

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

**EMERGING DISPLAY TECHNOLOGIES CORP. AND
SUBSIDIARIES**

**For the six months ended June 30, 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 June 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and the six months ended June 30, 2024 and 2023, and changes in equity and cash flows for the six months ended June 30, 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 \$438,084 thousand and \$448,005 thousand, constituting 10.30% and 10.72% of consolidated total assets as of June 30, 2024 and 2023, respectively, total liabilities amounting to \$145,824 thousand and \$107,151 thousand, constituting 9.18% and 5.87% of consolidated total liabilities as of June 30, 2024 and 2023, respectively, and total comprehensive income amounting to gain \$12,710 thousand, loss \$13,916 thousand, gain \$14,083 thousand and loss \$27,474 thousand, constituting 9.79%, (8.67%), 4.97% and (9.87%) of consolidated total comprehensive income for the three months and the six months ended June 30, 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 June 30, 2024 and 2023, and its consolidated financial performance for the three months and six months ended June 30, 2024 and 2023, as well as its consolidated cash flow for the six months ended June 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect 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)

August 6, 2024

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

June 30, 2024, December 31, 2023, and June 30, 2023

(Expressed in thousands of New Taiwan Dollars)
(Reviewed, not audited)

Assets		June 30, 2024		December 31, 2023		June 30, 2023		Liabilities and Equity		June 30, 2024		December 31, 2023		June 30, 2023	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets :								Current liabilities :							
1100	Cash and cash equivalents (Note 6(a))	\$ 1,071,357	25	1,370,524	33	1,269,024	30	2120	Financial liability at fair value through profit and loss (Note 6(b))	2	-	-	-	-	-
1110	Financial assets at fair value through profit or loss, current (Note 6(b))	173,397	4	112,981	3	62,943	2	2150	Notes payable	154	-	30	-	20	-
1120	Financial assets at fair value through other comprehensive income, current (Note 6(c))	743,407	17	368,412	9	468,046	11	2170	Accounts payable	436,260	10	438,314	11	528,793	13
1170	Accounts receivable, net (Note 6(d) and (v))	641,195	15	615,871	15	712,106	17	2200	Other payables (Note 6(n))	524,107	12	367,659	9	604,765	14
1200	Other notes receivable and other receivables (Notes 6(e))	9,293	-	3,525	-	15,218	-	2230	Income tax liabilities	54,151	1	102,104	2	48,616	1
1220	Income tax assets	1,061	-	814	-	302	-	2280	Lease liabilities, current (Notes 6(p))	10,332	-	5,165	-	9,854	-
130X	Inventories (Note 6(f))	705,687	17	828,441	20	825,379	21	2300	Other current liabilities (Notes 6(v))	60,539	1	67,383	2	91,391	2
1470	Other current assets (Notes 6(g) and 8)	48,784	1	56,871	1	64,446	2	Total current liabilities		1,085,545	24	980,655	24	1,283,439	30
Total current assets		3,394,181	79	3,357,439	81	3,417,464	83	2540	Long-term loans (Notes 6(o) and 8)	349,493	9	399,333	10	398,710	10
Non-current assets:								2570	Deferred income tax liabilities	956	-	1,044	-	-	-
1517	Financial assets at fair value through other comprehensive income, non-current (Note 6(c))	116,416	3	107,529	3	131,651	3	2580	Lease liabilities, non-current (Notes 6(p))	60,355	1	50,806	1	51,938	1
1600	Property, plant and equipment (Notes 6(i) ,8 and 9)	561,902	13	525,237	13	474,647	11	2640	Net defined benefit liabilities, non-current	91,756	2	93,065	2	89,765	2
1755	Right-of-use assets (Notes 6(j))	66,489	2	52,124	1	57,964	1	2645	Guarantee deposits received	632	-	600	-	608	-
1760	Investment property (Notes 6(k)(q))	60,673	2	57,613	1	58,634	1	2670	Other non-current liabilities – other	-	-	104	-	208	-
1780	Intangible assets (Note 6(l))	4,843	-	4,980	-	4,874	-	Total non-current liabilities		503,192	12	544,952	13	541,229	13
1840	Deferred income tax assets	39,322	1	39,161	1	24,780	1	Total liabilities		1,588,737	36	1,525,607	37	1,824,668	43
1980	Other non-current financial assets (Note 6(g))	8,623	-	9,560	-	9,444	-	Equity attributable to owners of parent (Note 6(t)) :							
Total non-current assets		858,268	21	796,204	19	761,994	17	3100	Ordinary shares	1,574,076	38	1,574,076	38	1,574,076	38
Total assets		\$ 4,252,449	100	4,153,643	100	4,179,458	100	3200	Capital surplus	54,424	1	50,291	1	36,150	1
								3300	Retained earnings	1,128,400	27	1,177,368	28	869,432	21
								3400	Other equity interest	(12,607)	-	(91,228)	(2)	(53,529)	(1)
								3500	Treasury stock	(122,282)	(3)	(122,282)	(3)	(122,282)	(3)
								Total equity attributable to shareholders of the parent		2,622,011	63	2,588,225	62	2,303,847	56
								36XX	Non-controlling interests (Note 6(h))	41,701	1	39,811	1	50,943	1
								Total equity		2,663,712	64	2,628,036	63	2,354,790	57
								Total liabilities and equity		\$ 4,252,449	100	4,153,643	100	4,179,458	100

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)
EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the three months and the six months ended June 30, 2024 and 2023
(Expressed in thousands of New Taiwan dollars, Except Earnings Per Share)
(Reviewed, not audited)

	For the three months ended June 30				For the six months ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Operating revenue (Note 6(v))	\$ 938,903	100	1,205,163	100	1,888,540	100	2,337,416	100
Operating cost (Notes 6(f, r and w) and 12)	716,189	76	953,706	79	1,457,677	77	1,852,300	79
Gross profit	222,714	24	251,457	21	430,863	23	485,116	21
Operating expenses (Notes 6(d, r and w) 7 and 12) :								
Selling expenses	62,821	7	65,394	6	124,928	7	123,364	5
General and administrative expenses	44,864	5	45,562	4	84,820	5	82,537	4
Research and development expenses	38,588	3	37,859	3	78,415	4	68,782	3
Expected credit impairment loss(gain)	8,297	1	719	-	8,368	-	407	-
Total operating expenses	154,570	16	149,534	13	296,531	16	275,090	12
Net other income and expenses(Note 6(x))	1,213	-	1,041	-	2,383	-	2,070	-
Net operating income	69,357	8	102,964	8	136,715	7	212,096	9
Non-operating income and expenses(Note 6(b, c, p and y) :								
Interest income	10,253	1	10,149	1	21,235	1	20,759	1
Other income	4,198	-	15,937	1	4,369	-	17,999	1
Other gains and losses	19,737	2	31,262	3	88,985	5	16,879	-
Finance costs	(2,896)	-	(3,039)	-	(5,601)	-	(7,127)	-
Total Non-operating income and expenses	31,292	3	54,309	5	108,988	6	48,510	2
Profit (loss) before income tax	100,649	11	157,273	13	245,703	13	260,606	11
Less: Income tax expense (Note 6(s))	15,069	2	29,787	3	42,788	2	43,522	2
Profit (Loss)	85,580	9	127,486	10	202,915	11	217,084	9
Other comprehensive income :								
Items that will not be reclassified subsequently to profit or loss								
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income (Note 6(t))	41,653	5	33,177	3	68,869	3	62,880	3
Less : Income tax related to items that will not be reclassified subsequently (Note 6(s))	-	-	-	-	-	-	-	-
	41,653	5	33,177	3	68,869	3	62,880	3
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translation of foreign financial statements (Note 6(t))	3,818	-	(249)	-	12,482	1	(1,475)	-
Unrealized gains (losses) on investments in debit instruments at fair value through other comprehensive income (Note 6(t))	(1,401)	-	-	-	(1,089)	-	-	-
Less : Income tax related to items that will not be reclassified subsequently (Note 6(s))	(210)	-	-	-	(218)	-	-	-
	2,627	-	(249)	-	11,611	1	(1,475)	-
Other comprehensive income, net	44,280	5	32,928	3	80,480	4	61,405	3
Comprehensive income	\$ 129,860	14	160,414	13	283,395	15	278,489	12
Profit (loss) attributable to:								
Shareholders of the parent	\$ 85,408	9	127,457	10	202,694	11	217,075	9
Non-controlling interests	172	-	29	-	221	-	9	-
Net Profit (loss)	\$ 85,580	9	127,486	10	202,915	11	217,084	9
Comprehensive income attributable to :								
Shareholders of the parent	\$ 125,805	14	165,226	13	281,505	15	290,315	12
Non-controlling interests	4,055	-	(4,812)	-	1,890	-	(11,826)	-
Total comprehensive income	\$ 129,860	14	160,414	13	283,395	15	278,489	12
Earnings per share (Note 6(u))(expressed in New Taiwan dollars) :								
Basic earnings per share	\$ 0.57		0.86		1.36		1.46	
Diluted earnings per share	\$ 0.57		0.86		1.36		1.45	

See accompanying notes to consolidated financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)
EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES
Consolidated Statements of Changes in Stockholders' Equity
For the six months ended June 30, 2024 and 2023
(Expressed in thousands of New Taiwan dollars)
(Reviewed, not audited)

