

Emerging Display Technologies Corp. 2023 Annual Shareholders' Meeting

Meeting Agenda (Translation)

Meeting Date: June 13, 2023

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

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Emerging Display Technologies Corp.

2023 Annual Shareholders' Meeting Procedure

I. Call Meeting to Order

II. Meeting Agenda

Time: 9:00 a.m., June 13, 2023

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

(edt's Headquarters at 1st Floor)

How to convene: Physical meeting

Attendants: All shareholders or their proxy holders

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

1. Reporting Items:

- (1) Report on 2022 business report.
- (2) Audit Committee's review report.
- (3) Report on distribution of 2022 employees' compensation and remuneration for directors.
- (4) Report on 2022 earnings distribution of cash dividend.
- (5) Amendment to the Company's "Practice Principles for Ethical Management".

2. Adopting Items:

- (1) Adoption of the Business Report and Financial Statements of 2022.
- (2) Adoption of the proposal for distribution of 2022 profits.

3. Extemporary Motions

4. Meeting Adjourned

Reporting Items:

1. Report on 2022 business report.

Explanatory Note: Please refer to Attachment 1 (page 4~9).

2. Audit Committee's review report.

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

3. Report on distribution of 2022 employees' compensation and remuneration for directors.

Explanatory Note:

(1) The Company's 2022 profit before tax is NT\$497,131,735 (NT\$540,360,582 if employees' compensation and remuneration for directors excluded). In accordance with Article 22-1 of "Articles of Incorporation", the Company distribute 2022 employees' compensation and remuneration for directors as follows,

◆ Employees' compensation: 5% allocated and NT\$27,018,029 in total.

◆ Remuneration for directors: 3% allocated and NT\$16,210,818 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 our book value recognized.

4. Report on 2022 earnings distribution of cash dividend.

Explanatory Note:

(1) Pursuant to Article 23-1 of the Company's "Articles of Incorporation", the Board of Directors has approved the appropriation of cash dividends of NT\$251,852,165 at NTD 1.6 per share.

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

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

5. Amendment to the Company's "Practice Principles for Ethical Management".
Explanatory Note: Please refer to Attachment 3 (page 11~16).

Adopting Items:

1. 2022 Business Report and Financial Statements of the Company. Adoption is respectfully requested. (Proposed by the Board of Directors)

Explanatory Note:

- (1) 2022 Parent-Company-Only Financial Statements and Consolidated Financial Statements were audited by independent auditors.
- (2) 2022 Business Report, Independent Auditor's report and the aforementioned Financial Statements are attached hereto as Attachment 1, 4 and 5 (page 4~9, 17~24, 25~32).
- (3) Please proceed to adopt.

Resolution:

2. Distribution of 2022 Profits. Adoption is respectfully requested. (Proposed by the Board of Directors)

Explanatory Note:

- (1) In Fiscal Year 2022, the Company made a net profit of NT\$420,003,386. By adding previous years' retained earnings of NT\$229,329,674, proceeds from disposal of equity instruments at fair value through other comprehensive income of NT\$9,309,565, changes of remeasurement from defined benefit plans of NT\$2,572,000, and deducting special reserve for equity deduction of NT\$15,852,651, total distributable earnings for year amounted to NT\$645,361,974. After setting aside 10% of net profit as legal reserve of NT\$43,188,495, the Board of Directors has determined the profit to be distributed among shareholders shall be NT\$251,852,165 in cash dividends (NT\$1.6 per share). Please refer to Attachment 6 (page 33) for profit allocation proposal.
- (2) Please proceed to adopt.

Resolution:

Extemporary Motions

Meeting Adjourned

ATTACHMENT 1

Emerging Display Technologies Corp. 2022 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 2022 and outlook for the future are as following:

2022 Business Report

1. Operating performance

Our consolidated operating revenue was NT\$4,692,706 thousand in 2022, an increase of 12.17% from NT\$4,183,403 thousand registered in 2021. Major reasons: continued optimization of product mix in 2022, increased average selling price yearly, resumed market price level of main components such as TFT panels, and continued fermentation of long-term customer orders. Thus, the revenue enjoyed a significant growth, and the entire material costs decreased from the previous year. Coupled with favorable exchange rate factors, all contributed to both gross profit margin and profit performances. Our consolidated net profit posted a substantial growth of 77.55% compared with the previous year, and the annual profit hit a record high in 17 years, with the earnings per share (EPS) standing at NT\$2.83. In individual products, LCD modules (LCM) represented about 34% of sales, the demand for Capacitive Touch Panel (CTP) and modules increased relatively, and these shipments amount accounted for more than 60%. Aided by the adjustment of the product mix, there was a positive growth in revenue, and together with stabilized material costs aforementioned, the performance of gross profit margin was brilliant than the previous year. We expect to keep increasing profitability performance through the improvement of cost and operational efficiency in the years to come.

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

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

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

2. Consolidated financial results & profitability analysis

Unit: NT\$ thousands

	2022	2021
Operating profit	384,168	266,855
Non-operating income and expenses	116,593	1,069
Profit before tax	500,761	267,924
Net profit	419,976	236,535
Return on assets	10.87%	6.77%
Return on shareholders' equity	19.08%	11.67%
Pre-tax income to paid-in capital	31.81%	16.49%
Profit ratio	8.94%	5.65%
Earnings per share (NT\$)	2.83	1.60

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 2022 are as following:

Item	R&D Results	Description of Benefits
1	Development of 60G mmWave Radar gesture recognition technology	Introduce the 60G mmWave Radar solution to develop the floating gesture recognition function. The radar can be built behind the cover lens without opening holes, therefore the floating gesture recognition function can be added to the existing touch display module to raise the added value of products.
2	Development of capacitive touch module with short voice command recognition function	Through the integration of capacitive touch IC and AI short voice recognition IC on the same PCB, and our firmware parameter adjustment capability of both the capacitive touch function and the voice recognition performance, customers can simply have the recognition function of short voice commands in various languages by our touch display module to raise the added value of products.

