



Stock code: 3038

# Emerging Display Technologies Corp. 2024 Annual Shareholders' Meeting

## Meeting Agenda (Translation)

Meeting Date: June 13, 2024

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

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# Emerging Display Technologies Corp.

## 2024 Annual Shareholders' Meeting Procedure

### **I. Call Meeting to Order**

### **II. Meeting Agenda**

Time: 9:00 a.m., June 13, 2024

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

(edt's Headquarters at 1<sup>st</sup> 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 2023 business report.
- (2) Audit Committee's review report.
- (3) Report on distribution of 2023 employees' compensation and remuneration for directors.
- (4) Report on 2023 earnings distribution of cash dividend.

#### **2. Adopting Items:**

- (1) Adoption of the Business Report and Financial Statements of 2023.
- (2) Adoption of the proposal for distribution of 2023 profits.

#### **3. Election Items:**

Election of all directors the Company.

#### **4. Other Items:**

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

#### **5. Extemporaneous Motions**

#### **6. Meeting Adjourned**

## Reporting Items:

1. Report on 2023 business report.

Explanatory Note: Please refer to Attachment 1 (page 6~11).

2. Audit Committee's review report.

Explanatory Note: Please refer to Attachment 2 (page 12).

3. Report on distribution of 2023 employees' compensation and remuneration for directors.

Explanatory Note:

- (1) The Company's 2023 profit before tax is NT\$501,491,228 (NT\$545,099,161 if employees' compensation and remuneration for directors excluded). In accordance with Article 22-1 of "Articles of Incorporation", the Company distribute 2023 employees' compensation and remuneration for directors as follows,
  - ◆ Employees' compensation: 5% allocated and NT\$27,254,958 in total.
  - ◆ Remuneration for directors: 3% allocated and NT\$16,352,975 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 2023 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.

## **Adopting Items:**

1. 2023 Business Report and Financial Statements of the Company. Adoption is respectfully requested. (Proposed by the Board of Directors)

### Explanatory Note:

- (1) 2023 Parent-Company-Only Financial Statements and Consolidated Financial Statements were audited by independent auditors.
- (2) 2023 Business Report, Independent Auditor's report and the aforementioned Financial Statements are attached hereto as Attachment 1, 3 and 4 (page 6~11, 13~20, 21~28).
- (3) Please proceed to adopt.

### Resolution:

2. Distribution of 2023 Profits. Adoption is respectfully requested. (Proposed by the Board of Directors)

### Explanatory Note:

- (1) In Fiscal Year 2023, the Company made a net profit of NT\$418,152,624. By adding previous years' retained earnings of NT\$350,321,314, proceeds from disposal of equity instruments at fair value through other comprehensive income of NT\$117,679,890, reversal of special reserve for equity deduction of NT\$29,115,125, and deducting changes of remeasurement from defined benefit plans of NT\$4,395,000, total distributable earnings for year amounted to NT\$910,873,953. After setting aside 10% of net profit as legal reserve of NT\$53,143,751, 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 5 (page 29) for profit allocation proposal.
- (2) Please proceed to adopt.

### Resolution:

## **Election Items:**

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

### Explanatory Note:

- (1) The term of office of the 10<sup>th</sup> directors of the Company will expire on July 25, 2024.
- (2) Nine directors (including three independent directors) shall be elected this time in accordance with the Company Act, the Company's "Articles of Incorporation". Newly elected directors will take office from the election date, the term of office from June 13, 2024 to June 12, 2027 for a term of three years.
- (3) The candidate nomination system is adopted. Shareholders shall elect the directors from the list of the candidates reviewed by the Board of Directors on April 30, 2024. Related information of the candidates is as following:

Title	Candidate Name	Education & Experience	Shareholding (Unit: share)
Director	Tseng, Jui-Ming	MBA, CSU, Taiwan Hitachi / Sharp Chairman of the Company	11,043,723
Director	Hsieh, Hui-Tai	San Sin High School, Taiwan Director of Jen Ya Transportation Supervisor of Jen Wei Transportation Director of the Company	6,097,867
Director	Wang, Tai-Kuang	Master, Physics and Astronomy, NCU, Taiwan Business Manager class of Taiwan AI Academy Solomon Technologies Corp. President & CEO of the Company	1,666,487
Director	Yu, Cheng-Chung	Bachelor, International business, CYCU, Taiwan Citizen Watch / Grand Pacific Optoelectronics Corp. Executive Vice President of the Company	1,002,000
Director	Ying Dar Investment Development Corp. Representative: Huang, Hsiu-Wen	MBA, CUNY, Baruch College, USA / Yuanta Securities Corp. Vice President & Financial Officer of the Company	5,346,672
Director	Bae Haw Investment Development Corp. Representative: Hsieh, Wen-Hsiung	Bachelor, Accounting, FCU, Taiwan Yuanta Securities Corp. Vice President & Chairman's Special Assistant & Corporate Governance Officer of the Company	3,447,716
Independent Director	Ting, Hung-Hsun	Bachelor, Accounting, CCU, Taiwan Partnership Accountant of Baker Tilly Clock & CO Director & Accountant of Kensei Accounting Firm Independent Director of CyberTAN Technology, Inc. & M- Power Information Co., Ltd. & ShunSin Technology Holdings Limited Director of CEN LINK Co., Ltd.	0
Independent Director	Li, Chi-Cheng	PhD, MBA, NCKU, Taiwan Professor of Cheng Shiu University Representative of supervisor of Yung Chi Paint & Varnish Mfg. Co., Ltd. Independent Director of the Company	0
Independent Director	Huang, Hui-Ling	Master, Accounting, NCCU, Taiwan DBS Bank / Ta Chong Bank / KPMG / Deloitte Partner of Legence Accounting Firm	0

(4) It is proposed to submit for election.

