

(English Translation of Financial Report Originally Issued in Chinese)

**EMERGING DISPLAY TECHNOLOGIES CORP. AND  
SUBSIDIARIES**

**Consolidated Financial Statements**

**For the three months ended March 31, 2024 and 2023  
(With Independent Auditors' Review Report Thereon)**

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## **Independent Auditors' Review Report**

The Board of Director's  
Emerging Display Technologies Corp

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Emerging Display Technologies Corp. (the Company) and subsidiaries as of March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with ISRE 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Basis for Qualified Conclusion**

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain nonsignificant subsidiaries, which were not reviewed by independent accountants. These financial statements reflect total assets amounting to \$439,873 thousand and \$449,047 thousand, constituting 10.42% and 10.70% of consolidated total assets as of March 31, 2024 and 2023, respectively, total liabilities amounting to \$119,425 thousand and \$109,842 thousand, constituting 7.06% and 5.49% of consolidated total liabilities as of March 31, 2024 and 2023, respectively, and total comprehensive gain (loss) amounting to gain \$1,373 thousand and loss \$13,558 thousand, constituting 0.89% and (11.48)% of consolidated total comprehensive gain (loss) for the three months ended March 31, 2024 and 2023, respectively.

## **Qualified Conclusion**

Based on our reviews, except for the effects of the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent accountants, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Emerging Display Technologies Corp. and subsidiaries as of March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed by the Financial Supervisory Commission of the Republic of China.

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

KPMG

Taipei, Taiwan (Republic of China)

April 30, 2024

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

**March 31, 2024, December 31, 2023, and March 31, 2023**

(Reviewed, not audited)

Assets		March 31, 2024		December 31, 2023		March 31, 2023		Liabilities and Equity		March 31, 2024		December 31, 2023		March 31, 2023	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
<b>Current assets :</b>								<b>Current liabilities:</b>							
1100	Cash and cash equivalents (Note 6(a))	\$ 1,257,506	29	1,370,524	33	1,313,819	31	2100	Short-term borrowings (Notes 6(m))	\$ 50,000	1	-	-	250,000	6
1110	Financial assets at fair value through profit or loss, current (Note 6(b))	161,597	4	112,981	3	32,542	1	2150	Notes payable	280	-	30	-	207	-
1120	Financial assets at fair value through other comprehensive income, current (Note 6(c))	579,309	14	368,412	9	433,555	10	2170	Accounts payable	395,720	9	438,314	11	493,828	12
1170	Accounts receivable, net (Note 6(d) and (v))	590,489	14	615,871	15	671,176	16	2200	Other payables (Note 6(n))	531,503	13	367,659	9	530,438	13
1200	Other receivables (Notes 6(e))	3,151	-	3,525	-	10,673	-	2230	Income tax liabilities	128,299	3	102,104	2	98,439	2
1220	Income tax assets	267	-	814	-	375	-	2280	Lease liabilities, current (Notes 6(p))	10,815	-	5,165	-	12,655	-
130X	Inventories (Note 6(f))	748,690	18	828,441	20	899,487	22	2300	Other current liabilities (Notes 6(v))	66,376	2	67,383	2	72,479	2
1470	Other current assets (Notes 6(g) and 8)	42,438	1	56,871	1	67,893	2		<b>Total current liabilities</b>	<u>1,182,993</u>	<u>28</u>	<u>980,655</u>	<u>24</u>	<u>1,458,046</u>	<u>35</u>
	<b>Total current assets</b>	<u>3,383,447</u>	<u>80</u>	<u>3,357,439</u>	<u>81</u>	<u>3,429,520</u>	<u>82</u>		<b>Non-current liabilities:</b>						
<b>Non-current assets :</b>								2540	Long-term borrowings (Notes 6(o) and 8)	349,413	8	399,333	10	399,093	10
1517	Financial assets at fair value through other comprehensive income, non-current (Note 6(c))	106,972	3	107,529	3	143,280	3	2570	Deferred income tax liabilities	1,036	-	1,044	-	-	-
1600	Property, plant and equipment (Notes 6(i) ,8 and 9)	544,977	13	525,237	13	463,691	11	2580	Lease liabilities, non-current (Notes 6(p))	65,249	2	50,806	1	52,979	1
1755	Right-of-use assets (Notes 6(j))	72,147	2	52,124	1	61,848	2	2640	Net defined benefit liabilities, non-current	92,447	2	93,065	2	90,340	2
1760	Investment property (Notes 6(k) and (q))	59,937	1	57,613	1	57,436	1	2645	Guarantee deposits received	624	-	600	-	595	-
1780	Intangible assets (Note 6(l))	4,924	-	4,980	-	5,090	-	2670	Other non-current liabilities	52	-	104	-	260	-
1840	Deferred income tax assets (Note 6(s))	39,210	1	39,161	1	24,997	1		<b>Total non-current liabilities</b>	<u>508,821</u>	<u>12</u>	<u>544,952</u>	<u>13</u>	<u>543,267</u>	<u>13</u>
1980	Other financial assets, non-current (Notes 6(g))	9,628	-	9,560	-	9,579	-		<b>Total liabilities</b>	<u>1,691,814</u>	<u>40</u>	<u>1,525,607</u>	<u>37</u>	<u>2,001,313</u>	<u>48</u>
	<b>Total non-current assets</b>	<u>837,795</u>	<u>20</u>	<u>796,204</u>	<u>19</u>	<u>765,921</u>	<u>18</u>		<b>Equity attributable to shareholders of the parent(Note 6 (t):</b>						
								3100	Ordinary stock	1,574,076	37	1,574,076	38	1,574,076	38
								3200	Capital surplus	50,348	1	50,291	1	35,902	1
								3300	Retained earnings	1,042,802	25	1,177,368	28	736,110	17
								3400	Other equity interest	(53,162)	(1)	(91,228)	(2)	(85,433)	(2)
								3500	Treasury shares	(122,282)	(3)	(122,282)	(3)	(122,282)	(3)
									Total equity attributable to shareholders of the parent	2,491,782	59	2,588,225	62	2,138,373	51
								36XX	<b>Non-controlling interests (Note 6(h))</b>	37,646	1	39,811	1	55,755	1
									<b>Total equity</b>	<u>2,529,428</u>	<u>60</u>	<u>2,628,036</u>	<u>63</u>	<u>2,194,128</u>	<u>52</u>
<b>TOTAL</b>		<u>\$ 4,221,242</u>	<u>100</u>	<u>4,153,643</u>	<u>100</u>	<u>4,195,441</u>	<u>100</u>	<b>TOTAL</b>		<u>\$ 4,221,242</u>	<u>100</u>	<u>4,153,643</u>	<u>100</u>	<u>4,195,441</u>	<u>100</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 Comprehensive Income**  
**For the three months ended March 31, 2024 and 2023**

(Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

(Reviewed, not audited)

		For the three months ended March 31			
		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (Note 6(v))	\$ 949,637	100	1,132,253	100
5000	Operating cost (Note 6(f, r & w) and 12)	741,488	78	898,594	79
	<b>Gross profit</b>	<b>208,149</b>	<b>22</b>	<b>233,659</b>	<b>21</b>
	<b>Operating expenses (Note 6(d, r &amp; w) 7 and 12):</b>				
6100	Selling expenses	62,107	7	57,970	5
6200	Administrative expenses	39,956	4	36,975	3
6300	Research and development expenses	39,827	4	30,923	3
6450	Expected credit impairment loss(Reversal)	71	-	(312)	-
	<b>Net operating income</b>	<b>141,961</b>	<b>15</b>	<b>125,556</b>	<b>11</b>
6500	Net other income (expenses) (Note 6(x))	1,170	-	1,029	-
	<b>Net operating income</b>	<b>67,358</b>	<b>7</b>	<b>109,132</b>	<b>10</b>
	<b>Non-operating income and expenses (Note 6(b,c, p &amp; y)):</b>				
7100	Interest income	10,982	1	10,610	1
7010	Other income	171	-	2,062	-
7020	Other gains and losses	69,248	7	(14,383)	(2)
7050	Finance cost	(2,705)	-	(4,088)	-
	<b>Total non-operating income and expenses</b>	<b>77,696</b>	<b>8</b>	<b>(5,799)</b>	<b>(1)</b>
7900	Profit from continuing operations before tax	145,054	15	103,333	9
7950	Less: Income tax expense (Note 6(s))	27,719	3	13,735	1
	<b>Profit</b>	<b>117,335</b>	<b>12</b>	<b>89,598</b>	<b>8</b>
8300	<b>Other comprehensive income:</b>				
8310	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (Note 6(t))	27,216	3	29,703	2
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note 6(s))	-	-	-	-
		<b>27,216</b>	<b>3</b>	<b>29,703</b>	<b>2</b>
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))	8,664	1	(1,226)	-
8367	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income (Note 6(t))	312	-	-	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note 6(s))	(8)	-	-	-
		<b>8,984</b>	<b>1</b>	<b>(1,226)</b>	<b>-</b>
8300	<b>Other comprehensive income</b>	<b>36,200</b>	<b>4</b>	<b>28,477</b>	<b>2</b>
8500	<b>Comprehensive income</b>	<b>\$ 153,535</b>	<b>16</b>	<b>118,075</b>	<b>10</b>
	<b>Profit (loss) attributable to</b>				
8610	Shareholders of the parent	\$ 117,286	12	89,618	8
8620	Non-controlling interests	49	-	(20)	-
	<b>Net profit (loss)</b>	<b>\$ 117,335</b>	<b>12</b>	<b>89,598</b>	<b>8</b>
	<b>Comprehensive income attributable to</b>				
8710	Shareholders of the parent	\$ 155,700	16	125,089	11
8720	Non-controlling interests	(2,165)	-	(7,014)	(1)
	<b>Total comprehensive income</b>	<b>\$ 153,535</b>	<b>16</b>	<b>118,075</b>	<b>10</b>
	<b>Earnings per share (New Taiwan Dollars) (Note 6(u))</b>				
9750	Basic net income per share ( New Taiwan Dollars)	<b>\$ 0.79</b>		<b>0.60</b>	
9850	Diluted net income per share ( New Taiwan Dollars)	<b>\$ 0.78</b>		<b>0.60</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 Changes in Equity**

**For the three months ended March 31, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars)**

(Reviewed, not audited)

Equity attributable to shareholders of parent

	Retained earnings					Other equity interest			Total equity attributable to shareholders of parent	Non-controlling interests	Total Equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares			
<b>Balance on January 1, 2023</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	-	-	-	-	89,618	-	-	-	89,618	(20)	89,598
Other comprehensive income	-	-	-	-	-	(1,186)	36,657	-	35,471	(6,994)	28,477
Total comprehensive income	-	-	-	-	89,618	(1,186)	36,657	-	125,089	(7,014)	118,075
Appropriation and distribution of retained earnings:											
Cash dividends of ordinary shares	-	-	-	-	(251,852)	-	-	-	(251,852)	-	(251,852)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	561	-	(561)	-	-	-	-
Return of employee stock ownership trust	-	62	-	-	-	-	-	-	62	-	62
<b>Balance as of March 31, 2023</b>	<b>\$ 1,574,076</b>	<b>35,902</b>	<b>132,078</b>	<b>104,491</b>	<b>499,541</b>	<b>(5,615)</b>	<b>(79,818)</b>	<b>(122,282)</b>	<b>2,138,373</b>	<b>55,755</b>	<b>2,194,128</b>
<b>Balance on January 1, 2024</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>
Profit	-	-	-	-	117,286	-	-	-	117,286	49	117,335
Other comprehensive income	-	-	-	-	-	8,598	29,816	-	38,414	(2,214)	36,200
Total comprehensive income	-	-	-	-	117,286	8,598	29,816	-	155,700	(2,165)	153,535
Appropriation and distribution of retained earnings:											
Cash dividends of ordinary shares	-	-	-	-	(251,852)	-	-	-	(251,852)	-	(251,852)
Disposal of investments in debt instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	(348)	-	(348)	-	(348)
Return of employee stock ownership trust	-	57	-	-	-	-	-	-	57	-	57
<b>Balance as of March 31, 2024</b>	<b>\$ 1,574,076</b>	<b>50,348</b>	<b>175,266</b>	<b>120,343</b>	<b>747,193</b>	<b>5,551</b>	<b>(58,713)</b>	<b>(122,282)</b>	<b>2,491,782</b>	<b>37,646</b>	<b>2,529,428</b>

See accompanying notes to financial statements.

**EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES****Consolidated Statements of Cash Flows****For the three months ended March 31, 2024 and 2023**

(Expressed in thousands of New Taiwan Dollars)

(Reviewed, not audited)

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from (used in) operating activities</b>		
<b>Profit before tax</b>	\$ 145,054	103,333
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	19,174	17,619
Amortization expense	117	330
Expected credit impairment loss (gain)	71	(312)
Net gain (loss) on financial assets or liabilities at fair value through profit or loss	(7,562)	(3,626)
Interest expense	2,705	4,088
Interest income	(10,982)	(10,607)
Dividend income	(98)	(1,860)
Gain (loss) on disposal of property, plant, equipment	(371)	17
Gain on disposal of investments	(348)	-
Unrealized foreign exchange (gain) loss	(18,349)	3,186
Others	-	62
<b>Total adjustments to reconcile profit</b>	(15,643)	8,897
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Decrease in accounts receivable	40,967	26,922
Decrease in other receivable	110	767
Decrease in inventories	86,559	143,635
Decrease in other current assets	15,006	6,709
<b>Total changes in operating assets</b>	142,642	178,033
<b>Changes in operating liabilities:</b>		
Increase in notes payable	250	187
Decrease in accounts payable	(50,177)	(87,590)
Decrease in other payable	(87,968)	(103,697)
(Decrease) increase in other current liabilities	(1,070)	438
Decrease in net defined benefit liability	(618)	(527)
Decrease in other non-current liabilities	(52)	(52)
<b>Total change in operating liabilities</b>	(139,635)	(191,241)
<b>Total change in operating assets and liabilities</b>	3,007	(13,208)
<b>Total adjustments</b>	(12,636)	(4,311)
<b>Cash inflow generated from operations</b>	132,418	99,022
Interest received	11,312	8,525
Dividends received	98	-
Interest paid	(2,605)	(3,986)
Income taxes paid	(1,070)	(618)
<b>Net cash flows from operating activities</b>	140,153	102,943
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(207,641)	(9,952)
Proceeds from disposal of financial assets at fair value through other comprehensive income	30,893	-
Acquisition of financial assets at fair value through profit or loss	(48,751)	(30,870)
Proceeds from disposal of financial assets at fair value through profit or loss	10,255	-
Acquisition of property, plant and equipment	(34,898)	(22,008)
Proceeds from disposal of property, plant, equipment	423	479
Acquisition of intangible assets	(60)	(172)
Increase in Other financial assets	(8)	(8,235)
<b>Net cash flows from (used in) investing activities</b>	(249,787)	(70,758)
<b>Cash flows from (used in) financing activities:</b>		
Increase (decrease) in short-term borrowings	50,000	(20,000)
Repayments of long-term borrowings	(50,000)	-
Return of employee stock ownership trust	57	-
Repayments of lease liabilities	(3,176)	(3,535)
<b>Net cash flows (used in) financing activities</b>	(3,119)	(23,535)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(265)	(1,953)
<b>Net (decrease) increase in cash and cash equivalents</b>	(113,018)	6,697
<b>Cash and cash equivalents at beginning of period</b>	1,370,524	1,307,122
<b>Cash and cash equivalents at end of period</b>	<b>\$ 1,257,506</b>	<b>1,313,819</b>

See accompanying notes to financial statements.



# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

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

(Reviewed, not audited)

### (1) Organization and Business Scope

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

### (2) Financial Statements Authorization Date and Authorization Process

The consolidated financial statements were authorized for issuance by the Board of Directors on April 30, 2024.

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

(a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted. The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

- Amendments to IAS 1 “Classification of certain Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

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

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC :

<u>Standards or Interpretations</u>	<u>Content of amendment</u>	<u>Effective date per IASB</u>
IFRS 18 “Presentation and Disclosure of Financial Statements.”	The new standard introduces three categories of income and expenses, mandates the inclusion of two subtotals, in the statement of profit or loss, and requires a single note disclosure on management performance measures. These revisions aim to enhance and reinforce the guidance on the disaggregation of financial information within the financial statements. This is designed to provide users with more accurate and consistent information, and will have an impact on all reporting entities.	January 1, 2027

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure of Financial Statements.”	<ul style="list-style-type: none"> <li>• More Structured Statement of profit or loss:  Under the current standards, companies utilize varying formats to present their results, which makes it difficult for investors to compare financial performance across entities. The new standard mandates a more structured statement of profit or loss, introducing a newly defined subtotal for “operating profit” and requiring all income and expenses to be classified into three distinct categories based on the entity’s primary business activities.</li> <li>• Management Performance Measure (MPM):  The new standard introduces the definition of Management Performance Measure (MPM) and mandated companies to provide disclosures in a single note within their financial statements. This note should elucidate the utility of each measure, its calculation methodology, and the reconciliation of the measure to amounts recognized under International Financial Reporting Standards (IFRS).</li> <li>• Enhanced information Segmentation:  The new standard provides directives on how companies should enhance the segmentation of information within their financial statements. This entails guidance on whether information should be featured in the primary financial statements or subjected to further segmentation in accompanying notes.</li> </ul>	January 1, 2027

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or contribution of Assets between an Investor and its Associate of Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IAS 21 “Lack of Exchangeability”

#### (4) Summary of Significant Accounting Policies

##### (a) Statement of compliance

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

Except as described below, the significant accounting policies for the consolidated financial statement applied in these consolidated financial statements is consistent with those applied in the consolidated financial statements for the year ended December 31, 2023. Please refer to Note 4 of 2023 consolidated financial statement for detail information.

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

### (b) Basis of consolidation

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

Name of investor	Name of the subsidiary	Business Activity	Percentage ownership			Remarks
			March 31,2024	December 31,2023	March 31,2023	
The Company	Emerging Display Technologies Corp.,U.S.A	Sale of CTP and LCDs	100.00%	100.00%	100.00%	Major Subsidiary
The Company	Emerging Display International (Samoa) Corp.	Investment holding	78.49%	78.49%	78.49%	Note
The Company	EDT-Europe ApS	Customer service and business support	100.00%	100.00%	100.00%	Note
The Company	Emerging Display Technologies Korea	Sale of CTP and LCDs	100.00%	100.00%	100.00%	Note
The Company	EDT-Japan Corp.	Customer service and business support	100.00%	100.00%	100.00%	Note
The Company	Ying Dar Investment Development Corp.	Investment	100.00%	100.00%	100.00%	Note
The Company	Bae Haw Investment Development Corp.	Investment	100.00%	100.00%	100.00%	Note
The Company	Ying Cheng Investment Corp.	Investment	52.50%	52.50%	52.50%	Note
Ying Dar Investment Development Corp.	Emerging Display International (Samoa) Corp.	Investment holding	5.90%	5.90%	5.90%	Note
Bae Haw Investment Development Corp.	Emerging Display International (Samoa) Corp.	Investment holding	11.41%	11.41%	11.41%	Note
Emerging Display International (Samoa) Corp.	Dong Guan Emerging Display Limited	Manufacturing of CTP and LCDs	100.00%	100.00%	100.00%	Note

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

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

### (c) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current:

- (i) The asset is expected to be realized or is intended to be sold or consumed in the normal operating cycle;
- (ii) The asset is held primarily for the purpose of trading;
- (iii) The asset is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined pursuant to “IFRS” 7) , unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current:

- (i) The liability is expected to be settled in the normal operating cycle;
- (ii) The liability is held primarily for the purpose of trading;
- (iii) The liability is due to be settled within twelve months after the reporting period;
- (iv) As of the reporting period end date, there exists no option to extend the settlement of the liability for a duration of at least twelve months beyond the reporting period.

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

### (d) Income tax

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

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

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

### (E) Employee benefit

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

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

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

In preparing the consolidated financial statements, critical accounting judgments and key sources of estimation uncertainty used by management in the application of accounting policies are consistent with those described in Note 5 of the consolidated financial statements for the year ended December 31, 2023.

### (6) Explanation of significant accounting items

The explanation of significant accounting items of this quarterly consolidated financial statements had no significant difference compared with the Group consolidated financial statements for the year ended December 31, 2023. Please refer to Note 6 of 2023 consolidated financial statements.

#### (a) Cash and cash equivalents

	<u>March 31,2024</u>	<u>December 31, 2023</u>	<u>March 31,2023</u>
Cash and cash equivalents	\$ 527	456	405
Demand deposits	669,468	407,082	317,873
Checking accounts	1,297	2	199
Time deposits	523,494	962,984	995,342
Callable bond	<u>62,720</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,257,506</u>	<u>1,370,524</u>	<u>1,313,819</u>

Please refer to Note 6(z) for the analysis of sensitivity and interest rate risk of the financial assets.

## EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

### Notes to consolidated financial statements

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

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets mandatorily measured at fair value through profit or loss – current :			
Open-end mutual funds	\$ 161,597	112,981	30,540
Swap contract	-	-	2,002
<b>Total</b>	<b>\$ 161,597</b>	<b>112,981</b>	<b>32,542</b>

For the three months ended March 31, 2024 and 2023, the Group has recognized the dividend income of \$98 and \$0, respectively.

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

The abovementioned financial assets were not pledged as collateral.

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

	March 31, 2023		
	Contract amount (in thousands)	Currency	Maturity Date
Swap contract	USD 4,000	NTD to USD	112.04.12~112.05.08

Please refer to note (z) for the market risk and credit risk.

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

	March 31, 2024	December 31, 2023	March 31, 2023
Debt investments at fair value through other comprehensive income – current :			
Corporate bonds	\$ 128,272	90,880	60,163
Equity investments at fair value through other comprehensive income – current:			
Common stocks listed on domestic markets	451,037	277,532	373,392
<b>Total</b>	<b>\$ 579,309</b>	<b>368,412</b>	<b>433,555</b>
Equity investments at fair value through other comprehensive income – noncurrent:			
Common stocks unlisted on domestic markets	\$ 106,141	106,700	142,442
Preference stocks listed on domestic markets	831	829	838
<b>Total</b>	<b>\$ 106,972</b>	<b>107,529</b>	<b>143,280</b>

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

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

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

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

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

For the three months ended March 31, 2024 and 2023, the Group has recognized the dividend income of \$0 and \$1,860 from equity instruments designated at fair value through other comprehensive income, respectively.

