due to changes of calculating base, the Corporation shall discharge total amount of endorsement/guarantee or the excess on the expiration date of contract, or adopt a plan to discharge it within a given time limit. After that, the Corporation shall submit the settlement result to the Board of Directors.	Article 5	(Above paragraph omitted) 3. Where <u>as a result of changes of condition</u> the entity for which an endorsement/guarantee is made no longer meets the requirements of <u>“Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”</u> , or the amount of endorsement/guarantee exceeds the limit, <u>the Corporation shall adopt rectification plans and submit the rectification plans to all the supervisors (or audit committee) and independent directors, and shall complete the rectification according to the timeframe set out in the plan.</u>	Following 7 March 2019 Order No. Financial-Supervisory-Securities-Auditing -1080304826 of the Financial Supervisory Commission.
Article 6	The Corporation’s internal auditors shall audit the operational procedures for endorsements/guarantees and the implementation thereof no less frequently than quarterly and prepare	Article 6	The Corporation’s internal auditors shall audit the operational procedures for endorsements/guarantees and the implementation thereof no less frequently than quarterly and prepare	Following 7 March 2019 Order No. Financial-Supervisory-Securities-Auditing -1080304826 of the Financial Supervisory Commission.

Original Article		Amended Article		Notes
	written records accordingly. They shall promptly notify all the supervisors in writing of any material violation found.		written records accordingly. They shall promptly notify all the supervisors (<u>or audit committee</u>) and <u>independent directors</u> in writing of any material violation found.	rities-Auditing -1080304826 of the Financial Supervisory Commission.
Article 10	<p>(Above paragraph omitted)</p> <p>2. The Corporation whose balance of endorsements/guarantees reaches one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:</p> <p>A. The aggregate balance of endorsements/guarantees by the Corporation and subsidiaries reaches 50 percent or more of the Corporation's net worth as stated in the latest financial statement.</p> <p>B. The balance of endorsements/guarantees by the Corporation and subsidiaries for a single enterprise reaches 20 percent or more of the Corporation's net worth as stated in the latest financial statement.</p> <p>C. The balance of endorsements/guarantees by the Corporation and subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, value of long-term investment in, and balance of loans to, such enterprise reaches 30 percent or more of Corporation's net worth as stated in the latest financial statement.</p> <p>D. The amount of new endorsements/guarantees made by the Corporation or subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the Corporation's net worth as stated in the latest financial statement.</p> <p>The Corporation shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 4 of the preceding paragraph.</p>	Article 10	<p>(Above paragraph omitted)</p> <p>2. The Corporation whose balance of endorsements/guarantees reaches one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:</p> <p>A. The aggregate balance of endorsements/guarantees by the Corporation and subsidiaries reaches 50 percent or more of the Corporation's net worth as stated in the latest financial statement.</p> <p>B. The balance of endorsements/guarantees by the Corporation and subsidiaries for a single enterprise reaches 20 percent or more of the Corporation's net worth as stated in the latest financial statement.</p> <p>C. The balance of endorsements/guarantees by the Corporation and subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, <u>carrying value of equity method investment</u> in, and balance of loans to, such enterprise reaches 30 percent or more of Corporation's net worth as stated in the latest financial statement.</p> <p>D. The amount of new endorsements/guarantees made by the Corporation or subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the Corporation's net worth as stated in the latest financial statement.</p> <p>The Corporation shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 4 of the preceding paragraph.</p> <p><u>"Date of occurrence" in these Rules means the date of contract signing.</u></p>	Following 7 March 2019 Order No. Financial-Supervisory-Securities-Auditing -1080304826 of the Financial Supervisory Commission.