Resolution:

## **Other Items:**

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

### Explanatory Note:

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

### Resolution:

## **Extemporary Motions**

## **Meeting Adjourned**

## **ATTACHMENT 1**

### **Emerging Display Technologies Corp. 2023 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 2023 and outlook for the future are as following:

#### **2023 Business Report**

##### 1. Operating performance

Thanks to the long-term effect of the imbalance in the global supply chain caused by the COVID-19 epidemic, our revenue and profits have both grown. However, after the European market began to weaken in the second half of 2023, shipment momentum also had a certain impact. "Smart home" central control products have been shipped steadily as they target high-end customer groups. Our consolidated net operating income in 2023 was NT\$4,386,724 thousand, a slight decrease of 6.52% from the previous year's NT\$4,692,706 thousand. Coupled with the fact that the exchange rate in 2023 is not as favorable as the previous year, our consolidated net profit slightly decreased by 0.33% compared with the previous year, with earnings per share (EPS) of NT\$2.81, which is similar to the previous year.

In individual products, LCD modules (LCM) represented about 30% of sales, the demand for Capacitive Touch Panel (CTP) and modules increased relatively, and their shipment amount was close to 70%. Aided by the adjustment of the product mix, there was a positive growth in revenue, and together with stabilized material costs, 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

	2023	2022
Operating profit	449,918	384,168
Non-operating income and expenses	55,065	116,593
Profit before tax	504,983	500,761
Net profit	418,595	419,976
Return on assets	10.15%	10.87%
Return on shareholders' equity	16.89%	19.08%
Pre-tax income to paid-in capital	32.08%	31.81%
Profit ratio	9.54%	8.94%
Earnings per share (NT\$)	2.81	2.83

## 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 2023 are as following:

Item	R&D Results	Description of Benefits
1	Development of projected capacitive touch display module + mmWave radar sensor fusion interactive technology	Integrate the 60G millimeter wave radar into the projected capacitive space gesture module and use aforementioned two signals for sensor fusion design to enable users to experience a very natural interaction when approaching the display from far to near.
2	Development of virtual and real information interaction technology for projected capacitive touch display module	Develop to identify the data content in physical objects through mutual capacitance sensing technology, so that objects in the real world can interact with data in the virtual world in real time through users' actions on projected capacitive touch modules, which are the most frequently used in life.

3	Development of switchable privacy display technology	Develop active viewing angle control to enable users switch between privacy mode and wide-view mode actively when integrated with our existing touch display panels. Users can freely choose the display mode based on their privacy needs in different usage scenarios and conditions, and address the limitation of traditional passive privacy screens that only maintain a privacy mode.
4	Development of Near Field Communication (NFC) function on the glass substrate	Precisely control the air pressure and measure the substrate thickness by laser technology at X-Y table to achieve accurate control of the weight of Ag glue, which can apply to development of NFC function on glass substrate.
5	Development of color distortion elimination technology for optical bonding	Develop to improve the accuracy of optical bonding, avoid of seeing the light leakage at the edge of the C/L window or the bright lines on the polarizer edge, and keep the flatness of optical bonding to avoid the occurrence of bonding bubbles or poor adhesion. Furthermore, we can eliminate the phenomenon of the stress mura caused by uneven structure after optical bonding. During the startup or dark picture, users will not see the mura phenomenon due to lamination stress.
6	Integration and development of smart embedded platforms with energy-saving functions	Research and integrate various energy-saving technologies and mechanisms to develop smart embedded platforms with energy-saving and meet the needs of carbon reduction. Our research contains both hardware and software. Hardware can be optimized for different application scenarios, such as using low-power chips, energy-saving sensors and other technologies, to reduce energy consumption. The software of energy-saving algorithms and power management mechanisms can be used to optimize our system for energy-saving and minimize energy consumption of the system through sleep mode, dynamic frequency adjustment, and so on.
7	Development of capacitive touch display module with the resistance to composite waveform interference	Modifications were made to the FPC and the lower frame structure, including enlarging the grounding area, to rapidly diversify excess interference when composite waveform interference occurs, so as to prevent abnormalities within the module.
8	Intellectual Property Rights (include Patents and Trade Secret)	Number of intellectual property right proposals totaled 27, which include 13 patent proposals and 14 trade secret proposals. Number of intellectual property rights granted totaled 17 (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 2024:

- ◆ Development of Night Vision Imaging System (NVIS) display
- ◆ Development of projected capacitive touch display module with pressure sensing and vibration feedback functions
- ◆ Development of touch display integrated with NFC technology
- ◆ Development of touch display modules with arbitrary dielectric materials and undulating surfaces

- ◆ Development of interactive guidance technology for flat panel displays by applying AI edge computing to embedded platforms
- ◆ Development of device for separation of Tin welding situation by applying AI deep learning knowledge

## **Summary of Business Plan for 2024**

### 1. Business objectives

- (1) Develop new technologies to expand market.
  - ① Develop sensor integration control.
  - ② Optimize the integration efficacy of touch display.
- (2) Develop innovative business model for touch display solution.
  - ① Promote 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 and use the ability of machine learning technology.

### 2. Expected sales numbers and its basis

- (1) Expected sales numbers for 2024:
 

① LCD modules	2,100 thousand units
② CTP and its modules	1,600 thousand units
- (2) Basis for expected sales numbers of 2024:
  - 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. Facing the continuously changing market environment such as the impact of the global epidemic, trade barriers from major countries, and supervision of trade policies, we still maintain long-term and stable cooperative relationships with our customers. In addition, by providing an optimized product sales mix, improving manufacturing processes, strengthening the supply chain communication and effective management, our revenue and profit growth are just around the corner.
4. Over 90% of our operating revenue is export in 2023. 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 interactive user-machine interface 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 2023. 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 7, 2024

## **ATTACHMENT 3**

### **Independent Auditors' Report**

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

#### **Opinion**

We have audited the financial statements of Emerging Display Technologies Corp. ("the Company"), which comprise the balance sheet as of December 31, 2023 and 2022, the parent company only statement of comprehensive income, changes in equity and cash flows for the years then ended December 31, 2023 and 2022, and notes to the parent company only financial statements, including a summary of material 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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of 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 between the Company and customers; analyzing the receivables 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 accuracy of the allowance for losses on accounts receivable and 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) 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 7, 2024

#### **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, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

Assets		December 31, 2023		December 31, 2022		Liabilities and Equity		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (note 6(a))	\$ 1,247,859	31	1,181,471	28	2100	Short-term borrowings (note 6(l))	\$ -	-	270,000	7
1110	Financial assets at fair value through profit or loss, current (note 6(b))	112,981	3	399	-	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))	356,043	9	372,137	9	2150	Notes payable	30	-	20	-
1170	Accounts receivable, net (notes 6(d) and (t))	406,784	10	481,150	12	2170	Accounts payable	356,725	9	492,475	12
1180	Accounts receivable — related parties, net (notes 6(d), (t), and 7)	348,263	9	283,487	7	2180	Accounts payable — related parties (note 7)	44,981	1	26,634	1
1200	Other notes receivable and other receivables (note 6(e))	3,503	-	3,112	-	2200	Other payables (note 6(m))	328,128	8	344,837	8
130X	Inventories (note 6(f))	659,910	16	921,262	22	2220	Other payables — related parties (note 7)	12,376	-	14,828	-
1470	Other current assets (notes 6(g), 7 and 8)	15,774	-	25,011	1	2230	Income tax liabilities	100,174	3	83,077	2
	<b>Total current assets</b>	<b>3,151,117</b>	<b>78</b>	<b>3,268,029</b>	<b>79</b>	2280	Lease liabilities, current (note 6(o))	2,019	-	1,954	-
						2300	Other current liabilities (note 6(t))	65,106	2	70,669	2
<b>Non-current assets:</b>							<b>Total current liabilities</b>	<b>909,539</b>	<b>23</b>	<b>1,306,427</b>	<b>32</b>
1517	Financial assets at fair value through other comprehensive income, non-current (note 6(c))	41,769	1	40,958	1		<b>Non-Current liabilities:</b>				
1550	Investments accounted for using the equity method (note 6(h) and 7)	409,109	10	401,284	10	2540	Long-term borrowings (notes 6(n) and 8)	399,333	10	399,013	10
1600	Property, plant and equipment (notes 6(i), 8 and 9)	342,815	9	318,759	8	2570	Deferred income tax liabilities (note 6(q))	1,044	-	-	-
1755	Right-of-use assets (note 6(j))	48,577	1	51,098	1	2580	Lease liabilities, non-current (note 6(o))	50,225	1	52,244	1
1780	Intangible assets (note 6(k))	4,980	-	5,247	-	2640	Net defined benefit liability, non-current (note 6(p))	93,065	2	90,867	2
1840	Deferred income tax assets (note 6(q))	38,836	1	24,255	1	2645	Guarantee deposits received	34	-	34	-
1920	Refundable deposits	4,366	-	4,341	-	2670	Other non-current liabilities	104	-	312	-
	<b>Total non-current assets</b>	<b>890,452</b>	<b>22</b>	<b>845,942</b>	<b>21</b>		<b>Total non-current liabilities</b>	<b>543,805</b>	<b>13</b>	<b>542,470</b>	<b>13</b>
							<b>Total liabilities</b>	<b>1,453,344</b>	<b>36</b>	<b>1,848,897</b>	<b>45</b>
							<b>Equity attributable to owners of parent (notes 6(r)):</b>				
						3100	Ordinary stock	1,574,076	39	1,574,076	38
						3200	Capital surplus	50,291	1	35,840	1
						3300	Retained earnings	1,177,368	29	897,783	22
						3400	Other equity interest	(91,228)	(2)	(120,343)	(3)
						3500	Treasury shares	(122,282)	(3)	(122,282)	(3)
							<b>Total equity</b>	<b>2,588,225</b>	<b>64</b>	<b>2,265,074</b>	<b>55</b>
							<b>Total liabilities and equity</b>	<b>\$ 4,041,569</b>	<b>100</b>	<b>4,113,971</b>	<b>100</b>
	<b>Total assets</b>	<b>\$ 4,041,569</b>	<b>100</b>	<b>4,113,971</b>	<b>100</b>						