As of March 31, 2024, the Group retained its strategic investments without disposal, and no reallocation of accumulated profits and losses within equity occurred during the reporting period ; For the three months ended March 31, 2024 and 2023, the Group with the objective of investment and financial management had sold financial assets at fair value of \$ 4,122, and accumulated gain on disposal of investments was \$561, which had been reclassified from other equity interest to retained earnings, respectively.

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

The abovementioned financial assets were not pledged as collateral.

For the purpose of increasing investment profits, the Group entrusts partial listed companies as the beneficiary. According to the terms of the contract, the Group does not transfer risk and remuneration of these financial assets, and they had not been derecognized. As of March 31, 2024, December 31, 2023 and March 31, 2023, the carrying amount of the listed stocks which were entrusted to financial institutions for security lending amounted to \$ 14,842, \$14,103 and \$15,053, respectively.

**(d) Accounts receivable**

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Accounts receivable-measured at amortized cost	\$ 591,986	617,289	672,160
Allowance for impairment	(1,497)	(1,418)	(984)
	<u>\$ 590,489</u>	<u>615,871</u>	<u>671,176</u>

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

	<u>March 31, 2024</u>		
	<u>Gross carrying amount</u>	<u>Weighted-average loss rate</u>	<u>Loss allowance provision</u>
Not overdue	\$ 463,011	0.12%	544
Overdue 1~90 days	127,423	0.31%	397
Overdue 91~180 days	1,552	35.86%	556
Overdue 181~270 days	-	-	-
Overdue 271~365 days	-	-	-
Overdue 365 days	-	-	-
	<u>\$ 591,986</u>		<u>1,497</u>

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not overdue	\$ 533,503	0.12%	615
Overdue 1~90 days	58,981	1.32%	778
Overdue 91~180 days	24,805	0.10%	25
Overdue 181~270 days	-	-	-
Overdue 271~365 days	-	-	-
Overdue 365 days	-	-	-
	<b>\$ 617,289</b>		<b>1,418</b>

  

	March 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Not overdue	\$ 637,200	0.12%	745
Overdue 1~90 days	34,302	0.21%	70
Overdue 91~180 days	658	25.68%	169
Overdue 181~270 days	-	-	-
Overdue 271~365 days	-	-	-
Overdue 365 days	-	-	-
	<b>\$ 672,160</b>		<b>984</b>

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

	For the three months ended March 31	
	2024	2023
Balance on January 1	\$ 1,418	6,119
Reversal of impairment loss	71	(312)
Write-off of account due to irrecoverable	-	(4,822)
Effect of changes in foreign currency exchange rates	8	(1)
Ending balance	<b>\$ 1,497</b>	<b>984</b>

The abovementioned financial assets were not pledged as collateral.

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

### (e) Other receivables

	March 31, 2024	December 31, 2023	March 31, 2023
Loans to employee	\$ 50	160	625
Interest receivable	2,991	3,321	3,864
Dividend receivable	-	-	1,860
Stock receivable	-	-	4,122
Others	110	44	202
Loss allowance	-	-	-
	<b>\$ 3,151</b>	<b>3,525</b>	<b>10,673</b>

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

## EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

### Notes to consolidated financial statements

#### (f) Inventories

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Raw materials and supplies	\$ 237,596	259,074	362,138
Work in process	278,096	200,170	282,327
Finished goods	221,693	341,508	231,308
Inventories in transit	11,305	27,689	23,714
	<b>\$ 748,690</b>	<b>828,441</b>	<b>899,487</b>

The details of cost of sales are as follows :

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Reclassification to cost of sales and expenses	\$ 725,907	864,954
Write down of inventories (Reversal of write downs)	(3,607)	13,163
Unamortized manufacturing expenses	7,520	5,080
Loss on scrap	11,709	15,469
Others	(41)	(72)
	<b>\$ 741,488</b>	<b>898,594</b>

For the three months ended March 31, 2024 and 2023, the disposal of impaired inventory necessitated the reversal of previously recognized inventory write-downs. Consequently, the increase in the net realizable value of inventory was reflected as a negative adjustment to the cost of goods sold in the income statement.

Inventories were not pledged as collaterals.

#### (g) Other current assets

The details of other current assets are as follows :

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Income tax refund receivable	\$ 2,450	6,768	2,240
Prepayment for purchases	3,161	7,001	11,634
Prepaid expense	9,797	6,062	7,124
Prepaid sales tax	24,674	34,692	36,120
Restricted time deposits	2,356	2,348	2,533
Refundable deposits	9,628	9,560	17,821
	<b>\$ 52,066</b>	<b>66,431</b>	<b>77,472</b>

Book as:

Other current assets	\$ 42,438	56,871	67,893
Other financial assets — non-current	9,628	9,560	9,579
	<b>\$ 52,066</b>	<b>66,431</b>	<b>77,472</b>

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



# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

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

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

Name of subsidiaries	Principal place of business	Proportion of non-controlling interest voting equity		
		March 31, 2024	December 31, 2023	March 31, 2023
Ying Cheng Investment Corp.	Taiwan	47.5%	47.5%	47.5%
Emerging Display International (Samoa) Corp.	Samoa	4.2%	4.2%	4.2%

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

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

	March 31, 2024	December 31, 2023	March 31, 2023
Current asset	\$ 9,729	9,741	9,791
Non-current asset	60,960	65,760	100,140
Current liability	(50)	(50)	(50)
Net asset	<b>\$ 70,639</b>	<b>75,451</b>	<b>109,881</b>
Non-controlling equity closing book amount	<b>\$ 33,553</b>	<b>35,839</b>	<b>52,194</b>
	<b>For the three months ended March 31</b>		
		<b>2024</b>	<b>2023</b>
Operating revenue		<b>\$ -</b>	<b>-</b>
Net profit (loss)		<b>\$ (12)</b>	<b>(12)</b>
Other comprehensive income		<b>(4,800)</b>	<b>(14,640)</b>
Comprehensive income		<b>\$ (4,812)</b>	<b>(14,652)</b>
Loss attributable to non-controlling interest		<b>\$ (6)</b>	<b>(6)</b>
Comprehensive income attributable to non-controlling interest		<b>\$ (2,286)</b>	<b>(6,960)</b>
		<b>For the three months ended March 31</b>	
		<b>2024</b>	<b>2023</b>
Cash flow from operating activities		<b>\$ (12)</b>	<b>(12)</b>
Cash flow from investing activities		<b>-</b>	<b>-</b>
Cash flow from financing activities		<b>-</b>	<b>-</b>
Net increase(decrease) in cash and cash equivalents		<b>\$ (12)</b>	<b>(12)</b>

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

	March 31, 2024	December 31, 2023	March 31, 2023
Current asset	\$ 139,628	158,726	149,136
Non-current asset	57,524	34,427	34,042
Current liability	(99,707)	(98,594)	(98,393)
Net asset	<b>\$ 97,445</b>	<b>94,559</b>	<b>84,785</b>
Non-controlling equity closing book amount	<b>\$ 4,093</b>	<b>3,972</b>	<b>3,561</b>

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Operating revenue	<b>\$ 66,679</b>	<b>50,411</b>
Net gain (loss)	\$ 1,319	(351)
Other comprehensive income	1,567	(945)
Comprehensive income	<b>\$ 2,886</b>	<b>(1,296)</b>
Gain (loss) attributable to non-controlling interest	<b>\$ 55</b>	<b>(14)</b>
Comprehensive income attributable to non-controlling interest	<b>\$ 121</b>	<b>(54)</b>
	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Cash flow from operating activities	\$ 7,662	5,752
Cash flow from investing activities	(6,568)	(9,011)
Cash flow from financing activities	(1,940)	(1,973)
Effects of changes in foreign exchange rates	534	188
Net increase(decrease) in cash and cash equivalents	<b>\$ (312)</b>	<b>(5,044)</b>

### (i) Property, plant and equipment

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

	Land	Building and construction	Machinery and equipment	Office equipment	Other	Total
<b>Cost or deemed cost:</b>						
Balance at January 1, 2024	\$ 39,836	1,131,339	2,310,555	198,922	120,577	3,801,229
Additions	-	1,000	2,456	1,916	25,767	31,139
Reclassification	-	-	8,656	-	(8,656)	-
Disposals	-	-	(99,895)	(526)	-	(100,421)
Effect of changes in exchange rates	1,335	3,163	3,404	127	923	8,952
Balance at March 31, 2024	<b>\$ 41,171</b>	<b>1,135,502</b>	<b>2,225,176</b>	<b>200,439</b>	<b>138,611</b>	<b>3,740,899</b>
Balance at January 1, 2023	\$ 39,122	1,119,400	2,399,606	178,370	73,639	3,810,137
Additions	-	3,379	1,916	3,314	8,008	16,617
Reclassification	-	718	5,634	4,772	(11,124)	-
Disposals	-	(368)	(27,323)	(3,073)	(7,665)	(38,429)
Effect of changes in exchange rates	(120)	447	1,051	24	(14)	1,388
Balance at March 31, 2023	<b>\$ 39,002</b>	<b>1,123,576</b>	<b>2,380,884</b>	<b>183,407</b>	<b>62,844</b>	<b>3,789,713</b>
<b>Depreciation:</b>						
Balance at January 1, 2024	\$ -	857,368	2,241,881	157,344	19,399	3,275,992
Depreciation	-	3,819	5,380	6,051	578	15,828
Disposals	-	-	(99,843)	(526)	-	(100,369)
Effect of changes in exchange rates	-	1,181	2,987	104	199	4,471
Balance at March 31, 2024	<b>\$ -</b>	<b>862,368</b>	<b>2,150,405</b>	<b>162,973</b>	<b>20,176</b>	<b>3,195,922</b>

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

	Land	Building and construction	Machinery and equipment	Office equipment	Other	Total
Balance at January 1, 2023	\$ -	844,100	2,339,498	138,634	26,683	3,348,915
Depreciation	-	3,452	4,583	5,260	563	13,858
Disposals	-	(246)	(27,323)	(2,699)	(7,665)	(37,933)
Effect of changes in exchange rates	-	211	974	21	(24)	1,182
Balance at March 31, 2023	<u>\$ -</u>	<u>847,517</u>	<u>2,317,732</u>	<u>141,216</u>	<u>19,557</u>	<u>3,326,022</u>
<b>Carrying amount:</b>						
Balance at January 1, 2024	<u>\$ 39,836</u>	<u>273,971</u>	<u>68,674</u>	<u>41,578</u>	<u>101,178</u>	<u>525,237</u>
Balance at March 31, 2024	<u>\$ 41,171</u>	<u>273,134</u>	<u>74,771</u>	<u>37,466</u>	<u>118,435</u>	<u>544,977</u>
Balance at January 1, 2023	<u>\$ 39,122</u>	<u>275,300</u>	<u>60,108</u>	<u>39,736</u>	<u>46,956</u>	<u>461,222</u>
Balance at March 31, 2023	<u>\$ 39,002</u>	<u>276,059</u>	<u>63,152</u>	<u>42,191</u>	<u>43,287</u>	<u>463,691</u>

