

Stock Code : 3038

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

**EMERGING DISPLAY TECHNOLOGIES CORP. AND  
SUBSIDIARIES**

**For the six months ended June 30, 2025 and 2024  
(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, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and the six months ended June 30, 2025 and 2024, and changes in equity and cash flows for the six months ended June 30, 2025 and 2024, 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 \$389,953 thousand and \$438,084 thousand, constituting 10.62% and 10.30% of consolidated total assets as of June 30, 2025 and 2024, respectively, total liabilities amounting to \$66,987 thousand and \$145,824 thousand, constituting 5.57% and 9.18% of consolidated total liabilities as of June 30, 2025 and 2024, respectively, and total comprehensive income amounting to loss \$24,609 thousand, gain \$12,710 thousand, loss \$14,340 thousand and gain \$14,083 thousand, constituting (26.89%), 9.79%, (69.71%) and 4.97% of consolidated total comprehensive income for the three months and the six months ended June 30, 2025 and 2024, 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, 2025 and 2024, and its consolidated financial performance for the three months and six months ended June 30, 2025 and 2024, as well as its consolidated cash flow for the six months ended June 30, 2025 and 2024 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 7, 2025

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

**June 30, 2025, December 31, 2024, and June 30, 2024**

(Expressed in thousands of New Taiwan Dollars)

Reviewed, not audited)

Assets		June 30, 2025		December 31, 2024		June 30, 2024		Liabilities and Equity		June 30, 2025		December 31, 2024		June 30, 2024		
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%	
<b>Current assets :</b>								<b>Current liabilities :</b>								
1100	Cash and cash equivalents (Note 6(a))	\$	728,889	20	925,775	23	1,071,357	25	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))		168,870	5	187,927	5	173,397	4	2150	Notes payable	300	-	20	-	154	-
1120	Financial assets at fair value through other comprehensive income, current (Note 6(c))		762,842	21	757,399	19	743,407	17	2170	Accounts payable	395,870	11	397,322	10	436,260	10
1170	Accounts receivable, net (Note 6(d) and (v))		487,073	13	529,908	13	641,195	15	2200	Other payables (Note 6(n))	201,411	6	329,197	9	524,107	12
1200	Other notes receivable and other receivables (Notes 6(e))		51,533	1	6,099	-	9,293	-	2230	Income tax liabilities	13,674	-	9,802	-	54,151	1
1220	Income tax assets		5,490	-	4,898	-	1,061	-	2280	Lease liabilities, current (Notes 6(p))	11,388	-	11,593	-	10,332	-
130X	Inventories (Note 6(f))		589,294	16	658,877	17	705,687	17	2300	Other current liabilities (Notes 6(v))	39,267	1	43,782	1	60,539	1
1470	Other current assets (Notes 6(g) and h)		38,445	1	43,987	1	48,784	1		<b>Total current liabilities</b>	<u>661,910</u>	<u>18</u>	<u>791,716</u>	<u>20</u>	<u>1,085,545</u>	<u>24</u>
	<b>Total current assets</b>		<u>2,832,436</u>	<u>77</u>	<u>3,114,870</u>	<u>78</u>	<u>3,394,181</u>	<u>79</u>	2540	Long-term loans (Notes 6(o) and h)	398,860	12	299,653	8	349,493	9
	<b>Non-current assets:</b>								2570	Deferred income tax liabilities	6,628	-	5,995	-	956	-
1517	Financial assets at fair value through other comprehensive income, non-current (Note 6(c))		133,066	4	124,440	3	116,416	3	2580	Lease liabilities, non-current (Notes 6(p))	51,270	1	56,777	1	60,355	1
1600	Property, plant and equipment (Notes 6(i) ,h and i)		534,824	14	560,509	14	561,902	13	2640	Net defined benefit liabilities, non-current	82,173	2	98,808	3	91,756	2
1755	Right-of-use assets (Notes 6(j))		57,714	2	63,703	2	66,489	2	2645	Guarantee deposits received	865	-	963	-	632	-
1760	Investment property (Notes 6(k)(q))		71,558	2	61,083	2	60,673	2		<b>Total non-current liabilities</b>	<u>539,796</u>	<u>15</u>	<u>462,196</u>	<u>12</u>	<u>503,192</u>	<u>12</u>
1780	Intangible assets (Note 6(l))		5,342	-	4,953	-	4,843	-		<b>Total liabilities</b>	<u>1,201,706</u>	<u>33</u>	<u>1,253,912</u>	<u>32</u>	<u>1,588,737</u>	<u>36</u>
1840	Deferred income tax assets		30,426	1	30,683	1	39,322	1		<b>Equity attributable to owners of parent (Note 6(c)(t)) :</b>						
1980	Other non-current financial assets (Note 6(g))		7,720	-	8,613	-	8,623	-	3100	Ordinary shares	1,574,076	43	1,574,076	39	1,574,076	38
	<b>Total non-current assets</b>		<u>840,650</u>	<u>23</u>	<u>853,984</u>	<u>22</u>	<u>858,268</u>	<u>21</u>	3200	Capital surplus	81,993	2	68,712	2	54,424	1
	<b>Total assets</b>		<u>\$ 3,673,086</u>	<u>100</u>	<u>3,968,854</u>	<u>100</u>	<u>4,252,449</u>	<u>100</u>	3300	Retained earnings	1,054,084	29	1,245,143	31	1,128,400	27
									3400	Other equity interest	(158,391)	(4)	(90,525)	(2)	(12,607)	-
									3500	Treasury stock	(122,282)	(4)	(122,282)	(3)	(122,282)	(3)
										<b>Total equity attributable to shareholders of the parent</b>	<u>2,429,480</u>	<u>66</u>	<u>2,675,124</u>	<u>67</u>	<u>2,622,011</u>	<u>63</u>
									36XX	<b>Non-controlling interests (Note 6(h))</b>	<u>41,900</u>	<u>1</u>	<u>39,818</u>	<u>1</u>	<u>41,701</u>	<u>1</u>
										<b>Total equity</b>	<u>2,471,380</u>	<u>67</u>	<u>2,714,942</u>	<u>68</u>	<u>2,663,712</u>	<u>64</u>
										<b>Total liabilities and equity</b>	<u>\$ 3,673,086</u>	<u>100</u>	<u>3,968,854</u>	<u>100</u>	<u>4,252,449</u>	<u>100</u>

See accompanying notes to financial statements.

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

**Consolidated Statements of Comprehensive Income**

For the three months and the six months ended June 30, 2025 and 2024  
(Expressed in thousands of New Taiwan dollars, Except Earning

(Reviewed, not audited)

	For the three months ended June 30				For the Six months ended June 30			
	2025		204		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
4000	<b>Operating revenue (Note 6(v))</b>							
5000	<b>Operating cost (Notes 6(f, r and w) and 12)</b>							
	<b>Gross profit</b>							
	<b>Operating expenses (Notes 6(d, r and w) 7 and 12) :</b>							
6100	Selling expenses							
6200	General and administrative expenses							
6300	Research and development expenses							
6450	Expected credit impairment loss(gain)							
	<b>Total operating expenses</b>							
6500	<b>Net other income and expenses(Note 6(x))</b>							
	<b>Net operating income</b>							
	<b>Non-operating income and expenses(Note 6(b,c, p and y) :</b>							
7100	Interest income							
7010	Other income							
7020	Other gains and losses							
7050	Finance costs							
	<b>Total Non-operating income and expenses</b>							
7900	<b>Profit (loss) before income tax</b>							
7950	<b>Less: Income tax expense (Note 6(s))</b>							
	<b>Profit (Loss)</b>							
8300	<b>Other comprehensive income :</b>							
8310	<b>Items that will not be reclassified subsequently to profit or loss</b>							
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income (Note 6(t))							
8349	Less : Income tax related to items that will not be reclassified subsequently (Note 6(s))							
	<b>Items that may be reclassified subsequently to profit or loss</b>							
8361	Exchange differences on translation of foreign financial statements (Note 6(t))							
8367	Unrealized gains (losses) on investments in debit instruments at fair value through other comprehensive income (Note 6(t))							
8399	Less : Income tax related to items that will not be reclassified subsequently (Note 6(s))							
8300	<b>Other comprehensive income, net</b>							
8500	<b>Comprehensive income</b>							
	<b>Profit (loss) attributable to:</b>							
8610	Shareholders of the parent							
8620	Non-controlling interests							
	<b>Net Profit (loss)</b>							
	<b>Comprehensive income attributable to :</b>							
8710	Shareholders of the parent							
8720	Non-controlling interests							
	<b>Total comprehensive income</b>							
	<b>Earnings per share (Note 6(u))(expressed in New Taiwan dollars) :</b>							
9750	<b>Basic earnings per share</b>							
9850	<b>Diluted earnings per share</b>							

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

## EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

For the six months ended June 30, 2025 and 2024

(Expressed in thousands of New Taiwan dollars)

(Reviewed, not audited)