3	Research and development of Edge AI image recognition technology	By integrating the neural accelerator through the MPU platform, the streaming CCD AI image recognition function can be calculated on the Edge MPU platform without networking.
4	Development of touch display with Edge AI image recognition function	By integrating Edge AI image recognition technology, SpaceGesture capacitive sensing technology and HUD projection device to complete the development of human-machine-environment interaction (HMEI) devices, users can naturally see the actual scene and the virtual-real fusion information via Edge AI image recognition, and interact with gesture on the HUD reflective glass at the same time.
5	Development of touch display integrated with heater technology	Since the physical characteristics of liquid crystal, the response time of LCD display will slow down to cause blurred image, fade-out or overlapping image in extremely cold environment. It might be difficult for users to recognize the images and then lead to misreading. Using our patented invention to embed the smart heating device in the touch display, we still can provide excellent display effect in extremely cold environment, and successfully won the mass production orders of displays in US' high-end transportation vehicle.
6	Development of integrated NFC antennas in touch display technology	We have proposed a patent of embedded NFC function in the touch display by placing the NFC antenna under the cover lens or around the sensor. Compared with traditional external antenna, it can remove antenna space to simplify the structure design, reduce costs and improve production yield without assembling the antenna especially, and sense easier between sensing object and NFC antenna that placed on the frontal surface of module. This structure can be applied to smart payment, access control system, two-way device pairing, etc.
7	Development of autostereoscopic 3D touch display technology	Through autostereoscopic 3D technology, it can realize the contactless floating touch function, and provide users with a more humane, natural, and intuitive visual and immersive interaction experience. Furthermore, it can eliminate the transmission of bacteria or viruses resulting from direct contact with control panels.
8	Development of integrated application of wireless network communication module	Our smart display touch embedded module is based on the wireless network MQTT protocol framework to complete the information transmission application with light weight, high performance, reliability and security considerations. It will enhance the competitiveness of customers' products.
9	Development of integrated application of environmental sensing sensors	In order to facilitate customers to quickly use environmental sensing sensors in various fields, we have successively imported and successfully established 29 types of drivers, which are suitable for various sensors such as optical, non-optical, radio frequency, analog, and digital. It will accelerate customers to develop and introduce new products.
10	Intellectual Property Rights (include Patents and Trade Secret)	Number of intellectual property right proposals totaled 25, which include 19 patent proposals and 6 trade secret proposals. Number of intellectual property rights granted totaled 11 (proposals accumulated in the previous years).

(2) Future research and development projects and corresponding budget

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 in response to the vast market of increasingly popular interaction displays. We plan on investing NT\$150,000 thousand for below research and development projects in 2023:

- ◆ Projected capacitive touch module + mm-Wave Radar sensor fusion interactive technology development
- ◆ Development of virtual and real data integration technology for projected capacitive touch display module
- ◆ Technology development of color distortion elimination for optical bonding
- ◆ Integration and development of intelligent embedded platform with energy saving function
- ◆ Resistant to compound waveform interference for capacitive touch display module
- ◆ Switchable privacy display technology development
- ◆ Application development for precise dispensing technology
- ◆ Development of single CCD Edge AI gesture recognition display
- ◆ Development of haptic feedback technology for projected capacitive touch display module
- ◆ Microchip maXTouch encryption and decryption technology development
- ◆ Touch display integrated with Wi-Fi antenna technology development
- ◆ Active capacitive stylus pen technology development
- ◆ Smart autostereoscopic 3D touch display technology development

Summary of Business Plan for 2023

1. Business objectives

- (1) Develop new technologies to expand market.
 - ① Develop touchless technology.
 - ② Optimize the integration efficacy of touch display.
- (2) Develop innovative business model for touch display solution.
 - ① Develop new channel for smart embedded product.
 - ② Enhance the service ability of software / firmware.
- (3) Upgrade digital production information and construct intelligent factory.
 - ① Intellectualization of manufacturing process to lower human factors.
 - ② Make good use of data for process backtracking and early management.
- (4) Enhance efficacy of research and development.
 - ① Develop human-machine interaction technology.
 - ② Promote the development ability of machine learning technology.

2. Expected sales numbers and its basis

- (1) Expected sales numbers for 2023:
 - ① LCD modules 2,500 thousand units
 - ② CTP and its modules 2,300 thousand units

(2) Basis for expected sales numbers of 2023:

- 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 various small and medium size TFT panels in intelligent application and pan-industrial electronic products will 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. Also, continuous developing and optimizing the optical bonding technology of touch module and display module.
- (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, UV resistance for outdoors, 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, we 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 / conductive liquid 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 an attempt to cope with the global climate changes and the international net-zero tendency, we spare no efforts to replace low-energy-consuming equipment, select low-carbon materials and manufacturing processes, and evaluate energy-saving and carbon-reducing measures such as renewable energy, energy management systems and energy storage. With reference guidelines and relevant regulations of the “Sustainable Development Roadmap for TWSE/TPEX Listed Companies” issued by the Financial Supervision Commission in March 2022, we continue to control the completion status of our greenhouse gas inventory and verification disclosure schedule. By doing this, we expect to learn where reduction can be improved, so as to upgrade energy efficiency, reduce greenhouse gas emissions, and strive towards the commitment and goals of net-zero carbon emission.
2. In response to geopolitics and trade war, we will effectively readjust and reallocate production line in each area to lower related influence to zero.
3. The supply shortage under the globalized economic system caused by COVID-19 epidemic is impacting all walks of life for the moment. Aided by long and stable cooperation ties with customers, we have now made an effort into a sustained growth in revenue and profit in the years to come by providing the optimized product portfolio, improving the manufacturing process, and strengthening supply chain communication with effective management.
4. Over 90% of our operating revenue is export in 2022. 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. Audit Committee's Review Report

The Board of Directors report the business report, consolidated financial statements, parent-company-only financial statements and profit allocation proposal of 2022. Of the said documents, the financial statements have been duly audited by Certified Public Accountants Yung Hsiang, Chen 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 reviewed and determined to be correct and accurate by the Audit Committee members of the Company. According to relevant requirements of the Securities and Exchange Act and the Company Law, we hereby submit this report.

Emerging Display Technologies Corp.

Chairman of the Audit Committee: Huang, Hui-Ling

March 9, 2023

ATTACHMENT 3

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

Original Article		Amended Article		Notes
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. (Below paragraph omitted)	Article 2	When engaging in commercial activities, directors (<u>including independent directors hereinafter</u>), 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. (Below paragraph omitted)	In coordination with the establishment of Audit Committee and revising the text.
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 10	When conducting business, the Corporation and our directors, 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.	In coordination with the establishment of Audit Committee.
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 11	If directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Corporation and our directors, 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.	In coordination with the establishment of Audit Committee.