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

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

### (j) Right-of-use assets

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

	Land	Building and construction	Transportation equipment	Total
<b>Right-of-use assets cost:</b>				
Balance at January 1, 2024	\$ 61,840	50,941	3,245	116,026
Additions	-	22,514	500	23,014
Decrease	-	(6,655)	-	(6,655)
Effect of changes in foreign exchange rates	-	732	96	828
Balance at March 31, 2024	<u>\$ 61,840</u>	<u>67,532</u>	<u>3,841</u>	<u>133,213</u>
Balance at January 1, 2023	\$ 61,840	51,857	2,239	115,936
Additions	-	-	693	693
Effect of changes in foreign exchange rates	-	31	12	43
Balance at March 31, 2023	<u>\$ 61,840</u>	<u>51,888</u>	<u>2,944</u>	<u>116,672</u>
<b>Depreciation:</b>				
Balance at January 1, 2024	\$ 13,263	48,629	2,010	63,902
Depreciation	630	2,263	349	3,242
Decrease	-	(6,655)	-	(6,655)
Effect of changes in foreign exchange rates	-	528	49	577
Balance at March 31, 2024	<u>\$ 13,893</u>	<u>44,765</u>	<u>2,408</u>	<u>61,066</u>
Balance at January 1, 2023	\$ 10,742	39,447	961	51,150
Depreciation	630	2,701	304	3,635
Effect of changes in foreign exchange rates	-	35	4	39
Balance at March 31, 2023	<u>\$ 11,372</u>	<u>42,183</u>	<u>1,269</u>	<u>54,824</u>

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

	<u>Land</u>	<u>Building and construction</u>	<u>Transportation equipment</u>	<u>Total</u>
<b>Carrying amount:</b>				
Balance at January 1, 2024	\$ <u>48,577</u>	<u>2,312</u>	<u>1,235</u>	<u>52,124</u>
Balance at March 31, 2024	\$ <u>47,947</u>	<u>22,767</u>	<u>1,433</u>	<u>72,147</u>
Balance at January 1, 2023	\$ <u>51,098</u>	<u>12,410</u>	<u>1,278</u>	<u>64,786</u>
Balance at March 31, 2023	\$ <u>50,468</u>	<u>9,705</u>	<u>1,675</u>	<u>61,848</u>

### (k) Investment property

Investment property includes assets owned by Group such as office buildings leased to third party. Based on original lease terms of investment property, non-cancellable lease term is four years and the lessee has the right to extend upon expiry. Subsequent lease term will consult with the lessee and without charging contingent rental. Please refer to Note 6(q) for information of the rental income. Rental income of leased investment property has a fixed amount.

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

	<u>Land</u>	<u>Building and construction</u>	<u>Total</u>
<b>Cost or deemed cost:</b>			
Balance at January 1, 2024	\$ 48,874	16,712	65,586
Effect of changes in foreign exchange rates	<u>2,061</u>	<u>704</u>	<u>2,765</u>
Balance at March 31, 2024	\$ <u>50,935</u>	<u>17,416</u>	<u>68,351</u>
Balance at January 1, 2023	\$ 48,882	16,714	65,596
Effect of changes in foreign exchange rates	<u>(414)</u>	<u>(141)</u>	<u>(555)</u>
Balance at March 31, 2023	\$ <u>48,468</u>	<u>16,573</u>	<u>65,041</u>
<b>Depreciation:</b>			
Balance at January 1, 2024	\$ -	7,973	7,973
Depreciation	-	104	104
Effect of changes in foreign exchange rates	<u>-</u>	<u>337</u>	<u>337</u>
Balance at March 31, 2024	\$ <u>-</u>	<u>8,414</u>	<u>8,414</u>
Balance at January 1, 2023	\$ -	7,543	7,543
Depreciation	-	126	126
Effect of changes in foreign exchange rates	<u>-</u>	<u>(64)</u>	<u>(64)</u>
Balance at March 31, 2023	\$ <u>-</u>	<u>7,605</u>	<u>7,605</u>
<b>Carrying amount:</b>			
Balance at January 1, 2024	\$ <u>48,874</u>	<u>8,739</u>	<u>57,613</u>
Balance at March 31, 2024	\$ <u>50,935</u>	<u>9,002</u>	<u>59,937</u>
Balance at January 1, 2023	\$ <u>48,882</u>	<u>9,171</u>	<u>58,053</u>
Balance at March 31, 2023	\$ <u>48,468</u>	<u>8,968</u>	<u>57,436</u>

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

There was no significant differences of Group's fair value of investment property which compared with the consolidated financial statements Note 6(k) for the year ended December 31, 2023.

The investment property was not pledged as collateral.

### (I) Intangible assets

The movements of intangible assets were as follows:

	Patent	Computer software cost	Membership card	Total amount
<b>Initial cost:</b>				
Balance as of January 1, 2024	\$ 3,663	9,169	2,750	15,582
Individual acquisition	34	26	-	60
Disposals	(257)	-	-	(257)
Effects of changes in foreign exchange rates	-	34	-	34
Balance as of March 31, 2024	<b><u>\$ 3,440</u></b>	<b><u>9,229</u></b>	<b><u>2,750</u></b>	<b><u>15,419</u></b>
Balance as of January 1, 2023	\$ 3,203	9,057	2,750	15,010
Individual acquisition	146	26	-	172
Disposals	(410)	-	-	(410)
Effects of changes in foreign exchange rates	-	(3)	-	(3)
Balance as of March 31, 2023	<b><u>\$ 2,939</u></b>	<b><u>9,080</u></b>	<b><u>2,750</u></b>	<b><u>14,769</u></b>
<b>Amortization:</b>				
Balance as of January 1, 2024	\$ 1,717	8,885	-	10,602
Amortization	71	46	-	117
Disposals	(257)	-	-	(257)
Effects of changes in foreign exchange rates	-	33	-	33
Balance as of March 31, 2024	<b><u>\$ 1,531</u></b>	<b><u>8,964</u></b>	<b><u>-</u></b>	<b><u>10,495</u></b>
Balance as of January 1, 2023	\$ 1,831	7,932	-	9,763
Amortization	72	258	-	330
Disposals	(410)	-	-	(410)
Effects of changes in foreign exchange rates	-	(4)	-	(4)
Balance as of March 31, 2023	<b><u>\$ 1,493</u></b>	<b><u>8,186</u></b>	<b><u>-</u></b>	<b><u>9,679</u></b>
<b>Carrying amount:</b>				
Balance as of January 1, 2024	<b><u>\$ 1,946</u></b>	<b><u>284</u></b>	<b><u>2,750</u></b>	<b><u>4,980</u></b>
Balance as of March 31, 2024	<b><u>\$ 1,909</u></b>	<b><u>265</u></b>	<b><u>2,750</u></b>	<b><u>4,924</u></b>
Balance as of January 1, 2023	<b><u>\$ 1,372</u></b>	<b><u>1,125</u></b>	<b><u>2,750</u></b>	<b><u>5,247</u></b>
Balance as of March 31, 2023	<b><u>\$ 1,446</u></b>	<b><u>894</u></b>	<b><u>2,750</u></b>	<b><u>5,090</u></b>

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

## EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

### Notes to consolidated financial statements

#### (m) Short-term loans

The details of short-term loans were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Unsecured bank loans	\$ 50,000	-	250,000
Unused short-term credit lines	\$ 1,878,606	1,925,640	1,581,852
Range of interest rates	1.70%	-	1.36%~1.63%

Short-term loans were not pledged as collateral.

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

#### (n) Other payables

	March 31, 2024	December 31, 2023	March 31, 2023
Salaries and bonus payables	\$ 86,862	175,129	75,211
Employee remuneration payables	35,078	27,255	32,618
Directors' remuneration payables	16,826	12,841	16,146
Employee benefit liabilities	31,995	32,659	32,530
Dividends payable	251,852	-	251,852
Payables on equipment	10,118	13,815	11,364
Others	98,772	105,960	110,717
	\$ 531,503	367,659	530,438

#### (o) Long-term loans

The details of long-term loans were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Secured Bank loans	\$ 350,000	400,000	400,000
Less: discount on long-term borrowings	587	667	907
Total	\$ 349,413	399,333	399,093
Unused long-term credit lines	\$ 350,000	400,000	400,000
Range of interest rates	2.0842%	2.0842%	1.8965%

The Group signed a 5-year syndicated loan contract with E-SUN bank and six other banks on May 15, 2020, with a revolving credit line of \$800,000 from the first appropriation date to maturity date, wherein \$800,000 can be appropriated by using the banks' own fund and \$600,000 by using Group-issued commercial paper guaranteed by the banks, and the combined credit line should not exceed \$800,000. According to the loan contract, 9 months after the date the contract was signed will be considered as the first appropriation date to calculate the revolving credit even if the credit line is unused after 9 months. The credit line, with a total of five phases, decreases every 6 months, beginning the 36th month after the first appropriation date. The first to fourth phases of the total credit line amounting to \$800,000 will decrease by 12.5%, and the fifth phase will decrease by 50%. As the credit line decreases, the residual of the excess credit line will be repaid upon maturity.

On February 5, 2021, the Group utilized \$400,000 from its syndicated loan. For the related information and concerned restricted terms, please refer to Note 6(o) of 2023 consolidated financial statements.

## EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

### Notes to consolidated financial statements

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

**(p) Lease liabilities**

The details of lease liabilities were as follow:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Current	<b>\$ 10,815</b>	<b>5,165</b>	<b>12,655</b>
Non-Current	<b>\$ 65,249</b>	<b>50,806</b>	<b>52,979</b>

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

The amounts recognized in profit or loss were as follow:

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Interest on lease liabilities	<b>\$ 593</b>	<b>630</b>
Expenses relating to short-term leases	<b>\$ 518</b>	<b>198</b>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<b>\$ 157</b>	<b>64</b>

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

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Total cash outflow for leases	<b>\$ 4,355</b>	<b>4,222</b>

**(i) Lease of land, building and construction**

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

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

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

**(ii) Other leases**

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

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

**(q) Operating lease**

There was no increase for operating lease for the three months ended March 31, 2024 and 2023, for detail of Investment property leases, please refer to Note 6(q) of the 2023 consolidated financial statements.

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

### (r) Employee benefits

#### (i) Defined benefit plan

There were no significant market fluctuations, curtailments, settlement or other one-time events after the end of the previous financial year, the pension cost measurement and disclosure of interim pension cost were calculated based on actuarial adopted on December 31, 2023 and 2022.

Cost recognized in expense was as below:

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Operating cost	\$ 354	441
Selling expenses	26	32
General and administrative expenses	65	74
Research and development expenses	47	54
	<b>\$ 492</b>	<b>601</b>

#### (ii) Defined Contribution Plan

Cost recognized in expense was as below :

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Operating cost	\$ 6,673	6,834
Selling expenses	1,751	1,650
General and administrative expenses	634	610
Research and development expenses	853	771
	<b>\$ 9,911</b>	<b>9,865</b>

### (s) Income tax

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

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

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Current tax expense		
Current period	\$ 27,760	16,106
Adjustment for prior periods	-	(1,932)
	27,760	14,174
Deferred tax expense (benefit)		
Origination and reversal of temporary differences	(41)	(439)
	(41)	(439)
Income tax expense	<b>\$ 27,719</b>	<b>13,735</b>



## EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

### Notes to consolidated financial statements

(ii) For the three months ended March 31, 2024 and 2023 no income tax was recognized directly in equity.

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

	For the three months ended March 31	
	2024	2023
Items that will be reclassified subsequently to profit or loss:		
Unrealized gains (losses) from investment in debt instruments measured at fair value through other comprehensive income	\$ <u>(8)</u>	<u>-</u>

(iv) Approval of income tax

The Company's income tax returns for all fiscal years up to 2022 have been examined and approved by the R.O.C tax authority.