For the six months ended June 30, 2025 and 2024

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				
<b>Balance at January 1, 2024</b>	<b>\$ 1,574,076</b>	<b>50,291</b>	<b>175,266</b>	<b>120,343</b>	<b>881,759</b>	<b>(3,047)</b>	<b>(88,181)</b>	<b>(122,282)</b>	<b>2,588,225</b>	<b>39,811</b>	<b>2,628,036</b>
Profit	-	-	-	-	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
<b>Balance as of June 30, 2024</b>	<b>\$ 1,574,076</b>	<b>54,424</b>	<b>228,410</b>	<b>91,228</b>	<b>808,762</b>	<b>9,333</b>	<b>(21,940)</b>	<b>(122,282)</b>	<b>2,622,011</b>	<b>41,701</b>	<b>2,663,712</b>
<b>Balance at January 1, 2025</b>	<b>\$ 1,574,076</b>	<b>68,712</b>	<b>228,410</b>	<b>91,228</b>	<b>925,505</b>	<b>8,619</b>	<b>(99,144)</b>	<b>(122,282)</b>	<b>2,675,124</b>	<b>39,818</b>	<b>2,714,942</b>
Profit	-	-	-	-	42,278	-	-	-	42,278	(189)	42,089
Other comprehensive income	-	-	-	-	-	(25,293)	(39,799)	-	(65,092)	2,271	(62,821)
Total comprehensive income	-	-	-	-	42,278	(25,293)	(39,799)	-	(22,814)	2,082	(20,732)
Appropriation and distribution of retained earnings :											
Legal capital reserve appropriated	-	-	31,963	-	(31,963)	-	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	(236,111)	-	-	-	(236,111)	-	(236,111)
Reversal of Special capital reserve	-	-	-	(703)	703	-	-	-	-	-	-
Cash dividends to subsidiaries	-	13,192	-	-	-	-	-	-	13,192	-	13,192
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	2,774	-	(2,774)	-	-	-	-
Return of employee stock ownership trust	-	89	-	-	-	-	-	-	89	-	89
<b>Balance as of June 30, 2025</b>	<b>\$ 1,574,076</b>	<b>81,993</b>	<b>260,373</b>	<b>90,525</b>	<b>703,186</b>	<b>(16,674)</b>	<b>(141,717)</b>	<b>(122,282)</b>	<b>2,429,480</b>	<b>41,900</b>	<b>2,471,380</b>

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, 2025 and 2024**

(expressed in Thousands of New Taiwan dollars)  
(Reviewed, not audited)

	<b>For the six months ended June 30</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash flows from (used in) operating activities :</b>		
<b>Profit (Loss) before tax</b>	\$ 49,347	245,703
<b>Adjustments :</b>		
<b>Adjustments to reconcile profit (loss) :</b>		
Depreciation expense	43,230	39,072
Amortization expense	315	232
Expected credit impairment loss(gain)	(3,340)	8,368
Net losses(gains) on financial assets or liabilities at fair value	22,228	(7,231)
Interest expense	5,689	5,601
Interest income	(16,937)	(21,234)
Dividend income	(23,504)	(4,180)
Gain on disposal of property, plant, equipment	(433)	(343)
Gain on disposal of investments	(1,562)	(348)
Unrealized foreign exchange loss(gain)	63,690	(14,886)
<b>Total adjustments to reconcile profit</b>	89,376	5,051
<b>Changes in operating assets and liabilities:</b>		
Changes in operating assets:		
Decrease (Increase) in accounts receivable	6,166	(19,304)
Decrease in other notes and accounts receivable	139	159
Decrease in inventories	46,881	133,523
Decrease in other current assets	4,053	9,487
<b>Total net changes in operating assets</b>	57,239	123,865
Changes in operating liabilities :		
Increase in notes payable	280	124
Increase (Decrease) in accounts payable	25,790	(7,788)
Decrease in other payable	(126,356)	(99,177)
Decrease in other current liabilities	(4,471)	(7,065)
Decrease in net defined benefit liability	(16,635)	(1,309)
Decrease in other non-current liabilities	-	(104)
<b>Total changes in operating liabilities</b>	(121,392)	(115,319)
<b>Total changes in operating assets and liabilities</b>	(64,153)	8,546
<b>Total adjustments</b>	25,223	13,597
<b>Cash inflow generated from operations</b>	74,570	259,300
Interest received	17,547	19,309
Dividends received	5,021	197
Interest paid	(6,551)	(5,603)
Income taxes paid	(3,759)	(91,045)
<b>Net cash flows from (used in) operating activities</b>	86,828	182,158
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(135,373)	(350,819)
Proceeds from disposal of financial assets at fair value through other comprehensive income	33,382	44,588
Acquisition of financial assets at fair value through profit or loss	(15,433)	(59,697)
Proceeds from disposal of financial assets at fair value through profit or loss	15,529	10,003
Acquisition of property, plant and equipment	(36,708)	(63,046)
Proceeds from disposal of property, plant, equipment	993	424
Acquisition of intangible assets	(705)	(95)
Decrease(Increase) in Other financial assets	47	927
<b>Net cash flows from (used in) investing activities</b>	(138,268)	(417,715)
<b>Cash flows from (used in) financing activities:</b>		
Increase in long-term borrowings	400,000	-
Repayments of long-term borrowings	(300,000)	(50,000)
Decrease in guarantee deposits received	(34)	-
Exercise of disgorgement	-	4,043
Cash dividends paid	(222,919)	-
Return of employee stock ownership trust	89	90
Repayments of lease liabilities	(5,840)	(6,116)
<b>Net cash flows used in financing activities</b>	(128,704)	(51,983)
Effect of exchange rate changes on cash and cash equivalents	(16,742)	(11,627)
<b>Net decrease in cash and cash equivalents</b>	(196,886)	(299,167)
<b>Cash and cash equivalents at beginning of period</b>	925,775	1,370,524
<b>Cash and cash equivalents at end of period</b>	<b>\$ 728,889</b>	<b>1,071,357</b>

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, 2025 and 2024

(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 7, 2025.

### (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, 2025:

- Amendments to IAS 21 “Lack of Exchangeability”

#### (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 :

- IFRS 17“Insurance Contracts” and amendments to IFRS 17“ Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7“Amendments to the Classification and Measurement of Financial Instruments”.
- Annual Improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7: “Contracts Dependent on Renewable Electricity.”

#### (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"> <li>• More Structured Statement of profit or loss: Under the current standards, companies utilize varying formats to present their results, which makes it difficult for investors to compare financial performance across entities. The new standard mandates a more structured statement of profit or loss, introducing a newly defined subtotal for “operating profit” and requiring all income and expenses to be classified into three distinct categories based on the entity’s primary business activities.</li> <li>• Management Performance Measure (MPM): The new standard introduces the definition of Management Performance Measure (MPM) and mandated companies to provide disclosures in a single note within their financial statements. This note should elucidate the utility of each measure, its calculation methodology, and the reconciliation of the measure to amounts recognized under International Financial Reporting Standards (IFRS).</li> <li>• Enhanced information Segmentation: The new standard provides directives on how companies should enhance the segmentation of information within their financial statements. This entails guidance on whether information should be featured in the primary financial statements or subjected to further segmentation in accompanying notes.</li> </ul>	January 1, 2027

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or contribution of Assets between an Investor and its Associate or Joint Venture”
- Amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

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

##### (a) Statement of compliance

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

Except as described below, the significant accounting policies for the consolidated financial statement applied in these consolidated financial statements is consistent with those applied in the consolidated financial statements for the year ended December 31, 2024. Please refer to Note 4 of 2024 consolidated financial statement for detail information.

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

### (b) Basis of consolidation

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

Name of investor	Name of the subsidiary	Business Activity	Percentage ownership			Remarks
			June 30,2025	December 31,2024	June 30,2024	
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) 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.

### (d) 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.

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

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

The preparation of the consolidated financial statements in conformity with the Regulations and IFRS Accounting Standards (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires the management to make judgments and, estimates about the future, including climate-related risks and opportunities, that may affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the consolidated financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2024. For related information, please refer to note5 of the consolidated financial statements for the year ended December 31, 2024

**(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, 2024. Please refer to Note 6 of 2024 consolidated financial statements.

**(a) Cash and cash equivalents**

	<b>June</b>	<b>December</b>	<b>June</b>
	<u><b>30,2025</b></u>	<u><b>31,2024</b></u>	<u><b>30,2024</b></u>
Cash and cash equivalents	\$ 395	315	431
Demand deposits	396,413	286,059	448,654
Check deposits	282	968	1,104
Time deposits	<u>331,799</u>	<u>638,433</u>	<u>621,168</u>
Total	<u><b>\$ 728,889</b></u>	<u><b>925,775</b></u>	<u><b>1,071,357</b></u>

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

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

	<b>June</b>	<b>December</b>	<b>June</b>
	<u><b>30,2025</b></u>	<u><b>30,2024</b></u>	<u><b>30,2024</b></u>
Current financial assets mandatorily measured at fair value through profit or loss :			
Open-end mutual funds	<u><b>\$ 168,870</b></u>	<u><b>187,927</b></u>	<u><b>173,397</b></u>
Current financial liabilities measured at fair value through profit or loss :			
Forward exchange contract	<u><b>\$ -</b></u>	<u><b>-</b></u>	<u><b>2</b></u>

For the three months and six months ended June 30, 2025 and 2024, the Group has recognized the dividend income of \$21, \$99, \$58 and \$197, 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.

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

The Group entered derivative instruments to manage exposure to currency risk arising from operating activities and didn'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 :

	June 30,2024		
	Contract amount (Thousand Dollar)	Currency	Maturity period
Forward exchange contract			
Sell	USD 1,000	USD to NTD	2024.07.09

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

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

	June 30,2025	December 31,2024	June 30,2024
Debt investments at fair value through other comprehensive income – current :			
Corporate bonds	\$ 212,541	227,928	192,012
Equity instruments at fair value through other comprehensive income-current:			
Common stocks listed on domestic markets-current:			
Common stocks listed on domestic markets	550,301	529,471	551,395
Total	<u>\$ 762,842</u>	<u>757,399</u>	<u>743,407</u>
Equity investments at fair value through other comprehensive income – current:			
Common stocks unlisted on domestic markets	123,365	123,602	115,591
Preference stocks listed on domestic markets	-	838	825
Common stocks unlisted on foreign markets	9,701	-	-
Total	<u>\$ 133,066</u>	<u>124,440</u>	<u>116,416</u>

#### (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, 2025 and 2024, the Group has recognized the dividend income of \$23,446, \$3,983, \$23,446 and \$3,983 from equity instruments designated at fair value through other comprehensive income, respectively.

For the six months ended June 30, 2025 and 2024, the Group with the objective of investment and

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

financial management had sold financial assets at fair value of \$28,540 and \$13,695, respectively and accumulated gain on disposal of investments were \$2,774 and \$190, 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, 2025, December 31, 2024 and June 30, 2024, the carrying amount of the listed stocks which were entrusted to financial institutions for security lending amounted to \$ 10,154, \$12,454 and \$14,152, respectively.