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, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)**

		2023		2022	
		Amount	%	Amount	%
4000	<b>Operating revenue (notes 6(t) and 7)</b>	\$ 4,378,867	100	4,624,510	100
5000	<b>Operating costs (notes 6(f), (k), (p), (u), 7 and 12)</b>	<u>3,474,534</u>	<u>79</u>	<u>3,809,530</u>	<u>82</u>
	<b>Gross profit</b>	904,333	21	814,980	18
5910	Less: Unrealized profit (loss) from sales (note 7)	39,397	1	15,380	-
5920	Add: Realized profit (loss) from sales (note 7)	<u>15,380</u>	<u>-</u>	<u>9,804</u>	<u>-</u>
	<b>Gross profit</b>	<u>880,316</u>	<u>20</u>	<u>809,404</u>	<u>18</u>
	<b>Operating expenses (notes 6(d), (k), (p), (u), 7 and 12):</b>				
6100	Selling expenses	180,772	4	198,961	4
6200	Administrative expenses	124,917	3	120,574	3
6300	Research and development expenses	147,382	3	128,388	3
6450	Expected credit impairment loss	<u>129</u>	<u>-</u>	<u>318</u>	<u>-</u>
	<b>Net operating income</b>	<u>453,200</u>	<u>10</u>	<u>448,241</u>	<u>10</u>
6500	<b>Net other income (expenses) (note 6(v))</b>	<u>502</u>	<u>-</u>	<u>520</u>	<u>-</u>
	<b>Net operating income</b>	<u>427,618</u>	<u>10</u>	<u>361,683</u>	<u>8</u>
	<b>Non-operating income and expenses (notes 6(c), (o), (w) and 7):</b>				
7100	Interest income	41,716	1	8,744	-
7010	Other income	22,894	1	25,175	1
7020	Other gains and losses	4,509	-	98,832	2
7050	Finance costs	(12,111)	-	(9,264)	-
7070	Share of profit (loss) of subsidiaries for using the equity method	<u>16,866</u>	<u>-</u>	<u>11,961</u>	<u>-</u>
	<b>Total non-operating income and expenses</b>	<u>73,874</u>	<u>2</u>	<u>135,448</u>	<u>3</u>
7900	<b>Profit from continuing operations before tax</b>	501,492	12	497,131	11
7950	Less: Income tax expenses (note 6(q))	<u>83,339</u>	<u>2</u>	<u>77,128</u>	<u>2</u>
	<b>Profit</b>	<u>418,153</u>	<u>10</u>	<u>420,003</u>	<u>9</u>
8300	<b>Other comprehensive income:</b>				
8310	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(p))	(4,395)	-	2,572	-
316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note 6(r))	161,246	4	(55,697)	(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))	(18,038)	(1)	23,995	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(q))	<u>-</u>	<u>-</u>	<u>(232)</u>	<u>-</u>
		<u>138,813</u>	<u>3</u>	<u>(28,898)</u>	<u>(1)</u>
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements (note 6(r))	1,860	-	24,088	1
8367	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income (note 6(r))	2,595	-	(641)	-
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))	(478)	-	1,481	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(q))	<u>391</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>3,586</u>	<u>-</u>	<u>24,928</u>	<u>1</u>
8300	<b>Other comprehensive income</b>	142,399	3	(3,970)	-
8500	<b>Comprehensive income</b>	<u>\$ 560,552</u>	<u>13</u>	<u>416,033</u>	<u>9</u>
	<b>Earnings per share (New Taiwan Dollars) (note 6(s)):</b>				
9750	<b>Basic net income per share (New Taiwan Dollars)</b>	<u>\$ 2.81</u>		<u>2.83</u>	
9850	<b>Diluted net income per share (New Taiwan Dollars)</b>	<u>\$ 2.79</u>		<u>2.80</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, 2023 and 2022**  
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Total other equity interest		Treasury shares	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		
<b>Balance on January 1, 2022</b>	<b>\$ 1,624,076</b>	<b>25,980</b>	<b>106,820</b>	<b>117,815</b>	<b>430,152</b>	<b>(29,998)</b>	<b>(74,493)</b>	<b>(173,021)</b>	<b>2,027,331</b>
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
<b>Balance on December 31, 2022</b>	<b>1,574,076</b>	<b>35,840</b>	<b>132,078</b>	<b>104,491</b>	<b>661,214</b>	<b>(4,429)</b>	<b>(115,914)</b>	<b>(122,282)</b>	<b>2,265,074</b>
Profit	-	-	-	-	418,153	-	-	-	418,153
Other comprehensive income	-	-	-	-	(4,395)	1,382	145,412	-	142,399
Total comprehensive income	-	-	-	-	413,758	1,382	145,412	-	560,552
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	43,188	-	(43,188)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(251,852)	-	-	-	(251,852)
Special reserve	-	-	-	15,852	(15,852)	-	-	-	-
Cash dividends to subsidiaries	-	14,071	-	-	-	-	-	-	14,071
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	112,083	-	(112,083)	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income in subsidiaries	-	-	-	-	5,596	-	(5,596)	-	-
Return of employee stock ownership trust	-	380	-	-	-	-	-	-	380
<b>Balance on December 31, 2023</b>	<b>1,574,076</b>	<b>50,291</b>	<b>175,266</b>	<b>120,343</b>	<b>881,759</b>	<b>(3,047)</b>	<b>(88,181)</b>	<b>(122,282)</b>	<b>2,588,225</b>