#### (t) Share capital and other equities

The Group had no share capital change for the three months ended March 31, 2024 and 2023 except below statement. Please refer to Note 6(t) of 2023 consolidated financial statements for detail information.

(i) Ordinary shares

As of March 31, 2024, December 31, 2023 and March 31, 2023, the authorized share capital of the Company amounted to \$3,500,000, comprising 350,000 thousand shares with a par value of New Taiwan dollars (TWD) 10 per share. Issued shares were both 157,408 thousand shares, the weighted average numbers of shares of common stock outstanding excluded treasury stock and the common stock held by the Company's subsidiaries were both 148,614 thousand shares.

(ii) Capital surplus

Capital surplus was as follows :

	March 31, 2024	December 31, 2023	March 31, 2023
Treasury stock	\$ 49,388	49,388	35,317
Disgorgement	473	473	473
Return of employee stock ownership trust	487	430	112
Total	\$ 50,348	50,291	35,902

(iii) Earnings distribution

The appropriations of earnings for 2023 and 2022 have been approved in the meeting of the board of directors held on March 7, 2024 and March 9, 2023, the appropriation and dividend per share were as follows :

	2023	2022
Dividends distributed to ordinary shareholders (TWD) :		
Cash	\$ <u>1.6</u>	<u>1.6</u>

## EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

### Notes to consolidated financial statements

(iv) Other equity (net of tax)

	Foreign exchange differences arising from foreign operation	Unrealized gains (losses) on financial assets measured at FVOCI	Total
Balance at January 1, 2024	\$ (3,047)	(88,181)	(91,228)
— Changes of the Group	8,598	29,816	38,414
— Disposal of investments in debt instrument designated at FVOCI	-	(348)	(348)
Balance at March 31, 2024	<b><u>\$ 5,551</u></b>	<b><u>(58,713)</u></b>	<b><u>(53,162)</u></b>
Balance at January 1, 2023	\$ (4,429)	(115,914)	(120,343)
— Changes of the Group	(1,186)	36,657	35,471
— Disposal of investments in equity instrument designated at FVOCI	-	(561)	(561)
Balance at March 31, 2023	<b><u>\$ (5,615)</u></b>	<b><u>(79,818)</u></b>	<b><u>(85,433)</u></b>

(v) Treasury stock

Ying Dar Corp. and Bae Haw Corp., 100%-owned subsidiaries of the Company, held the Company's common stock. For the three months ended March 31, 2024 and 2023, Ying Dar Corp. and Bae Haw Corp. did not purchase or dispose any of the Company's shares. As of March 31, 2024, December 31 and March 31, 2023, Ying Dar Corp. and Bae Haw Corp. together held 8,794 thousand shares of the Company's common stock, the cost was \$122,282 which was recognized in treasury stocks. As of March 31, 2024, December 31 and March 31, 2023, their market values amounted to \$288,456, \$265,591 and \$229,094, respectively.

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

**(u) Earnings per share**

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

	For the three months ended March 31	
	2024	2023
<b>Basic earnings per share</b>		
Profit attributable to ordinary shareholders of the Group	<b><u>\$ 117,286</u></b>	<b><u>89,618</u></b>
Weighted-average number of ordinary shares (expressed in thousands of shares)	<b><u>148,614</u></b>	<b><u>148,614</u></b>
Expressed in New Taiwan dollars	<b><u>\$ 0.79</u></b>	<b><u>0.60</u></b>

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

	<u>For the three months ended March 31</u>	
	<u>2024</u>	<u>2023</u>
<b>Diluted earnings per share</b>		
Profit attributable to ordinary shareholders of the Group	<u>\$ 117,286</u>	<u>89,618</u>
Weighted-average number of ordinary shares (expressed in thousands of shares)	148,614	148,614
Effect of potentially dilutive ordinary stock – Employee share bonus (expressed in thousands of shares)	<u>822</u>	<u>1,060</u>
Weighted-average number of ordinary shares – diluted (expressed in thousands of shares)	<u>149,436</u>	<u>149,674</u>
Expressed in New Taiwan dollars	<u>\$ 0.78</u>	<u>0.60</u>

In computing above earnings per share of ordinary shares, the weighted-average numbers of shares of ordinary shares outstanding excluded 8,794 thousand shares of ordinary shares held by the Group's subsidiaries as treasury shares.

### (v) Revenue from Contracts with Customers

#### (i) Disaggregation of revenue

	<u>For the three months ended March 31</u>			
	<u>2024</u>			
	<u>Domestic</u>	<u>North America</u>	<u>Other operating department</u>	<u>Total</u>
Primary geographical markets:				
Europe	\$ 539,866	15	143	540,024
America	139	254,823	-	254,962
Others	<u>129,625</u>	<u>24,974</u>	<u>52</u>	<u>154,651</u>
Total	<u>\$ 669,630</u>	<u>279,812</u>	<u>195</u>	<u>949,637</u>
Major products:				
Liquid crystal display modules	\$ 186,417	160,369	-	346,786
Capacitive touch panel and capacitive touch panel module	472,445	118,649	-	591,094
Others	<u>10,768</u>	<u>794</u>	<u>195</u>	<u>11,757</u>
Total	<u>\$ 669,630</u>	<u>279,812</u>	<u>195</u>	<u>949,637</u>
	<u>For the three months ended March 31</u>			
	<u>2023</u>			
	<u>Domestic</u>	<u>North America</u>	<u>Other operating department</u>	<u>Total</u>
Primary geographical markets:				
Europe	\$ 660,232	-	78	660,310
America	4,405	175,757	-	180,162
Others	<u>233,550</u>	<u>58,158</u>	<u>73</u>	<u>291,781</u>
Total	<u>\$ 898,187</u>	<u>233,915</u>	<u>151</u>	<u>1,132,253</u>

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

	For the three months ended March 31			
	2023			
	Domestic	North America	Other operating department	Total
Major products:				
Liquid crystal display modules	\$ 253,044	151,602	-	404,646
Capacitive touch panel and capacitive touch panel module	629,331	77,718	-	707,049
Others	15,812	4,595	151	20,558
Total	<u>\$ 898,187</u>	<u>233,915</u>	<u>151</u>	<u>1,132,253</u>

### (ii) Contract balance

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Accounts receivable (including related parties)	\$ 591,986	617,289	672,160
Less: Allowance for impairment	(1,497)	(1,418)	(984)
Total	<u>\$ 590,489</u>	<u>615,871</u>	<u>671,176</u>
Contract liability – unearned revenue (recognized in other current liabilities)	<u>\$ 52,226</u>	<u>56,222</u>	<u>62,651</u>

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

The amount of revenue recognized for the three months ended March 31, 2024 and 2023, that was included in the contract liability balance at the beginning of the period were \$6,678 and \$7,105 respectively.

### (w) Employee remuneration and directors' and supervisors' remuneration

In accordance with the Articles of incorporation, the Company should contribute no less than 5% of the profit as employee remuneration and less than 3% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

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

	For the three months ended March 31	
	2024	2023
Employee's remuneration	<u>\$ 7,823</u>	<u>5,600</u>
Directors' remuneration	<u>\$ 4,694</u>	<u>3,360</u>

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

The accrued compensation of employees amounted to \$27,255 and \$27,018 for 2023 and 2022, respectively, and the accrued remuneration of directors' amounted to \$16,353 and \$16,211 respectively. Actual distribution had no difference with accrued amounts. The previous distribution of compensation to employees, remuneration of directors approved by Board of Directors for related information, please go to website: <http://mops.twse.com.tw>.

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

**(x) Net other income (expenses)**

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

**(y) Non-operating income and expenses**

(i) Interest income

The details of interest income were as follows :

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Interest income from bank deposits	\$ 10,024	10,041
Other	958	569
	<b>\$ 10,982</b>	<b>10,610</b>

(ii) Other income

The details of other income were as follows :

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Dividend income	\$ 98	1,860
Other	73	202
	<b>\$ 171</b>	<b>2,062</b>

(iii) Other gains and losses

Details of other gains and losses were as follows:

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Foreign exchange gains (losses)	\$ 60,625	(12,945)
Net gains (losses) on disposal of financial assets (liabilities) measured at fair value through profit or loss	7,904	1,684
Net gains (losses) on disposal of property, plant and equipment	371	(17)
Gain on disposal of investments	348	-
Others	-	(3,105)
	<b>\$ 69,248</b>	<b>(14,383)</b>

(iv) Finance costs

Details of finance costs were as follows:

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Interest expenses		
Bank loans	\$ 2,062	3,408
Lease liabilities	593	630
Management fee of syndicated loan	50	50
	<b>\$ 2,705</b>	<b>4,088</b>

**(z) Financial instruments**

There was no significant change of the Group's fair value of financial instruments, exposure to credit risk, liquidity risk and market risk except below statements. Please refer to Note 6(z) of 2023 consolidated financial statements.

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

### (i) Credit risk

#### 1) Exposure to credit risk

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

#### 2) Concentration of credit risk

As of March 31, 2024, four customers accounted for 60% of total accounts receivable, as of December 31, 2023 and March 31, 2023, three customers accounted for 48% and 46% of total accounts receivable, respectively.

#### 3) Credit risk of accounts receivable

For credit risk exposure of accounts receivable, please refer to note 6(d).

Other financial assets at amortized cost include other notes receivable and other receivables, refundable deposits, and restricted time deposits, Debt investments at fair value through other comprehensive income include listed debt securities. All of these financial assets are considered to have low risk, and thus, the credit loss allowance recognized during the period was limited to 12 months expected credit losses. There was no loss allowance recognized. Please refer to notes 6 (c) 、 (e) and 6(g).