### (d) Accounts receivable

	June 30,2025	December 31,2024	June 30,2024
Accounts receivable-measured as amortized cost	\$ 489,506	535,712	650,992
Allowance for impairment	(2,433)	(5,804)	(9,797)
	<u>\$ 487,073</u>	<u>529,908</u>	<u>641,195</u>

The Group applies to 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, 2025		
	Carrying amount of Accounts Receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Current	\$ 377,329	0.11%	417
Overdue less than 90 days	112,177	1.80%	2,016
Overdue 91~180 days	-	-	-
Overdue 181~270 days	-	-	-
Overdue 271~365 days	-	-	-
Overdue over 365 days	-	-	-
	<u>\$ 489,506</u>		<u>2,433</u>

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

	December 31, 2024		
	Carrying amount of Accounts Receivable	Weighted-average expected credit loss rate	Loss allowance for lifetime expected credit losses
Current	\$ 436,395	0.11%	493
Overdue less than 90 days	84,993	0.20%	166
Overdue 91~180 days	14,300	35.90%	5,133
Overdue 181~270 days	24	50.00%	12
Overdue 271~365 days	-	-	-
Overdue over 365 days	-	-	-
	<b>\$ 535,712</b>		<b>5,804</b>

  

	June 30, 2024		
	Carrying amount of Accounts Receivable	Carrying amount of Accounts Receivable	Carrying amount of Accounts Receivable
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	-	-	-
	<b>\$ 650,992</b>		<b>9,797</b>

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

	For the six months ended June 30	
	2025	2024
Balance on January 1	\$ 5,804	1,418
Recognition of impairment loss (gain)	(3,340)	8,368
Write-off of account due to irrecoverable	(31)	11
Effect of changes in foreign currency exchange rates	<b>\$ 2,433</b>	<b>9,797</b>

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 30,2025	December 31,2024	June 30,2024
Interest receivable	\$ 5,328	5,938	5,246
Dividend receivable	18,483	-	3,983
Receivable from Disposal of Stock	27,700	-	-
Others	22	161	64
Allowance for impairment	-	-	-
	<b>\$ 51,533</b>	<b>6,099</b>	<b>9,293</b>

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

Please refer to Note 6(z) for credit risk

### (f) Inventories

	June 30,2025	December 31,2024	June 30,2024
Raw materials and supplies	\$ 165,331	193,735	213,948
Work in process	217,887	180,885	265,289
Finished goods	206,076	284,257	219,275
Inventories in transit	-	-	7,175
	<u>\$ 589,294</u>	<u>658,877</u>	<u>705,687</u>

The details of cost of sales are as follows :

	April to June, 2025	April to June, 2024	January to June, 2025	January to June, 2024
Reclassification to cost of sales and expenses	\$ 567,056	695,736	1,150,724	1,421,643
Loss on inventory write-down	8,139	4,128	6,466	521
Unamortized manufacturing expenses	9,941	8,200	21,461	15,720
Loss on scrap	4,254	8,169	9,918	19,878
Others	(30)	(44)	(63)	(85)
	<u>\$ 589,360</u>	<u>716,189</u>	<u>1,188,506</u>	<u>1,457,677</u>

For the three months ended June 30, 2025 and 2024, and six months ended June 30, 2025 and 2024, 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.

Inventories were not pledged as collaterals.

### (g) Other current assets

	June 30, 2025	December 31, 2024	June 30, 2024
Income tax refund receivable	\$ 2,878	2,921	2,986
Prepayment for purchases	1,260	428	7,057
Prepaid expense	13,327	8,530	7,362
Prepaid sales tax	18,087	29,723	28,937
Restricted time deposits	2,893	2,385	2,356
Refundable deposits	7,720	8,613	8,709
	<u>\$ 46,165</u>	<u>52,600</u>	<u>57,407</u>

Book as:

Other current assets	\$ 38,445	43,987	48,784
Other financial assets—non-current	7,720	8,613	8,623
	<u>\$ 46,165</u>	<u>52,600</u>	<u>57,407</u>

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

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, 2025	December 31, 2024	June 30, 2024
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:

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

	June 30, 2025	December 31, 2024	June 30, 2024
Current asset	\$ 9,690	9,691	9,708
Non-current asset	70,560	65,100	69,060
Current liability	(30)	(50)	-
Net asset	<u>\$ 80,220</u>	<u>74,741</u>	<u>78,768</u>
Non-controlling equity closing book amount	<u>\$ 38,105</u>	<u>35,502</u>	<u>37,415</u>

	April to June, 2025	April to June, 2024	January to June, 2025	January to June, 2024
Operating revenue	\$ -	-	-	-
Net gain (loss)	\$ 31	29	19	17
Other comprehensive income	5,460	8,100	5,460	3,300
Comprehensive income	<u>\$ 5,491</u>	<u>8,129</u>	<u>5,479</u>	<u>3,317</u>
Gain (loss) attributable to non-controlling interest	<u>\$ 15</u>	<u>14</u>	<u>9</u>	<u>8</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 2,608</u>	<u>3,861</u>	<u>2,602</u>	<u>1,575</u>

	For the six months ended June 30	
	2025	2024
Cash flow from operating activities	\$ 1	(35)
Cash flow from investing activities	-	-
Cash flow from financing activities	-	-
Net increase(decrease) in cash and cash equivalents	<u>\$ 1</u>	<u>(35)</u>

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

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

	<b>June 30, 2025</b>	<b>December 31, 2024</b>	<b>June 30, 2024</b>
Current asset	\$ 103,922	146,011	175,928
Non-current asset	39,310	51,478	57,325
Current liability	(47,806)	(85,201)	(117,897)
Non-current liability	(5,063)	(9,538)	(13,304)
Net asset	<u>\$ 90,363</u>	<u>102,750</u>	<u>102,052</u>
Non-controlling equity closing book amount Current asset	<u>\$ 3,795</u>	<u>4,316</u>	<u>4,286</u>

  

	<b>April to June, 2025</b>	<b>April to June, 2024</b>	<b>January to June, 2025</b>	<b>January to June, 2024</b>
Operating revenue	<u>\$ 52,596</u>	<u>128,666</u>	<u>127,011</u>	<u>195,345</u>
Net gain (loss)	\$ (4,292)	3,748	(4,726)	5,067
Other comprehensive income	(9,578)	860	(7,658)	2,427
Comprehensive income	<u>\$ (13,870)</u>	<u>4,608</u>	<u>(12,384)</u>	<u>7,494</u>
Gain (loss) attributable to non-controlling interest	<u>\$ (180)</u>	<u>158</u>	<u>(198)</u>	<u>213</u>
Comprehensive income attributable to non-controlling interest	<u>\$ (582)</u>	<u>194</u>	<u>(520)</u>	<u>315</u>

  

	<b>For the six months ended June 30</b>	
	<b>2025</b>	<b>2024</b>
Cash flow from operating activities	\$ 4,873	11,359
Cash flow from investing activities	766	(9,277)
Cash flow from financing activities	(3,659)	(3,696)
Effects of changes in foreign exchange rates	(1,586)	787
Net increase(decrease) in cash and cash equivalents	<u>\$ 394</u>	<u>(827)</u>

### (i)Property, plant and equipment

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

	<b>Land</b>	<b>Building and construction</b>	<b>Machinery and equipment</b>	<b>Office equipment</b>	<b>Other</b>	<b>Total</b>
<b>Cost or deemed cost:</b>						
Balance at January 1, 2025	\$ 41,623	1,195,860	1,697,153	249,251	65,718	3,249,605
Additions	-	1,828	396	5,458	29,320	37,002
Reclassification	-	-	168	19,855	(20,023)	-
Reclassified to investment property	(2,481)	(16,168)	-	-	-	(18,649)
Disposals	-	-	(4,169)	(1,750)	(6)	(5,925)
Effect of changes in exchange rates	(2,914)	(7,886)	(13,961)	(543)	(1,125)	(26,429)
Balance at June 30, 2025	<u>\$ 36,228</u>	<u>1,173,634</u>	<u>1,679,587</u>	<u>272,271</u>	<u>73,884</u>	<u>3,235,604</u>

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

	Land	Building and construction	Machinery and equipment	Office equipment	Other	Total
Balance at January 1, 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	5,174	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>
<b>Depreciation:</b>						
Balance at January 1, 2025	\$ -	877,792	1,612,113	177,466	21,725	2,689,096
Depreciation	-	10,104	12,993	11,972	1,376	36,445
Reclassified to investment property	-	(792)	-	-	-	(792)
Disposals	-	-	(3,609)	(1,750)	(6)	(5,365)
Effect of changes in exchange rates	-	(5,303)	(12,105)	(449)	(747)	(18,604)
Balance at June 30, 2025	<u>\$ -</u>	<u>881,801</u>	<u>1,609,392</u>	<u>187,239</u>	<u>22,348</u>	<u>2,700,780</u>
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>
<b>Carrying amount:</b>						
Balance at January 1, 2025	<u>\$ 41,623</u>	<u>318,068</u>	<u>85,040</u>	<u>71,785</u>	<u>43,993</u>	<u>560,509</u>
Balance at June 30, 2025	<u>\$ 36,228</u>	<u>291,833</u>	<u>70,195</u>	<u>85,032</u>	<u>51,536</u>	<u>534,824</u>
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>

Please refer to Note6(y) for detail of disposal gain and loss.

The Group leased out partial office from January 2025, therefore reclassified its carrying amount to investment property. Please refer to Note 6(k).