Equity attributable to shareholders of parent

	Retained earnings					Other equity interest		Treasury stock	Total equity attributable to shareholders of parent	Non-controlling interests	Total Equity
	Ordinary shares	Capital surplus	Legal capital reserve	Special capital reserve	Unappropriated earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income				
Balance at January 1, 2023	\$ 1,574,076	35,840	132,078	104,491	661,214	(4,429)	(115,914)	(122,282)	2,265,074	62,769	2,327,843
Profit	-	-	-	-	217,075	-	-	-	217,075	9	217,084
Other comprehensive income	-	-	-	-	-	(1,324)	74,564	-	73,240	(11,835)	61,405
Total comprehensive income	-	-	-	-	217,075	(1,324)	74,564	-	290,315	(11,826)	278,489
Appropriation and distribution of retained earnings :											
Legal capital reserve appropriated	-	-	43,188	-	(43,188)	-	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	(251,852)	-	-	-	(251,852)	-	(251,852)
Special capital reserve appropriated	-	-	-	15,852	(15,852)	-	-	-	-	-	-
Proceeds from disposal equity instruments at FVOCI	-	-	-	-	6,426	-	(6,426)	-	-	-	-
Return of employee stock ownership trust	-	310	-	-	-	-	-	-	310	-	310
Balance as of June 30, 2023	\$ 1,574,076	36,150	175,266	120,343	573,823	(5,753)	(47,776)	(122,282)	2,303,847	50,943	2,354,790
Balance at January 1, 2024	\$ 1,574,076	50,291	175,266	120,343	881,759	(3,047)	(88,181)	(122,282)	2,588,225	39,811	2,628,036
Profit	-	-	-	-	202,694	-	-	-	202,694	221	202,915
Other comprehensive income	-	-	-	-	-	12,380	66,431	-	78,811	1,669	80,480
Total comprehensive income	-	-	-	-	202,694	12,380	66,431	-	281,505	1,890	283,395
Appropriation and distribution of retained earnings :											
Legal capital reserve appropriated	-	-	53,144	-	(53,144)	-	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	(251,852)	-	-	-	(251,852)	-	(251,852)
Reversal of Special capital reserve	-	-	-	(29,115)	29,115	-	-	-	-	-	-
Exercise of disgorgement	-	4,043	-	-	-	-	-	-	4,043	-	4,043
Proceeds from disposal equity instruments at FVOCI	-	-	-	-	190	-	(190)	-	-	-	-
Return of employee stock ownership trust	-	90	-	-	-	-	-	-	90	-	90
Balance as of June 30, 2024	\$ 1,574,076	54,424	228,410	91,228	808,762	9,333	(21,940)	(122,282)	2,622,011	41,701	2,663,712

See accompanying notes to consolidated financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)
EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the six months ended June 30, 2024 and 2023
(expressed in Thousands of New Taiwan dollars)
(Reviewed, not audited)

	For the six months ended June 30	
	2024	2023
Cash flows from (used in) operating activities :		
Profit (Loss) before tax	\$ 245,703	260,606
Adjustments :		
Adjustments to reconcile profit (loss) :		
Depreciation expense	39,072	35,695
Amortization expense	232	655
Expected credit impairment loss(gain)	8,368	407
Net (gains) losses on financial assets or liabilities at fair value through profit or loss	(7,231)	(2,197)
Interest expense	5,601	7,127
Interest income	(21,234)	(20,755)
Dividend income	(4,180)	(17,680)
Gain on disposal of property, plant, equipment	(343)	(226)
Gain on disposal of investments	(348)	-
Unrealized foreign exchange loss(gain)	(14,886)	(10,797)
Total adjustments to reconcile profit	<u>5,051</u>	<u>(7,771)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in accounts receivable	(19,304)	(3,309)
Decrease in other notes and accounts receivable	159	1,022
Decrease (Increase) in inventories	133,523	217,038
Decrease(Increase) in other current assets	9,487	927
Total net changes in operating assets	<u>123,865</u>	<u>215,678</u>
Changes in operating liabilities :		
Increase in notes payable	124	-
(Decrease) Increase in accounts payable	(7,788)	(58,584)
(Decrease) Increase in other payable	(99,177)	(27,761)
Increase (Decrease) in other current liabilities	(7,065)	15,941
Decrease in net defined benefit liability	(1,309)	(1,102)
Decrease in other non-current liabilities	(104)	(104)
Total changes in operating liabilities	<u>(115,319)</u>	<u>(71,610)</u>
Total changes in operating assets and liabilities	<u>8,546</u>	<u>144,068</u>
Total adjustments	<u>13,597</u>	<u>136,297</u>
Cash inflow generated from operations	<u>259,300</u>	<u>396,903</u>
Interest received	19,309	19,519
Dividends received	197	6,054
Interest paid	(5,603)	(8,262)
Income taxes paid	(91,045)	(79,934)
Net cash flows from (used in) operating activities	<u>182,158</u>	<u>334,280</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(350,819)	(39,524)
Proceeds from disposal of financial assets at fair value through other comprehensive income	44,588	45,850
Acquisition of financial assets at fair value through profit or loss	(59,697)	(61,480)
Proceeds from disposal of financial assets at fair value through profit or loss	10,003	-
Acquisition of property, plant and equipment	(63,046)	(45,281)
Proceeds from disposal of property, plant, equipment	424	723
Acquisition of intangible assets	(95)	(282)
Decrease(Increase) in Other financial assets	927	25
Net cash flows from (used in) investing activities	<u>(417,715)</u>	<u>(99,969)</u>
Cash flows from (used in) financing activities:		
Decrease in short-term loans	-	(270,000)
Repayments of long-term borrowings	(50,000)	-
Disgorgement received	4,043	-
Return of employee stock ownership trust	90	310
Repayment of lease liabilities	(6,116)	(7,106)
Net cash flows from (used in) financing activities	<u>(51,983)</u>	<u>(276,796)</u>
Effects of changes in foreign exchange rates	<u>(11,627)</u>	<u>4,387</u>
Net increase in cash and cash equivalents	<u>(299,167)</u>	<u>(38,098)</u>
Cash and cash equivalents at beginning of period	<u>1,370,524</u>	<u>1,307,122</u>
Cash and cash equivalents at end of period	<u>\$ 1,071,357</u>	<u>1,269,024</u>

See accompanying notes to financial statements.

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the six months ended June 30, 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 August 6, 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 the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements :

- Amendments to IAS 21 “Lack of Exchangeability”

(c) 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"> • 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. • 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). • Enhanced information Segmentation: The new standard provides directives on how companies should enhance the segmentation of information within 	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 IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards

(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

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

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.

(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
			June 30,2024	December 31,2023	June 30,2023	
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;

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

- (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.

(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

	June 30,2024	December 31,2023	June 30,2023
Cash and cash equivalents	\$ 431	456	506
Demand deposits	448,654	407,082	873,909
Check deposits	1,104	2	11
Time deposits	621,168	962,984	394,598
Total	<u>\$ 1,071,357</u>	<u>1,370,524</u>	<u>1,269,024</u>

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

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Notes to consolidated financial statements

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

	<u>June 30,2024</u>	<u>December 31,2023</u>	<u>June 30,2023</u>
Current financial assets mandatorily measured at fair value through profit or loss :			
Open-end mutual funds	\$ 173,397	112,981	62,270
Swap Contract	-	-	673
Total	<u>\$ 173,397</u>	<u>112,981</u>	<u>62,943</u>
Current financial liabilities measured at fair value through profit or loss :			
Forward exchange contract	<u>\$ 2</u>	-	-

For the three months and six months ended June 30, 2024 and 2023, the Group has recognized the dividend income of \$99, \$0, \$197 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 :

	<u>June 30,2024</u>		
	<u>Contract amount (Thousand Dollar)</u>	<u>Currency</u>	<u>Maturity period</u>
Forward exchange contract			
Sell	USD 1,000	USD to NTD	2024.07.09
	<u>June 30,2023</u>		
	<u>Contract amount (Thousand Dollar)</u>	<u>Currency</u>	<u>Maturity period</u>
Swap contract	USD 1,000	TWD to USD	2023.8.2

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

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

	<u>June 30,2024</u>	<u>December 31,2023</u>	<u>June 30,2023</u>
Debt investments at fair value through other comprehensive income – current :			
Corporate bonds	\$ 192,012	90,880	90,827
Equity instruments at fair value through other comprehensive income-current:			
Common stocks listed on domestic markets			
-current:			
Common stocks listed on domestic markets	551,395	277,532	377,219
Total	<u>\$ 743,407</u>	<u>368,412</u>	<u>468,046</u>

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

	June 30,2024	December 31,2023	June 30,2023
Equity investments at fair value through other comprehensive income – noncurrent:			
Common stocks unlisted on domestic markets	\$ 115,591	106,700	130,822
Preference stocks listed on domestic markets	825	829	829
Total	\$ 116,416	107,529	131,651

(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. Please refer to Note 6(y) for the Interest income and gain or loss on disposal of investments

(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 and six months ended June 30, 2024 and 2023, the Group has recognized the dividend income of \$3,983, \$15,820, \$3,983 and \$17,680 from equity instruments designated at fair value through other comprehensive income, respectively.

For the six months ended June 30, 2024 and 2023, the Group with the objective of investment and financial management had sold financial assets at fair value of \$13,695 and \$45,850, respectively and accumulated gain on disposal of investments were \$190 and \$6,426, respectively which had been reclassified from other equity interest to retained earnings.