Original Article		Amended Article		Notes
			<u>date of payment, dates of Boards of Directors resolutions, or other date that can confirm the counterparty and monetary amount of the endorsement/guarantee, whichever date is earlier.</u>	
Article 12	Any violation of “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” or the Corporation’s “Rules for Making of Endorsements/Guarantees” by managers and personnel in charge will be punished according to the Corporation’s employee work rules.	Article 12	Any violation of “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” or <u>these Rules</u> by managers and personnel in charge will be punished according to the Corporation’s employee work rules.	Amending the description.
Article 14	After passage by the Board of Directors, the Corporation shall submit these Rules to each supervisor and for approval by the shareholders’ meeting, then report them to the Securities and Future Management Commission. When the Corporation submits these Rules for discussion by the Board of Directors, the Board of Directors shall take into full consideration each independent director’s opinions and record any dissent or reservation of independent director in the minutes of the Board of Directors meeting. Where there any director expresses dissent and it is contained in the minutes or a written statement, the Corporation shall submit the dissenting opinions to each supervisor. The same shall apply to any amendments to these Rules.	Article 14	<p>After passage by the Board of Directors, the Corporation shall submit these Rules to each supervisor and for approval by the shareholders’ meeting. <u>Where there any director expresses dissent and it is contained in the minutes or a written statement, the Corporation shall submit the dissenting opinions to each supervisor and for discussion by the shareholders’ meeting. The same shall apply to any amendments to these Rules.</u></p> <p>When the Corporation submits these Rules for discussion by the Board of Directors, the Board of Directors shall take into full consideration each independent director’s opinions. <u>If an independent director expresses any dissent or reservation, it shall be specifically recorded in the minutes of the Board of Directors meeting.</u></p> <p><u>After establishing an audit committee, when the Corporation adopts or amends these Rules, the amended procedures shall require the approval of one-half or more of all audit committee members, and furthermore shall be submitted for a resolution by the Board of Directors, and the provisions of the preceding paragraph shall not apply. If the approval of one-half or more of all audit committee members is not obtained, these Rules may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors meeting. The terms “all audit committee members” and “all directors” shall be counted as the actual number of persons currently holding those positions.</u></p>	Following 7 March 2019 Order No. Financial-Supervisory-Securities-Auditing -1080304826 of the Financial Supervisory Commission.

Original Article		Amended Article		Notes
Article 16	<p>These Rules have been passed by the Board of Directors on May 8, 1998.</p> <p>The first amendment was approved on June 18, 2003.</p> <p>The second amendment was approved on June 8, 2006.</p> <p>The third amendment was approved on June 10, 2009.</p> <p>The fourth amendment was approved on June 16, 2011.</p> <p>The fifth amendment was approved on June 7, 2013.</p>	Article 16	<p>These Rules have been passed by the Board of Directors on May 8, 1998.</p> <p>The first amendment was approved on June 18, 2003.</p> <p>The second amendment was approved on June 8, 2006.</p> <p>The third amendment was approved on June 10, 2009.</p> <p>The fourth amendment was approved on June 16, 2011.</p> <p>The fifth amendment was approved on June 7, 2013.</p> <p><u>The sixth amendment was approved on June 12, 2020.</u></p>	Amending the approval date of this amendment agreed by Shareholders' Meeting.

ATTACHMENT 11

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

	Original Article		Amended Article	Notes
Article 4	<p>1. Where an inter-company or inter-firm business transaction calls for a loan arrangement, provided that the financing amount to a single borrower shall not exceed the total amount of trading between both parties. The term “total amount of trading” shall mean the higher amount within purchasing or selling by the Corporation.</p> <p>2. Where an inter-company or inter-firm short-term financing facility is necessary or any entity which the Board of Directors has approved to loan funds to, provided that the aggregate financing amount shall not exceed 40 percent of the Corporation’s net worth. The restriction shall not apply to inter-company loans of funds between overseas companies in which the Corporation holds, directly or indirectly, 100% of the voting shares. However, the Corporation shall still prescribe limits on the amount and durations of such loans.</p>	Article 4	<p>1. Where an inter-company or inter-firm business transaction calls for a loan arrangement, provided that the financing amount to a single borrower shall not exceed the total amount of trading between both parties. The term “total amount of trading” shall mean the higher amount within purchasing or selling by the Corporation <u>in the past year.</u> <u>The aggregate financing amount shall not exceed 10 percent of the Corporation’s net worth.</u></p> <p>2. Where an inter-company or inter-firm short-term financing facility is necessary or any entity which the Board of Directors has approved to loan funds to, provided that <u>the financing amount to a single borrower nor</u> the aggregate financing amount shall not exceed 40 percent of the Corporation’s net worth. The restriction shall not apply to inter-company loans of funds between overseas companies in which the Corporation holds, directly or indirectly, 100% of the voting shares, <u>nor to loans of fund to the Corporation by any overseas company in which the Corporation holds, directly or indirectly, 100% of the voting shares.</u> However, the Corporation shall still prescribe limits on the <u>aggregate amount of such loans and on the amount of such loans permitted to a single borrower,</u> and <u>shall specify limits on the durations of such loans.</u></p>	Following 7 March 2019 Order No. Financial-Supervisory-Securities-Auditing -1080304826 of the Financial Supervisory Commission.
Article 5	<p>(Above paragraph omitted)</p> <p>6. If, as a result of a change in circumstances, the loan balance exceeds the limit, the Corporation shall adopt rectification plans and submit the rectification plans to all the supervisors.</p> <p>(Below paragraph omitted)</p>	Article 5	<p>(Above paragraph omitted)</p> <p>6. If, as a result of a change in circumstances, the loan balance exceeds the limit, the Corporation shall adopt rectification plans and submit the rectification plans to all the supervisors <u>(or audit committee) and independent directors.</u></p> <p>(Below paragraph omitted)</p>	Following 7 March 2019 Order No. Financial-Supervisory-Securities-Auditing -1080304826 of the Financial Supervisory Commission.
Article 6	The duration of loans is less than one year in principle, and extended one	Article 6	<u>Where funds are loaned for reasons of business dealings,</u> the duration of	Following 7 March 2019