Original Article		Amended Article		Notes
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 12	If making or offering donations and sponsorship, the Corporation and our directors, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.	In coordination with the establishment of Audit Committee.
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 13	The Corporation and our directors, 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.	In coordination with the establishment of Audit Committee.
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 14	The Corporation and our directors, 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.	In coordination with the establishment of Audit Committee.
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	Article 16	In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Corporation and our directors, 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,	In coordination with the establishment of Audit Committee.

Original Article		Amended Article		Notes
	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.		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. (Below paragraph omitted)	Article 17	The directors, 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. (Below paragraph omitted)	In coordination with the establishment of Audit Committee.
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 18	The Corporation and our directors, managers, employees, mandataries, and substantial controllers comply with laws and regulations and the prevention programs when conducting business.	In coordination with the establishment of Audit Committee.
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.	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, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the Corporation.	In coordination with the establishment of Audit Committee.

	Original Article	Amended Article	Notes
	<p>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.</p> <p>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.</p>	<p>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, 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.</p> <p>All directors, 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.</p>	
Article 21	<p>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: (Below paragraph omitted)</p>	<p>Article 21 The Corporation establishes operational procedures and guidelines in accordance with Article 6 hereof to guide directors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines at least contain the following matters: (Below paragraph omitted)</p>	In coordination with the establishment of Audit Committee.
Article 22	<p>The Corporation organizes training and awareness programs for directors, supervisors, managers, employees, mandataries, and</p>	<p>Article 22 The Corporation organizes training and awareness programs for directors, managers, employees, mandataries, and substantial</p>	In coordination with the establishment of Audit Committee.

Original Article		Amended Article		Notes
	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. (Below paragraph omitted)		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. (Below paragraph omitted)	
Article 26	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	The Corporation at all times monitors the development of relevant local and international regulations concerning ethical management and encourage our directors, 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.	In coordination with the establishment of Audit Committee.
Article 27	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	Article 27	These Principles are implemented after the Board of Directors grants the approval, and are sent to <u>Audit Committee members</u> 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	In coordination with the establishment of Audit Committee and amending the approval date of this amendment passed by the Board of Directors.

Original Article	Amended Article	Notes
<p>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.</p> <p>For the Corporation that has established an audit committee, the provisions regarding supervisors in these Principles applies mutatis mutandis to the audit committee.</p> <p>These Principles have been passed by the Board of Directors on November 4, 2014.</p> <p>The first amendment was approved on March 6, 2015.</p> <p>The second amendment was approved on August 6, 2019.</p>	<p>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.</p> <p>These Principles have been passed by the Board of Directors on November 4, 2014.</p> <p>The first amendment was approved on March 6, 2015.</p> <p>The second amendment was approved on August 6, 2019.</p> <p><u>The third amendment was approved on November 4, 2021.</u></p>	

ATTACHMENT 4

Independent Auditors' Report

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

Opinion

We have audited the financial statements of Emerging Display Technologies Corp. ("the Company"), which comprise the balance sheets as of December 31, 2022 and 2021, the statements of comprehensive income, changes in equity and cash flows for the years then ended December 31, 2022 and 2021, and notes to the parent-company-only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, 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 Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of 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 Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

1. Valuation of accounts receivable

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

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

Description of key audit matters:

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

How the matter was addressed in our audit:

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

2. Valuation of obsolete inventory

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

Description of key audit matters:

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

How the matter was addressed in our audit:

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

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

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

In preparing the parent-company-only financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee or supervisors) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)

March 9, 2023

Notes to Readers

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

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

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)
EMERGING DISPLAY TECHNOLOGIES CORP.
Balance Sheets
December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2022		December 31, 2021		Liabilities and Equity		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 1,181,471	28	711,866	21	2100	Short-term borrowings (note 6(l))	\$ 270,000	7	-	-
1110	Financial assets at fair value through profit or loss, current (note 6(b))	399	-	42	-	2120	Financial liabilities at fair value through profit or loss, current (note 6(b))	1,933	-	-	-
1120	Financial assets at fair value through other comprehensive income, current (note 6(c))	372,137	9	281,311	8	2150	Notes payable	20	-	86	-
1170	Accounts receivable, net (notes 6(d) and (t))	481,150	12	492,468	14	2170	Accounts payable	492,475	12	505,207	15
1180	Accounts receivable — related parties, net (notes 6(d), (t), and 7)	283,487	7	310,944	9	2180	Accounts payable — related parties (note 7)	26,634	1	27,082	1
1200	Other notes receivable and other receivables (note 6(e))	3,112	-	1,621	-	2200	Other payables (note 6(m))	344,837	8	240,693	7
130X	Inventories (note 6(f))	921,262	22	968,367	28	2220	Other payables — related parties (note 7)	14,828	-	11,420	-
1470	Other current assets (notes 6(g) and 8)	25,011	1	25,363	1	2230	Income tax liabilities	83,077	2	28,647	1
	Total current assets	<u>3,268,029</u>	<u>79</u>	<u>2,791,982</u>	<u>81</u>	2280	Lease liabilities, current (note 6(o))	1,954	-	2,031	-
						2300	Other current liabilities (note 6(t))	70,669	2	53,437	2
							Total current liabilities	<u>1,306,427</u>	<u>32</u>	<u>868,603</u>	<u>26</u>
Non-current assets:						Non-Current liabilities:					
1517	Financial assets at fair value through other comprehensive income, non-current (note 6(c))	40,958	1	35,280	1	2540	Long-term borrowings (notes 6(n) and 8)	399,013	10	398,349	12
1550	Investments accounted for using the equity method (note 6(h) and 7)	401,284	10	274,653	8	2570	Deferred income tax liabilities (note 6(q))	-	-	240	-
1600	Property, plant and equipment (notes 6(i), 8 and 9)	318,759	8	266,891	8	2580	Lease liabilities, non-current (note 6(o))	52,244	1	58,640	1
1755	Right-of-use assets (note 6(j))	51,098	1	58,205	1	2640	Net defined benefit liability, non-current (note 6(p))	90,867	2	100,977	3
1780	Intangible assets (note 6(k))	5,247	-	3,666	-	2645	Guarantee deposits received	34	-	34	-
1840	Deferred income tax assets (note 6(q))	24,255	1	21,451	1	2670	Other non-current liabilities	312	-	520	-
1920	Refundable deposits	4,341	-	2,566	-		Total non-current liabilities	<u>542,470</u>	<u>13</u>	<u>558,760</u>	<u>16</u>
	Total non-current assets	<u>845,942</u>	<u>21</u>	<u>662,712</u>	<u>19</u>		Total liabilities	<u>1,848,897</u>	<u>45</u>	<u>1,427,363</u>	<u>42</u>
						Equity attributable to owners of parent (notes 6(r)):					
						3100	Ordinary stock	1,574,076	38	1,624,076	47
						3200	Capital surplus	35,840	1	25,980	1
						3300	Retained earnings	897,783	22	654,787	19
						3400	Other equity interest	(120,343)	(3)	(104,491)	(3)
						3500	Treasury shares	(122,282)	(3)	(173,021)	(6)
							Total equity	<u>2,265,074</u>	<u>55</u>	<u>2,027,331</u>	<u>58</u>
							Total liabilities and equity	<u>\$ 4,113,971</u>	<u>100</u>	<u>\$ 3,454,694</u>	<u>100</u>
	Total assets	<u>\$ 4,113,971</u>	<u>100</u>	<u>3,454,694</u>	<u>100</u>						