### (ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contracted cash flows	Due within 6 months	Due in 6-12 months	Due in 1-2 years	Due in 2-5 year	Due in over 5 years
<b>March 31, 2024</b>							
Non-derivative financial liabilities							
Secured Long-term loans(including long term loans, current portion)(floating rate)	\$ 349,413	(362,970)	(3,118)	(3,637)	(356,215)	-	-
Unsecured Short-term loans (floating rate)	50,000	(50,026)	(50,026)	-	-	-	-
Accounts payable (no interest)	395,720	(395,720)	(395,720)	-	-	-	-
Notes payable (no interest)	280	(280)	(280)	-	-	-	-
Other payable (no interest)	531,503	(531,503)	(531,503)	-	-	-	-
Lease liability (fixed interest)	76,064	(103,183)	(7,315)	(6,509)	(12,537)	(17,788)	(59,034)
Guarantee deposits received (no interest)	624	(624)	-	-	-	(624)	-
	<u>\$ 1,403,604</u>	<u>(1,444,306)</u>	<u>(987,962)</u>	<u>(10,146)</u>	<u>(368,752)</u>	<u>(18,412)</u>	<u>(59,034)</u>
<b>December 31, 2023</b>							
Non-derivative financial liabilities							
Secured Long-term loans(including long term loans, current portion)(floating rate)	\$ 399,333	(416,902)	(3,540)	(4,203)	(8,337)	(400,822)	-
Accounts payable (no interest)	438,314	(438,314)	(438,314)	-	-	-	-
Notes payable (no interest)	30	(30)	(30)	-	-	-	-
Other payable (no interest)	367,659	(367,659)	(367,659)	-	-	-	-
Lease liability (fixed interest)	55,971	(81,225)	(4,539)	(2,388)	(4,171)	(10,324)	(59,803)
Guarantee deposits received (no interest)	600	(600)	-	-	-	(600)	-
	<u>\$ 1,261,907</u>	<u>(1,304,730)</u>	<u>(814,082)</u>	<u>(6,591)</u>	<u>(12,508)</u>	<u>(411,746)</u>	<u>(59,803)</u>

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

	Carrying amount	Contracted cash flows	Due within 6 months	Due in 6-12 months	Due in 1-2 years	Due in 2-5 year	Due in over 5 years
<b>March 31, 2023</b>							
Non-derivative financial liabilities							
Secured Long-term loans(including long term loans, current portion)(floating rate)	\$ 399,093	(421,095)	(3,242)	(3,803)	(7,586)	(406,464)	-
Unsecured Short-term loans (floating rate)	250,000	(250,764)	(250,764)	-	-	-	-
Accounts payable (no interest)	493,828	(493,828)	(493,828)	-	-	-	-
Notes payable (no interest)	207	(207)	(207)	-	-	-	-
Other payable (no interest)	530,438	(530,438)	(530,438)	-	-	-	-
Lease liability (fixed interest)	65,634	(92,456)	(7,964)	(6,770)	(4,744)	(10,870)	(62,108)
Guarantee deposits received (no interest)	595	(595)	-	-	(34)	(561)	-
	<b>\$ 1,739,795</b>	<b>(1,789,383)</b>	<b>(1,286,443)</b>	<b>(10,573)</b>	<b>(12,364)</b>	<b>(417,895)</b>	<b>(62,108)</b>

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

### (iii) Market Risk

#### 1) Currency risk

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

	March 31, 2024			December 31, 2023			March 31, 2023			
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	
<u>Financial assets</u>										
<u>Monetary items</u>										
USD	\$	46,773	32.00	1,496,748	63,995	30.705	1,964,977	69,577	30.45	2,118,618
JPY		50,455	0.2115	10,671	29,873	0.2172	6,488	24,918	0.2288	5,701
CNY		4,630	4.4080	20,409	4,470	4.327	19,342	5,307	4.431	23,516
<u>Non-monetary items</u>										
USD		2,099	32.00	67,181	2,093	30.705	64,281	5,003	30.45	152,340
<u>Financial liabilities</u>										
<u>Monetary items</u>										
USD	\$	13,546	32.00	433,483	15,478	30.705	475,241	18,818	30.45	573,007
JPY		8,594	0.2115	1,818	10,368	0.2172	2,252	17,348	0.2288	3,969

The Group's exposure to foreign currency risk arises from the translation of the cash and cash equivalents, accounts receivable, other receivables, financial assets and liabilities measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income, accounts payables, and other payables. As of March 31, 2024 and 2023, if the exchange rate of the TWD versus the USD, CNY and JPY have increased or decreased by 1%, given no changes in other factors. For the three months ended March 31, 2024 and 2023, profit after tax would have increased or decreased by \$7,375 and \$11,043, and other comprehensive income after tax would have increased or decreased by \$1,026 and \$481, respectively. The analysis is performed on the same basis of prior year.

The Group has variety kinds of functional currencies, hence we use summarized method to disclose exchange gain (loss) of monetary items. For the three months ended March 31, 2024 and 2023, foreign exchange gain or loss (including realized and unrealized) amounted to gain \$60,625, and \$12,945, respectively.

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

### 2) Interest rate analysis

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

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

If interest rates on loans had increased or decreased by 0.25% with all other variables held constantly, profit after tax for the three months ended March 31, 2024 and 2023 would have been decreased or increased by \$200 and \$325, respectively, mainly as a result of liabilities bearing floating interest rates.

### 3) Other price risk

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

Equity price at reporting date	For the three months ended March 31			
	2024		2023	
	Other comprehensive income after tax	Net profit (loss)	Other comprehensive income after tax	Net profit (loss)
Increase 3%	\$ 19,818	4,446	16,946	733
Decrease 3%	\$ (19,818)	(4,446)	(16,946)	(733)

### (iv) Fair value

#### 1) Categories and fair values of financial instruments

The fair value of financial assets and liabilities at fair value through profit or loss, and financial assets at fair value through other comprehensive income, are measured on a recurring basis. The following table shows the carrying amount and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information on financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value and on investments in equity instruments which do not have any quoted price in an active market and lease liability.

	March 31, 2024				
	Carrying Amount	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets at FVTPL</b>					
Debt instrument with quoted market prices	\$ 161,597	161,597	-	-	161,597
<b>Financial assets at FVOCI</b>					
Debt instrument with quoted market prices	128,272	128,272	-	-	128,272
Equity instrument with quoted market prices	451,868	451,868	-	-	451,868
Equity instrument at fair value without quoted market prices	106,141	-	-	106,141	106,141
Subtotal	686,281				



# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

	March 31, 2024				
	Carrying	Fair value			Total
	Amount	Level 1	Level 2	Level 3	
<b>Financial assets at amortized cost</b>					
Cash and cash equivalent	\$ 1,257,506	-	-	-	-
Account receivables	590,489	-	-	-	-
Other account receivables	3,151	-	-	-	-
Restricted time deposits	2,356	-	-	-	-
Refundable deposit	9,628	-	-	-	-
Subtotal	<u>1,863,130</u>				
<b>Total financial assets</b>	<b><u>\$ 2,711,008</u></b>				
<b>Financial liabilities at amortized cost</b>					
Bank loans	\$ 399,413	-	-	-	-
Notes payable	280	-	-	-	-
Accounts payable	395,720	-	-	-	-
Other payable	531,503	-	-	-	-
Lease liabilities	76,064	-	-	-	-
Guarantee deposits	624	-	-	-	-
<b>Total financial liabilities</b>	<b><u>\$ 1,403,604</u></b>				
	December 31, 2023				
	Carrying	Fair value			Total
	Amount	Level 1	Level 2	Level 3	
<b>Financial assets at FVTPL</b>					
Debt instrument with quoted market prices	\$ 112,981	112,981	-	-	112,981
<b>Financial assets at FVOCI</b>					
Debt instrument with quoted market prices	90,880	90,880	-	-	90,880
Equity instrument with quoted market prices	278,361	278,361	-	-	278,361
Equity instrument at fair value without quoted market prices	106,700	-	-	106,700	106,700
Subtotal	<u>475,941</u>				
<b>Financial assets at amortized cost</b>					
Cash and cash equivalent	1,370,524	-	-	-	-
Account receivables	615,871	-	-	-	-
Other account receivables	3,525	-	-	-	-
Restricted time deposits	2,348	-	-	-	-
Refundable deposit	9,560	-	-	-	-
Subtotal	<u>2,001,828</u>				
<b>Total financial assets</b>	<b><u>\$ 2,590,750</u></b>				
<b>Financial liabilities at amortized cost</b>					
Bank loans	\$ 399,333	-	-	-	-
Notes payable	30	-	-	-	-
Accounts payable	438,314	-	-	-	-
Other payable	367,659	-	-	-	-
Lease liabilities	55,971	-	-	-	-
Guarantee deposits	600	-	-	-	-
<b>Total financial liabilities</b>	<b><u>\$ 1,261,907</u></b>				
	March 31, 2023				
	Carrying	Fair value			Total
	Amount	Level 1	Level 2	Level 3	
<b>Financial assets at FVTPL</b>					
Swap contract	\$ 2,002	-	2,002	-	2,002
Debt instrument with quoted market prices	30,540	30,540	-	-	30,540
Subtotal	<u>32,542</u>				
<b>Financial assets at FVOCI</b>					
Debt instrument with quoted market prices	60,163	60,163	-	-	60,163
Equity instrument with quoted market prices	374,230	374,230	-	-	374,230
Equity instrument at fair value without quoted market prices	142,442	-	-	142,442	142,442
Subtotal	<u>576,835</u>				

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

	March 31, 2023				
	Carrying	Fair value			Total
	Amount	Level 1	Level 2	Level 3	
<b>Financial assets at amortized cost</b>					
Cash and cash equivalent	1,313,819	-	-	-	-
Account receivables	671,176	-	-	-	-
Other account receivables	10,673	-	-	-	-
Restricted time deposits	2,533	-	-	-	-
Refundable deposits	<u>17,821</u>	-	-	-	-
Subtotal	<u>2,016,022</u>				
<b>Total financial assets</b>	<b><u>\$ 2,625,399</u></b>				
<b>Financial liabilities at amortized cost</b>					
Bank loans	\$ 649,093	-	-	-	-
Notes payable	207	-	-	-	-
Account payable	493,828	-	-	-	-
Other payable	530,438	-	-	-	-
Lease liability	65,634	-	-	-	-
Guarantee deposits	<u>595</u>	-	-	-	-
<b>Total financial liabilities</b>	<b><u>\$ 1,739,795</u></b>				

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

- Level 1: quoted prices (unadjusted) in the active markets for identified assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### 2) Valuation techniques and assumptions used in fair value determination

#### Non-derivative instruments

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

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

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

#### Derivative instruments

The fair value of Swap contracts and Forward exchange contract is based on quoted prices from the counterparty.

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

- 3) Transfer between level 1 and level 2  
There was no transfer between the fair value hierarchy levels for the three months ended March 31, 2024 and 2023.
- 4) Movement of financial assets through other comprehensive income categorized within Level 3.

	<b>Financial assets at fair value through other comprehensive income</b>	
	<u>Unquoted equity instruments</u>	
<b>Balance on January 1, 2024</b>	\$	106,700
Recognized in other comprehensive income		(559)
<b>Balance on March 31, 2024</b>	<b>\$</b>	<b><u>106,141</u></b>
<b>Balance on January 1, 2023</b>	\$	154,942
Recognized in other comprehensive income		(12,500)
<b>Balance on March 31, 2023</b>	<b>\$</b>	<b><u>142,442</u></b>

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

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

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

Quantified information of significant unobservable inputs was as follow :

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through other comprehensive income— equity investments without an active market	Discounted Cash Flow Method	<ul style="list-style-type: none"> <li>Continuing growth rate (as of March 31, 2024, December 31, 2023 and March 31, 2023 was 1.44%)</li> <li>Weighted average cost of capital (as of March 31, 2024, December 31, 2023 and March 31, 2023 ranged from 16.5404%、15.4196% and 13.7754%, respectively)</li> </ul>	<ul style="list-style-type: none"> <li>The higher the continuing growth rate is, the higher the estimated fair value would be.</li> <li>The higher the weighted average cost of capital is, the lower the estimated fair value would be.</li> </ul>

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through other comprehensive income-equity investments without an active market	Discounted Cash Flow Method	<ul style="list-style-type: none"> <li>• Market illiquidity discount rate (as of March 31, 2024, December 31, 2023 and March 31, 2023 ranged from 30%、30% and 32.51%, respectively)</li> <li>• Non-controlling interests discount rate (as of March 31, 2024, December 31, 2023 and March 31, 2023 was 29.48%)</li> </ul>	<ul style="list-style-type: none"> <li>• The higher the market illiquidity discount rate is, the lower the estimated fair value would be.</li> <li>• The higher the non-controlling interests discount is, the lower the estimated fair value would be.</li> </ul>
Financial assets at fair value through other comprehensive income-equity investments without an active market	Net Asset Value Method	• Net Asset Value	N/A

6) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions  
 For fair value measurements in Level 3, changing one or more of the assumptions to reflect reasonably possible alternative assumptions would have the following effects on other comprehensive income:

<u>Inputs</u>	<u>Fluctuation in inputs</u>	<u>Changes in fair value reflected in OCI</u>	
		<u>Favorable</u>	<u>Unfavorable</u>
<b>March 31, 2024</b>			
Continuing growth rate 1.44%	0.1%	\$ 420	490
Weighted average cost of capital 16.5404%	0.1%	700	700
Market illiquidity discount rate 30.00%	1%	980	1,050
Non-controlling interests discount rate 29.48%	1%	980	1,050
<b>December 31, 2023</b>			
Continuing growth rate 1.44%	0.1%	\$ 490	490
Weighted average cost of capital 15.4196%	0.1%	840	840
Market illiquidity discount rate 30.00%	1%	1,120	1,050
Non-controlling interests discount rate 29.48%	1%	1,120	1,120

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

Inputs	Fluctuation in inputs	Changes in fair value reflected in OCI	
		Favorable	Unfavorable
<b>March 31, 2023</b>			
Continuing growth rate 1.44%	0.1%	\$ 630	700
Weighted average cost of capital 13.7754%	0.1%	1,050	1,050
Market illiquidity discount rate 32.51%	1%	1,750	1,750
Non-controlling interests discount rate 29.48%	1%	1,610	1,680

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

### (aa) Financial risk management

There was no significant change of the Group's financial risk management objectives and policy as disclosed in 2023 consolidated report. Please refer to Note 6(aa) of 2023 consolidated financial statements.