Original Article		Amended Article		Notes
	<p>year after approved by the chairman. Under special circumstances, it also can be extended according to the actual needs after approved by the Board of Directors. (Below paragraph omitted)</p>		<p>loans is less than one year in principle, and extended one year after approved by the chairman. Under special circumstances, it also can be extended according to the actual needs after approved by the Board of Directors. <u>Where short-term financing is needed, the Corporation shall loan funds less than one year, and not extend the duration.</u> (Below paragraph omitted)</p>	<p>Order No. Financial-Supervisory-Securities-Auditing-1080304826 of the Financial Supervisory Commission.</p>
Article 7	<p>The Corporation's internal auditors shall audit the operational procedures for loaning funds to others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the supervisors and independent directors in writing of any material violation found.</p>	Article 7	<p>The Corporation's internal auditors shall audit the operational procedures for loaning funds to others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the supervisors <u>(or audit committee)</u> and independent directors in writing of any material violation found.</p>	<p>Following 7 March 2019 Order No. Financial-Supervisory-Securities-Auditing-1080304826 of the Financial Supervisory Commission.</p>
Article 10	<p>(Above paragraph omitted) 2. The Corporation whose loans of funds reach one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence: A. The aggregate balance of loans to others by the Corporation and subsidiaries reaches 20 percent or more of the Corporation's net worth as stated in the latest financial statement. B. The balance of loans by the Corporation and subsidiaries to a single enterprise reaches 10 percent or more of the Corporation's net worth as stated in the latest financial statement. C. The amount of new loans of funds by the Corporation or subsidiaries reaches NT\$10 million or more, and reaches 2 percent or more of the Corporation's net worth as stated in the latest financial statement. The Corporation shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 3 of the preceding paragraph. "Date of occurrence" in these Procedures means the date of contract signing, date of payment,</p>	Article 10	<p>(Above paragraph omitted) 2. The Corporation whose loans of funds reach one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence: A. The aggregate balance of loans to others by the Corporation and subsidiaries reaches 20 percent or more of the Corporation's net worth as stated in the latest financial statement. B. The balance of loans by the Corporation and subsidiaries to a single enterprise reaches 10 percent or more of the Corporation's net worth as stated in the latest financial statement. C. The amount of new loans of funds by the Corporation or subsidiaries reaches NT\$10 million or more, and reaches 2 percent or more of the Corporation's net worth as stated in the latest financial statement. The Corporation shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 3 of the preceding paragraph. "Date of occurrence" in these Procedures means the date of contract signing, date of payment,</p>	<p>Following 7 March 2019 Order No. Financial-Supervisory-Securities-Auditing-1080304826 of the Financial Supervisory Commission.</p>

Original Article		Amended Article		Notes
	dates of Boards of Directors resolutions, or other date that can confirm the counterparty and monetary amount, whichever date is earlier.		dates of Boards of Directors resolutions, or other date that can confirm the counterparty and monetary amount <u>of the loan of funds</u> , whichever date is earlier.	
Article 11	Any violation of “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” or the Corporation’s “Procedures for Loaning Funds to Others” by managers and personnel in charge will be punished according to the Corporation’s employee work rules.	Article 11	Any violation of “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” or <u>these Procedures</u> by managers and personnel in charge will be punished according to the Corporation’s employee work rules.	Amending the description.
Article 13	After passage by the Board of Directors, the Corporation shall submit these Rules to each supervisor and for approval by the shareholders’ meeting, then report them to the competent authority. When the Corporation submits these Rules for discussion by the Board of Directors, the Board of Directors shall take into full consideration each independent director’s opinions and record any dissent or reservation of independent director in the minutes of the Board of Directors meeting. Where there any director expresses dissent and it is contained in the minutes or a written statement, the Corporation shall submit the dissenting opinions to each supervisor. The same shall apply to any amendments to these Rules.	Article 13	<p>After passage by the Board of Directors, the Corporation shall submit these <u>Procedures</u> to each supervisor and for approval by the shareholders’ meeting. <u>Where there any director expresses dissent and it is contained in the minutes or a written statement, the Corporation shall submit the dissenting opinions to each supervisor and for discussion by the shareholders’ meeting. The same shall apply to any amendments to these Procedures.</u></p> <p>When the Corporation submits these <u>Procedures</u> for discussion by the Board of Directors, the Board of Directors shall take into full consideration each independent director’s opinions. <u>If an independent director expresses any dissent or reservation, it shall be specifically recorded in the minutes of the Board of Directors meeting.</u></p> <p><u>After establishing an audit committee, when the Corporation adopts or amends these Procedures, the amended procedures shall require the approval of one-half or more of all audit committee members, and furthermore shall be submitted for a resolution by the Board of Directors, and the provisions of the preceding paragraph shall not apply. If the approval of one-half or more of all audit committee members is not obtained, these Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors meeting. The terms “all audit committee members” and “all directors” shall be counted as the actual number of persons currently holding those positions.</u></p>	Following 7 March 2019 Order No. Financial-Supervisory-Securities-Auditing -1080304826 of the Financial Supervisory Commission.