See accompanying notes to financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)
EMERGING DISPLAY TECHNOLOGIES CORP.
Statements of Comprehensive Income
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

	2022		2021	
	Amount	%	Amount	%
4000 Operating revenue (notes 6(t) and 7)	\$ 4,624,510	100	4,085,202	100
5000 Operating costs (notes 6(f), (k), (p), (u), 7 and 12)	3,809,530	82	3,471,600	85
Gross profit	814,980	18	613,602	15
5910 Less: Unrealized profit (loss) from sales (note 7)	15,380	-	9,804	-
5920 Add: Realized profit (loss) from sales (note 7)	9,804	-	15,309	-
Gross profit	809,404	18	619,107	15
Operating expenses (notes 6(d), (k), (p), (u), 7 and 12):				
6100 Selling expenses	198,961	4	143,369	4
6200 Administrative expenses	120,574	3	94,943	2
6300 Research and development expenses	128,388	3	116,966	3
6450 Expected credit impairment loss	318	-	33	-
Net operating income	448,241	10	355,311	9
6500 Net other income (expenses) (note 6(v))	520	-	512	-
Net operating income	361,683	8	264,308	6
Non-operating income and expenses (notes 6(c), (o), (w) and 7):				
7100 Interest income	8,744	-	1,159	-
7010 Other income	25,175	1	27,294	1
7020 Other gains and losses	98,832	2	(20,498)	(1)
7050 Finance costs	(9,264)	-	(7,984)	-
7070 Share of profit (loss) of associates accounted for using the equity method	11,961	-	2,256	-
Total non-operating income and expenses	135,448	3	2,227	-
7900 Profit from continuing operations before tax	497,131	11	266,535	6
7950 Less: Income tax expenses (note 6(q))	77,128	2	29,255	1
Profit	420,003	9	237,280	5
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(p))	2,572	-	(18,937)	-
8316 Unrealized gains (losses) from investments in debt and equity instruments measured at fair value through other comprehensive income (note 6(r))	(56,338)	(1)	52,573	1
8330 Share of other comprehensive income of subsidiaries, associates accounted for using the equity method, components of other comprehensive income that will not be reclassified to profit or loss (note 6(r))	23,995	-	6,626	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(q))	(232)	-	(66)	-
	(29,539)	(1)	40,328	1
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements (note 6(r))	24,088	1	(10,533)	-
8380 Share of other comprehensive income of subsidiaries, associates accounted for using the equity method, components of other comprehensive income that will be reclassified to profit or loss (note 6(r))	1,481	-	(1,169)	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(q))	-	-	-	-
	25,569	1	(11,702)	-
8300 Other comprehensive income	(3,970)	-	28,626	1
8500 Comprehensive income	<u>\$ 416,033</u>	<u>9</u>	<u>265,906</u>	<u>6</u>
Earnings per share (New Taiwan Dollars) (note 6(s)):				
9750 Basic net income per share (New Taiwan Dollars)	<u>\$ 2.83</u>		<u>1.60</u>	
9850 Diluted net income per share (New Taiwan Dollars)	<u>\$ 2.80</u>		<u>1.59</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, 2022 and 2021
(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	Treasury shares	
Balance on January 1, 2021	\$ 1,624,076	15,423	82,748	102,612	405,734	(18,296)	(99,519)	(173,021)	1,939,757
Profit	-	-	-	-	237,280	-	-	-	237,280
Other comprehensive income	-	-	-	-	(18,937)	(11,702)	59,265	-	28,626
Total comprehensive income	-	-	-	-	218,343	(11,702)	59,265	-	265,906
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	24,072	-	(24,072)	-	-	-	-
Special reserve	-	-	-	15,203	(15,203)	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(188,889)	-	-	-	(188,889)
Cash dividends to subsidiaries	-	10,553	-	-	-	-	-	-	10,553
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	34,101	-	(34,101)	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income in subsidiaries	-	-	-	-	138	-	(138)	-	-
Return of employee stock ownership trust	-	4	-	-	-	-	-	-	4
Balance on December 31, 2021	1,624,076	25,980	106,820	117,815	430,152	(29,998)	(74,493)	(173,021)	2,027,331
Profit	-	-	-	-	420,003	-	-	-	420,003
Other comprehensive income	-	-	-	-	2,572	25,569	(32,111)	-	(3,970)
Total comprehensive income	-	-	-	-	422,575	25,569	(32,111)	-	416,033
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	25,258	-	(25,258)	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(188,889)	-	-	-	(188,889)
Reversal of special reserve	-	-	-	(13,324)	13,324	-	-	-	-
Cash dividends to subsidiaries	-	10,553	-	-	-	-	-	-	10,553
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	7,795	-	(7,795)	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income in subsidiaries	-	-	-	-	1,515	-	(1,515)	-	-
Retirement of treasury shares	(50,000)	(739)	-	-	-	-	-	50,739	-
Return of employee stock ownership trust	-	46	-	-	-	-	-	-	46
Balance on December 31, 2022	\$ 1,574,076	35,840	132,078	104,491	661,214	(4,429)	(115,914)	(122,282)	2,265,074

See accompanying notes to financial statements.