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, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

	2023	2022
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 501,492	497,131
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	53,000	46,917
Amortization expense	1,230	1,343
Expected credit impairment loss	129	318
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(6,615)	1,576
Interest expense	12,111	9,264
Interest income	(41,708)	(8,729)
Dividend income	(21,552)	(24,665)
Share of profit of subsidiaries for using the equity method	(16,866)	(11,961)
Gain on disposal of property, plant and equipment	(511)	(719)
Unrealized profit from sales	39,397	15,380
Realized profit from sales	(15,380)	(9,804)
Unrealized foreign exchange loss	40,184	6,929
Others	(208)	(162)
<b>Total adjustments to reconcile profit</b>	<b>43,211</b>	<b>25,687</b>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Decrease in accounts receivable	59,487	6,461
(Increase) decrease in accounts receivable—related parties	(79,758)	23,096
Decrease in other receivable	1,170	242
Decrease in inventories	261,352	47,105
Decrease in other current assets	9,027	372
<b>Total changes in operating assets</b>	<b>251,278</b>	<b>77,276</b>
<b>Changes in operating liabilities:</b>		
Increase (decrease) in notes payable	10	(66)
Decrease in accounts payable	(123,219)	(6,418)
Increase in accounts payable—related parties	21,802	642
(Decrease) increase in other payable	(8,889)	95,173
(Decrease) increase in other payable—related parties	(2,323)	2,924
(Decrease) increase in other current liabilities	(5,563)	17,232
Decrease in net defined benefit liability	(2,198)	(7,538)
<b>Total changes in operating liabilities</b>	<b>(120,380)</b>	<b>101,949</b>
<b>Total changes in operating assets and liabilities</b>	<b>130,898</b>	<b>179,225</b>
<b>Total adjustments</b>	<b>174,109</b>	<b>204,912</b>
Cash inflow generated from operations	675,601	702,043
Interest received	40,169	6,962
Dividends received	21,552	24,699
Interest paid	(11,930)	(7,868)
Income taxes paid	(80,170)	(25,510)
<b>Net cash flows from operating activities</b>	<b>645,222</b>	<b>700,326</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(61,080)	(197,366)
Proceeds from disposal of financial assets at fair value through other comprehensive income	239,150	44,524
Acquisition of financial assets at fair value through profit or loss	(107,969)	(10,000)
Proceeds from disposal of financial assets at fair value through profit or loss	-	10,001
Acquisition of investments accounted for using the equity method	(30,700)	(69,095)
Acquisition of property, plant and equipment	(82,014)	(88,300)
Proceeds from disposal of property, plant and equipment	885	1,738
Acquisition of intangible assets	(963)	(2,924)
Decrease (increase) in refundable deposits	185	(1,795)
Dividends received	13,139	8,966
<b>Net cash flows used in investing activities</b>	<b>(29,367)</b>	<b>(304,251)</b>
<b>Cash flows from (used in) financing activities:</b>		
Decrease (increase) in short-term borrowings	(270,000)	270,000
Cash dividends paid	(251,852)	(188,889)
Return of employee stock ownership trust	380	-
Repayments of lease liabilities	(1,954)	(1,904)
<b>Net cash flows (used in) from financing activities</b>	<b>(523,426)</b>	<b>79,207</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(26,041)</b>	<b>(5,677)</b>
<b>Net increase in cash and cash equivalents</b>	<b>66,388</b>	<b>469,605</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,181,471</b>	<b>711,866</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 1,247,859</b>	<b>1,181,471</b>

See accompanying notes to financial statements.