Original Article		Amended Article		Notes
Article 15	<p>After passage by the Board of Directors, the Corporation shall submit these Procedures to each supervisor and for approval by the shareholders' meeting. The same shall apply to any amendments to these Procedures.</p> <p>These Procedures have been passed by the Board of Directors on May 8, 1998.</p> <p>The first amendment was approved on June 13, 2002.</p> <p>The second amendment was approved on June 18, 2003.</p> <p>The third amendment was approved on June 8, 2006.</p> <p>The fourth amendment was approved on June 10, 2009.</p> <p>The fifth amendment was approved on June 16, 2011.</p> <p>The sixth amendment was approved on June 7, 2013.</p>	Article 15	<p>These Procedures have been passed by the Board of Directors on May 8, 1998.</p> <p>The first amendment was approved on June 13, 2002.</p> <p>The second amendment was approved on June 18, 2003.</p> <p>The third amendment was approved on June 8, 2006.</p> <p>The fourth amendment was approved on June 10, 2009.</p> <p>The fifth amendment was approved on June 16, 2011.</p> <p>The sixth amendment was approved on June 7, 2013.</p> <p><u>The seventh amendment was approved on June 12, 2020.</u></p>	<p>Moving paragraph 1 to Article 13, paragraph 1 and amending the approval date of this amendment agreed by Shareholders' Meeting.</p>

APPENDIX 1

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

Article 1

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

Article 2

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

Article 3

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

Article 4

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

Article 5

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

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

Article 6

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

Article 7

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

Article 8

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

Article 9

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

Article 10

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

Article 11

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

Article 12

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

Article 13

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

Article 14

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

Article 15

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

Article 16

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

Article 17

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

Article 18

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

Article 19

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

Article 20

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

APPENDIX 2

Emerging Display Technologies Corp. Articles of Incorporation

Chapter 1: General Provisions

Article 1

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

Article 2

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

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

Article 3

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

Article 4

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

Chapter 2: Stock Shares

Article 5

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

Article 6

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

Article 7

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

Article 8

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

Article 9

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

Article 10

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

Chapter 3: Shareholders' Meeting

Article 11

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

Article 12

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

Article 13

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

Article 14

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

Chapter 4: Directors and Supervisors

Article 15

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

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

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

Article 16

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

Article 17

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

Article 18

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

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

Article 19

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

Article 19-1

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

Article 19-2

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

Chapter 5: Managerial Personnel

Article 20

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

Chapter 6: Accounting

Article 21

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

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

Article 22

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

Article 22-1

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

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

Article 23

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

Chapter 7: Supplemental Provisions

Article 24

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

Article 25

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

Article 26

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

Article 27

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

The first Amendment was approved on December 5, 1996.

The second Amendment was approved on October 20, 1997.

The third Amendment was approved on December 29, 1997.

The fourth Amendment was approved on May 28, 1998.

The fifth Amendment was approved on May 27, 1999.

The sixth Amendment was approved on May 23, 2000.

The seventh Amendment was approved on June 12, 2001.

The eighth Amendment was approved on June 13, 2002.

The ninth Amendment was approved on May 27, 2004.

The tenth Amendment was approved on May 31, 2005.

The eleventh Amendment was approved on June 8, 2006.

The twelfth Amendment was approved on June 11, 2007.

The thirteenth Amendment was approved on June 10, 2009.

The fourteenth Amendment was approved on June 6, 2012.

The fifteenth Amendment was approved on June 11, 2014.

The sixteenth Amendment was approved on June 7, 2016.

APPENDIX 3

Emerging Display Technologies Corp. Practice Principles for Ethical Management

Article 1

These Principles are adopted in accordance with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” which are adopted by Taiwan Stock Exchange Corporation (TWSE) and GreTai Securities Market (GTSM) to assist the Corporation to foster a corporate culture of ethical management, sound development, and good commercial practices.