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 follows:

	Land	Building and construction	Transportation equipment	Total
<b>Right-of-use assets cost:</b>				
Balance at January 1, 205	\$ 59,207	71,597	3,013	133,817
Additions	-	-	1,844	1,844
Disposals	(4)	-	(2,150)	(2,154)
Effect of changes in foreign exchange rates	-	(5,523)	(143)	(5,666)
Balance at June 30, 2025	<u>\$ 59,203</u>	<u>66,074</u>	<u>2,564</u>	<u>127,841</u>

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

	<u>Land</u>	<u>Building and construction</u>	<u>Transportation equipment</u>	<u>Total</u>
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>
<b>Depreciation:</b>				
Balance at January 1, 2025	\$ 15,703	52,061	2,350	70,114
Depreciation	1,190	4,516	463	6,169
Disposals	-	-	(1,791)	(1,791)
Effect of changes in foreign exchange rates	-	(4,286)	(79)	(4,365)
Balance at June 30, 2025	<u>\$ 16,893</u>	<u>52,291</u>	<u>943</u>	<u>70,127</u>
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>
<b>Carrying amount:</b>				
Balance at January 1, 2025	<u>\$ 43,504</u>	<u>19,536</u>	<u>663</u>	<u>63,703</u>
Balance at June 30, 2025	<u>\$ 42,310</u>	<u>13,783</u>	<u>1,621</u>	<u>57,714</u>
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>

### (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.

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

	<u>Land</u>	<u>Building and construction</u>	<u>Total</u>
<b>Cost or deemed cost:</b>			
Balance at January 1, 2025	\$ 52,185	17,843	70,028
Reclassified from property, plant and equipment	2,481	16,168	18,649
Effect of changes in foreign exchange rates	(5,588)	(2,165)	(7,753)
Balance at June 30, 2025	<u>\$ 49,078</u>	<u>31,846</u>	<u>80,924</u>

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

	<b>Land</b>	<b>Building and construction</b>	<b>Total</b>
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	<b><u>\$ 51,652</u></b>	<b><u>17,661</u></b>	<b><u>69,313</u></b>
<b>Depreciation:</b>			
Balance at January 1, 2025	\$ -	8,945	8,945
Depreciation	-	616	616
Reclassified from property, plant and equipment	-	792	792
Effect of changes in foreign exchange rates	-	(987)	(987)
Balance at June 30, 2025	<b><u>\$ -</u></b>	<b><u>9,366</u></b>	<b><u>9,366</u></b>
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	<b><u>\$ -</u></b>	<b><u>8,640</u></b>	<b><u>8,640</u></b>
<b>Carrying amount:</b>			
Balance at January 1, 2025	<b><u>\$ 52,185</u></b>	<b><u>8,898</u></b>	<b><u>61,083</u></b>
Balance at June 30, 2025	<b><u>\$ 49,078</u></b>	<b><u>22,480</u></b>	<b><u>71,558</u></b>
Balance at January 1, 2024	<b><u>\$ 48,874</u></b>	<b><u>8,739</u></b>	<b><u>57,613</u></b>
Balance at June 30, 2024	<b><u>\$ 51,652</u></b>	<b><u>9,021</u></b>	<b><u>60,673</u></b>
<b>Fair value</b>			
Balance at January 1, 2025			<b><u>\$ 71,870</u></b>
Balance at June 30, 2025			<b><u>\$ 74,141</u></b>
Balance at January 1, 2024			<b><u>\$ 67,874</u></b>
Balance at June 30, 2024			<b><u>\$ 69,648</u></b>

The partial office building of the Demark subsidiary was leased to a third party from January 2025, and reclassified from property, plant and equipment to investment property, please refer to Note 6(i). The investment property was not pledged as collateral.

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

### (l) Intangible assets

The movements of intangible assets were as follows:

	Patent	Computer software cost	Golf membership card	Total amount
<b>Initial cost:</b>				
Balance as of January 1, 2025	\$ 3,842	9,252	2,750	15,844
Individual acquisition	159	546	-	705
Disposals	(226)	-	-	(226)
Effects of changes in foreign exchange rates	-	(110)	-	(110)
Balance as of June 30, 2025	<u>\$ 3,775</u>	<u>9,688</u>	<u>2,750</u>	<u>16,213</u>
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>
<b>Amortization:</b>				
Balance as of January 1, 2025	\$ 1,773	9,118	-	10,891
Amortization	182	133	-	315
Disposals	(226)	-	-	(226)
Effects of changes in foreign exchange rates	-	(109)	-	(109)
Balance as of June 30, 2025	<u>\$ 1,729</u>	<u>9,142</u>	<u>-</u>	<u>10,871</u>
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>
<b>Carrying amount:</b>				
Balance as of January 1, 2025	<u>\$ 2,069</u>	<u>134</u>	<u>2,750</u>	<u>4,953</u>
Balance as of June 30, 2025	<u>\$ 2,046</u>	<u>546</u>	<u>2,750</u>	<u>5,342</u>
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>

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, 2025	December 31, 2024	June 30, 2024
Unsecured bank loans	<u>\$ -</u>	<u>-</u>	<u>-</u>
Unused lines of credit	<u>\$ 1,763,904</u>	<u>1,802,280</u>	<u>1,934,783</u>
Range of interest rates	<u>-</u>	<u>-</u>	<u>-</u>

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.

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

### (n) Other payables

	June 30, 2025	December 31, 2024	June 30, 2024
Salaries and bonus payables	\$ 73,697	150,814	105,258
Employee remuneration payables	2,363	21,170	13,324
Directors' and supervisors' remuneration payables	1,003	9,949	6,519
Employee benefit liabilities	37,197	33,969	35,479
Dividends payable	-	-	251,852
Payables on equipment	7,588	7,429	13,494
Others	79,563	105,866	98,181
	<b>\$ 201,411</b>	<b>329,197</b>	<b>524,107</b>

### (o) Long-term loans

The details of long-term loans were as follows:

	June 30,2025	December 31,2024	June 30,2024
Commercial paper payable	\$ 400,000	300,000	350,000
Secured bank loans	1,140	347	507
Less: discount on long-term loans	<b>\$ 398,860</b>	<b>299,653</b>	<b>349,493</b>
Total	<b>\$ 400,000</b>	<b>300,000</b>	<b>350,000</b>
Unused long-term credit lines	<b>2.2145%</b>	<b>2.2819%</b>	<b>2.2178%</b>

The Group signed a 5-year syndicated loan contract with E-SUN bank and six other banks on March 18, 2025, 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, the Group should repay the syndicated loan contract signed on May 15, 2020 before the first appropriation date. Additionally, the date after 9 months when 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 phase of the total credit line amounting to \$800,000 will decrease by 12.5%, and the fifth phase will decrease by 50%. As the credit line decreases, the residual of the excess credit line will be repaid upon maturity. On April 15, 2025, the Group utilized \$400,000 from its syndicated loan. The remaining relevant restrictive terms of the contract are as follows :

Pursuant to the loan contract, for the duration of the loan, the Company must conform to the predetermined financial covenants involving special financial ratios calculated based on the annual consolidated financial statements. If the special financial ratios cannot meet the requirements, the Company should improve within nine months after the end of the fiscal year. If the adjusted financial ratios reviewed by the certified accountant meet the requirements, it will not be regarded as breach of the contract. During the period for adjustment, unused lines of credit, excluding the revolving credit extension, will be suspended until such ratios are in compliance with the contract requirement. However, during the said period, the interest rate and the commercial paper guaranteed rate would increase to 1.25% unless the majority of the consortium agreed the exemption. Before the final agreement is made by the majority of the consortium, the violation of financial ratios would not be viewed as breach.

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

- (i) A minimum current ratio of 100% should be maintained.
  - (ii) A maximum debt ratio of 150% should be maintained.
  - (iii) A minimum times interest earned ratio of 2.5 should be maintained.
  - (iv) Minimum net tangible assets of 1,600,000 should be maintained.
- Assets pledged as collateral for long-term borrowings are disclosed in note 8.

The Company 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 company-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 36<sup>th</sup> 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 Company issued a total of \$400,000 commercial paper on February 5, 2021, with restrictions related to the contract are as follows, as of June 30, 2025, the Group had fully repaid.,(including early repayment of \$250,000).

### (p) Lease liabilities

The details of lease liabilities were as follow:

	June 30, 2025	December 31, 2024	June 30, 2024
Current	<u>\$ 11,388</u>	<u>11,593</u>	<u>10,332</u>
Non-Current	<u>\$ 51,270</u>	<u>56,777</u>	<u>60,355</u>

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

The amounts recognized in profit or loss were as follows :

	April to June,2025	April to June,2024	January to June, 2025	January to June, 2024
Interest on lease liabilities	<u>\$ 658</u>	<u>806</u>	<u>1,366</u>	<u>1,399</u>
Expenses relating to short-term leases	<u>\$ 716</u>	<u>443</u>	<u>1,164</u>	<u>961</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 146</u>	<u>154</u>	<u>299</u>	<u>311</u>

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

	<u>For the six months ended June 30</u>	
	2025	2024
Total cash outflow for leases	<u>\$ 8,666</u>	<u>8,694</u>

### (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

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

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

The Group rent out its investment property. Since almost all the risks associated with the ownership of the underlying assets are not transferred, this lease contract was classified as an operating lease. Please refer to Note 6 (k) Investment property.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date, is as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Less than one year	\$ 4,807	4,512	4,416
1~2 years	1,673	3,459	4,549
2~3 years	529	-	1,146
3~4 years	264	-	-
Undiscounted total lease payments	<u>\$ 7,273</u>	<u>7,971</u>	<u>10,111</u>

### (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,2025	April to June,2024	January to June, 2025	January to June, 2024
Operating cost	\$ 397	354	797	708
Selling expenses	31	28	62	54
General and administrative expenses	73	62	145	127
Research and development expenses	54	48	106	95
	<u>\$ 555</u>	<u>492</u>	<u>1,110</u>	<u>984</u>

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

### (ii) Defined Contribution Plan

Cost recognized in expense was as below :

	<b>April to June,2025</b>	<b>April to June,2024</b>	<b>January to June, 2025</b>	<b>January to June, 2024</b>
Operating cost	\$ 6,039	6,614	12,258	13,287
Selling expenses	1,875	1,785	3,743	3,536
General and administrative expenses	617	667	1,268	1,301
Research and development expenses	876	851	1,755	1,704
	<b><u>\$ 9,407</u></b>	<b><u>9,917</u></b>	<b><u>19,024</u></b>	<b><u>19,828</u></b>

### (s)Income tax

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

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

	<b>April to June,2025</b>	<b>April to June,2024</b>	<b>January to June, 2025</b>	<b>January to June, 2024</b>
Current tax expense				
Current	\$ (1,278)	21,527	14,917	49,287
Adjustment for prior periods	(7,663)	(6,476)	(7,663)	(6,476)
	<u>(8,941)</u>	<u>15,051</u>	<u>7,254</u>	<u>42,811</u>
Deferred tax expense (benefit)				
Origination and reversal of temporary differences	(3)	18	4	(23)
Income tax expense	<b><u>(8,944)</u></b>	<b><u>15,069</u></b>	<b><u>7,258</u></b>	<b><u>42,788</u></b>

(ii) For the six months ended June 30, 2025 and 2024 no income tax was recognized directly in equity.