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

The abovementioned financial assets were not pledged as collateral.

For the purpose of increasing investment profits, the Group entrusts partial listed companies as the beneficiary. According to the terms of the contract, the Group does not transfer risk and remuneration of these financial assets, and they had not been derecognized. As of June 30, 2024, December 31, 2023 and June 30, 2023, the carrying amount of the listed stocks which were entrusted to financial institutions for security lending amounted to \$ 14,152, \$14,103 and \$15,831, respectively.

(d) Accounts receivable

	June 30,2024	December 31,2023	June 30,2023
Accounts receivable-measured as amortized cost	\$ 650,992	617,289	713,815
Allowance for impairment	(9,797)	(1,418)	(1,709)
	\$ 641,195	615,871	712,106

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

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

	June 30, 2024		
	Carrying amount of Accounts Receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Current	\$ 563,512	0.11%	647
Overdue less than 90 days	60,510	0.71%	431
Overdue 91~180 days	25,873	31.72%	8,208
Overdue 181~270 days	1,097	46.54%	511
Overdue 271~365 days	-	-	-
Overdue over 365 days	-	-	-
	<u>\$ 650,992</u>		<u>9,797</u>

	December 31, 2023		
	Carrying amount of Accounts Receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Current	\$ 533,503	0.12%	615
Overdue less than 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 over 365 days	-	-	-
	<u>\$ 617,289</u>		<u>1,418</u>

	June 30, 2023		
	Carrying amount of Accounts Receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Current	\$ 661,240	0.11%	746
Overdue less than 90 days	50,138	1.91%	960
Overdue 91~180 days	2,243	0.13%	3
Overdue 181~270 days	194	0.10%	-
Overdue 271~365 days	-	-	-
Overdue over 365 days	-	-	-
	<u>\$ 713,815</u>		<u>1,709</u>

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

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

	For the six months ended June 30	
	2024	2023
Balance on January 1	\$ 1,418	6,119
Recognition of impairment loss	8,368	407
Write-off of account due to irrecoverable	-	(4,822)
Effect of changes in foreign currency exchange rates	11	5
Ending balance	\$ 9,797	1,709

The abovementioned financial assets were not pledged as collateral.

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

(e) Other notes receivable and other receivables

	June 30,2024	December 31,2023	June 30,2023
Loans to employee	\$ -	160	470
Interest receivable	5,246	3,321	3,018
Dividend receivable	3,983	-	11,626
Others	64	44	104
Allowance for impairment	-	-	-
	\$ 9,293	3,525	15,218

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

(f) Inventories

	June 30,2024	December 31,2023	June 30,2023
Raw materials and supplies	\$ 213,948	259,074	336,763
Work in process	265,289	200,170	265,712
Finished goods	219,275	341,508	201,794
Inventories in transit	7,175	27,689	21,110
	\$ 705,687	828,441	825,379

The details of cost of sales are as follows :

	April to June, 2024	April to June, 2023	January to June, 2024	January to June, 2023
Reclassification to cost of sales and expenses	\$ 695,736	913,438	1,421,643	1,778,392
Write down of inventories (Reversal of write downs)	4,128	(5,185)	521	7,978
Unamortized manufacturing expenses	8,200	4,827	15,720	9,907
Loss on scrap	8,169	40,680	19,878	56,149
Others	(44)	(54)	(85)	(126)
	\$ 716,189	953,706	1,457,677	1,852,300

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

For the three months ended June 30, 2024 , and six months ended June 30, 2024 and 2023, the Group recognized an inventory valuation loss, accounted for as cost of goods sold, due to the decreasing value from the carrying amount to the net realized value. For the three months ended June 30, 2023, the previous write down inventories were sold, therefore, the net realizable value of inventories lowered than cost no longer existed. The reversal of write down was recognized as a reduction of operating costs.

Inventories were not pledged as collaterals.

(g) Other current assets

The details of other current assets are as follows :

	June 30, 2024	December 31, 2023	June 30, 2023
Income tax refund receivable	\$ 2,986	6,768	4,895
Prepayment for purchases	7,057	7,001	17,449
Prepaid expense	7,362	6,062	6,721
Prepaid sales tax	28,937	34,692	32,848
Restricted time deposits	2,356	2,348	2,533
Refundable deposits	8,709	9,560	9,444
	\$ 57,407	66,431	73,890
Book as:			
Other current assets	\$ 48,784	56,871	64,446
Other financial assets—non-current	8,623	9,560	9,444
	\$ 57,407	66,431	73,890

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

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

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

Name of subsidiaries	Principal place of business	Proportion of non-controlling interest voting equity		
		June 30, 2024	December 31, 2023	June 30, 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 the Group:

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

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

	June 30, 2024	December 31, 2023	June 30, 2023
Current asset	\$ 9,708	9,741	9,784
Non-current asset	69,060	65,760	90,180
Current liability	-	(50)	(20)
Net asset	<u>\$ 78,768</u>	<u>75,451</u>	<u>99,944</u>
Non-controlling equity closing book amount	<u>\$ 37,415</u>	<u>35,839</u>	<u>47,474</u>
	April to June, 2024	April to June, 2023	January to June, 2024
	2024	2023	June, 2023
Operating revenue	\$ -	-	-
Net gain (loss)	\$ 29	23	17
Other comprehensive income	8,100	(9,960)	3,300
Comprehensive income	<u>\$ 8,129</u>	<u>(9,937)</u>	<u>3,317</u>
Gain (loss) attributable to non-controlling interest	<u>\$ 14</u>	<u>11</u>	<u>8</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 3,861</u>	<u>(4,720)</u>	<u>1,575</u>
		For the six months ended June 30	
		2024	2023
Cash flow from operating activities		\$ (35)	(20)
Cash flow from investing activities		-	-
Cash flow from financing activities		-	-
Net increase(decrease) in cash and cash equivalents		<u>\$ (35)</u>	<u>(20)</u>

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

	June 30, 2024	December 31, 2023	June 30, 2023
Current asset	\$ 175,928	158,726	136,545
Non-current asset	57,325	34,427	34,450
Current liability	(117,897)	(98,594)	(88,400)
Non-current liability	(13,304)	-	-
Net asset	<u>\$ 102,052</u>	<u>94,559</u>	<u>82,595</u>
Non-controlling equity closing book amount	<u>\$ 4,286</u>	<u>3,972</u>	<u>3,469</u>
	April to June, 2024	April to June, 2023	January to June, 2024
	2024	2023	June, 2023
Operating revenue	\$ 128,666	95,154	195,345
Net gain (loss)	\$ 3,748	446	5,067
Other comprehensive income	860	(2,636)	2,427
Comprehensive income	<u>\$ 4,608</u>	<u>(2,190)</u>	<u>7,494</u>
Gain (loss) attributable to non-controlling interest	<u>\$ 158</u>	<u>18</u>	<u>213</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 194</u>	<u>(92)</u>	<u>315</u>

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

	For the six months ended June 30	
	2024	2023
Cash flow from operating activities	\$ 11,359	900
Cash flow from investing activities	(9,277)	(5,817)
Cash flow from financing activities	(3,696)	(3,947)
Effects of changes in foreign exchange rates	787	(656)
Net decrease in cash and cash equivalents	<u>\$ (827)</u>	<u>(9,520)</u>

(i) Property, plant and equipment

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

	Land	Building and construction	Machinery and equipment	Office equipment	Other	Total
Cost or deemed cost:						
Balance at January 1, 2024	\$ 39,836	1,131,339	2,310,555	198,922	120,577	3,801,229
Additions	-	5,077	4,527	6,972	46,037	62,613
Reclassification	-	38,354	9,559	39,468	(87,381)	-
Disposals	-	-	(100,170)	(3,556)	(188)	(103,914)
Effect of changes in exchange rates	1,860	5,714	5,137	188	811	13,170
Balance at June 30, 2024	<u>\$ 41,696</u>	<u>1,179,944</u>	<u>2,229,608</u>	<u>241,994</u>	<u>79,856</u>	<u>3,773,098</u>
Balance at January 1, 2023	\$ 39,122	1,119,400	2,399,606	178,370	73,639	3,810,137
Additions	155	2,583	5,939	6,288	26,375	41,340
Disposals	-	719	6,706	8,706	(16,131)	-
Reclassification	-	(365)	(102,926)	(3,107)	(9,402)	(115,800)
Effect of changes in exchange rates	529	(407)	(5,665)	(155)	(259)	(5,957)
Balance at June 30, 2023	<u>\$ 39,806</u>	<u>1,121,930</u>	<u>2,303,660</u>	<u>190,102</u>	<u>74,222</u>	<u>3,729,720</u>
Depreciation:						
Balance at January 1, 2024	\$ -	857,368	2,241,881	157,344	19,399	3,275,992
Depreciation	-	8,178	11,019	12,089	1,115	32,401
Disposals	-	-	(100,118)	(3,556)	(159)	(103,833)
Effect of changes in exchange rates	-	1,707	4,524	151	254	6,636
Balance at June 30, 2024	<u>\$ -</u>	<u>867,253</u>	<u>2,157,306</u>	<u>166,028</u>	<u>20,609</u>	<u>3,211,196</u>
Balance at January 1, 2023	\$ -	844,100	2,339,498	138,634	26,683	3,348,915
Depreciation	-	6,985	9,355	10,737	1,129	28,206
Disposals	-	(243)	(102,926)	(2,732)	(9,402)	(115,303)
Effect of changes in exchange rates	-	(1,303)	(5,259)	(136)	(47)	(6,745)
Balance at June 30, 2023	<u>\$ -</u>	<u>849,539</u>	<u>2,240,668</u>	<u>146,503</u>	<u>18,363</u>	<u>3,255,073</u>
Carrying amount:						
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 June 30, 2024	<u>\$ 41,696</u>	<u>312,691</u>	<u>72,302</u>	<u>75,966</u>	<u>59,247</u>	<u>561,902</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 June 30, 2023	<u>\$ 39,806</u>	<u>272,391</u>	<u>62,992</u>	<u>43,599</u>	<u>55,859</u>	<u>474,647</u>