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

EMERGING DISPLAY TECHNOLOGIES CORP.

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 497,131	266,535
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	46,917	46,660
Amortization expense	1,343	1,194
Expected credit impairment loss	318	33
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	1,576	(5,736)
Interest expense	9,264	7,984
Interest income	(8,729)	(1,133)
Dividend income	(24,665)	(26,502)
Share of profit of subsidiaries, associates accounted for using the equity method	(11,961)	(2,256)
Gain on disposal of property, plant and equipment	(719)	(436)
Unrealized profit from sales	15,380	9,804
Realized profit from sales	(9,804)	(15,309)
Unrealized foreign exchange loss	6,929	3,058
Others	46	4
Total adjustments to reconcile profit	<u>25,895</u>	<u>17,365</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in accounts receivable	6,461	(36,807)
Decrease (increase) in accounts receivable—related parties	23,096	(110,471)
Decrease in other receivable	242	3,582
Decrease (increase) in inventories	47,105	(174,194)
Decrease in other current assets	372	50,510
Total changes in operating assets	<u>77,276</u>	<u>(267,380)</u>
Changes in operating liabilities:		
Decrease in notes payable	(66)	(1,148)
(Decrease) increase in accounts payable	(6,418)	151,707
Increase (decrease) in accounts payable—related parties	642	(63,143)
Increase in other payable	95,173	1,772
Increase in other payable—related parties	2,924	1,796
Increase in other current liabilities	17,232	11,462
Decrease in net defined benefit liability	(7,538)	(5,008)
Decrease in other non-current liabilities	(208)	(208)
Total changes in operating liabilities	<u>101,741</u>	<u>97,230</u>
Total changes in operating assets and liabilities	<u>179,017</u>	<u>(170,150)</u>
Total adjustments	<u>204,912</u>	<u>(152,785)</u>
Cash inflow generated from operations	702,043	113,750
Interest received	6,962	1,441
Dividends received	24,699	26,501
Interest paid	(7,868)	(9,598)
Income taxes paid	(25,510)	(39,556)
Net cash flows from operating activities	<u>700,326</u>	<u>92,538</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(197,366)	(339,254)
Proceeds from disposal of financial assets at fair value through other comprehensive income	44,524	245,279
Acquisition of financial assets at fair value through profit or loss	(10,000)	(30,135)
Proceeds from disposal of financial assets at fair value through profit or loss	10,001	94,451
Acquisition of investments accounted for using the equity method	(69,095)	-
Acquisition of property, plant and equipment	(88,300)	(33,998)
Proceeds from disposal of property, plant and equipment	1,738	2,942
Acquisition of intangible assets	(2,924)	(769)
(Increase) decrease in refundable deposits	(1,795)	2,255
Dividends received	8,966	12,351
Net cash flows used in investing activities	<u>(304,251)</u>	<u>(46,878)</u>
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term borrowings	270,000	(700,000)
Increase in long-term borrowings	-	400,000
Cash dividends paid	(188,889)	(188,895)
Repayments of lease liabilities	(1,904)	(1,966)
Net cash flows from (used in) financing activities	<u>79,207</u>	<u>(490,861)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(5,677)</u>	<u>(2,347)</u>
Net increase (decrease) in cash and cash equivalents	469,605	(447,548)
Cash and cash equivalents at beginning of period	711,866	1,159,414
Cash and cash equivalents at end of period	<u>\$ 1,181,471</u>	<u>711,866</u>

See accompanying notes to financial statements.

ATTACHMENT 5

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, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, 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, 2022 and 2021, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

1. Valuation of accounts receivable

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

Information regarding accounts receivable is shown in Note 6 (d) of the consolidated financial statements.

Description of key audit matters:

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

How the matter was addressed in our audit:

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

2. Valuation of obsolete inventory

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

Description of key audit matters:

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

How the matter was addressed in our audit:

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

Other Matters

We have also audited the parent company only financial statements of Emerging Display Technologies Corp. as of and for the year ended December 31, 2022 and 2021, 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 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, 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 the 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 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 Yung Hsiang, Chen and Yen Ta, Su.

KPMG

Taipei, Taiwan (Republic of China)