### (ab) Capital management

The Group's capital management objectives, policies and procedures were compliance with 2023 consolidated financial statements. Further, there was no significant change of the summary quantitative information as disclosed in 2023 consolidated financial statements. Please refer to Note 6(ab) of 2023 consolidated financial statements.

### (ac) Investing and financing activities not affecting current cash flow:

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

(i) Please refer to Note 6(j) for right of use assets.

(ii) Reconciliation of liabilities arising from financing activities were as follows :

	Non-cash changes					March 31, 2024
	January 1, 2024	Cash flows	Foreign exchange movement	Amortization	Other (Note )	
Short-term borrowings	\$ -	50,000	-	-	-	50,000
Long-term borrowings (including long term loans, current portion)	399,333	(50,000)	-	80	-	349,413
Lease liabilities	55,971	(3,176)	255	-	23,014	76,064
Guarantee deposits	600	-	24	-	-	624
Total liabilities from financing activities	<u>\$ 455,904</u>	<u>(3,176)</u>	<u>279</u>	<u>80</u>	<u>23,014</u>	<u>476,101</u>
			Non-cash changes			
	January 1, 2023	Cash flows	Foreign exchange movement	Amortization	Other (Note )	March 31, 2023
Short-term borrowings	\$ 270,000	(20,000)	-	-	-	250,000
Long-term borrowings (including long term loans, current portion)	399,013	-	-	80	-	399,093
Lease liabilities	68,470	(3,535)	6	-	693	65,634
Guarantee deposits	600	-	(5)	-	-	595
Total liabilities from financing activities	<u>\$ 738,083</u>	<u>(23,535)</u>	<u>1</u>	<u>80</u>	<u>693</u>	<u>715,322</u>

Note: Increase (reduction) of right-of-use assets

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

### (7) Transactions with Related Parties

Compensation of key management personnel

The information on key management personnel compensation was as follows :

	For the three months ended March 31	
	2024	2023
Short-term employee benefits	\$ 14,264	11,443
Post-employment benefits	167	542
	<b>\$ 14,431</b>	<b>11,985</b>

### (8) Pledged assets:

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

Pledged Assets	Purpose	March 31,2024	December 31, 2023	March 31,2023
Restricted time deposits-current	Guarantee for customs	\$ 2,356	2,348	2,533
Property, plant and equipment – buildings	Guarantee for long-term borrowings	172,177	173,282	171,206
		<b>\$ 174,533</b>	<b>175,630</b>	<b>173,739</b>

### (9) Commitments and contingencies:

As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group has signed contracts for the purchase of equipments. The unrecognized contingencies of those contracts amounted to \$31,986, \$55,500 and \$22,934, respectively.

### (10) Losses due to major disasters: none

### (11) Significant Subsequent Events: None

### (12) Other

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

By function	For the three months ended March 31					
	2024			2023		
	Recorded as operating cost	Recorded as operating expenses	Total	Recorded as operating cost	Recorded as operating expenses	Total
Employee benefits	139,564	89,118	228,682	142,001	79,441	221,442
Depreciation	15,340	3,834	19,174	13,599	4,020	17,619
Amortization	71	46	117	77	253	330

### (b) Seasonal operation :

The operation of the Gropu hadn't been affect by either seasonal or periodical factors.

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

### (13) Supplementary disclosure requirements

#### (a) Information on significant transactions:

In accordance with the ROC “Guidelines Governing the Preparation of Financial Reports by Securities Issuers”, the required disclosures for the three months ended March 31, 2024 were as follows:

- (i) Loans extended to other parties: None.
- (ii) Guarantees provided to other parties: None.
- (iii) Securities owned as of March 31, 2024 (subsidiaries, associates and joint ventures not included):

Name of security holder	Name of security and type	Relationship between issuer of security and the security holder	Financial statement account	March 31, 2024				Remarks
				Units (shares)	Carrying value	Percentage of ownership	Fair value	
The Company	FTGF Western Asset Short Duration Blue Chip Bond Fund-A USD Acc USD	-	Financial assets at FVTPL – current	8,202,773	33,619	-	33,619	-
The Company	Franklin Templeton Investment Funds-Franklin Strategic Income Fund Class A (acc) USD	-	Financial assets at FVTPL – current	64,184,852	33,561	-	33,561	-
The Company	Yuanta Japan Leaders Equity Fund-TWD (A)	-	Financial assets at FVTPL – current	3,000,000	34,920	-	34,920	-
The Company	Yuanta/P-shares Taiwan Dividend Plus ETF	-	Financial assets at FVTPL – current	500,000	19,930	-	19,930	-
The Company	Yuanta US 20+ Year BBB Corporate Bond ETF	-	Financial assets at FVTPL – current	1,100,000	39,567	-	39,567	-
The Company	Corporate bonds FORCAY	-	Financial assets at FVOCI – current	1,000,000	31,763	-	31,763	-
The Company	Corporate bonds TAISEM	-	Financial assets at FVOCI – current	1,020,000	31,749	-	31,749	-
The Company	Corporate bonds MS	-	Financial assets at FVOCI – current	2,000,000	64,760	-	64,760	-
The Company	Ascendax Venture Capital Corp. stock	-	Financial assets at FVOCI – noncurrent	1,924,230	35,021	5.25 %	35,021	-
The Company	Chenfeng Optronics Corp. stock	-	Financial assets at FVOCI – noncurrent	1,000,000	10,160	0.99 %	10,160	-
The Company	Fubon Financial Holding Co., Ltd. Preferred Shares B	-	Financial assets at FVOCI – noncurrent	13,845	831	-	831	-
The Company	Innolux Corp. stock	-	Financial assets at FVOCI – current	986,209	14,842	0.01 %	14,842	-
The Company	Pegatron Co., Ltd. stock	-	Financial assets at FVOCI – current	266,000	27,132	0.01 %	27,132	-
The Company	Mega Financial Holding Co., Ltd. stock	-	Financial assets at FVOCI – current	1,303,632	52,862	0.01 %	52,862	-
The Company	Taiwan Cement Corp., Ltd. stock	-	Financial assets at FVOCI – current	868,943	27,937	0.01 %	27,937	-
The Company	ASE Technology Holding	-	Financial assets at FVOCI – current	295,000	47,495	0.01 %	47,495	-
The Company	Nan Ya Plastics Corporation. stock	-	Financial assets at FVOCI – current	300,000	16,800	-	16,800	-
The Company	China Development Financial Holding Corp. stock	-	Financial assets at FVOCI – current	2,910,000	40,595	0.02 %	40,595	-
The Company	Evergreen Marine Corp. (Taiwan) Ltd. stock	-	Financial assets at FVOCI – current	84,000	14,448	-	14,448	-
The Company	United Microelectronics Corp. stock	-	Financial assets at FVOCI – current	800,000	41,760	0.01 %	41,760	-
The Company	CTBC Financial Holding CO., LTD. stock	-	Financial assets at FVOCI – current	900,000	29,745	-	29,745	-
The Company	Taiwan Fertilizer CO., LTD. stock	-	Financial assets at FVOCI – current	236,000	14,868	0.02 %	14,868	-

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

Name of security holder	Name of security and type	Relationship between issuer of security and the security holder	Financial statement account	March 31, 2024				Remarks
				Units (shares)	Carrying value	Percentage of ownership	Fair value	
The Company	King's Town Bank stock	-	Financial assets at FVOCI—current	694,000	35,810	0.06 %	35,810	-
The Company	Darfon Electroincs Corp. stock	-	Financial assets at FVOCI—current	486,000	30,278	0.17 %	30,278	-
The Company	Coasia Microelectronics Corp. stock	-	Financial assets at FVOCI—current	472,239	12,113	0.32 %	12,113	-
The Company	Shian Yih Electronic Co., Ltd. stock	-	Financial assets at FVOCI—current	480,000	16,128	0.78 %	16,128	-
Ying Dar Investment Development Corp	Shian Yih Electronic Co., Ltd. stock	-	Financial assets at FVOCI—current	460,000	15,456	0.75 %	15,456	-
Ying Dar Investment Development Corp	The Company's stock	The Company	Financial assets at FVOCI—noncurrent	5,346,672	175,371	3.40 %	175,371	(Note)
Bae Haw Investment Development Corp	Everest Technology Inc.	-	Financial assets at FVOCI—noncurrent	1,000,000	-	1.47 %	-	-
Bae Haw Investment Development Corp	Shian Yih Electronic Co., Ltd. stock	-	Financial assets at FVOCI—current	380,000	12,768	0.62 %	12,768	-
Bae Haw Investment Development Corp	The Company's stock	The Company	Financial assets at FVOCI—noncurrent	3,447,716	113,085	2.19 %	113,085	(Note)
Ying Cheng Investment Corp.	Chenfeng Optronics Corp. stock	-	Financial assets at FVOCI—noncurrent	6,000,000	60,960	5.96 %	60,960	-

Note : It was eliminated in the consolidation

- (iv) Accumulated trading amount of a single security in excess of \$300 million or 20% of the Group's issued share capital: None.
- (v) Acquisition of property, plant and equipment in excess of \$300 million or 20% of issued share capital: None.
- (vi) Disposal of property, plant and equipment in excess of \$300 million or 20% of issued share capital: None.
- (vii) Sales to and purchases from related parties in excess of \$100 million or 20% of issued share capital was as follows :

Purchasing (selling) company	Counter party	Relationship	Detail of transaction				Circumstances of and reasons for deviation from regular trading conditions		Resulting receivables (payables)		Remarks
			Purchase (sale)	Amount	% of net purchase (sales)	Credit line	Unit price	Period for credit	Balance	% of notes and accounts receivable (payable)	
The Company	Emerging Display Technologies Corp., U.S.A.	Subsidiary of the Company	Sale	208,156	23.71 %	3 months	Sales prices offered to Emerging Display Technologies Corp., U.S.A. was not significantly different from those offered to other customers	Considering the trading practices in North American market, the company set credit duration as three months for North American market, which is slightly longer than one to three months set in other markets.	246,190	34.45%	(Note)
Emerging Display Technologies Corp., U.S.A.	The Company	Subsidiary of the Company	Purchase	(208,156)	100.00%	3 months	The company is the major supplier for Emerging Display Technologies Corp., U.S.A.	The company is the major supplier for Emerging Display Technologies Corp., U.S.A.	(246,190)	100.00%	(Note)
The Company	Dong Guan Emerging Display Limited	Sub-sidiary of the Company	Purchase (processing expense)	(66,679)	14.18 %	1~3 months	The company is the only entity the sub-subsidiary provides processing service to. There is no comparable transaction.	The company is the major entity the sub-subsidiary provides processing service to.	(35,981)	9.89%	(Note)
Dong Guan Emerging Display Limited	The Company	Sub-sidiary of the Company	Sale (processing revenue)	66,679	100.00%	1~3 months	The company is the only entity the sub-subsidiary provides processing service to. There is no comparable transaction.	The company is the only entity the sub-subsidiary provides processing service to.	35,981	100.00%	(Note)

Note: It was eliminated in the consolidation.