These Principles are applicable to the Corporation’s business groups and organizations, which comprise all subsidiaries, any foundation to which the Corporation’s direct or indirect contribution of funds exceeds 50 percent of the total funds received, and other institutions or juridical persons which are substantially controlled by the Corporation (“business group”).

Article 2

When engaging in commercial activities, directors, supervisors, managers, employees, and mandataries of the Corporation or persons having substantial control over the Corporation (“substantial controllers”) shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty (“unethical conduct”) for purposes of acquiring or maintaining benefits.

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.

Article 3

“Benefits” in these Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

Article 4

The Corporation complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical management.

Article 5

The Corporation abides by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith, and establishes good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

Article 6

The Corporation's ethical management policy clearly and thoroughly prescribes the specific ethical management practices and the programs to forestall unethical conduct ("prevention programs"), including operational procedures, guidelines, and training.

When establishing the prevention programs, the Corporation complies with relevant laws and regulations of the territory where the Corporation and our business group are operating.

In the course of developing the prevention programs, the Corporation will negotiate with staff, labor unions members, important trading counterparties, or other stakeholders according to the situation.

Article 7

The Corporation analyzes business activities within our business scope which are at a higher risk of being involved in unethical conduct, and establishes prevention programs and enhances relevant preventive measures.

The Corporation establishes the prevention programs, which at least include preventive measures against the following:

1. Offering and acceptance of bribes.
2. Illegal political donations.
3. Improper charitable donations or sponsorship.
4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.
5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
6. Engaging in unfair competitive practices.
7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.

Article 8

The Corporation and our respective business group clearly specify in our rules and external documents the ethical management policies and the commitment by the Board of Directors and senior management on rigorous and thorough implementation of such policies, and carry out the policies in internal management and in commercial activities.

Article 9

The Corporation engages in commercial activities in a fair and transparent manner based on the principle of ethical management.

Prior to any commercial transactions, the Corporation takes into consideration the legality of our agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and avoids any dealings with persons so involved.

When entering into contracts with our agents, suppliers, clients, or other trading counterparties, the Corporation includes in such contracts terms requiring compliance with ethical management policies and that in the event the trading counterparties are involved in unethical conduct, the Corporation may at any time terminate or rescind the contracts.

Article 10

When conducting business, the Corporation and our directors, supervisors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.

Article 11

If directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Corporation and our directors, supervisors, managers, employees, mandataries, and substantial controllers, shall comply with the Political Donations Act and our relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

Article 12

If making or offering donations and sponsorship, the Corporation and our directors, supervisors, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

Article 13

The Corporation and our directors, supervisors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

Article 14

The Corporation and our directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.

Article 15

The Corporation engages in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 16

In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Corporation and our directors, supervisors, managers, employees, mandataries, and substantial controllers observes applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, our products and services. The Corporation also adopts and publishes a policy on the protection of the rights and interests of consumers or other stakeholders, and carries out the policy in our operations, with a view to preventing our products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the Corporation's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Corporation shall, in principle, recall those products or suspend the services immediately.

Article 17

The directors, supervisors, managers, employees, mandataries, and substantial controllers of the Corporation exercise the due care of good administrators to urge the Corporation to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of our ethical management policies.

To achieve sound ethical management, the Corporation establishes a dedicated unit that is responsible for establishing and supervising the implementation of the ethical management policies and prevention programs. The dedicated unit reports to the Board of Directors on a regular basis.

Article 18

The Corporation and our directors, supervisors, managers, employees, mandataries, and substantial controllers comply with laws and regulations and the prevention programs when conducting business.

Article 19

The Corporation adopts policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and also offers appropriate means for directors, supervisors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the Corporation.

When a proposal at a given board meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, supervisors, managers, and other stakeholders attending or present at board meetings of the Corporation, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the Corporation, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. All directors practice self-discipline and must not support one another in improper dealings.

All directors, supervisors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in The Corporation to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Article 20

The Corporation establishes effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not has under-the-table accounts or keeps secret accounts, and conducts reviews regularly so as to ensure that the design and enforcement of the systems are showing results.

The internal audit unit of the Corporation examines accordingly the compliance with the prevention programs and submits an audit report to the Board of Directors. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.

Article 21

The Corporation establishes operational procedures and guidelines in accordance with Article 6 hereof to guide directors, supervisors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines at least contain the following matters:

1. Standards for determining whether improper benefits have been offered or accepted.
2. Procedures for offering legitimate political donations.
3. Procedures and the standard rates for offering charitable donations or sponsorship.
4. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.
5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
6. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.
7. Handling procedures for violations of these Principles.
8. Disciplinary measures on offenders.

Article 22

The Corporation organizes training and awareness programs for directors, supervisors, managers, employees, mandataries, and substantial controllers and invites our commercial transaction counterparties according to the situation so they understand the Corporation's resolve to implement ethical management, the related policies, prevention programs and the consequences of committing unethical conduct.