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Please refer to Note6(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 leased land, buildings, transportation equipment were as follow:

	<u>Land</u>	<u>Building and construction</u>	<u>Transportation equipment</u>	<u>Total</u>
Right-of-use assets cost:				
Balance at January 1, 2024	\$ 61,840	50,941	3,245	116,026
Additions	-	22,752	505	23,257
Disposals	(2,633)	(6,719)	-	(9,352)
Effect of changes in foreign exchange rates	-	746	136	882
Balance at June 30, 2024	<u>\$ 59,207</u>	<u>67,720</u>	<u>3,886</u>	<u>130,813</u>
Balance at January 1, 2023	\$ 61,840	51,857	2,239	115,936
Additions	-	-	696	696
Effect of changes in foreign exchange rates	-	(1,545)	42	(1,503)
Balance at June 30, 2023	<u>\$ 61,840</u>	<u>50,312</u>	<u>2,977</u>	<u>115,129</u>
Depreciation:				
Balance at January 1, 2024	\$ 13,263	48,629	2,010	63,902
Depreciation	1,249	4,552	660	6,461
Disposals	-	(6,719)	-	(6,719)
Effect of changes in foreign exchange rates	-	604	76	680
Balance at June 30, 2024	<u>\$ 14,512</u>	<u>47,066</u>	<u>2,746</u>	<u>64,324</u>
Balance at January 1, 2023	\$ 10,742	39,447	961	51,150
Depreciation	1,260	5,370	632	7,262
Effect of changes in foreign exchange rates	-	(1,263)	16	(1,247)
Balance at June 30, 2023	<u>\$ 12,002</u>	<u>43,554</u>	<u>1,609</u>	<u>57,165</u>
Carrying amount:				
Balance at January 1, 2024	<u>\$ 48,577</u>	<u>2,312</u>	<u>1,235</u>	<u>52,124</u>
Balance at June 30, 2024	<u>\$ 44,695</u>	<u>20,654</u>	<u>1,140</u>	<u>66,489</u>
Balance at January 1, 2023	<u>\$ 51,098</u>	<u>12,410</u>	<u>1,278</u>	<u>64,786</u>
Balance at June 30, 2023	<u>\$ 49,838</u>	<u>6,758</u>	<u>1,368</u>	<u>57,964</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 didn't charge contingent rental. Please refer to Note 6(q) for information of the rental income. Rental income of leased investment property has a fixed amount.

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Notes to consolidated financial statements

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

	<u>Land</u>	<u>Building and construction</u>	<u>Total</u>
Cost or deemed cost:			
Balance at January 1, 2024	\$ 48,874	16,712	65,586
Effect of changes in foreign exchange rates	2,778	949	3,727
Balance at June 30, 2024	<u>\$ 51,652</u>	<u>17,661</u>	<u>69,313</u>
Balance at January 1, 2023	\$ 48,882	16,714	65,596
Effect of changes in foreign exchange rates	684	234	918
Balance at June 30, 2023	<u>\$ 49,566</u>	<u>16,948</u>	<u>66,514</u>
Depreciation:			
Balance at January 1, 2024	\$ -	7,973	7,973
Depreciation	-	210	210
Effect of changes in foreign exchange rates	-	457	457
Balance at June 30, 2024	<u>\$ -</u>	<u>8,640</u>	<u>8,640</u>
Balance at January 1, 2023	\$ -	7,543	7,543
Depreciation	-	227	227
Effect of changes in foreign exchange rates	-	110	110
Balance at June 30, 2023	<u>\$ -</u>	<u>7,880</u>	<u>7,880</u>
Carrying amount:			
Balance at January 1, 2024	<u>\$ 48,874</u>	<u>8,739</u>	<u>57,613</u>
Balance at June 30, 2024	<u>\$ 51,652</u>	<u>9,021</u>	<u>60,673</u>
Balance at January 1, 2023	<u>\$ 48,882</u>	<u>9,171</u>	<u>58,053</u>
Balance at June 30, 2023	<u>\$ 49,566</u>	<u>9,068</u>	<u>58,634</u>

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.

(1) Intangible assets

The movements of intangible assets were as follows:

	<u>Patent</u>	<u>Computer software cost</u>	<u>Golf membership card</u>	<u>Total amount</u>
Initial cost:				
Balance as of January 1, 2024	\$ 3,663	9,169	2,750	15,582
Individual acquisition	69	26	-	95
Disposals	(257)	-	-	(257)
Effects of changes in foreign exchange rates	-	46	-	46
Balance as of June 30, 2024	<u>\$ 3,475</u>	<u>9,241</u>	<u>2,750</u>	<u>15,466</u>

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

	Patent	Computer software cost	Golf membership card	Total amount
Balance as of January 1, 2023	\$ 3,203	9,057	2,750	15,010
Individual acquisition	163	119	-	282
Disposals	(410)	-	-	(410)
Effects of changes in foreign exchange rates	-	(2)	-	(2)
Balance as of June 30, 2023	<u>\$ 2,956</u>	<u>9,174</u>	<u>2,750</u>	<u>14,880</u>
Amortization:				
Balance as of January 1, 2024	\$ 1,717	8,885	-	10,602
Amortization	142	90	-	232
Disposals	(257)	-	-	(257)
Effects of changes in foreign exchange rates	-	46	-	46
Balance as of June 30, 2024	<u>\$ 1,602</u>	<u>9,021</u>	<u>-</u>	<u>10,623</u>
Balance as of January 1, 2023	\$ 1,831	7,932	-	9,763
Amortization	136	519	-	655
Disposals	(410)	-	-	(410)
Effects of changes in foreign exchange rates	-	(2)	-	(2)
Balance as of June 30, 2023	<u>\$ 1,557</u>	<u>8,449</u>	<u>-</u>	<u>10,006</u>
Carrying amount:				
Balance as of January 1, 2024	<u>\$ 1,946</u>	<u>284</u>	<u>2,750</u>	<u>4,980</u>
Balance as of June 30, 2024	<u>\$ 1,873</u>	<u>220</u>	<u>2,750</u>	<u>4,843</u>
Balance as of January 1, 2023	<u>\$ 1,372</u>	<u>1,125</u>	<u>2,750</u>	<u>5,247</u>
Balance as of June 30, 2023	<u>\$ 1,399</u>	<u>725</u>	<u>2,750</u>	<u>4,874</u>

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

(m) Short-term loans

The details of short-term loans were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Unsecured bank loans	\$ -	-	-
Unused lines of credit	<u>\$ 1,934,783</u>	<u>1,925,640</u>	<u>1,832,894</u>
Range of interest rates	-	-	-

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

	June 30, 2024	December 31, 2023	June 30, 2023
Salaries and bonus payables	\$ 105,258	175,129	128,290
Employee remuneration payables	13,324	27,255	41,154
Directors' and supervisors' remuneration payables	6,519	12,841	21,268
Employee benefit liabilities	35,479	32,659	34,528
Dividends payable	251,852	-	251,852
Payables on equipment	13,494	13,815	12,830
Others	98,181	105,960	114,843
	<u>\$ 524,107</u>	<u>367,659</u>	<u>604,765</u>

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Notes to consolidated financial statements

(o) Long-term loans

The details of long-term loans were as follows:

	June 30,2024	December 31,2023	June 30,2023
Commercial paper payable	\$ -	-	400,000
Secured bank loans	350,000	400,000	-
Less: discount on long-term loans	507	667	1,290
Total	\$ 349,493	399,333	398,710
Unused long-term credit lines	\$ 350,000	400,000	400,000
Range of interest rates	2.2178%	2.0842%	2.0080%

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. The Group issued a total of \$400,000 commercial paper on February 5, 2021. For the related information and concerned restricted terms, please refer to Note 6(o) of 2023 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:

	June 30, 2024	December 31, 2023	June 30, 2023
Current	\$ 10,332	5,165	9,854
Non-Current	\$ 60,355	50,806	51,938

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

The amounts recognized in profit or loss were as follows :

	April to June,2024	April to June,2023	January to June, 2024	January to June, 2023
Interest on lease liabilities	\$ 806	587	1,399	1,217
Expenses relating to short-term leases	\$ 443	216	961	414
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ 154	60	311	124

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

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

	For the six months ended June 30	
	2024	2023
Total cash outflow for leases	\$ 8,694	8,661

(i) Lease of land, building and construction

The Group leases land and buildings for its office use. The leases of land and buildings run for approximately 2 to 10 years, and the lease period of office premises is usually 2 to 3 years. Lease payments for certain contracts are subject to changes in the local price index, which usually occur once a year.