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

	<b>April to June,2025</b>	<b>April to June,2024</b>	<b>January to June, 2025</b>	<b>January to June, 2024</b>
Items not reclassified to profit or loss:				
Unrealized gains or losses from investments in equity instruments measured at FVOCI	<b><u>\$ 433</u></b>	<b><u>-</u></b>	<b><u>433</u></b>	<b><u>-</u></b>
Items that will not be reclassified subsequently to profit or loss :				
Unrealized gains or losses from investments in equity instruments measured at FVOCI	<b><u>\$ (63)</u></b>	<b><u>(210)</u></b>	<b><u>431</u></b>	<b><u>(218)</u></b>

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

(iv) Approval of income tax

The Company's income tax returns for all fiscal years up to 2023 have been examined and approved by the R.O.C tax auth

**(t) Share capital and other equity**

The Group had no share capital change for the six months ended June 30, 2025 and 2024 except below statement. Please refer to Note 6(t) of 2024 consolidated financial statements for detail information.

(i) Ordinary shares

As of June 30, 2025, December 31, 2024 and June 30, 2024, 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 excluding 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 :

	June 30, 2025	December 31, 2024	June 30, 2024
Treasury stock	\$ 76,651	63,459	49,388
Disgorgement	4,516	4,516	4,516
Return of employee stock ownership trust	826	737	520
Total	<u>\$ 81,993</u>	<u>68,712</u>	<u>54,424</u>

(iii) Earnings distribution

The appropriations of earnings for 2024 and 2023 have been approved in the meeting of the board of directors held on February 27, 2025 and March 7, 2024, the appropriation and dividend per share were as follows :

	2024	2023
Dividends distributed to ordinary shareholders (TWD) :		
Cash	<u>\$ 1.5</u>	<u>1.6</u>

(iv) Other equity (net of tax)

	Foreign exchange differences arising from foreign operation	Unrealized gains (losses) on financial assets measured at FVOCI	Total
Balance at January 1, 2025	\$ 8,619	(99,144)	(90,525)
— Changes of the Group	(25,293)	(39,799)	(65,092)
Disposal of investments in equity instruments measured at FVOCI	-	(2,774)	(2,774)
Balance at June 30, 2025	<u>\$ (16,674)</u>	<u>(141,717)</u>	<u>(158,391)</u>

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

	Foreign exchange differences arising from foreign operation	Unrealized gains (losses) on financial assets measured at FVOCI	Total
Balance at January 1, 2024	\$ (3,047)	(88,181)	(91,228)
— Changes of the Group	12,380	66,431	78,811
Disposal of investments in equity instruments measured at FVOCI	-	(190)	(190)
Balance at June 30, 2024	<u>\$ 9,333</u>	<u>(21,940)</u>	<u>(12,607)</u>

### (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, 2025 and 2024, Ying Dar Corp. and Bae Haw Corp. did not purchase or dispose any of the Company's shares. As of June 30, 2025, December 31 and June 30, 2024, 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, 2025, December 31 and June 30, 2024, their market values amounted to \$195,675, \$251,080 and \$283,179, 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, 2025	April to June, 2024	January to June, 2025	January to June, 2024
<b>Basic earnings per share</b>				
Profit attributable to owners of parent	<u>\$ (34,345)</u>	<u>85,408</u>	<u>42,278</u>	<u>202,694</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>\$ (0.23)</u>	<u>0.57</u>	<u>0.28</u>	<u>1.36</u>
<b>Diluted earnings per share</b>				
Profit attributable to owners of parent	<u>\$ (34,345)</u>	<u>85,408</u>	<u>42,278</u>	<u>202,694</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	338	710
Weighted-average number of ordinary shares- diluted (expressed in thousands of shares)	<u>148,614</u>	<u>148,785</u>	<u>148,952</u>	<u>149,324</u>
Expressed in New Taiwan dollars	<u>\$ (0.23)</u>	<u>0.57</u>	<u>0.28</u>	<u>1.36</u>

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

Note: For the period from April to June, 2025, the potential ordinary shares arising from employee stock compensation were considered anti-dilutive and therefore were excluded from the calculation of diluted earnings (loss) per share.

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, 2025			Total
	Domestic	North America	Other operating department	
Primary geographical markets:				
Europe	\$ 215,378	-	201	215,579
USA	-	373,521	-	373,521
Others	143,185	48,395	-	191,580
Total	<b>\$ 358,563</b>	<b>421,916</b>	<b>201</b>	<b>780,680</b>
Major products:				
Liquid crystal display modules	\$ 88,019	214,926	-	302,945
Capacitive touch panel and capacitive touch panel module	261,707	173,508	-	435,215
Others	8,837	33,482	201	42,520
Total	<b>\$ 358,563</b>	<b>421,916</b>	<b>201</b>	<b>780,680</b>
	April to June, 2024			Total
	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	<b>\$ 628,794</b>	<b>309,781</b>	<b>328</b>	<b>938,903</b>
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	<b>\$ 628,794</b>	<b>309,781</b>	<b>328</b>	<b>938,903</b>

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

	January to June, 2025			
	Domestic	North America	Other operating department	Total
Primary geographical markets:				
Europe	\$ 463,226	-	339	463,565
USA	-	687,754	-	687,754
Others	294,096	120,951	74	415,121
Total	<u>\$ 757,322</u>	<u>808,705</u>	<u>413</u>	<u>1,566,440</u>
Major products:				
Liquid crystal display modules	\$ 208,082	472,116	-	680,198
Capacitive touch panel and capacitive touch panel module	535,550	300,889	-	836,439
Others	13,690	35,700	413	49,803
Total	<u>\$ 757,322</u>	<u>808,705</u>	<u>413</u>	<u>1,566,440</u>

	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	<u>\$ 1,298,424</u>	<u>589,593</u>	<u>523</u>	<u>1,888,540</u>
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	<u>\$ 1,298,424</u>	<u>589,593</u>	<u>523</u>	<u>1,888,540</u>

(ii) Contract balance

	June 30, 2025	December 31, 2024	June 30, 2024
Accounts receivable (including related parties)	\$ 489,506	535,712	650,992
Less: allowance for impairment	(2,433)	(5,804)	(9,797)
Total	<u>\$ 487,073</u>	<u>529,908</u>	<u>641,195</u>
Contract liability – Unearned revenue (recognized in other current liabilities)	<u>\$ 29,302</u>	<u>33,766</u>	<u>47,848</u>

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

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, 2025 and 2024, that was included in the contract liability balance at the beginning of the period were \$1,019, \$4,387, \$9,424 and \$11,065, respectively.

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

On May 28, 2025, the Company's shareholders resolved to amend the Articles of Incorporation. According to the amended Articles, if the Company has earnings in a given year, at least 5% of the earnings shall be allocated as employee compensation, and no more than 3% shall be allocated as remuneration to directors and supervisors. However, if the Company still has accumulated losses, the amount necessary to offset such losses shall be reserved. Of the total amount allocated for employee compensation, 20% to 50% shall be distributed to grassroots-level employees. The recipients of stock or cash compensation may include employees of subsidiaries who meet certain criteria.

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

	<u>April to June, 2025</u>	<u>April to June, 2024</u>	<u>January to June, 2025</u>	<u>January to June, 2024</u>
Employee's remuneration	\$ (2,461)	5,501	2,363	13,324
Directors' remuneration	\$ (1,476)	3,301	1,418	7,995

The above amount was 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 resolves 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 Directors.

The accrued compensation of employees amounted to \$21,170 and \$27,255 for 2024 and 2023, respectively, and the accrued remuneration of directors' amounted to \$12,702 and \$16,353 respectively. Actual distribution had no difference from the 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, 2025</u>	<u>April to June, 2024</u>	<u>January to June, 2025</u>	<u>January to June, 2024</u>
Bank deposits	\$ 5,100	7,340	9,135	17,364
Mutual funds and corporate bonds	3,686	2,913	7,802	3,870
Others	-	-	-	1
	<u>\$ 8,786</u>	<u>10,253</u>	<u>16,937</u>	<u>21,235</u>

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

### (ii) Other income

The details of other income were as follows :

	<b>April to June, 2025</b>	<b>April to June, 2024</b>	<b>January to June, 2025</b>	<b>January to June, 2024</b>
Dividend income	\$ 23,467	4,082	23,504	4,180
Claims income	-	-	12,074	-
Others	439	116	580	189
	<b><u>\$ 23,906</u></b>	<b><u>4,198</u></b>	<b><u>36,158</u></b>	<b><u>4,369</u></b>

### (iii) Other gains and losses

Details of other gains and losses were as follows :

	<b>April to June, 2025</b>	<b>April to June, 2024</b>	<b>January to June, 2025</b>	<b>January to June, 2024</b>
Foreign exchange (losses) gains	\$ (123,258)	19,275	(108,351)	79,900
Net gains (losses) on disposal of financial assets (liabilities) measured at fair value through profit or loss	(14,032)	542	(11,590)	8,446
Net gain (losses) gains on disposal of property, plant and equipment	433	(28)	433	343
Net gains (losses) on disposal investments	1,562	-	1,562	348
Others	(122)	(52)	634	(52)
	<b><u>\$ (135,417)</u></b>	<b><u>19,737</u></b>	<b><u>(117,312)</u></b>	<b><u>88,985</u></b>

### (iv) Finance cost

Details of finance costs were as follows :

	<b>April to June, 2025</b>	<b>April to June, 2024</b>	<b>January to June, 2025</b>	<b>January to June, 2024</b>
Interest expenses				
Bank loans	\$ 2,349	2,040	4,205	4,102
Lease liabilities	658	806	1,366	1,399
Management fee of syndicated loan	38	50	117	100
Interest expenses	-	-	1	-
	<b><u>\$ 3,045</u></b>	<b><u>2,896</u></b>	<b><u>5,689</u></b>	<b><u>5,601</u></b>

### (z) Financial instruments

There was no significant change of the Group's fair value of financial instruments, exposure to credit risk, liquidity risk and market risk except below statements. Please refer to Note 6(z) of 2024 consolidated financial statements.