The Corporation applies the policies of ethical management when creating our employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

Article 23

The Corporation provides a proper whistle-blowing channel and keeps confidentiality of the identity of whistle-blowers and the content of reported cases.

The Corporation adopts a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and makes immediate disclosure on the Corporation's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.

Article 24

The Corporation discloses the status of implementing ethical management on the Corporation's websites, annual reports, and prospectuses, and discloses these Principles on the Market Observation Post System.

Article 25

The Corporation at all times monitors the development of relevant local and international regulations concerning ethical management and encourage our directors, supervisors, managers, and employees to make suggestions, based on which the adopted ethical management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.

Article 26

These Principles are implemented after the Board of Directors grants the approval, and are sent to the supervisors and reported at a shareholders' meeting. The same procedure shall be followed when these Principles have been amended.

When the Corporation submits these Principles to the Board of Directors for discussion pursuant to the preceding paragraph, the Board of Directors takes into full consideration each independent director's opinions. Any objections or reservations of any independent director is recorded in the minutes of the Board of Directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the Board of Directors meeting.

These Principles have been passed by the Board of Directors on November 4, 2014. The first amendment was approved on March 6, 2015.

APPENDIX 4

Emerging Display Technologies Corp. Rules for Making of Endorsements/Guarantees

Article 1

The Corporation follows relevant laws and regulations to make endorsements/guarantees for business purpose.

Article 2

The term “endorsements/guarantees” as used in these Rules refers to the following:

1. Financing endorsements/guarantees, including:
 - A. Bill discount financing.
 - B. Endorsement or guarantee made to meet the financing needs of another company.
 - C. Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the company itself.
2. Customs duty endorsement/guarantee, meaning an endorsement or guarantee for the Corporation or another company with respect to customs duty matters.
3. Other endorsements/guarantees, meaning endorsements or guarantees beyond the scope of the above two subparagraphs.
4. Any creation by the Corporation of a pledge or mortgage on our chattel or real property as security for the loans of another company also complies with these Rules.

Article 3

The Corporation makes endorsements/guarantees only for the following companies:

1. A company with which the Corporation does business.
2. A company in which the Corporation directly and indirectly holds more than 50 percent of the voting shares.
3. A company that directly and indirectly holds more than 50 percent of the voting shares in the Corporation.

Companies in which the Corporation holds, directly or indirectly, 90% or more of the voting shares may make endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net worth of the Corporation, provided that this restriction does not apply to endorsements/guarantees made between companies in which the Corporation holds, directly or indirectly, 100% of the voting shares.

Where the Corporation fulfills our contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages, such endorsements/guarantees may be made free of the restriction of the preceding two paragraphs.

Capital contribution referred to in the preceding paragraph shall mean capital contribution directly by the Corporation, or through a company in which the Corporation holds 100% of the voting shares.

Article 4

The Corporation's aggregate endorsement/guarantee amount shall be 50% or less of the Corporation's net worth, and the amount of endorsements/guarantees for any single entity shall be 40% or less of the Corporation's net worth. The aggregate endorsement/guarantee amount shall be 50% or less of the Corporation's net worth, and the amount of endorsements/guarantees for any single entity shall be 40% or less of the Corporation's net worth, that the Corporation and our subsidiaries as a whole are permitted to make. The Corporation's net worth shall be in accordance with the latest financial statements audited by certified public accountants.

Article 5

The Corporation follows below procedures to makes endorsements/guarantees:

1. A company shall fill out "Application Form for Endorsements/Guarantees" which contains the entity, the type, the reason and the amount, then submit it to the Corporation's financial department to apply endorsements/guarantees. The application will be submitted to the Board of Directors for approval after reviewing, and the endorsements/guarantees will be made according to the resolution of Board of Directors. The endorsements/guarantees will also be made after approving by the chairman, then reported to the soonest meeting of the Board of Directors.
The review procedures include:
 - A. The necessity of and reasonableness of endorsements/guarantees.
 - B. Credit status and risk assessment of the entity for which the endorsement/guarantee is made.
 - C. The impact on the Corporation's business operations, financial condition, and shareholders' equity.
 - D. Whether collateral must be obtained and appraisal of the value thereof.
2. The Corporation's financial department shall record endorsement/guarantee activities on "Record Sheet of Endorsements/Guarantees" and truthfully record the following information: the entity for which the endorsement/guarantee is made, amount, date of approval by the Board of Directors or of authorization by the chairman, date of making the endorsement/guarantee, date and amount of cancellation, balance of endorsement/guarantee, and the review procedures under the preceding paragraph.
3. Where the entity for which an endorsement/guarantee is made no longer meets the requirements of Article 3, or the amount of endorsement/guarantee exceeds the limit due to changes of calculating base, the Corporation shall discharge total amount of endorsement/guarantee or the excess on the expiration date of contract, or adopt a plan to discharge it within a given time limit. After that, the Corporation shall submit the settlement result to the Board of Directors.