The lease agreements for some of the equipment include the option to extend the lease or terminate the lease, which are managed separately by each region, and therefore the individual terms and conditions agreed upon are different within the Group. These options are only for the Group to have enforceable rights and the lessor does not have this right. 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 six months ended June 30, 2024 and 2023, for detail of Investment property leases, please refer to Note 6(q) of the 2023 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:

	April to June,2024	April to June,2023	January to June, 2024	January to June, 2023
Operating cost	\$ 354	438	708	879
Selling expenses	28	32	54	64
General and administrative expenses	62	75	127	149
Research and development expenses	48	56	95	110
	\$ 492	601	984	1,202

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

(ii) Defined Contribution Plan

Cost recognized in expense was as below :

	April to June, 2024	April to June, 2023	January to June, 2024	January to June, 2023
Operating cost	\$ 6,614	6,912	13,287	13,746
Selling expenses	1,785	1,644	3,536	3,294
General and administrative expenses	667	627	1,301	1,237
Research and development expenses	851	777	1,704	1,548
	\$ 9,917	9,960	19,828	19,825

(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 :

	April to June, 2024	April to June, 2023	January to June, 2024	January to June, 2023
Current tax expense				
Current	\$ 21,527	29,669	49,287	45,775
Adjustment for prior periods	(6,476)	(103)	(6,476)	(2,035)
	15,051	29,566	42,811	43,740
Deferred tax expense (benefit)				
Origination and reversal of temporary differences	18	221	(23)	(218)
Income tax expense	\$ 15,069	29,787	42,788	43,522

(ii) For the six months ended June 30, 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 :

	April to June, 2024	April to June, 2023	January to June, 2024	January to June, 2023
Items that will not be reclassified subsequently to profit or loss :				
Unrealized gains or losses from investments in equity instruments measured at FVOCI	\$ (210)	-	(218)	-

(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.

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

(t) Share capital and other equity

The Group had no share capital change for the six months ended June 30, 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 June 30, 2024, December 31, 2023 and June 30, 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 :

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Treasury stock	\$ 49,388	49,388	35,317
Disgorgement	4,516	473	473
Return of employee stock ownership trust	520	430	360
Total	<u>\$ 54,424</u>	<u>50,291</u>	<u>36,150</u>

(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 :

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

(iv) Other equity (net of tax)

	<u>Foreign exchange differences arising from foreign operation</u>	<u>Unrealized gains (losses) on financial assets measured at FVOCI</u>	<u>Total</u>
Balance at January 1, 2024	\$ (3,047)	(88,181)	(91,228)
— Changes of the Group	12,380	66,431	78,811
Disposal of investments in equity instrument measured at FVOCI	-	(190)	(190)
Balance at June 30, 2024	<u>\$ 9,333</u>	<u>(21,940)</u>	<u>(12,607)</u>
Balance at January 1, 2023	\$ (4,429)	(115,914)	(120,343)
— Changes of the Group	(1,324)	74,564	73,240
Disposal of investments in equity instrument measured at FVOCI	-	(6,426)	(6,426)
Balance at June 30, 2023	<u>\$ (5,753)</u>	<u>(47,776)</u>	<u>(53,529)</u>

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

(v) Treasury stock

Ying Dar Corp. and Bae Haw Corp., 100%-owned subsidiaries of the Company, held the Company's common stock. For the six months ended June 30, 2024 and 2023, Ying Dar Corp. and Bae Haw Corp. did not purchase or dispose any of the Company's shares. As of June 30, 2024, December 31 and June 30, 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 June 30, 2024, December 31 and June 30, 2023, their market values amounted to \$283,179, \$265,591 and \$368,485, respectively.

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 :

	April to June, 2024	April to June, 2023	January to June, 2024	January to June, 2023
Basic earnings per share				
Profit attributable to owners of parent	<u>\$ 85,408</u>	<u>127,457</u>	<u>202,694</u>	<u>217,075</u>
Weighted-average number of ordinary shares at end of year (expressed in thousands of shares)	<u>148,614</u>	<u>148,614</u>	<u>148,614</u>	<u>148,614</u>
Expressed in New Taiwan dollars	<u>\$ 0.57</u>	<u>0.86</u>	<u>1.36</u>	<u>1.46</u>
Diluted earnings per share				
Profit attributable to owners of parent	<u>\$ 85,408</u>	<u>127,457</u>	<u>202,694</u>	<u>217,075</u>
Weighted-average number of ordinary shares (expressed in thousands of shares)	148,614	148,614	148,614	148,614
Effect of potentially dilutive ordinary stock:				
— Employee bonus (expressed in thousands of shares)	171	203	710	757
Weighted-average number of ordinary shares- diluted (expressed in thousands of shares)	<u>148,785</u>	<u>148,817</u>	<u>149,324</u>	<u>149,371</u>
Expressed in New Taiwan dollars	<u>\$ 0.57</u>	<u>0.86</u>	<u>1.36</u>	<u>1.45</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

	April to June, 2024			
	Domestic	North America	Other operating department	
Primary geographical markets:				
Europe	\$ 467,272	-	310	467,582
USA	-	257,525	-	257,525
Others	161,522	52,256	18	213,796
Total	<u>\$ 628,794</u>	<u>309,781</u>	<u>328</u>	<u>938,903</u>

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April to June, 2024				
	Domestic	North America	Other operating department	Total
Major products:				
Liquid crystal display modules	\$ 150,739	191,990	-	342,729
Capacitive touch panel and capacitive touch panel module	469,027	115,541	-	584,568
Others	9,028	2,250	328	11,606
Total	\$ 628,794	309,781	328	938,903
April to June, 2023				
	Domestic	North America	Other operating department	Total
Primary geographical markets:				
Europe	\$ 603,425	-	183	603,608
USA	-	308,667	-	308,667
Others	225,618	67,206	64	292,888
Total	\$ 829,043	375,873	247	1,205,163
Major products:				
Liquid crystal display modules	\$ 238,972	102,519	-	341,491
Capacitive touch panel and capacitive touch panel module	582,966	271,041	-	853,980
Others	7,105	2,340	247	9,692
Total	\$ 829,043	375,873	247	1,205,163
January to June, 2024				
	Domestic	North America	Other operating department	Total
Primary geographical markets:				
Europe	\$ 1,007,138	15	453	1,007,606
USA	139	512,348	-	512,487
Others	291,147	77,230	70	368,447
Total	\$ 1,298,424	589,593	523	1,888,540
Major products:				
Liquid crystal display modules	\$ 337,156	352,359	-	689,515
Capacitive touch panel and capacitive touch panel module	941,472	234,190	-	1,175,662
Others	19,796	3,044	523	23,363
Total	\$ 1,298,424	589,593	523	1,888,540
January to June, 2023				
	Domestic	North America	Other operating department	Total
Primary geographical markets:				
Europe	\$ 1,263,657	-	261	1,263,918
USA	4,405	484,424	-	488,829
Others	459,168	125,364	137	584,669
Total	\$ 1,727,230	609,788	398	2,337,416

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Notes to consolidated financial statements

	January to June, 2023			
	Domestic	North America	Other operating department	Total
Major products:				
Liquid crystal display modules	\$ 492,016	254,121	-	746,137
Capacitive touch panel and capacitive touch panel module	1,212,297	348,732	-	1,561,029
Others	22,917	6,935	398	30,250
Total	\$ 1,727,230	609,788	398	2,337,416

(ii) Contract balance

	June 30, 2024	December 31, 2023	June 30, 2023
Accounts receivable (including related parties)	\$ 650,992	617,289	713,815
Less: allowance for impairment	(9,797)	(1,418)	(1,709)
Total	\$ 641,195	615,871	712,106
Contract liability — Unearned revenue (recognized in other current liabilities)	\$ 47,848	56,222	81,356

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

The amount of revenue recognized for the three months and six months ended June 30, 2024 and 2023, that was included in the contract liability balance at the beginning of the period were \$4,387, \$5,832, \$11,065 and \$12,937, respectively.

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

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

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

	April to June, 2024	April to June, 2023	January to June, 2024	January to June, 2023
Employee's remuneration	\$ 5,501	8,536	13,324	14,136
Directors' remuneration	\$ 3,301	5,122	7,995	8,482

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.

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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>.

(x) Other operating income and expenses

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

(y) Non-operating income and expenses

(i) Non-operating income and expenses

The details of interest income were as follows :

	<u>April to June, 2024</u>	<u>April to June, 2023</u>	<u>January to June, 2024</u>	<u>January to June, 2023</u>
Bank deposits	\$ 7,340	9,474	17,364	19,515
Mutual funds and Corporate bonds	2,913	674	3,870	1,240
Others	-	1	1	4
	<u>\$ 10,253</u>	<u>10,149</u>	<u>21,235</u>	<u>20,759</u>

(ii) Other income

The details of other income were as follows :

	<u>April to June, 2024</u>	<u>April to June, 2023</u>	<u>January to June, 2024</u>	<u>January to June, 2023</u>
Dividend income	\$ 4,082	15,820	4,180	17,680
Others	116	117	189	319
	<u>\$ 4,198</u>	<u>15,937</u>	<u>4,369</u>	<u>17,999</u>

(iii) Other gains and losses

Details of other gains and losses were as follows :

	<u>April to June, 2024</u>	<u>April to June, 2023</u>	<u>January to June, 2024</u>	<u>January to June, 2023</u>
Foreign exchange (losses) gains	\$ 19,275	28,277	79,900	15,332
Net gains (losses) on disposal of financial assets (liabilities) measured at fair value through profit or loss	542	2,824	8,446	4,508
Net gain (losses) gains on disposal of property, plant and equipment	(28)	243	343	226
Net gains (losses) on disposal investments	-	-	348	-
Others	(52)	(82)	(52)	(3,187)
	<u>\$ 19,737</u>	<u>31,262</u>	<u>88,985</u>	<u>16,879</u>

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(iv) Finance cost

Details of finance costs were as follows :

	<u>April to June, 2024</u>	<u>April to June, 2023</u>	<u>January to June, 2024</u>	<u>January to June, 2023</u>
Interest expenses				
Bank loans	\$ 2,040	2,402	4,102	5,810
Lease liabilities	806	587	1,399	1,217
Management fee of syndicated loan	50	50	100	100
	<u>\$ 2,896</u>	<u>3,039</u>	<u>5,601</u>	<u>7,127</u>

(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.