March 9, 2023

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, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2022		December 31, 2021		Liabilities and Equity		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents ((Note 6(a)))	\$ 1,307,122	30	816,356	23	2100	Short-term loans (Notes 6(m))	\$ 270,000	6	-	-
1110	Financial assets at fair value through profit or loss, current ((Note 6(b)))	399	-	42	-	2120	Financial liabilities at fair value through profit or loss, current (Notes 6(b))	1,933	-	-	-
1120	Financial assets at fair value through other comprehensive income, current (Note 6(c))	387,178	9	302,101	8	2150	Notes payable	20	-	86	-
1170	Accounts receivable, net (Note 6(d) and 6 (v))	698,482	16	749,530	21	2170	Accounts payable	581,980	14	559,800	16
1200	Other notes receivable and other receivables (note 6(e))	3,378	-	2,823	-	2200	Other payables (Notes 6(n))	387,923	9	290,708	8
1220	Income tax assets	252	-	104	-	2230	Income tax liabilities	84,754	2	29,744	1
130X	Inventories (Note 6(f))	1,044,614	24	1,056,165	29	2280	Lease liabilities, current (Notes 6(p))	13,418	-	11,644	-
1470	Other current assets (Note 6(g) and 8)	65,150	2	51,997	2	2300	Other current liabilities (Notes 6(v))	72,058	2	55,718	2
	Total current assets	<u>3,506,575</u>	<u>81</u>	<u>2,979,118</u>	<u>83</u>		Total current liabilities	<u>1,412,086</u>	<u>33</u>	<u>947,700</u>	<u>27</u>
Non-current assets:						Non-current liabilities:					
1517	Financial assets at fair value through other comprehensive income, non-current (Note 6(c))	155,738	4	113,460	3	2540	Long-term loans (Notes 6(o) and 8)	399,013	9	398,349	11
1600	Property, plant and equipment (Notes 6(i) ,8 and 9)	461,222	11	332,762	9	2570	Deferred income tax liabilities (Note 6(s))	-	-	240	-
1755	Right-of-use assets (Notes 6(j))	64,786	2	77,475	2	2580	Lease liabilities, non-current (Notes 6(p))	55,052	1	68,730	2
1760	Investment property (Notes 6(k))	58,053	1	52,967	2	2640	Net defined benefit liabilities, non-current (Note 6(r))	90,867	3	100,977	3
1780	Intangible assets (Note 6(l))	5,247	-	3,685	-	2645	Guarantee deposits received	600	-	544	-
1840	Deferred income tax assets (Note 6(s))	24,559	1	21,737	1	2670	Other non-current liabilities	312	-	520	-
1980	Other non-current financial assets (Notes 6(g) and 8)	9,593	-	8,239	-		Total non-current liabilities	<u>545,844</u>	<u>13</u>	<u>569,360</u>	<u>16</u>
	Total non-current assets	<u>779,198</u>	<u>19</u>	<u>610,325</u>	<u>17</u>		Total liabilities	<u>1,957,930</u>	<u>46</u>	<u>1,517,060</u>	<u>43</u>
						Equity attributable to shareholders of the parent (Note 6 (t)):					
						3100	Ordinary stock	1,574,076	37	1,624,076	45
						3200	Capital surplus	35,840	1	25,980	1
						3300	Retained earnings	897,783	21	654,787	18
						3400	Other equity interest	(120,343)	(3)	(104,491)	(3)
						3500	Treasury stock	(122,282)	(3)	(173,021)	(5)
							Total equity attributable to shareholders of the parent	2,265,074	53	2,027,331	56
						36XX	Non-controlling interests (Note 6(h))	62,769	1	45,052	1
							Total equity	<u>2,327,843</u>	<u>54</u>	<u>2,072,383</u>	<u>57</u>
TOTAL		<u>\$ 4,285,773</u>	<u>100</u>	<u>3,589,443</u>	<u>100</u>	TOTAL		<u>\$ 4,285,773</u>	<u>100</u>	<u>3,589,443</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)
EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021		
	Amount	%	Amount	%	
4000	Operating revenue (Note 6(v))	\$ 4,692,706	100	4,183,403	100
5000	Operating cost (Note 6(f, l, r & w) and 12)	<u>3,775,258</u>	<u>80</u>	<u>3,470,218</u>	<u>83</u>
	Gross profit	<u>917,448</u>	<u>20</u>	<u>713,185</u>	<u>17</u>
	Operating expenses (Note 6(d, l, r & w) 7 and 12):				
6100	Selling expenses	245,762	5	204,557	5
6200	Administrative expenses	162,964	4	128,504	3
6300	Research and development expenses	128,388	3	116,966	3
6450	Expected credit impairment loss	<u>252</u>	<u>-</u>	<u>164</u>	<u>-</u>
	Total operating expenses	<u>537,366</u>	<u>12</u>	<u>450,191</u>	<u>11</u>
6500	Net other income (expenses) (Note 6(q, x))	<u>4,086</u>	<u>-</u>	<u>3,861</u>	<u>-</u>
	Operating profit	<u>384,168</u>	<u>8</u>	<u>266,855</u>	<u>6</u>
	Non-operating income and expenses (Note 6(c, p & x)):				
7100	Interest income	9,010	-	1,244	-
7010	Other income	26,452	1	28,239	1
7020	Other gains and losses	91,503	2	(19,237)	-
7050	Finance cost	<u>(10,372)</u>	<u>-</u>	<u>(9,177)</u>	<u>-</u>
	Total non-operating income and expenses	<u>116,593</u>	<u>3</u>	<u>1,069</u>	<u>1</u>
7900	Profit before income tax	500,761	11	267,924	7
7950	Income tax expense (Note 6(s))	<u>80,785</u>	<u>2</u>	<u>31,389</u>	<u>1</u>
	Profit	<u>419,976</u>	<u>9</u>	<u>236,535</u>	<u>6</u>
8300	Other comprehensive income:				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit obligation (Note 6(r))	2,572	-	(18,937)	(1)
8316	Unrealized losses on investments in equity instruments at fair value through other comprehensive income (Note 6(t))	(14,959)	-	64,472	1
8349	Less: Income tax related to items that will not be reclassified subsequently (Note 6(s))	<u>(232)</u>	<u>-</u>	<u>(66)</u>	<u>-</u>
		<u>(12,155)</u>	<u>-</u>	<u>45,601</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation (Note 6(t))	25,929	-	(11,986)	-
8399	Less: Income tax related to items that will be reclassified subsequently (Note 6(s))	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>25,929</u>	<u>-</u>	<u>(11,986)</u>	<u>-</u>
8300	Other comprehensive income, net	<u>13,774</u>	<u>-</u>	<u>33,615</u>	<u>-</u>
8500	Comprehensive income	<u>433,750</u>	<u>9</u>	<u>270,150</u>	<u>6</u>
	Profit (loss) attributable to				
8610	Shareholders of the parent	420,003	9	237,280	6
8620	Non-controlling interests	<u>(27)</u>	<u>-</u>	<u>(745)</u>	<u>-</u>
	Net profit (loss)	<u>419,976</u>	<u>9</u>	<u>236,535</u>	<u>6</u>
	Comprehensive income attributable to				
8710	Shareholders of the parent	416,033	9	265,906	6
8720	Non-controlling interests	<u>17,717</u>	<u>-</u>	<u>4,244</u>	<u>-</u>
	Total comprehensive income	<u>\$ 433,750</u>	<u>9</u>	<u>\$ 270,150</u>	<u>6</u>
	Earnings per share (Note 6(u)) (expressed in New Taiwan Dollars)				
9750	Basic earnings per share	<u>\$ 2.83</u>		<u>1.60</u>	
9850	Diluted earnings per share	<u>\$ 2.80</u>		<u>1.59</u>	

See accompanying notes to consolidated financial statements.