Article 6

The Corporation's internal auditors shall audit the operational procedures for endorsements/guarantees and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the supervisors in writing of any material violation found.

Article 7

1. The Corporation's subsidiary intends to make endorsements/guarantees for others shall formulate its own operational procedures for endorsements/guarantees in compliance with "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", and it shall comply with the procedures when making endorsements/guarantees.
2. The subsidiary shall report the previous month's status of endorsements/guarantees to the Corporation for summary by the 5th day of each month.
3. The status of endorsements/guarantees and relevant particulars of the Corporation and subsidiary in every business year shall be reported to the shareholders' meeting next year.

Article 8

1. The Corporation uses the corporate chop registered with the Ministry of Economic Affairs as the dedicated chop for endorsements/guarantees. Besides, the Corporation uses the cheque seal for issuing guarantee bill.
2. The Corporation shall designate a person to be responsible for the custody of the cheque seal, corporation chop, and guarantee bill. The procedure of sealing or issuing guarantee bill shall be in accordance with the Corporation's regulations. The person who is responsible for the custody of chops shall be approved by the Boards of Directors, and the same procedure shall be followed when the person has been changed.
3. When making a guarantee for an overseas company, the Corporation shall have the guarantee agreement signed by a person authorized by the Board of Directors.

Article 9

1. The Corporation shall make an endorsement/guarantee only after reviewing and signing under Article 5, and resolved upon by the Board of Directors, or approved by the chairman, where empowered by the Board of Directors to grant endorsements/guarantees within a specific limit, for subsequent submission to and ratification by the next Board of Directors' meeting. Also, the Corporation shall report the status of endorsements/guarantees and relevant particulars to the shareholders' meeting. Before making any endorsement/guarantee pursuant to Article 3, paragraph 2, a subsidiary in which the Corporation holds, directly or indirectly, 90% or more of the voting shares shall submit the proposed endorsement/guarantee to the Board of Directors for a resolution, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the Corporation holds, directly or indirectly, 100% of the voting shares.

2. Where the Corporation needs to exceed the limits set out in Article 4 to satisfy business requirements, the Corporation shall obtain approval from the Board of Directors and half or more of the directors shall act as joint guarantors for any loss that may be caused to the Corporation by the excess endorsement/guarantee. The Corporation shall also amend these Rules accordingly and submit the same to the shareholders' meeting for ratification after the fact. If the shareholders' meeting does not give consent, the Corporation shall adopt a plan to discharge the amount in excess within a given time limit.

Article 10

1. The Corporation shall enter the previous month's balance of endorsements/guarantees of the Corporation and subsidiaries to the information reporting website designated by the competent authority by the 10th day of each month.
2. The Corporation whose balance of endorsements/guarantees reaches one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence:
 - A. The aggregate balance of endorsements/guarantees by the Corporation and subsidiaries reaches 50 percent or more of the Corporation's net worth as stated in the latest financial statement.
 - B. The balance of endorsements/guarantees by the Corporation and subsidiaries for a single enterprise reaches 20 percent or more of the Corporation's net worth as stated in the latest financial statement.
 - C. The balance of endorsements/guarantees by the Corporation and subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, value of long-term investment in, and balance of loans to, such enterprise reaches 30 percent or more of Corporation's net worth as stated in the latest financial statement.
 - D. The amount of new endorsements/guarantees made by the Corporation or subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the Corporation's net worth as stated in the latest financial statement.

The Corporation shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to subparagraph 4 of the preceding paragraph.

Article 11

The Corporation's financial department shall evaluate or record the contingent loss for endorsements/guarantees, and shall adequately disclose information on endorsements/guarantees in the financial reports and provide certified public accountants with relevant information for implementation of necessary audit procedures.

Article 12

Any violation of “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” or the Corporation’s “Rules for Making of Endorsements/Guarantees” by managers and personnel in charge will be punished according to the Corporation’s employee work rules.

Article 13

For circumstances in which an entity for which the Corporation makes any endorsement/guarantee is the subsidiary whose net worth is lower than half of its paid-in capital, follow-up net worth raising measures shall be proposed by itself. The Corporation shall frequently pay attention to the financial conditions, business activities, and relevant credit status of the subsidiary. In the case of the subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation, the sum of the share capital plus paid-in capital in excess of par shall be substituted.