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

Name of company the has the receivables	Counterparty	Relationship	Balance of amount	Turnover ratio	Overdue		Amount collected in the subsequent period	Allowance for doubtful accounts	amount
					Amount	Status			
The Company	Emerging Display Technologies Corp., U.S.A.	Subsidiary of the Company	Account receivables of 246,190	2.64	-	-	75,807	-	(Note)

Note: It was eliminated in the consolidation.

- (ix) Derivative financial instrument transactions : None



# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

(x) Significant inter-Group transactions :

No.	Name	Counterparty	Relationship (Note 1)	Details of transaction			
				Subject	Amount	Term of trading	% of total consolidated revenue or total asset
0	The Company	Emerging Display Technologies Corp., U.S.A.	1	Sales revenue	208,156	Considering the trading practices in North American market, the Group set credit duration as three months for North American market, which is slightly longer than one to three months set in other markets.	21.92%
0	The Company	Emerging Display Technologies Corp., U.S.A.	1	Accounts receivable	246,190	Considering the trading practices in North American market, the Group set credit duration as three months for North American market, which is slightly longer than one to three months set in other markets.	5.83%
0	The Company	EDT-Europe Aps	1	Selling expenses-Commission	20,175	No non-related-party transaction to compare to.	2.12%
0	The Company	EDT-Europe Aps	1	Other payable	4,173	No non-related-party transaction to compare to.	0.10%
0	The Company	Emerging Display Technologies Korea	1	Selling expenses-Commission	946	No non-related-party transaction to compare to.	0.10%
0	The Company	EDT- Japan Corp.	1	Selling expenses-Commission	2,849	No non-related-party transaction to compare to.	0.30%
0	The Company	Dong Guan Emerging Display Limited	1	Processing cost	66,679	No non-related-party transaction to compare to.	7.02%
0	The Company	Dong Guan Emerging Display Limited	1	Accounts payable (Note 2)	35,981	No non-related-party transaction to compare to.	0.85%

Note 1 : Relationship notes as follows :

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

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

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

Relevant information about investees for the three months ended March 31, 2024 was as follows :

Name of investor	Name of investee	Location	Business Scope	Original cost of investment		Held at the end of term			Net income (loss) of the investee	Investment income (less) recognized	Remarks
				March 31, 2024	December 31, 2023	Shares owned	Percentage owned	Carrying value			
The Company	Emerging Display Technologies Corp., U.S.A.	USD	Trading	121,656	121,656	3,500,000	100.00%	99,157 (¥1)	2,043	2,043	Subsidiary (Note2)
The Company	Emerging Display International (Samoa) Corp.	Samoa	Investment holding	180,503	180,503	5,984,071	78.49%	76,485	1,319	1,035	Subsidiary (Note2)
The Company	EDT-Europe Aps	Denmark	Customer service and business	101,872	101,872	2,000,000	100.00%	116,831	(6)	(6)	Subsidiary (Note2)
The Company	Emerging Display Technologies Korea	Korea	Business support	1,677	1,677	58,212,500	100.00%	1,614	29	29	Subsidiary (Note2)
The Company	EDT- Japan Corp.	Japan	Customer service and business support	17,401	17,401	5,000	100.00%	6,154	93	93	Subsidiary (Note2)

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

Name of investor	Name of investee	Location	Business Scope	Original cost of investment		Held at the end of term			Net income (loss) of the investee	Investment income (less) recognized	Remarks
				March 31, 2024	December 31, 2023	Shares owned	Percentage owned	Carrying value			
The Company	Ying Dar Investment Development Corp.	Taiwan	Investment	89,000	89,000	8,900,000	100.00%	40,145	420	426	Subsidiary (Note2)
The Company	Bae Haw Investment Development Corp.	Taiwan	Investment	89,000	89,000	8,900,000	100.00%	48,862	493	493	Subsidiary (Note2)
The Company	Ying Cheng Investment Corp.	Taiwan	Investment	84,000	84,000	8,400,000	52.50%	37,085	(12)	(6)	Subsidiary (Note2)
Ying Dar Investment Development Corp.	Emerging Display International (Samoa) Corp.	Samoa	Investment holding	13,234	13,234	450,000	5.90%	5,749	1,319	78	Subsidiary (Note2)
Bae Haw Investment Development Corp.	Emerging Display International (Samoa) Corp.	Samoa	Investment holding	25,488	25,488	870,000	11.41%	11,118	1,319	151	Subsidiary (Note2)

Note1: It was deducted unrealized profit from sales \$33,056

Note2: It was eliminated in the consolidation.

### (c) Information on investments in Mainland China :

#### (i) Information on investments in Mainland China :

Investee company	Main businesses and products	Received capital	Investment method	Accumulated amount invested in Mainland China as of Jan. 1, 2024	Invested capital remitted from or repatriated to Taiwan		Accumulated amount invested in Mainland China as of March 31, 2024	Net income of investee	The Group's direct or indirect investment ratio	Investment gain(loss) recognized by the Group	Book value of the investment as of March 31, 2024	Accumulated investment income repatriated to Taiwan as of March 31, 2024
					Remittance	Repatriation						
Dong Guan Emerging Display Limited	Manufacturing of LCDs and Touch panel	248,516 (USD 7,625,300)	Investing through a third country by establishing a holding Group in a third country.	219,225 (USD 6,746,936) (Note1)	-	-	219,225 (USD 6,746,936)	758	95.80% (Note2)	Gain of \$727 Based on the investee's financial statements audited by the same auditor as the Group (Note3)	83,088 (Note4)	-

#### (ii) Limitation on investment in Mainland China :

Accumulated investment amount remitted from Taiwan to Mainland China as of March 31, 2024	Investment amount approved by the Investment Commission, Ministry of Economic Affairs	Limit on investment in Mainland China set by the Investment Commission, Ministry of Economic Affairs
221,909(Note 8) (USD 6,934,668)( Note5)	446,455(Note 8) (USD 13,951,732)( Note6)	1,721,547(Note7)

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

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

Note 3 : The amount includes a gain of \$45 which was recognized by Ying Dar Investment Development Corp. and a gain of \$87 which was recognized by Bae Haw Investment Development Corp.

Note 4 : The amount includes \$5,117 which was invested by Ying Dar Investment Development Corp. and \$9,896 which was invested by Bae Haw Investment Development Corp.

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

## EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

### Notes to consolidated financial statements

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

Note 7 : The amount includes \$129,310 for Ying Dar Investment Development Corp. and \$97,168 for Bae Haw Investment Development Corp.

Note 8 : Transactions denominated in foreign currencies were recorded using the rate of exchange at March 31, 2024.

(iii) Significant transactions

The significant inter-Group transactions with the subsidiary in Mainland China, which were eliminated in the preparation of the consolidated financial statements, are disclosed in "Information on significant transactions" for the three months ended March 31, 2024.

(d) Major shareholders :

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

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

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

### (14) Segment information

Reportable segment information was as follows :

	For the three months ended of March 31					Total
	2024					
	Domestic	North America	Mainland China	Other operating department	Adjustments and elimination	
Revenue:						
Sales to customers other than consolidated entities	\$ 669,630	279,812	-	195	-	949,637
Sales among consolidated entities	208,156	-	66,679	23,970	(298,805)	-
<b>Total revenue</b>	<b>\$ 877,786</b>	<b>279,812</b>	<b>66,679</b>	<b>24,165</b>	<b>(298,805)</b>	<b>949,637</b>
<b>Segment Income</b>	<b>\$ 134,298</b>	<b>2,585</b>	<b>1,200</b>	<b>630</b>	<b>6,341</b>	<b>145,054</b>

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

	For the three months ended of March 31					
	2023					
	<u>Domestic</u>	<u>North America</u>	<u>Mainland China</u>	<u>Other operating department</u>	<u>Adjustments and elimination</u>	<u>Total</u>
Revenue:						
Sales to customers other than consolidated entities	\$ 898,187	233,915	-	151	-	1,132,253
Sales among consolidated entities	216,860	-	50,411	24,524	(291,795)	-
<b>Total revenue</b>	<b><u>\$ 1,115,047</u></b>	<b><u>233,915</u></b>	<b><u>50,411</u></b>	<b><u>24,675</u></b>	<b><u>(291,795)</u></b>	<b><u>1,132,253</u></b>
<b>Segment Income</b>	<b><u>\$ 107,859</u></b>	<b><u>(1,963)</u></b>	<b><u>43</u></b>	<b><u>616</u></b>	<b><u>(3,222)</u></b>	<b><u>103,333</u></b>
	<u>Domestic</u>	<u>North America</u>	<u>Mainland China</u>	<u>Other operating department</u>	<u>Adjustments and elimination</u>	<u>Total</u>
<b>Segment Assets</b>						
March 31,2024	<b><u>\$ 3,808,166</u></b>	<b><u>387,290</u></b>	<b><u>186,438</u></b>	<b><u>141,880</u></b>	<b><u>(302,532)</u></b>	<b><u>4,221,242</u></b>
December 31,2023	<b><u>\$ 3,789,338</u></b>	<b><u>483,662</u></b>	<b><u>182,999</u></b>	<b><u>142,875</u></b>	<b><u>(445,231)</u></b>	<b><u>4,153,643</u></b>
March 31,2023	<b><u>\$ 3,808,164</u></b>	<b><u>333,440</u></b>	<b><u>173,362</u></b>	<b><u>102,832</u></b>	<b><u>(222,357)</u></b>	<b><u>4,195,441</u></b>
<b>Segment Assets</b>						
March 31,2024	<b><u>\$ 1,606,092</u></b>	<b><u>255,078</u></b>	<b><u>99,707</u></b>	<b><u>17,281</u></b>	<b><u>(286,344)</u></b>	<b><u>1,691,814</u></b>
December 31,2023	<b><u>\$ 1,453,866</u></b>	<b><u>358,795</u></b>	<b><u>98,594</u></b>	<b><u>20,186</u></b>	<b><u>(405,834)</u></b>	<b><u>1,525,607</u></b>
March 31,2023	<b><u>\$ 1,892,276</u></b>	<b><u>214,925</u></b>	<b><u>98,393</u></b>	<b><u>14,401</u></b>	<b><u>(218,682)</u></b>	<b><u>2,001,313</u></b>