## **ATTACHMENT 4**

### **Independent Auditors' Report**

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

#### **Opinion**

We have audited the accompanying consolidated financial statements of Emerging Display Technologies Corp. and subsidiaries (the Group), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, 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, 2023 and 2022, 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, 2023 and 2022, 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 this consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We 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 07, 2024

#### **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, 2023 and 2022**  
(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2023				December 31, 2022				Liabilities and Equity		December 31, 2023				December 31, 2022			
		Amount	%	Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%		
<b>Current assets :</b>										<b>Current liabilities:</b>									
1100	Cash and cash equivalents (Note 6(a))	\$	1,370,524	33	1,307,122	30	2100	Short-term borrowings (Notes 6(m))	\$	-	-	270,000	6						
1110	Financial assets at fair value through profit or loss, current (Note 6(b))		112,981	3	399	-	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))		368,412	9	387,178	9	2150	Notes payable		30	-	20	-						
1170	Accounts receivable, net (Note 6(d) and (v))		615,871	15	698,482	16	2170	Accounts payable		438,314	11	581,980	14						
1200	Other notes receivables and other receivables (Notes 6(e))		3,525	-	3,378	-	2200	Other payables (Note 6(n))		367,659	9	387,923	9						
1220	Income tax assets		814	-	252	-	2230	Income tax liabilities		102,104	2	84,754	2						
130X	Inventories (Note 6(f))		828,441	20	1,044,614	24	2280	Lease liabilities, current (Notes 6(p))		5,165	-	13,418	-						
1470	Other current assets (Notes 6(g) and 8)		56,871	1	65,150	2	2300	Other current liabilities (Notes 6(v))		67,383	2	72,058	2						
<b>Total current assets</b>			<u>3,357,439</u>	<u>81</u>	<u>3,506,575</u>	<u>81</u>	<b>Total current liabilities</b>			<u>980,655</u>	<u>24</u>	<u>1,412,086</u>	<u>33</u>						
<b>Non-current assets :</b>										<b>Non-current liabilities:</b>									
1517	Financial assets at fair value through other comprehensive income, non-current (Note 6(c))		107,529	3	155,738	4	2540	Long-term borrowings (Notes 6(o) and 8)		399,333	10	399,013	9						
1600	Property, plant and equipment (Notes 6(i) ,8 and 9)		525,237	13	461,222	11	2570	Deferred income tax liabilities (Note 6(s))		1,044	-	-	-						
1755	Right-of-use assets (Notes 6(j))		52,124	1	64,786	2	2580	Lease liabilities, non-current (Notes 6(p))		50,806	1	55,052	1						
1760	Investment property (Notes 6(k) and (q))		57,613	1	58,053	1	2640	Net defined benefit liabilities, non-current (Note 6(r))		93,065	2	90,867	3						
1780	Intangible assets (Note 6(l))		4,980	-	5,247	-	2645	Guarantee deposits received		600	-	600	-						
1840	Deferred income tax assets (Note 6(s))		39,161	1	24,559	1	2670	Other non-current liabilities		104	-	312	-						
1980	Refundable deposit		9,560	-	9,593	-	<b>Total non-current liabilities</b>			<u>544,952</u>	<u>13</u>	<u>545,844</u>	<u>13</u>						
<b>Total non-current assets</b>			<u>796,204</u>	<u>19</u>	<u>779,198</u>	<u>19</u>	<b>Total liabilities</b>			<u>1,525,607</u>	<u>37</u>	<u>1,957,930</u>	<u>46</u>						
										<b>Equity attributable to shareholders of the parent (Note 6 (t)):</b>									
							3100	Ordinary stock		1,574,076	38	1,574,076	37						
							3200	Capital surplus		50,291	1	35,840	1						
							3300	Retained earnings		1,177,368	28	897,783	21						
							3400	Other equity interest		(91,228)	(2)	(120,343)	(3)						
							3500	Treasury shares		(122,282)	(3)	(122,282)	(3)						
								Total equity attributable to shareholders of the parent		2,588,225	62	2,265,074	53						
							36XX	Non-controlling interests (Note 6(h))		39,811	1	62,769	1						
							<b>Total equity</b>			<u>2,628,036</u>	<u>63</u>	<u>2,327,843</u>	<u>54</u>						
<b>TOTAL</b>		<b>\$</b>	<b>4,153,643</b>	<b>100</b>	<b>4,285,773</b>	<b>100</b>	<b>TOTAL</b>		<b>\$</b>	<b>4,153,643</b>	<b>100</b>	<b>4,285,773</b>	<b>100</b>						