(i) Credit risk

1) Exposure to credit risk

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

2) Concentration of credit risk

As of June 30, 2024, two customers accounted for 43% of total accounts receivable balance. As of December 31 and June 30, 2023, three customers accounted for 48% and 40% of total accounts receivable balance.

3) Accounts receivable of credit risk

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

(ii) Liquidity risk

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

	<u>Carrying amount</u>	<u>Contracte d cash flows</u>	<u>Due within 6 months</u>	<u>Due in 6-12 months</u>	<u>Due in 1-2 years</u>	<u>Due in 2-5 years</u>	<u>Due in over 5 years</u>
June 30, 2024							
Non-derivative financial liabilities							
Secured Long-term loans (including long term loans, current portion)(floating rate)	\$ 349,493	(361,888)	(3,360)	(3,849)	(354,679)	-	-
Accounts payable (no interest)	436,260	(436,260)	(436,260)	-	-	-	-
Notes payable (no interest)	154	(154)	(154)	-	-	-	-
Other payable (no interest)	524,107	(524,107)	(524,107)	-	-	-	-
Lease liability(fixed interest)	70,687	(95,767)	(6,788)	(6,324)	(12,356)	(15,021)	(55,278)
Guarantee deposits received (no interest)	632	(632)	-	-	-	(632)	-

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	Carrying amount	Contracted cash flows	Due within 6 months	Due in 6-12 months	Due in 1-2 years	Due in 2-5 years	Due in over 5 years
Derivative financial liabilities							
Forward exchange contract :	\$ 2						
Cash in		32,504	32,504	-	-	-	-
Cash out		(32,450)	(32,450)	-	-	-	-
	\$1,381,335	(1,418,754)	(970,615)	(10,173)	(367,035)	(15,653)	(55,278)

December 31, 2023

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)	-
	\$1,261,907	(1,304,730)	(814,082)	(6,591)	(12,508)	(411,746)	(59,803)

June 30, 2023

Non-derivative financial liabilities							
Secured Long-term loans (including long term loans, current portion)(floating rate)							
	\$ 398,710	(420,905)	(4,027)	(4,005)	(8,032)	(404,841)	-
Accounts payable(no interest)	528,793	(528,793)	(528,793)	-	-	-	-
Notes payable (no interest)	20	(20)	(20)	-	-	-	-
Other payable (no interest)	604,765	(604,765)	(604,765)	-	-	-	-
Lease liability(fixed interest)	61,792	(88,023)	(7,372)	(4,402)	(4,255)	(10,654)	(61,340)
Guarantee deposits received (no interest)	608	(608)	-	-	(34)	(574)	-
	\$1,594,688	(1,643,114)	(1,144,977)	(8,407)	(12,321)	(416,069)	(61,340)

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 :

	June 30, 2024			December 31, 2023			June 30, 2023		
	Foreign currency	Exchange rate	TWD amount	Foreign currency	Exchange rate	TWD amount	Foreign currency	Exchange rate	TWD amount
Financial assets									
Monetary items									
USD	\$ 49,390	32.45	1,602,712	63,995	30.705	1,964,977	55,505	31.14	1,728,421
JPY	20,092	0.2017	4,053	29,873	0.2172	6,488	35,841	0.2150	7,706
CNY	7,456	4.4450	33,142	4,470	4.327	19,342	9,844	4.282	42,151
Non-monetary items									
USD	2,110	32.45	68,473	2,093	30.705	64,281	3,000	31.14	93,410
Financial liabilities									
Monetary items									
USD	\$ 13,310	32.45	431,914	15,478	30.705	475,241	18,916	31.14	589,036
JPY	6,001	0.2017	1,210	10,368	0.2172	2,252	19,417	0.2150	4,175
Non-monetary items									
USD	1,000	32.45	32,450	-	-	-	-	-	-

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The Group's exposure to foreign currency risk arises from the translation of the cash and cash equivalents, accounts receivable, other receivables, financial assets and liabilities measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income, accounts payables, and other payables. As of June 30, 2024 and 2023, if the exchange rate of the TWD versus the USD, CNY, JPY, EUR, and VND have increased or decreased by 1%, given no changes in other factors. For the six months ended June 30, 2024 and 2023, profit after tax would have increased or decreased by \$7,474 and \$8,622, and other comprehensive income after tax would have increased or decreased by \$1,536 and \$727, 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 and the six months ended June 30, 2024 and 2023, foreign exchange gain or loss (including realized and unrealized) amounted to gain \$19,275, gain \$28,277, gain \$79,900 and gain \$15,332, respectively.

2) Interest rate analysis

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

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

If interest rates on loans had increased or decreased by 0.25% with all other variables held constantly, profit after tax for the six months ended June 30, 2024 and 2023 would have been decreased or increased by \$350 and \$400, 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 six months ended June 30			
	2024		2023	
	Other comprehensive income after tax	Net profit (loss)	Other comprehensive income after tax	Net profit (loss)
Increase 3%	\$ 24,644	4,792	17,466	1,494
Decrease 3%	\$ (24,446)	(4,792)	(17,466)	(1,494)

(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.

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	June 30, 2023				
	Carrying	Fair value			Amount
	Amount	Level 1	Level 2	Level 3	
Financial assets at FVTPL					
Swap contract	\$ 673	-	673	-	673
Debt instrument with quoted market prices	<u>62,270</u>	62,270	-	-	62,270
Subtotal	<u>62,943</u>				
Financial assets at FVOCI					
Debt instrument with quoted market prices	90,827	90,827	-	-	90,827
Equity instrument with quoted market	378,048	378,048	-	-	378,048
Equity instrument at fair value without quoted market prices	<u>130,822</u>	-	-	130,822	130,822
Subtotal	<u>599,697</u>				
Financial assets at amortized cost					
Cash and cash equivalent	1,269,024	-	-	-	-
Account receivables	712,106	-	-	-	-
Other account receivables	15,218	-	-	-	-
Restricted time deposits	2,533	-	-	-	-
Refundable deposits (recognized in other assets - noncurrent)	<u>9,444</u>	-	-	-	-
Subtotal	<u>2,008,325</u>				
Total financial assets	<u>\$ 2,670,965</u>				
Financial liabilities at amortized cost					
Bank loans	\$ 398,710	-	-	-	-
Notes payable	20	-	-	-	-
Accounts payable	528,793	-	-	-	-
Other payable	604,765	-	-	-	-
Lease liabilities	61,792	-	-	-	-
Guarantee deposits	<u>608</u>	-	-	-	-
Total financial liabilities	<u>\$ 1,594,688</u>				

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

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method or other valuation technique. Using discounted cash flow method to calculate fair value, the main assumption is to reflect monetary time value and return of invest risk to discount and measure based on investee's estimated future cash flow.

Derivative instruments

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

3) Transfer between level 1 and level 2

There was no transfer between the fair value hierarchy levels for the year ended June 30, 2024 and 2023.

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

	Financial assets at fair value through other comprehensive income	
	Unquoted equity instruments	
Balance at January 1, 2024	\$	106,700
Recognized in other comprehensive income		8,891
Balance at June 30, 2024	\$	115,591
Balance at January 1, 2023	\$	154,942
Recognized in other comprehensive income		(24,120)
Balance at June 30, 2023	\$	130,822

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 :

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<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"> • Continuing growth rate (as of June 30,2024, December 31,2023 and June 30, 2023 ranged from 1.54%、1.44% and 1.44%, respectively) • Weighted average cost of capital (as of June 30,2024, December 31,2023 and June 30, 2023 ranged from 17.5805%、15.4196% and 15.378%, respectively) • Market illiquidity discount rate (as of June 30,2024, December 31,2023 and June 30, 2023 ranged from 13.72%、30.00% and 30.29%, respectively) • Non-controlling interests discount rate (as of June 30,2024, December 31,2023 and June 30, 2023 ranged from 32.24%、29.48% and 29.48%, respectively) 	<ul style="list-style-type: none"> • If the continuing growth rate was higher, the estimated fair value would increase. • If WACC were higher, the estimated fair value would decrease. • If the market illiquidity discount rate was higher, the estimated fair value would decrease. • If the non-controlling interests discount rate was higher, the estimated fair value would decrease.
Financial assets at fair value through other comprehensive income-equity investments without an active market	Net Asset Value Method	• Net Asset Value	N/A