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

### (i) Credit risk

#### 1) Exposure to credit risk

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

#### 2) Concentration of credit risk

As of June 30, 2025, December 31 and June 30, 2024, 32%, 51% and 43% of the Group's accounts receivable were all concentrated on 2, 3 and 2 specific customers, respectively.

#### 3) Credit risk of accounts receivable

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

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

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

	<u>Carrying amount</u>	<u>Contracted 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>
<b>June 30, 2025</b>							
Non-derivative financial liabilities							
Secured Long-term loans (floating rate)	\$ 398,860	(442,082)	(4,077)	(4,393)	(8,858)	(424,754)	-
Accounts payable (no interest)	395,870	(395,870)	(395,870)	-	-	-	-
Notes payable (no interest)	300	(300)	(300)	-	-	-	-
Other payable (no interest)	201,411	(201,411)	(201,411)	-	-	-	-
Lease liability(fixed interest)	62,658	(85,076)	(6,859)	(6,754)	(9,759)	(9,342)	(52,362)
Guarantee deposits received (no interest)	865	(865)	-	-	(540)	(325)	-
	<u>\$ 1,059,964</u>	<u>(1,125,604)</u>	<u>(608,517)</u>	<u>(11,147)</u>	<u>(19,157)</u>	<u>(434,421)</u>	<u>(52,362)</u>
<b>December 31, 2024</b>							
Non-derivative financial liabilities							
Secured Long-term loans (floating rate)	\$ 299,653	(306,996)	(2,870)	(3,451)	(300,675)	-	-
Accounts payable (no interest)	397,322	(397,322)	(397,322)	-	-	-	-
Notes payable (no interest)	20	(20)	(20)	-	-	-	-
Other payable (no interest)	329,197	(329,197)	(329,197)	-	-	-	-
Lease liability(fixed interest)	68,370	(92,122)	(7,121)	(7,036)	(13,324)	(10,821)	(53,820)
Guarantee deposits received (no interest)	963	(963)	-	-	(604)	(359)	-
	<u>\$ 1,095,525</u>	<u>(1,126,620)</u>	<u>(736,530)</u>	<u>(10,487)</u>	<u>(314,603)</u>	<u>(11,180)</u>	<u>(53,820)</u>

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

	<u>Carrying amount</u>	<u>Contracted 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>
<b>June 30, 2024</b>							
Non-derivative financial liabilities							
Secured Long-term loans (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)	-
Forward exchange contract :	2						
Cash in		32,504	32,504	-	-	-	-
Cash out		(32,450)	(32,450)	-	-	-	-
	<u>\$ 1,381,335</u>	<u>(1,418,754)</u>	<u>(970,615)</u>	<u>(10,173)</u>	<u>(367,035)</u>	<u>(15,653)</u>	<u>(55,278)</u>

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 :

	<u>June 30, 2025</u>			<u>December 31, 2024</u>			<u>June 30, 2024</u>			
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD amount</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD amount</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD amount</u>	
<u>Financial assets</u>										
<u>Monetary items</u>										
USD	\$	45,071	29.300	1,320,582	40,713	32.785	1,334,782	49,390	32.45	1,602,712
JPY		323,325	0.2034	65,764	7,402	0.2099	1,554	20,092	0.2017	4,053
CNY		1,535	4.091	6,281	4,333	4.478	19,403	7,456	4.4450	33,142
<u>Non-monetary items</u>										
USD		2,242	29.300	65,717	2,176	32.785	71,324	2,110	32.45	68,473
JPY		47,695	0.2034	9,701	-	-	-	-	-	-
<u>Financial liabilities</u>										
<u>Monetary items</u>										
USD	\$	13,502	29.300	395,597	11,851	32.785	388,527	13,310	32.45	431,914
JPY		5,877	0.2034	1,195	4,860	0.2099	1,020	6,001	0.2017	1,210
<u>Non-monetary items</u>										
USD		-	-	-	-	-	-	1,000	32.45	32,450

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, 2025 and 2024, if the exchange rate of the TWD versus the USD, CNY, JPY, and EUR have increased or decreased by 1%, given no changes in other factors. For the six months ended June 30, 2025 and 2024, profit after tax would have increased or decreased by \$7,972 and \$9,010, and other comprehensive income after tax would have increased or decreased by \$78 and \$0, respectively. The analysis is performed on the same basis of prior year.

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

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, 2025 and 2024, foreign exchange gain or loss (including realized and unrealized) amounted to loss \$123,258, gain \$19,275, loss \$108,351 and gain \$79,900, 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, 2025 and 2024 would have been decreased or increased by \$400 and \$350, 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			
	2025		2024	
	Other comprehensive income after tax	Net profit (loss)	Other comprehensive income after tax	Net profit (loss)
Increase 3%	\$ 25,545	4,672	24,644	4,792
Decrease 3%	\$ (25,545)	(4,672)	(24,644)	(4,792)

### (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.

	June 30, 2025				
	Carrying Amount	Fair value			
		Level 1	Amount	Level 1	
<b>Financial assets at FVTPL</b>					
Debt instrument with quoted market prices	\$ 168,870	168,870	-	-	168,870
<b>Financial assets at FVOCI</b>					
Debt instrument with quoted market prices	212,541	212,541	-	-	212,541
Equity instrument with quoted market prices	560,002	560,002	-	-	560,002
Equity instrument at fair value without quoted market prices	123,365	-	-	123,365	123,365
Subtotal	895,908				



# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

	June 30, 2024				
	Carrying	Fair value			
	Amount	Level 1	Amount	Level 1	Amount
<b>Financial assets at FVTPL</b>					
Debt instrument with quoted market prices	\$ 173,397	173,397	-	-	173,397
<b>Financial assets at FVOCI</b>					
Debt instrument with quoted market prices	192,012	192,012	-	-	192,012
Equity instrument with quoted market prices	552,220	552,220	-	-	552,220
Equity instrument at fair value without quoted market prices	115,591	-	-	115,591	115,591
Subtotal	859,823				
<b>Financial assets at amortized cost</b>					
Cash and cash equivalent	1,071,357	-	-	-	-
Account receivables	641,195	-	-	-	-
Other account receivables	9,293	-	-	-	-
Restricted time deposits	2,356	-	-	-	-
Refundable deposits (recognized in other assets - noncurrent)	8,709	-	-	-	-
Subtotal	1,732,910				
<b>Total financial assets</b>	<b>\$ 2,766,130</b>				
Derivative financial liabilities	\$ 2	-	2	-	2
<b>Financial liabilities at amortized cost</b>					
Bank loans	\$ 349,493	-	-	-	-
Notes payable	154	-	-	-	-
Accounts payable	436,260	-	-	-	-
Other payable	524,107	-	-	-	-
Lease liabilities	70,687	-	-	-	-
Guarantee deposits	632	-	-	-	-
Subtotal	1,381,333				
<b>Total financial liabilities</b>	<b>\$ 1,381,335</b>				

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

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

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

#### Non-derivative instruments

If a financial instrument has a quoted price in an active market, the quoted price is used as fair value. Quoted prices of major stock exchanges and quoted prices of government bonds are the basis for measuring the fair value of stocks listed on an exchange, stocks listed on the OTC, and debt instruments with quoted prices in an active market. The fair values of the Group's listed securities and open-end funds with standard terms and conditions and traded in active markets are determined by the quoted market prices.

Measurements of fair value of financial instruments without active market are based on valuation technique or quoted price from competitors. Fair value measured by valuation technique can be extrapolated from similar financial instruments, discounted cash flow

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

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

	<b>Financial assets at fair value through other comprehensive income</b>	
	<u>Unquoted equity instruments</u>	
<b>Balance at January 1, 2025</b>	\$	123,602
Recognized in other comprehensive income		(237)
<b>Balance at June 30, 2025</b>	<b>\$</b>	<b>123,365</b>
<b>Balance at January 1, 2024</b>	\$	106,700
Recognized in other comprehensive income		8,891
<b>Balance at June 30, 2024</b>	<b>\$</b>	<b>115,591</b>

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

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

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

Quantified information of significant unobservable inputs was as follow :

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through other comprehensive income-equity investments without an active market	Discounted Cash Flow Method	<ul style="list-style-type: none"> <li>Continuing growth rate (as of June 30,2025, December 31,2024 and June 30, 2024 ranged from 2.76%、1.68% and 1.54%, respectively)</li> </ul>	<ul style="list-style-type: none"> <li>If the continuing growth rate was higher, the estimated fair value would increase.</li> </ul>

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through other comprehensive income-equity investments without an active market	Discounted Cash Flow Method	<ul style="list-style-type: none"> <li>• Weighted average cost of capital (as of June 30,2025, December 31,2024 and June 30, 2024 ranged from 14.5578%、14.4770% and 17.5805%, respectively)</li> <li>• Market illiquidity discount rate (as of June 30,2025, December 31,2024 and June 30, 2024 ranged from 17.93%、14.63% and 13.72%, respectively)</li> <li>• Non-controlling interests discount rate (as of June 30,2025, December 31,2024 and June 30, 2024 ranged from 32.24%, respectively)</li> </ul>	<ul style="list-style-type: none"> <li>• If WACC were higher, the estimated fair value would decrease</li> <li>• If the market illiquidity discount rate was higher, the estimated fair value would decrease.</li> <li>• If the non-controlling interests discount rate was higher, the estimated fair value would decrease.</li> </ul>
Financial assets at fair value through other comprehensive income-equity investments without an active market	Net Asset Value Method	• Net Asset Value	N/A

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

<u>Inputs</u> <b>June 30, 2025</b>	<u>Fluctuation in inputs</u>	<u>Changes in fair value reflected in OCI</u>	
		<u>Favorable</u>	<u>Fluctuation in inputs</u>
Continuing growth rate 2.76%	0.1%	\$ 630	490
Weighted average cost of capital 14.5578%	0.1%	840	700
Market illiquidity discount rate 17.93%	1%	980	980
Non-controlling interests discount rate 32.24%	1%	1,190	1,190

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

Inputs	Fluctuation in inputs	Changes in fair value reflected in OCI	
		Favorable	Fluctuation in inputs
<b>December 31, 2024</b>			
Continuing growth rate 1.68%	0.1%	\$ 490	420
Weighted average cost of capital 14.4770%	0.1%	700	630
Market illiquidity discount rate 14.63%	1%	910	910
Non-controlling interests discount rate 32.24%	1%	1,120	1,120
<b>June 30, 2024</b>			
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

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 2024 consolidated report. Please refer to Note 6(aa) of 2024 consolidated financial statements.