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

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

Equity attributable to shareholders of parent

	Equity attributable to shareholders of parent					Other equity interest			Total equity attributable to shareholders of parent	Non-controlling interests	Total Equity
	Ordinary shares	Capital surplus	Legal capital reserve	Special capital reserve	Unappropriated earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Treasury stock			
Balance on January 1, 2021	\$ 1,624,076	15,423	82,748	102,612	405,734	(18,296)	(99,519)	(173,021)	1,939,757	40,808	1,980,565
Profit	-	-	-	-	237,280	-	-	-	237,280	(745)	236,535
Other comprehensive income	-	-	-	-	(18,937)	(11,702)	59,265	-	28,626	4,989	33,615
Total comprehensive income	-	-	-	-	218,343	(11,702)	59,265	-	265,906	4,244	270,150
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	24,072	-	(24,072)	-	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	(188,889)	-	-	-	(188,889)	-	(188,889)
Special reserve	-	-	-	15,203	(15,203)	-	-	-	-	-	-
Cash dividends to subsidiaries	-	10,553	-	-	-	-	-	-	10,553	-	10,553
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	34,239	-	(34,239)	-	-	-	-
Return of employee stock ownership trust	-	4	-	-	-	-	-	-	4	-	4
Balance on December 31, 2021	1,624,076	25,980	106,820	117,815	430,152	(29,998)	(74,493)	(173,021)	2,027,331	45,052	2,072,383
Profit	-	-	-	-	420,003	-	-	-	420,003	(27)	419,976
Other comprehensive income	-	-	-	-	2,572	25,569	(32,111)	-	(3,970)	17,744	13,774
Total comprehensive income	-	-	-	-	422,575	25,569	(32,111)	-	416,033	17,717	433,750
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	25,258	-	(25,258)	-	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	(188,889)	-	-	-	(188,889)	-	(188,889)
Reversal of special reserve	-	-	-	(13,324)	13,324	-	-	-	-	-	-
Cash dividends to subsidiaries	-	10,553	-	-	-	-	-	-	10,553	-	10,553
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	9,310	-	(9,310)	-	-	-	-
Retirement of treasury share	(50,000)	(739)	-	-	-	-	-	50,739	-	-	-
Return of employee stock ownership trust	-	46	-	-	-	-	-	-	46	-	46
Balance on December 31, 2022	\$ 1,574,076	35,840	132,078	104,491	661,214	(4,429)	(115,914)	(122,282)	2,265,074	62,769	2,327,843

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, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
Cash flows from (used in) operating activities		
Profit before tax	\$ 500,761	267,924
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	65,096	63,675
Amortization expense	1,389	1,249
Expected credit loss	252	164
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	1,576	(5,736)
Interest expense	10,372	9,177
Interest income	(8,995)	(1,218)
Dividend income	(25,799)	(27,447)
Gain on disposal of property, plant, equipment	(626)	(1,292)
Unrealized foreign exchange loss	11,029	2,156
Others	46	4
Total adjustments to reconcile profit	<u>54,340</u>	<u>40,732</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in accounts receivable	72,361	(167,269)
Decrease in other receivable	468	3,695
Decrease (increase) in inventories	18,961	(187,001)
(Increase) decrease in other current assets	(12,570)	31,135
Total net changes in operating assets	<u>79,220</u>	<u>(319,440)</u>
Net changes in operating liabilities:		
Decrease in notes payable	(66)	(1,148)
Increase in accounts payable	28,422	162,309
Increase in other payable	84,298	17,082
Increase in other current liabilities	16,176	12,697
Decrease in net defined benefit liability	(7,538)	(5,008)
Decrease in other non-current liabilities	(208)	(208)
Total net change in operating liabilities	<u>121,084</u>	<u>185,724</u>
Total net change in operating assets and liabilities	<u>200,304</u>	<u>(133,716)</u>
Total adjustments	<u>254,644</u>	<u>(92,984)</u>
Cash inflow generated from (used in) operating activities	755,405	174,940
Interest received	7,228	1,525
Dividends received	25,833	27,447
Interest paid	(8,976)	(10,791)
Income taxes paid	(28,786)	(43,117)
Net cash flows from (used in) operating activities	<u>750,704</u>	<u>150,004</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(197,917)	(339,254)
Proceeds from disposal of financial assets at fair value through other comprehensive income	55,603	246,616
Acquisition of financial assets at fair value through profit or loss	(10,000)	(30,135)
Proceeds from disposal of financial assets at fair value through profit or loss	10,001	94,451
Acquisition of property, plant and equipment	(162,770)	(52,607)
Proceeds from disposal of property, plant, equipment	2,418	3,057
Acquisition of intangible assets	(2,951)	(824)
Other financial assets	(979)	951
Net cash flows from (used in) investing activities	<u>(306,595)</u>	<u>(77,745)</u>
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term borrowings	270,000	(700,000)
Increase in long-term borrowings	-	400,000
Cash dividends paid	(178,336)	(178,342)
Repayments of lease liabilities	(13,372)	(13,985)
Net cash flows from (used in) financing activities	<u>78,292</u>	<u>(492,327)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(31,635)</u>	<u>(5,907)</u>
Net increase (decrease) in cash and cash equivalents	490,766	(425,975)
Cash and cash equivalents at beginning of period	816,356	1,242,331
Cash and cash equivalents at end of period	<u>\$ 1,307,122</u>	<u>816,356</u>

See accompanying notes to consolidated financial statements.

ATTACHMENT 6

Emerging Display Technologies Corp. 2022 Profit Distribution Proposal

	Unit: NT\$
Beginning retained earnings	\$229,329,674
Plus: Net income of year 2022	420,003,386
Proceeds from disposal of equity instruments at fair value through other comprehensive income	9,309,565
Changes of remeasurement of defined benefit plan	2,572,000
Less: Special reserve for equity deduction	(15,852,651)
Retained earnings available for distribution	645,361,974
Less: 10% of legal reserve	(43,188,495)
Distribution item:	
Cash dividend for common share holders (NT\$1.6 per share)	(251,852,165)
Unappropriated retained earnings	\$350,321,314

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 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 and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically. 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.

In the event of a virtual Shareholders' Meeting, shareholders wishing to attend the Meeting online shall register with the Corporation two days before the meeting date.

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. When the Corporation convenes a virtual-only Shareholders' Meeting, the restrictions on the place of the meeting shall not apply; however, both the chair and secretary shall be in the same location, and the chair shall declare the address of the location when the Meeting is called to order.