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)  
**EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**  
For the years ended December 31, 2023 and 2022  
(Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
4000 <b>Operating revenue (Note 6(v))</b>	\$ 4,386,724	100	4,692,706	100
5000 <b>Operating cost (Note 6(f, l, r &amp; w) and 12)</b>	<u>3,376,002</u>	<u>77</u>	<u>3,775,258</u>	<u>80</u>
<b>Gross profit</b>	<u>1,010,722</u>	<u>23</u>	<u>917,448</u>	<u>20</u>
<b>Operating expenses (Note 6(d, l, r &amp; w) 7 and 12):</b>				
6100 Selling expenses	255,917	6	245,762	5
6200 Administrative expenses	161,728	4	162,964	4
6300 Research and development expenses	147,382	3	128,388	3
6450 Expected credit impairment loss	121	-	252	-
<b>Net operating income</b>	<u>565,148</u>	<u>13</u>	<u>537,366</u>	<u>12</u>
6500 <b>Net other income (expenses) (Note 6(x))</b>	4,344	-	4,086	-
<b>Net operating income</b>	<u>449,918</u>	<u>10</u>	<u>384,168</u>	<u>8</u>
<b>Non-operating income and expenses (Note 6(c, p &amp; y)):</b>				
7100 Interest income	42,596	1	9,010	-
7010 Other income	25,685	-	26,452	1
7020 Other gains and losses	(558)	-	91,503	2
7050 Finance cost	(12,658)	-	(10,372)	-
<b>Total non-operating income and expenses</b>	<u>55,065</u>	<u>1</u>	<u>116,593</u>	<u>3</u>
7900 <b>Profit from continuing operations before tax</b>	504,983	11	500,761	11
7950 Less: Income tax expense (Note 6(s))	<u>86,388</u>	<u>2</u>	<u>80,785</u>	<u>2</u>
<b>Profit</b>	<u>418,595</u>	<u>9</u>	<u>419,976</u>	<u>9</u>
8300 <b>Other comprehensive income:</b>				
8310 <b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
8311 Gains (losses) on remeasurements of defined benefit plans (Note 6(r))	(4,395)	-	2,572	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (Note 6(t))	119,924	3	(14,318)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note 6(s))	-	-	(232)	-
	<u>115,529</u>	<u>3</u>	<u>(11,514)</u>	<u>-</u>
8360 <b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361 Exchange differences on translation of foreign financial statements (Note 6(t))	1,266	-	25,929	-
8367 Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income (Note 6(t))	2,595	-	(641)	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note 6(s))	391	-	-	-
	<u>3,470</u>	<u>-</u>	<u>25,288</u>	<u>-</u>
8300 <b>Other comprehensive income</b>	<u>118,999</u>	<u>3</u>	<u>13,774</u>	<u>-</u>
8500 <b>Comprehensive income</b>	<u>\$ 537,594</u>	<u>12</u>	<u>433,750</u>	<u>9</u>
<b>Profit (loss) attributable to</b>				
8610 Shareholders of the parent	\$ 418,153	9	420,003	9
8620 Non-controlling interests	442	-	(27)	-
<b>Net profit (loss)</b>	<u>\$ 418,595</u>	<u>9</u>	<u>419,976</u>	<u>9</u>
<b>Comprehensive income attributable to</b>				
8710 Shareholders of the parent	\$ 560,552	13	416,033	9
8720 Non-controlling interests	(22,958)	(1)	17,717	-
<b>Total comprehensive income</b>	<u>\$ 537,594</u>	<u>12</u>	<u>433,750</u>	<u>9</u>
<b>Earnings per share (New Taiwan Dollars) (Note 6(u))</b>				
9750 <b>Basic net income per share (New Taiwan Dollars)</b>	<u>\$ 2.81</u>		<u>2.83</u>	
9850 <b>Diluted net income per share (New Taiwan Dollars)</b>	<u>\$ 2.79</u>		<u>2.80</u>	

See accompanying notes to financial statements.

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

**Consolidated Statements of Changes in Equity**  
For the years ended December 31, 2023 and 2022  
(Expressed in Thousands of New Taiwan Dollars)

**Equity attributable to shareholders of parent**

	Retained earnings					Other equity interest		Treasury shares	Total equity attributable to shareholders of parent	Non-controlling interests	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				
<b>Balance on January 1, 2022</b>	<b>\$ 1,624,076</b>	<b>25,980</b>	<b>106,820</b>	<b>117,815</b>	<b>430,152</b>	<b>(29,998)</b>	<b>(74,493)</b>	<b>(173,021)</b>	<b>2,027,331</b>	<b>45,052</b>	<b>2,072,383</b>
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 ordinary shares	-	-	-	-	(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 shares	(50,000)	(739)	-	-	-	-	-	50,739	-	-	-
Return of employee stock ownership trust	-	46	-	-	-	-	-	-	46	-	46
<b>Balance on December 31, 2022</b>	<b>1,574,076</b>	<b>35,840</b>	<b>132,078</b>	<b>104,491</b>	<b>661,214</b>	<b>(4,429)</b>	<b>(115,914)</b>	<b>(122,282)</b>	<b>2,265,074</b>	<b>62,769</b>	<b>2,327,843</b>
Profit	-	-	-	-	418,153	-	-	-	418,153	442	418,595
Other comprehensive income	-	-	-	-	(4,395)	1,382	145,412	-	142,399	(23,400)	118,999
Total comprehensive income	-	-	-	-	413,758	1,382	145,412	-	560,552	(22,958)	537,594
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	43,188	-	(43,188)	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(251,852)	-	-	-	(251,852)	-	(251,852)
Special reserve	-	-	-	15,852	(15,852)	-	-	-	-	-	-
Cash dividends to subsidiaries	-	14,071	-	-	-	-	-	-	14,071	-	14,071
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	117,679	-	(117,679)	-	-	-	-
Return of employee stock ownership trust	-	380	-	-	-	-	-	-	380	-	380
<b>Balance on December 31, 2023</b>	<b>\$ 1,574,076</b>	<b>50,291</b>	<b>175,266</b>	<b>120,343</b>	<b>881,759</b>	<b>(3,047)</b>	<b>(88,181)</b>	<b>(122,282)</b>	<b>2,588,225</b>	<b>39,811</b>	<b>2,628,036</b>

See accompanying notes to financial statements.

**EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES****Consolidated Statements of Cash Flows**

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
<b>Cash flows from (used in) operating activities</b>		
Profit before tax	\$ 504,983	500,761
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	72,200	65,096
Amortization expense	1,256	1,389
Expected credit impairment loss	121	252
Net gain (loss) on financial assets or liabilities at fair value through profit or loss	(6,615)	1,576
Interest expense	12,658	10,372
Interest income	(42,588)	(8,995)
Dividend income	(23,412)	(25,799)
Gain on disposal of property, plant, equipment	(368)	(626)
Unrealized foreign exchange loss	44,102	11,029
Gain on lease modification	(1)	-
Others	(208)	(162)
<b>Total adjustments to reconcile profit</b>	<u>57,145</u>	<u>54,132</u>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Decrease in accounts receivable	67,813	72,361
Decrease in other receivable	1,420	468
Decrease in inventories	212,973	18,961
Decrease (increase) in other current assets	8,634	(12,570)
<b>Total changes in operating assets</b>	<u>290,840</u>	<u>79,220</u>
<b>Changes in operating liabilities:</b>		
Increase (decrease) in notes payable	10	(66)
(Decrease) increase in accounts payable	(129,281)	28,422
(Decrease) increase in other payable	(17,553)	84,298
(Decrease) increase in other current liabilities	(4,655)	16,176
Decrease in net defined benefit liability	(2,198)	(7,538)
<b>Total change in operating liabilities</b>	<u>(153,677)</u>	<u>121,292</u>
<b>Total change in operating assets and liabilities</b>	<u>137,163</u>	<u>200,512</u>
<b>Total adjustments</b>	<u>194,308</u>	<u>254,644</u>
<b>Cash inflow generated from operations</b>	699,291	755,405
Interest received	41,049	7,228
Dividends received	23,412	25,833
Interest paid	(12,477)	(8,976)
Income taxes paid	(83,543)	(28,786)
<b>Net cash flows from operating activities</b>	<u>667,732</u>	<u>750,704</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(71,032)	(197,917)
Proceeds from disposal of financial assets at fair value through other comprehensive income	259,473	55,603
Acquisition of financial assets at fair value through profit or loss	(107,969)	(10,000)
Proceeds from disposal of financial assets at fair value through profit or loss	-	10,001
Acquisition of property, plant and equipment	(122,632)	(162,770)
Proceeds from disposal of property, plant, equipment	885	2,418
Acquisition of intangible assets	(989)	(2,951)
Decrease (increase) in refundable deposits	152	(979)
<b>Net cash flows from (used in) investing activities</b>	<u>(42,112)</u>	<u>(306,595)</u>
<b>Cash flows from (used in) financing activities:</b>		
Decrease (increase) in short-term borrowings	(270,000)	270,000
Cash dividends paid	(237,781)	(178,336)
Return of employee stock ownership trust	380	-
Repayments of lease liabilities	(13,653)	(13,372)
<b>Net cash flows (used in) financing activities</b>	<u>(521,054)</u>	<u>78,292</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>(41,164)</u>	<u>(31,635)</u>
<b>Net increase in cash and cash equivalents</b>	63,402	490,766
<b>Cash and cash equivalents at beginning of period</b>	1,307,122	816,356
<b>Cash and cash equivalents at end of period</b>	<u>\$ 1,370,524</u>	<u>1,307,122</u>

See accompanying notes to consolidated financial statements.

## ATTACHMENT 5

### Emerging Display Technologies Corp. 2023 Profit Distribution Proposal

	Unit: NT\$
Beginning retained earnings	\$350,321,314
Plus: Net income of year 2023	418,152,624
Proceeds from disposal of equity instruments at fair value through other comprehensive income	117,679,890
Reversal of special reserve for equity deduction	29,115,125
Less: Changes of remeasurement of defined benefit plan	(4,395,000)
<b>Retained earnings available for distribution</b>	<b>910,873,953</b>
Less: 10% of legal reserve	(53,143,751)
<b>Distribution item:</b>	
Cash dividend for common share holders (NT\$1.6 per share)	(251,852,165)
<b>Unappropriated retained earnings</b>	<b>\$605,878,037</b>

## **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. Procedures for Election of Directors**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## APPENDIX 4

### Emerging Display Technologies Corp.

#### Shareholdings of All Directors

Record date: April 15, 2024

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	6,097,867	3.87%
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		28,604,465	18.17%

Note:

1. Total shares issued as of April 15, 2024: 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.