### (ab) Capital management

The Group's capital management objectives, policies and procedures were compliance with 2024 consolidated financial statements. Further, there was no significant change of the summary quantitative information as disclosed in 2024 consolidated financial statements. Please refer to Note 6(ab) of 2024 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 :

	January 1, 2025	Cash flows	Non-cash changes			June 30, 2025
			Foreign exchange movement	Amortized	Other (Note)	
Long-term loans	\$ 299,653	100,000	-	(793)	-	398,860
Lease liabilities	68,370	(5,840)	(1,353)	-	1,481	62,658
Guarantee deposits	963	34	(132)	-	-	865
Total liabilities from financing activities	<u>\$ 368,986</u>	<u>94,194</u>	<u>(1,485)</u>	<u>(793)</u>	<u>1,481</u>	<u>462,383</u>

# 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	Amortization	Other (Note)	
Long-term loans	\$ 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>

(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, 2025	April to June, 2024	January to June, 2025	January to June, 2024
Short-term employee benefits	\$ 6,082	11,226	18,502	25,490
Post-employment benefits	173	143	343	310
	<u>\$ 6,255</u>	<u>11,369</u>	<u>18,845</u>	<u>25,800</u>

### (8) Pledged Assets

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

Pledged Assets	Purpose	June 30,2025	December 31,2024	June 30,2024
Restricted time deposits-current	Guarantee for customs	\$ 2,893	2,385	2,356
Property, plant and equipment – buildings	Guarantee for long-term loans	183,831	187,835	175,579
		<u>\$ 186,724</u>	<u>190,220</u>	<u>177,935</u>

### (9) Commitments and Contingencies:

As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group has signed contracts for the purchase of equipments. The unrecognized contingencies of those contracts amounted to \$29,337, \$17,498 and \$15,774, respectively.

### (10) Losses Due to Major Disasters: None

### (11) Significant Subsequent Events: None

### (12) Other

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

By function	For the three months ended June 30					
	2025			2024		
	Recorded as operating cost	Recorded as operating expenses	Total	Recorded as operating cost	Recorded as operating expenses	Total
Employee benefits	114,003	65,041	179,044	132,971	81,265	214,236
Depreciation	15,979	5,230	21,209	15,690	4,208	19,898
Amortization	103	72	175	71	44	115

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

		For the six months ended June 30					
By function		2025			2024		
By item	Recorded as operating cost	Recorded as operating expenses	Total	Recorded as operating cost	Recorded as operating expenses	Total	
Employee benefits (Note)	242,700	149,656	392,356	272,535	170,383	442,918	
Depreciation	32,739	10,491	43,230	31,030	8,042	39,072	
Amortization	182	133	315	142	90	232	

**(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, 2025 were as follows :

(i) Loans extended to other parties : None

(ii) Guarantees provided to other parties: None

(iii) Securities owned as of June 30,2025(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 30,2025				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	32,806	-	32,806	-
The Company	Franklin Templeton Investment Funds-Franklin Strategic Income Fund Class A (acc) USD	-	Financial assets at FVTPL – current	64,184.852	32,911	-	32,911	-
The Company	Yuanta/P-shares Taiwan Dividend Plus ETF	-	Financial assets at FVTPL – current	500,000	17,310	-	17,310	-
The Company	Yuanta US 20+ Year BBB Corporate Bond ETF	-	Financial assets at FVTPL – current	1,410,000	43,654	-	43,654	-
The Company	Cathay BBB Corporate Bond ex China Coupon 4.5% 10 Yr+20% Sector Capped ETF	-	Financial assets at FVTPL – current	1,280,000	42,189	-	42,189	-
The Company	Corporate bonds TAISEM	-	Financial assets at FVOCI – current	1,020,000	29,638	-	29,638	-
The Company	Corporate bonds BAC	-	Financial assets at FVOCI – current	1,940,000	58,268	-	58,268	-
The Company	Corporate bonds MS	-	Financial assets at FVOCI – current	2,000,000	59,909	-	59,909	-
The Company	Corporate bonds MATSEL	-	Financial assets at FVOCI – current	1,000,000	29,825	-	29,825	-
The Company	Corporate bonds SUMITR	-	Financial assets at FVOCI – current	1,168,000	34,901	-	34,901	-

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

Name of security holder	Name of security and type	Relationship between issuer of security and the security holder	Name of security holder	June 30, 2025				Fair value
				Financial statement account	Units (shares)	Carrying value	Percentage of ownership	
The Company	Ascendax Venture Capital Corp. stock	-	Financial assets at FVOCI – noncurrent	3,150,000	41,045	5.25 %	41,045	-
The Company	Chenfeng Optronics Corp. stock	-	Financial assets at FVOCI – noncurrent	1,000,000	11,760	0.99 %	11,760	-
The Company	NIPPON SEIKI CO., LTD. stock	-	Financial assets at FVOCI – noncurrent	33,400	9,701	0.06 %	9,701	-
The Company	Innolux Corp. stock	-	Financial assets at FVOCI – current	867,863	10,154	0.01 %	10,154	-
The Company	Pegatron Co., Ltd. stock	-	Financial assets at FVOCI – current	266,000	20,429	0.01 %	20,429	-
The Company	Mega Financial Holding Co., Ltd. stock	-	Financial assets at FVOCI – current	1,342,740	55,119	0.01 %	55,119	-
The Company	Taiwan Cement Corp., Ltd. stock	-	Financial assets at FVOCI – current	868,943	22,158	0.01 %	22,158	-
The Company	ASE Technology Holding	-	Financial assets at FVOCI – current	295,000	43,513	0.01 %	43,513	-
The Company	Nan Ya Plastics Corporation. stock	-	Financial assets at FVOCI – current	300,000	8,190	-	8,190	-
The Company	KGI Financial Holding Co., Ltd. stock	-	Financial assets at FVOCI – current	2,939,100	43,940	0.02 %	43,940	-
The Company	Evergreen Marine Corp. (Taiwan) Ltd. stock	-	Financial assets at FVOCI – current	84,000	16,716	-	16,716	-
The Company	United Microelectronics Corp. stock	-	Financial assets at FVOCI – current	1,025,000	45,305	0.01 %	45,305	-
The Company	CTBC Financial Holding CO., LTD. stock	-	Financial assets at FVOCI – current	900,000	39,330	-	39,330	-
The Company	Taiwan Fertilizer CO., LTD. stock	-	Financial assets at FVOCI – current	236,000	12,532	0.02 %	12,532	-
The Company	King's Town Bank stock	-	Financial assets at FVOCI – current	694,000	36,504	0.06 %	36,504	-
The Company	Darfon Electroincs Corp. stock	-	Financial assets at FVOCI – current	810,000	27,256	0.29 %	27,256	-
The Company	AUDIX Corporation stock	-	Financial assets at FVOCI – current	660,000	39,402	0.63 %	39,402	-
The Company	Youngtek electronics Corp. stock	-	Financial assets at FVOCI – current	673,000	40,851	0.52 %	40,851	-
The Company	Shian Yih Electronic Co., Ltd. stock	-	Financial assets at FVOCI – current	480,000	11,136	0.78 %	11,136	-
The Company	QUANTA computer INC. stock	-	Financial assets at FVOCI – current	100,000	27,450	-	27,450	-
The Company	CHICONY electronics CO., LTD. stock	-	Financial assets at FVOCI – current	230,000	29,900	0.03 %	29,900	-

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

Name of security holder	Name of security and type	Relationship between issuer of security and the security holder		June 30,2025				Remark
				Units (shares)	Carrying value	Units (shares)	Carrying value	
Ying Dar Investment Development Corp	Shian Yih Electronic Co., Ltd. stock	-	Financial assets at FVOCI – current	500,000	11,600	0.82 %	11,600	-
Ying Dar Investment Development Corp	The Company's stock	Parent Company	Financial assets at FVOCI – noncurrent	5,346,672	118,963	3.40 %	118,963	(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	8,816	0.62 %	8,816	-
Bae Haw Investment Development Corp	The Company's stock	Parent Company	Financial assets at FVOCI – noncurrent	3,447,716	76,712	2.19 %	76,712	(Note)
Ying Cheng Investment Corp.	Chenfeng Optronics Corp. stock	-	Financial assets at FVOCI – noncurrent	6,000,000	70,560	5.96 %	70,560	-

Note : It was eliminated in the consolidation

- (iv) 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	768,053	50.93 %	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.	406,342	65.77%	(Note)
Emerging Display Technologies Corp. U.S.A.	The Company	Subsidiary of the Company	Purchase	(768,053)	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.	(406,342)	100.00%	(Note)
The Company	Dong Guan Emerging Display Limited	Sub-sidiary of the Company	Purchase (processing expense)	(127,011)	17.12 %	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.	(21,656)	5.66%	(Note)
Dong Guan Emerging Display Limited	The Company	Sub-sidiary of the Company	Sale (processing revenue)	127,011	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.	21,656	100.00%	(Note)

Note: It was eliminated in the consolidation.