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 and videotaped and these tapes shall be preserved for at least one year.

Where the Meeting is held online, the Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end. Aforementioned information and audio and video recording shall be properly kept by the Corporation during the entirety of existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

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 11-1

Where a virtual Shareholders' Meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the Meeting open until the chair declaring the Meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in Article 9 to 11 do not apply. As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

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. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2 of Article 179 of the Company Act. 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.

In the event of a virtual Shareholders' Meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Corporation convenes a hybrid Shareholders' Meeting, if shareholders who have registered to attend the Meeting online in accordance with the rules decide to attend the physical Shareholders' Meeting in person, they shall revoke their registration two days before the Meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the Meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the Meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 16

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

Article 17

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

Article 18

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

Article 19

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

Article 20

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

APPENDIX 2

Emerging Display Technologies Corp. Articles of Incorporation

Chapter 1: General Provisions

Article 1

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

Article 2

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

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

Article 3

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

Article 4

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

Chapter 2: Stock Shares

Article 5

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

Article 6

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

Article 7

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

Article 8

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

Article 9

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

Article 10

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

Chapter 3: Shareholders' Meeting

Article 11

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

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 Audit Committee

Article 15

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

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

Independent directors must be not less than three 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, taking in account the standards of related listed companies, business operation of the Corporation, and the value of the services provided.

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

The Corporation shall establish an audit committee in accordance with regulations in Article 14-4 of the Securities and Exchange Act. The audit committee shall be composed of the entire number of independent directors, and its members, exercise of powers and other compliance requirements shall be handled in accordance with the relevant laws and regulations. Further, the audit committee charter shall be adopted by the Board of Directors.

Article 19-1

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

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 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. However, the Corporation's accumulated losses shall have been covered.

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

Article 23

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

Article 23-1

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

Chapter 7: Supplemental Provisions

Article 24

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

Article 25

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

Article 26

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

Article 27

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

The first Amendment was approved on December 5, 1996.

The second Amendment was approved on October 20, 1997.

The third Amendment was approved on December 29, 1997.

The fourth Amendment was approved on May 28, 1998.

The fifth Amendment was approved on May 27, 1999.

The sixth Amendment was approved on May 23, 2000.

The seventh Amendment was approved on June 12, 2001.

The eighth Amendment was approved on June 13, 2002.

The ninth Amendment was approved on May 27, 2004.

The tenth Amendment was approved on May 31, 2005.

The eleventh Amendment was approved on June 8, 2006.

The twelfth Amendment was approved on June 11, 2007.

The thirteenth Amendment was approved on June 10, 2009.

The fourteenth Amendment was approved on June 6, 2012.

The fifteenth Amendment was approved on June 11, 2014.

The sixteenth Amendment was approved on June 7, 2016.

The seventeenth Amendment was approved on June 12, 2020.

The eighteenth Amendment was approved on July 26, 2021.

The nineteenth Amendment was approved on June 17, 2022.

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 obtains approval from the Board of Directors, 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 establishes a risk assessment mechanism against unethical conduct, analyzes and assesses on a regular basis business activities within our business scope which are at a higher risk of being involved in unethical conduct, and establishes prevention programs accordingly and reviews their adequacy and effectiveness on a regular basis.

The Corporation refers to prevailing domestic and foreign standards or guidelines in establishing 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 and on the Corporation's website 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 under the Board of Directors and avail itself of adequate resources and staff itself with competent personnel, responsible for establishing and supervising the implementation of the ethical management policies and prevention programs. The dedicated unit is in charge of the following matters, and reports to the Board of Directors on a regular basis (at least once a year):

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.
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.
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.
4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Developing a whistle-blowing system and ensuring its operating effectiveness.
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.

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, 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 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.

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.

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 adopts a concrete whistle-blowing system and scrupulously operates the system. The whistle-blowing system includes at least the following:

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.
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.
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.
4. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.
5. Confidentiality of the identity of whistle-blowers and the content of reported cases, and an undertaking regarding anonymous reporting.
6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.
7. Whistle-blowing incentive measures.

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.

Article 24

The Corporation adopts and publishes 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 25

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. The Corporation also discloses the measures taken for implementing ethical management, the status of implementation, the foregoing quantitative data, and the effectiveness of promotion on the Corporation's websites, annual reports, and prospectuses, and discloses these Principles on the Market Observation Post System.

Article 26

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 27

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.

For the Corporation that has established an audit committee, the provisions regarding supervisors in these Principles applies mutatis mutandis to the audit committee.

These Principles have been passed by the Board of Directors on November 4, 2014. The first amendment was approved on March 6, 2015. The second amendment was approved on August 6, 2019.

APPENDIX 4

Emerging Display Technologies Corp.

Shareholdings of All Directors

Record date: April 15, 2023

Title	Name	Current Shareholding	
		Shares	Percentage
Chairman	Tseng, Jui-Ming	11,043,723	7.02%
Director	Wang, Tai-Kuang	1,666,487	1.06%
Director	Hsieh, Hui-Tai	6,301,867	4.00%
Director	Yu, Cheng-Chung	1,002,000	0.64%
Director	Ying Dar Investment Development Corp. Representative: Huang, Hsiu-Wen	5,346,672	3.40%
Director	Bae Haw Investment Development Corp. Representative: Hsieh, Wen-Hsiung	3,447,716	2.19%
Independent Director	Huang, Hui-Ling	0	0.00%
Independent Director	Li, Chi-Cheng	0	0.00%
Independent Director	Huang, Fu-Di	0	0.00%
Total Directors' shareholdings		28,808,465	18.31%

Note:

1. Total shares issued as of April 15, 2023: 157,407,603 common shares.
2. In accordance with Article 26 of the Securities and Exchange Act, the total shareholdings of Directors should not less than 9,444,456 shares.
3. As **edt** has established the Audit Committee that satisfies the requirements of the Securities and Exchange Act, the minimum shareholding requirements for supervisors do not apply.
4. Based on Article 2 of the Rules and Review Procedures for Directors and Supervisors Share Ownership Ratio at Public Companies, **edt** had elected three independent directors, the minimum shareholding for all directors and supervisors other than the independent directors shall be decreased by 20 percent.