Article 14

After passage by the Board of Directors, the Corporation shall submit these Rules to each supervisor and for approval by the shareholders’ meeting, then report them to the Securities and Future Management Commission. When the Corporation submits these Rules for discussion by the Board of Directors, the Board of Directors shall take into full consideration each independent director's opinions and record any dissent or reservation of independent director in the minutes of the Board of Directors meeting. Where there any director expresses dissent and it is contained in the minutes or a written statement, the Corporation shall submit the dissenting opinions to each supervisor. The same shall apply to any amendments to these Rules.

Article 15

In regard to all matters not provided for in these Rules, relevant laws and regulations shall govern.

Article 16

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

The first amendment was approved on June 18, 2003.

The second amendment was approved on June 8, 2006.

The third amendment was approved on June 10, 2009.

The fourth amendment was approved on June 16, 2011.

The fifth amendment was approved on June 7, 2013.

APPENDIX 5

Emerging Display Technologies Corp. Procedures for Loaning Funds to Others

Article 1

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

Article 2

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

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

Article 3

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

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

Article 4

1. Where an inter-company or inter-firm business transaction calls for a loan arrangement, provided that the financing amount to a single borrower shall not exceed the total amount of trading between both parties. The term "total amount of trading" shall mean the higher amount within purchasing or selling by the Corporation.
2. Where an inter-company or inter-firm short-term financing facility is necessary or any entity which the Board of Directors has approved to loan funds to, provided that the aggregate financing amount shall not exceed 40 percent of the Corporation's net worth. The restriction shall not apply to inter-company loans of funds between overseas companies in which the Corporation holds, directly or indirectly, 100% of the voting shares. However, the Corporation shall still prescribe limits on the amount and durations of such loans.

Article 5

The Corporation follows below procedures to makes loans of funds:

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

Article 6

The duration of loans is less than one year in principle, and extended one year after approved by the chairman. Under special circumstances, it also can be extended according to the actual needs after approved by the Board of Directors.

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

Article 7

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

Article 8

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

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

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

Article 9

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

Article 10

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

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

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

Article 11

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

Article 12

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

Article 13

After passage by the Board of Directors, the Corporation shall submit these Rules to each supervisor and for approval by the shareholders' meeting, then report them to the competent authority. When the Corporation submits these Rules for discussion by the Board of Directors, the Board of Directors shall take into full consideration each independent director's opinions and record any dissent or reservation of independent director in the minutes of the Board of Directors meeting. Where there any director expresses dissent and it is contained in the minutes or a written statement, the Corporation shall submit the dissenting opinions to each supervisor. The same shall apply to any amendments to these Rules.

Article 14

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

Article 15

After passage by the Board of Directors, the Corporation shall submit these Procedures to each supervisor and for approval by the shareholders' meeting. The same shall apply to any amendments to these Procedures.

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

The first amendment was approved on June 13, 2002.

The second amendment was approved on June 18, 2003.

The third amendment was approved on June 8, 2006.

The fourth amendment was approved on June 10, 2009.

The fifth amendment was approved on June 16, 2011.

The sixth amendment was approved on June 7, 2013.

APPENDIX 6

Emerging Display Technologies Corp. Shareholdings of All Directors and Supervisors

Record date: April 13, 2020

Title	Name	Current Shareholding	
		Shares	Percentage
Chairman	Tseng, Jui-Ming	11,043,723	6.80%
Director	Hsieh, Hui-Tai	6,486,867	3.99%
Director	Ying Dar Investment Development Corp. Representative: Wang, Tai-Kuang	5,346,672	3.29%
Director	Bae Haw Investment Development Corp. Representative: Hsieh, Wen-Hsiung	3,447,716	2.12%
Director	Huang, Mao-Hsiung	1,674,536	1.03%
Independent Director	Li, Chi-Cheng	0	0.00%
Independent Director	Huang, Fu-Di	0	0.00%
Total Directors' shareholdings		27,999,514	17.23%
Supervisor	Lin, Yu-Fen	1,802,813	1.11%
Supervisor	Tseng, Shu-Ling	1,581,209	0.97%
Supervisor	Ting, Hung-Hsun	0	0.00%
Total Supervisors' shareholdings		3,384,022	2.08%

Note:

1. Total shares issued as of April 13, 2020: 162,407,603 common shares.
2. In accordance with Article 26 of the Securities and Exchange Act, the total shareholdings of Directors and Supervisors may not be less than below shares:
 - (1) Total register shares owned by all Directors should not less than 9,744,456 shares.
 - (2) Total register shares owned by all Supervisors should not less than 974,445 shares.
3. Based on Article 2 of the Rules and Review Procedures for Directors and Supervisors Share Ownership Ratio at Public Companies, edt had elected two independent directors, the minimum shareholding for all directors and supervisors other than the independent directors shall be decreased by 20 percent.