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

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

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Inputs	Fluctuation in inputs	<u>Changes in fair value reflected in OCI</u>	
		Favorable	Unfavorable
June 30, 2024			
Continuing growth rate 1.54%	0.1%	\$ 490	490
Weighted average cost of capital 17.5805%	0.1%	770	770
Market illiquidity discount rate 13.72	1%	910	910
Non-controlling interests discount rate 32.24%	1%	1,120	1,190
December 31, 2023			
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
June 30, 2023			
Continuing growth rate 1.44%	0.1%	\$ 490	560
Weighted average cost of capital 15.378%	0.1%	840	840
Market illiquidity discount rate 30.29%	1%	1,540	1,540
Non-controlling interests discount rate 29.48%	1%	1,470	1,470

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) Financing activities of non-cash transaction

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

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

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

	January 1, 2024	Cash flows	Non-cash changes			June 30, 2024
			Foreign exchange movement	Amortized	Other (Note)	
Long-term loans (including long term loans, current portion)	\$ 399,333	(50,000)	-	160	-	349,493
Lease liabilities	55,971	(6,116)	208	-	20,624	70,687
Guarantee deposits	600	-	32	-	-	632
Total liabilities from financing activities	<u>\$ 455,904</u>	<u>(56,116)</u>	<u>240</u>	<u>160</u>	<u>20,624</u>	<u>420,812</u>

	January 1, 2023	Cash flows	Non-cash changes			June 30, 2023
			Foreign exchange movement	Amortized	Other (Note)	
Short-term loans	\$ 270,000	(270,000)	-	-	-	-
Long-term loans (including long term loans, current portion)	399,013	-	-	(303)	-	398,710
Lease liabilities	68,470	(7,106)	(268)	-	696	61,792
Guarantee deposits	600	-	8	-	-	608
Total liabilities from financing activities	<u>\$ 738,083</u>	<u>(277,106)</u>	<u>(260)</u>	<u>(303)</u>	<u>696</u>	<u>461,110</u>

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

(7) Transactions with Related Parties

Compensation of key management personnel

The information on key management personnel compensation was as follows :

	April to June, 2024	April to June, 2023	January to June, 2024	January to June, 2023
Short-term employee benefits	\$ 11,226	14,271	25,490	25,714
Post-employment benefits	143	33	310	575
	<u>\$ 11,369</u>	<u>14,304</u>	<u>25,800</u>	<u>26,289</u>

(8) Pledged Assets

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

Pledged Assets	Purpose	June 30,2024	December 31,2023	June 30,2023
Restricted time deposits-current	Guarantee for customs	\$ 2,536	2,348	2,533
Property, plant and equipment — buildings	Guarantee for long-term loans	175,579	173,282	169,742
		<u>\$ 177,935</u>	<u>175,630</u>	<u>172,275</u>

(9) Commitments and Contingencies:

As of June 30, 2024, December 31, 2023 and June 30, 2023, the Group has signed contracts for the purchase of equipments. The unrecognized contingencies of those contracts amounted to \$15,774, \$55,500 and \$29,642, respectively.

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

(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 :

		For the three months ended June 30					
By function		2024			2023		
By item	Recorded as operating cost	Recorded as operating expenses	Total	Recorded as operating cost	Recorded as operating expenses	Total	
Employee benefits (Note)	132,971	81,265	214,236	164,776	90,204	254,980	
Depreciation	15,690	4,208	19,898	13,973	4,103	18,076	
Amortization	71	44	115	69	256	325	

		For the six months ended June 30					
By function		2024			2023		
By item	Recorded as operating cost	Recorded as operating expenses	Total	Recorded as operating cost	Recorded as operating expenses	Total	
Employee benefits (Note)	272,535	170,383	442,918	306,777	169,645	476,422	
Depreciation	31,030	8,042	39,072	27,572	8,123	35,695	
Amortization	142	90	232	146	509	655	

(b) Seasonal operation :

The operation of the Group hadn't been affected by either seasonal or periodical factors.

(13) Supplementary Disclosure Requirements

(a) Information on significant transactions :

In accordance with the ROC "Guidelines Governing the Preparation of Financial Reports by Securities Issuers", the required disclosures for the six months ended June 30, 2024 were as follows :

(i) Loans extended to other parties : None

(ii) Guarantees provided to other parties: None

(iii) Securities owned as of June 30, 2023(subsidiaries, associates and joint ventures not included) :

Name of security holder	Name of security and type	Relationship between issuer of security and the security holder	Financial statement account	June 30, 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	34,252	-	34,252	-
The Company	Franklin Templeton Investment Funds-Franklin Strategic Income Fund Class A (acc) USD	-	Financial assets at FVTPL – current	64,184,852	34,221	-	34,221	-
The Company	Yuanta Japan Leaders Equity Fund-TWD (A)	-	Financial assets at FVTPL – current	3,000,000	34,140	-	34,140	-
The Company	Yuanta/P-shares Taiwan Dividend Plus ETF	-	Financial assets at FVTPL – current	500,000	20,560	-	20,560	-

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Name of security holder	Name of security and type	Relationship between issuer of security and the security holder	Financial statement account	June 30,2024				Remarks
				Units (shares)	Carrying value	Percentage of ownership	Fair value	
The Company	Yuanta US 20+ Year BBB Corporate Bond ETF	-	Financial assets at FVTPL – current	1,410,000	50,224	-	50,224	-
The Company	Corporate bonds FORCAY	-	Financial assets at FVOCI – current	1,000,000	31,861	-	31,861	-
The Company	Corporate bonds TAISEM	-	Financial assets at FVOCI – current	1,020,000	32,089	-	32,089	-
The Company	Corporate bonds BAC	-	Financial assets at FVOCI – current	1,940,000	63,217	-	63,217	-
The Company	Corporate bonds MS	-	Financial assets at FVOCI – current	2,000,000	64,845	-	64,845	-
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	11,510	0.99 %	11,510	-
The Company	Fubon Financial Holding Co., Ltd. Preferred Shares B	-	Financial assets at FVOCI – noncurrent	13,845	825	-	825	-
The Company	Innolux Corp. stock	-	Financial assets at FVOCI – current	986,209	14,152	0.01 %	14,152	-
The Company	Pegatron Co., Ltd. stock	-	Financial assets at FVOCI – current	266,000	27,797	0.01 %	27,797	-
The Company	Mega Financial Holding Co., Ltd. stock	-	Financial assets at FVOCI – current	1,303,632	52,667	0.01 %	52,667	-
The Company	Taiwan Cement Corp., Ltd. stock	-	Financial assets at FVOCI – current	868,943	29,718	0.01 %	29,718	-
The Company	ASE Technology Holding	-	Financial assets at FVOCI – current	295,000	49,707	0.01 %	49,707	-
The Company	Nan Ya Plastics Corporation. stock	-	Financial assets at FVOCI – current	300,000	14,790	-	14,790	-
The Company	China Development Financial Holding Corp. stock	-	Financial assets at FVOCI – current	2,910,000	43,941	0.02 %	43,941	-
The Company	Evergreen Marine Corp. (Taiwan) Ltd. stock	-	Financial assets at FVOCI – current	84,000	16,212	-	16,212	-
The Company	United Microelectronics Corp. stock	-	Financial assets at FVOCI – current	1,025,000	57,092	0.01 %	57,092	-
The Company	CTBC Finacial Holding CO., LTD.	-	Financial assets at FVOCI – current	900,000	34,065	-	34,065	-
The Company	Taiwan Fertilizer CO., LTD.stock	-	Financial assets at FVOCI – current	236,000	15,175	0.02 %	15,175	-
The Company	King's Town Bank stock	-	Financial assets at FVOCI – current	694,000	42,265	0.06 %	42,265	-
The Company	Darfon Electroincs Corp. stock	-	Financial assets at FVOCI – current	810,000	55,809	0.29 %	55,809	-
The Company	AUDIX Corporation stock	-	Financial assets at FVOCI – current	365,000	27,703	0.35 %	27,703	-
The Company	Youngtek electronics corp. stock CORP.	-	Financial assets at FVOCI – current	306,000	24,266	0.24%	24,266	-
The Company	Shian Yih Electronic Co., Ltd. stock	-	Financial assets at FVOCI – current	480,000	16,248	0.78 %	16,248	-
Ying Dar Investment Development Corp	Shian Yih Electronic Co., Ltd. stock	-	Financial assets at FVOCI – current	500,000	16,925	0.82 %	16,925	-
Ying Dar Investment Development Corp	The Company's stock	The Company	Financial assets at FVOCI – noncurrent	5,346,672	172,163	3.40 %	172,163	(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	12,863	0.62 %	12,863	-
Bae Haw Investment Development Corp	The Company's stock	The Company	Financial assets at FVOCI – noncurrent	3,447,716	111,016	2.19 %	111,016	(Note)
Ying Cheng Investment Corp.	Chenfeng Optronics Corp. stock	-	Financial assets at FVOCI – noncurrent	6,000,000	69,060	5.96 %	69,060	-

Note : It was eliminated in the consolidation

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- (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	560,016	30.13 %	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.	401,153	47.14%	(Note)
Emerging Display Technologies Corp. U.S.A.	The Company	Subsidiary of the Company	Purchase	(560,016)	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.	(401,153)	100.00%	(Note)
The Company	Dong Guan Emerging Display Limited	Sub-sidiary of the Company	Purchase (processing expense)	(195,345)	21.59 %	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.	(56,914)	14.45%	(Note)
Dong Guan Emerging Display Limited	The Company	Sub-sidiary of the Company	Sale (processing revenue)	195,345	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.	56,914	100.00%	(Note)

Note: It was eliminated in the consolidation.