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

Name of company 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 406,342	4.13	-	-	162,194	-	(Note)

(Note: It was eliminated in the consolidation.

- (vi) Significant inter-Group transactions :

No.	Name	Counterparty	Relationship (Note 1)	Details of transaction			
				Subject	Amount	Term of trading	% of total consolidated revenue or total asset
0	The Company	Emerging Display Technologies Corp., U.S.A.	1	Sales revenue	786,053	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.	50.18%

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

No.	Name	Counterparty	Relationship (Note 1)	Details of transaction			
				Subject	No.	Name	Counterparty
0	The Company	Emerging Display Technologies Corp., U.S.A.	1	Accounts receivable	406,342	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.	11.06%
0	The Company	EDT-Europe Aps	1	Selling expenses-Commission	46,474	No non-related-party transaction to compare to.	2.97%
0	The Company	EDT-Europe Aps	1	Other payables	2,703	No non-related-party transaction to compare to.	0.07%
0	The Company	Emerging Display Technologies Korea	1	Selling expenses-Commission	1,813	No non-related-party transaction to compare to.	0.12%
0	The Company	EDT- Japan Corp.	1	Selling expenses-Commission	5,394	No non-related-party transaction to compare to.	0.34%
0	The Company	Dong Guan Emerging Display Limited	1	Processing cost	127,011	No non-related-party transaction to compare to.	8.11%
0	The Company	Dong Guan Emerging Display Limited	1	Accounts payable (Note 2)	21,656	No non-related-party transaction to compare to.	0.59%

(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) (二) Information on investees (excluding information on investees in Mainland China) :

Relevant information about investees for the six months ended June 30, 2025 was as follows :

Name of investor	Name of investee	Location	Business scope	Original cost of investment		Held at the end of term			Net income (loss) of the investee	Investment income (less) recognized	Remarks
				June 30, 2025	December 31, 2024	(loss) of the investee	income (less) recognized	Carrying value			
The Company	Emerging Display Technologies Corp. U.S.A.	USA	Trading	121,656	121,656	3,500,000	100.00%	97,459 (Note 1)	15,087	15,087	Subsidiary (Note2)
The Company	Emerging Display International (Samoa) Corp.	Samoa	Investment holding	180,503	180,503	5,984,071	78.49%	70,926	(4,726)	(3,710)	Subsidiary (Note2)
The Company	EDT-Europe Aps	Denmark	Customer service and business support	101,872	101,872	2,000,000	100.00%	120,334	2,745	2,745	Subsidiary (Note2)
The Company	Emerging Display Technologies Korea	Korea	Business support	1,677	1,677	58,212,500	100.00%	1,470	(54)	(54)	Subsidiary (Note2)
The Company	EDT- Japan Corp.	Japan	Customer service and business support	17,401	17,401	5,000	100.00%	6,644	281	281	Subsidiary (Note2)
The Company	Ying Dar Investment Development Corp.	Taiwan	Investment	89,000	89,000	8,900,000	100.00%	26,771	5,695	5,695	Subsidiary (Note2)
The Company	Bae Haw Investment Development Corp.	Taiwan	Investment	89,000	89,000	8,900,000	100.00%	40,435	3,327	3,327	Subsidiary (Note2)
The Company	Ying Cheng Investment Corp.	Taiwan	Investment	84,000	84,000	8,400,000	52.50%	42,116	19	10	Subsidiary (Note2)

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

Name of investor	Name of investee	Location	Business scope	Original cost of investment		Held at the end of term			Net income (loss) of the investee	Investment income (less) recognized	Remarks
				June 30, 2025	December 31, 2024	Shares owned	Percentage owned	Carrying value			
Ying Dar Investment Development Corp.	Emerging Display International (Samoa) Corp.	Samoa	Investment holding	13,234	13,234	450,000	5.90%	5,331	(4,726)	(279)	Subsidiary (Note2)
Bae Haw Investment Development Corp.	Emerging Display International (Samoa) Corp.	Samoa	Investment holding	25,488	25,488	870,000	11.41%	10,310	(4,726)	(539)	Subsidiary (Note2)

Note1: It was deducted unrealized profit from sales \$45,656 千元.

Note2: It was eliminated in the consolidation.

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

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

Investee company	Main businesses and products	Received capital	Investment method	Accumulated amount invested in Mainland China as of Jan. 1, 2025	Invested capital remitted from or repatriated to Taiwan		Accumulated amount invested in Mainland China as of June 30, 2025	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, 2025	Accumulated investment income repatriated to Taiwan as of June 30, 2025
					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)	(3,724)	95.80% (Note2)	Loss of \$3,567 Based on the investee's financial statements audited by the same auditor as the Group (Note3)	76,627 (Note4)	-

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

Accumulated investment amount remitted from Taiwan to Mainland China as of June 30, 2025	經濟部投審會核准投資金額	依經濟部投審會規定赴大陸地區投資限額
203,186(Note8) (USD6,934,668)( Note5)	408,786(Note 8) (USD951,732)( Note 6)	1,615,417(Note 7)

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 loss of \$220 which was recognized by Ying Dar Investment Development Corp. and a loss of \$425 which was recognized by Bae Haw Investment Development Corp.

Note 4 : The amount includes \$4,719 which was invested by Ying Dar Investment Development Corp. and \$9,126 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 \$87,441 for Ying Dar Investment Development Corp. and \$70,288 for Bae Haw Investment Development Corp.

Note 8 : Transactions denominated in foreign currencies were recorded using the rate of exchange at June 30, 2025.

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

### (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, 2025.

### (14) Segment Information

Reportable segment information was as follows :

	April to June, 2025					
	Domestic	North America	Mainland China	Other operating Department	Adjustments and Eliminations	Total
Revenue:						
Sales to customers other than consolidated entities	\$ 358,563	421,916	-	201	-	780,680
Sales among consolidated entities	464,067	-	52,596	26,766	(543,429)	-
<b>Total revenue</b>	<b>\$ 822,630</b>	<b>421,916</b>	<b>52,596</b>	<b>26,967</b>	<b>(543,429)</b>	<b>780,680</b>
<b>Segment Income</b>	<b>\$ (29,808)</b>	<b>7,925</b>	<b>(4,553)</b>	<b>1,708</b>	<b>(18,726)</b>	<b>(43,454)</b>
	April to June, 2024					
	Domestic	North America	Mainland China	Other operating Department	Adjustments and Eliminations	Total
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)	-
<b>Total revenue</b>	<b>\$ 980,654</b>	<b>309,781</b>	<b>128,666</b>	<b>26,233</b>	<b>(506,431)</b>	<b>938,903</b>
<b>Segment Income</b>	<b>\$ 110,618</b>	<b>2,702</b>	<b>4,253</b>	<b>1,394</b>	<b>(18,318)</b>	<b>100,649</b>
	January to June, 2025					
	Domestic	North America	Mainland China	Other operating Department	Adjustments and Eliminations	Total
Revenue:						
Sales to customers other than consolidated entities	757,322	808,705	-	413	-	1,566,440
Sales among consolidated entities	786,053	-	127,011	53,681	(966,745)	-
<b>Total revenue</b>	<b>\$ 1,543,375</b>	<b>808,705</b>	<b>127,011</b>	<b>54,094</b>	<b>(966,745)</b>	<b>1,566,440</b>
<b>Segment Income</b>	<b>\$ 36,661</b>	<b>19,098</b>	<b>(4,695)</b>	<b>4,769</b>	<b>(6,486)</b>	<b>49,347</b>

# EMERGING DISPLAY TECHNOLOGIES CORP. AND SUBSIDIARIES

## Notes to consolidated financial statements

	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	560,016	-	195,345	49,875	(805,236)	-
<b>Total revenue</b>	<b><u>\$ 1,858,440</u></b>	<b><u>589,593</u></b>	<b><u>195,345</u></b>	<b><u>50,398</u></b>	<b><u>(805,236)</u></b>	<b><u>1,888,540</u></b>
<b>Segment Income</b>	<b><u>\$ 244,916</u></b>	<b><u>5,287</u></b>	<b><u>5,453</u></b>	<b><u>2,024</u></b>	<b><u>(11,977)</u></b>	<b><u>245,703</u></b>
	Domestic	North America	Mainland China	Other operating Department	Adjustments and Eliminations	Total
<b>Segment Assets</b>						
June 30,2025	<b><u>\$ 3,298,281</u></b>	<b><u>560,180</u></b>	<b><u>132,855</u></b>	<b><u>142,485</u></b>	<b><u>(460,715)</u></b>	<b><u>3,673,086</u></b>
December 31,2024	<b><u>\$ 3,569,971</u></b>	<b><u>507,075</u></b>	<b><u>186,108</u></b>	<b><u>143,388</u></b>	<b><u>(437,688)</u></b>	<b><u>3,968,854</u></b>
June 30,2024	<b><u>\$ 3,839,631</u></b>	<b><u>546,485</u></b>	<b><u>222,253</u></b>	<b><u>141,511</u></b>	<b><u>(497,431)</u></b>	<b><u>4,252,449</u></b>
<b>Segment Liabilities</b>						
June 30,2025	<b><u>\$ 1,148,436</u></b>	<b><u>417,065</u></b>	<b><u>52,869</u></b>	<b><u>14,037</u></b>	<b><u>(430,701)</u></b>	<b><u>1,201,706</u></b>
December 31,2024	<b><u>\$ 1,178,688</u></b>	<b><u>362,463</u></b>	<b><u>94,739</u></b>	<b><u>16,539</u></b>	<b><u>(398,517)</u></b>	<b><u>1,253,912</u></b>
June 30,2024	<b><u>\$ 1,498,617</u></b>	<b><u>408,019</u></b>	<b><u>131,201</u></b>	<b><u>14,623</u></b>	<b><u>(463,723)</u></b>	<b><u>1,588,737</u></b>