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

Name of company the has the receivables	Counterparty	Relationship	Balance of amount	Turnover ratio	Overdue		Amount collected in the subsequent period	Allowance for doubtful accounts	Remarks
					Amount	Status			
The Company	Emerging Display Technologies Corp. U.S.A.	Subsidiary of the Company	Accounts receivable of 401,153	2.85	-	-	124,982	-	(Note)

Note: It was eliminated in the consolidation.

- (ix) Derivative financial instrument transactions :

Please refer to note 6(b).

- (x) Significant inter-Group transactions :

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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 Accounts receivable	560,016 401,153	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.	29.65% 9.43%
0	The Company	EDT-Europe Aps	1	Selling expenses- Commission Other payable	42,335 5,655	No non-related-party transaction to compare to.	2.24% 0.13%
0	The Company	Emerging Display Technologies Korea	1	Selling expenses- Commission	1,894	No non-related-party transaction to compare to.	0.10%
0	The Company	EDT- Japan Corp.	1	Selling expenses- Commission	5,646	No non-related-party transaction to compare to.	0.30%
0	The Company	Dong Guan Emerging Display Limited	1	Processing cost	195,345	No non-related-party transaction to compare to.	10.34%
0	The Company	Dong Guan Emerging Display Limited	1	Accounts payable (Note 2)	56,914	No non-related-party transaction to compare to.	1.34%

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 six months ended June 30, 2024 was as follows :

Name of investor	Name of investee	Location	Business cope	Original cost of investment		Held at the end of term			Net income (loss) of the investee	Investment income (less) recognized	Remarks
				June 30, 2024	December 31, 2023	Shares owned	Percentage owned	Carrying value			
The Company	Emerging Display Technologies Corp. U.S.A.	USA	Trading	121,656	121,656	3,500,000	100.00%	87,092 (Note 1)	6,393	6,393	Subsidiary (Note2)
The Company	Emerging Display International (Samoa) Corp.	Samoa	Investment holding	180,503	180,503	5,984,071	78.49%	80,101	5,067	3,977	Subsidiary (Note2)
The Company	EDT-Europe Aps	Denmark	Customer service and business support	101,872	101,872	2,000,000	100.00%	119,220	995	995	Subsidiary (Note2)
The Company	Emerging Display Technologies Korea	Korea	Business support	1,677	1,677	58,212,500	100.00%	1,608	20	20	Subsidiary (Note2)
The Company	EDT- Japan Corp.	Japan	Customer service and business support	17,401	17,401	5,000	100.00%	6,061	335	335	Subsidiary (Note2)
The Company	Ying Dar Investment Development Corp.	Taiwan	Investment	89,000	89,000	8,900,000	100.00%	24,982	(961)	(961)	Subsidiary (Note2)
The Company	Bae Haw Investment Development Corp.	Taiwan	Investment	89,000	89,000	8,900,000	100.00%	41,278	(30)	(30)	Subsidiary (Note2)
The Company	Ying Cheng Investment Corp.	Taiwan	Investment	84,000	84,000	8,400,000	52.50%	41,353	17	9	Subsidiary (Note2)
Ying Dar Investment Development Corp.	Emerging Display International (Samoa) Corp.	Samoa	Investment holding	13,234	13,234	450,000	5.90%	6,021	5,067	299	Subsidiary (Note2)
Bae Haw Investment Development Corp.	Emerging Display International (Samoa) Corp.	Samoa	Investment holding	25,488	25,488	870,000	11.41%	11,644	5,067	578	Subsidiary (Note2)

Note1: It was deducted unrealized profit from sales \$51,374

Note2: It was eliminated in the consolidation.

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

(c) Information on investments in Mainland China :

(i) Information on investments in Mainland China :

Investee company	Main businesses and products	Received capital	Investment method	Accumulated amount invested in Mainland China as of Jan. 1, 2023	Invested capital remitted from or repatriated to Taiwan		Accumulated amount invested in Mainland China as of June 30, 2023	Net income of investee	The Group's direct or indirect investment ratio	Investment gain(loss) recognized by the Group	Book value of the investment as of June 30, 2023	Accumulated investment income repatriated to Taiwan as of June 30,
					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)	4,220	95.80% (Note2)	Gain of \$4,042 Based on the investee's financial statements audited by the same auditor as the Group (Note3)	87,227 (Note4)	-

(ii) Limitation on investments in Mainland China :

Accumulated investment amount remitted from Taiwan to Mainland China as of June 30, 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
225,030(Note8) (USD 6,934,668) (Note5)	452,734(Note8) (USD 13,951,732) (Note6)	1,782,871 (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 \$249 which was recognized by Ying Dar Investment Development Corp. and a gain of \$481 which was recognized by Bae Haw Investment Development Corp.

Note 4 : The amount includes \$5,372 which was invested by Ying Dar Investment Development Corp. and \$10,389 which was invested by Bae Haw Investment Development Corp.

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

Note 6 : The approved amount includes US\$637,732 obtained from Ying Dar 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 \$118,287 for Ying Dar Investment Development Corp. and \$91,377 for Bae Haw Investment Development Corp.

Note 8 : Transactions denominated in foreign currencies were recorded using the rate of exchange at June 30, 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, was disclosed in "information on significant transactions" for the six months ended June 30, 2024.

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

Notes to consolidated financial statements

(d) Major shareholder :

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

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

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

(14) Segment Information

Reportable segment information was as follows :

	April to June, 2024					Total
	Domestic	North America	Mainland China	Other operating Department	Adjustments and Eliminations	
Revenue:						
Sales to customers other than consolidated entities	\$ 628,794	309,781	-	328	-	938,903
Sales among consolidated entities	351,860	-	128,666	25,905	(506,431)	-
Total revenue	\$ 980,654	309,781	128,666	26,233	(506,431)	938,903
Segment Income	\$ 110,618	2,702	4,253	1,394	(18,318)	100,649
	April to June, 2023					
	Domestic	North America	Mainland China	Other operating Department	Adjustments and Eliminations	Total
Revenue:						
Sales to customers other than consolidated entities	\$ 829,043	375,873	-	247	-	1,205,163
Sales among consolidated entities	345,650	-	95,154	22,158	(462,962)	-
Total revenue	\$ 1,174,693	375,873	95,154	22,405	(462,962)	1,205,163
Segment Income	\$ 153,942	867	286	(367)	2,545	157,273

EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

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	January to June, 2024					
	Domestic	North America	Mainland China	Other operating Department	Adjustments and Eliminations	Total
Revenue:						
Sales to customers other than consolidated entities	\$ 1,298,424	589,593	-	523	-	1,888,540
Sales among consolidated entities	<u>560,016</u>	<u>-</u>	<u>195,345</u>	<u>49,875</u>	<u>(805,236)</u>	<u>-</u>
Total revenue	<u>\$ 1,858,440</u>	<u>589,593</u>	<u>195,345</u>	<u>50,398</u>	<u>(805,236)</u>	<u>1,888,540</u>
Segment Income	<u>\$ 244,916</u>	<u>5,287</u>	<u>5,453</u>	<u>2,024</u>	<u>(11,977)</u>	<u>245,703</u>
	January to June, 2023					
	Domestic	North America	Mainland China	Other operating Department	Adjustments and Eliminations	Total
Revenue:						
Sales to customers other than consolidated entities	\$ 1,727,230	609,788	-	398	-	2,337,416
Sales among consolidated entities	<u>562,510</u>	<u>-</u>	<u>145,565</u>	<u>46,682</u>	<u>(754,757)</u>	<u>-</u>
Total revenue	<u>\$ 2,289,740</u>	<u>609,788</u>	<u>145,565</u>	<u>47,080</u>	<u>(754,757)</u>	<u>2,337,416</u>
Segment Income	<u>\$ 261,801</u>	<u>(1,096)</u>	<u>329</u>	<u>249</u>	<u>(677)</u>	<u>260,606</u>
	Domestic	North America	Mainland China	Other operating Department	Adjustments and Eliminations	Total
Segment Assets						
June 30,2024	<u>\$ 3,389,631</u>	<u>546,485</u>	<u>222,253</u>	<u>141,511</u>	<u>(497,431)</u>	<u>4,252,449</u>
December 31,2023	<u>\$ 3,789,338</u>	<u>483,662</u>	<u>182,999</u>	<u>142,875</u>	<u>(445,231)</u>	<u>4,153,643</u>
June 30,2023	<u>\$ 3,759,161</u>	<u>440,125</u>	<u>160,871</u>	<u>140,589</u>	<u>(321,288)</u>	<u>4,179,458</u>
Segment Liabilities						
June 30,2024	<u>\$ 1,498,617</u>	<u>408,019</u>	<u>131,201</u>	<u>14,623</u>	<u>(463,723)</u>	<u>1,588,737</u>
December 31,2023	<u>\$ 1,453,866</u>	<u>358,795</u>	<u>98,594</u>	<u>20,186</u>	<u>(405,834)</u>	<u>1,525,607</u>
June 30,2023	<u>\$ 1,715,635</u>	<u>318,256</u>	<u>88,400</u>	<u>22,156</u>	<u>(319,779)</u>	<u>1,824,668</u>