

Stock Code: 8069



E INK HOLDINGS INC.

**2019
ANNUAL GENERAL MEETING OF
STOCKHOLDERS
MEETING MINUTES**

Date: June 18, 2019

Venue: Meeting Room at the Allied Association for Science Park Industries
No.2, Zhanye 1st Rd., East Dist., Hsinchu Science Park Hsinchu City,
Taiwan (R.O.C.)

(This English translation is prepared for reference only; if there are any discrepancies between the Chinese version and this English translation, the Chinese version should prevail.)

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Date and Time: June 18, 2019 (Tue.) 9:00 a.m.

Venue: Meeting Room at the Allied Association for Science Park Industries

(No.2, Zhanye 1st Rd., East Dist., Hsinchu Science Park Hsinchu City, Taiwan)

Presence: The total shares with voting right held by shareholders present in person or by proxy was 876,471,866 shares(including 399,988,211 shares casted electronically), representing 77.54% of the total outstanding shares of 1,130,208,715 shares.

Directors present: Frank Ko 、Johnson Lee 、Chuan-Chuan Tsai 、Fong-Yuan Gan 、Ten-Chung Chen 、Lloyd Chen 、Luke Chen 、June Su(Corporate Governance Officer) 、Chih-Ching Yu(HengSheng Law Offices) 、Ya Ling Wong (CPA of Deloitte & Touche)

Chairman: Frank Ko

Recorder: Mandy Weng

1. Announcement of the Commencement :

The aggregate shareholding of the shareholders present has reached the quorum. The Chairman called the meeting to order.

2. Chairman's Opening Remarks :(Omitted)

3. Report Items:

- (1) 2018 business report and financial statements. (Noted)
- (2) To report the 2018 Audit Committee's Review Report. (Noted)
- (3) 2018 report on the distribution of remuneration for employees and directors. (Noted)
- (4) Company's buyback of the treasury shares and the transfer of such shares to the employee. (Noted)
- (5) Amendment to the report of the "Third Share Repurchase and Employee Incentive Plan". (Noted)

4. Adoption Items:

<Item 1>

(Proposed by the Board of Directors)

Subject: To adopt the 2018 financial statements of the Company.

Explanatory Note:

(1) The annual individual financial statements and consolidated financial statements of the Company for 2018 have been audited by Deloitte & Touche CPA Firm.

(2) The aforesaid individual financial statements and consolidated financial statements, together with the business report of the Company for 2018 have been included in the Appendix 1-2 hereof.

Voting Results :841,345,578 shares voted for the proposal, (of which 364,865,197 shares were voted by way of electronic transmission); 200,598 shares voted against the proposal by way of electronic transmission; 35,073,690 votes were abstained, (of which 34,922,416 shares were voted by way of electronic transmission)

RESOLVED, that the above proposal be and hereby was accepted as proposed.

<Item 2>

(Proposed by the Board of Directors)

Subject: To adopt the proposal for 2018 earnings distribution of the Company.

Explanatory Note:

(1) The undistributed earnings of the Company at the period beginning was NT\$2,184,846,587. Due to the amount affected by the retroactive application IFRS 9 and 15, the increased retained earnings is NT\$327,467,976; the increased retained earnings of long-term equity investment is NT\$18,930,638; and the decreased retained earnings of remeasured amount of confirmed welfare is NT\$6,834,021. Plus the after-tax net profit of the Company in 2018 which is NT\$2,613,673,179, setting aside the statutory surplus reserve which is NT\$261,367,318 and the special surplus reserve which is NT\$184,796,348, the total amount of earnings available for distribution is NT\$4,691,920,693.

(2) According to the Articles of Association, the amount of earnings in 2018 available for distribution is: In terms of cash dividends of shareholders, NT\$2.10 will be distributed for each share and the total amount will be NT\$2,373,438,302.

(3) Dividends and bonuses will be distributed according to the names of shareholders recorded on the register and the number of shares held by them on the base date. The distribution will be rounded to an integer. Odds of amount not reaching NT\$1 will be recognized in other income of the Company.

(4) The amount of cash dividends in this distribution is calculated according to the actual number of outstanding shares on February 28, 2019; in the future, if the amount of outstanding shares is affected by buyback, or the transfer, cancellation of treasury shares, or other factors, and some shareholders give up their rights for distribution of dividends and bonuses, which results in the change of ratio of dividend distribution, the shareholders' meeting shall authorize the chairman to adjust that according to the actual total number of outstanding shares on the case date of dividend distribution.

(5) The table for the distribution of earnings in 2018 refer to Appendix 5.

Voting Results : 835,865,575 shares voted for the proposal, (of which 359,385,194 shares were voted by way of electronic transmission); 6,346,601 shares voted against the proposal by way of electronic transmission; 34,407,690 votes were abstained, (of which 34,356,416 shares were voted by way of electronic transmission)

RESOLVED, that the above proposal be and hereby was accepted as proposed.

5. Discussion Items:

<Item 1>

(Proposed by the Board of Directors)

Subject: Revise part of articles of the Company's Articles of Association.

Explanatory Note:

(1) Considering the flexibility of corporate governance and coordinating with the revision of the Company Act on August 1, 2018, it's planned to amend part of articles of the "Articles of Association".

(2) Comparison table for the amended articles refer to Appendix 6.

Voting Results : 838,348,534 shares voted for the proposal, (of which 361,868,153 shares were voted by way of electronic transmission); 3,858,632 shares voted against the proposal by way of electronic transmission; 34,418,700 votes were abstained, (of which 34,261,426 shares were voted by way of electronic transmission)

RESOLVED, that the above proposal be and hereby was accepted as proposed.

<Item 2>

(Proposed by the Board of Directors)

Subject: Revise part of articles of the Company's "Procedures of Acquisition or Disposal of Asset".

Explanatory Note:

(1) Since the Financial Supervisory Commission amended the "Handling Procedures for Public Stock Companies to Acquire or Dispose of Assets", it's planned to revise part of articles of "Procedures of Acquisition or Disposal of Asset".

(2) Comparison table for the amended articles of "Procedures of Acquisition or Disposal of Asset" refer to Appendix 7.

Voting Results : 841,998,539 shares voted for the proposal, (of which 365,518,158 shares were voted by way of electronic transmission); 208,627 shares voted against the proposal by way of electronic transmission; 34,418,700 votes were abstained, (of which 34,261,426 shares were

voted by way of electronic transmission)

RESOLVED, that the above proposal be and hereby was accepted as proposed.

<Item 3>

(Proposed by the Board of Directors)

Subject: Revise part of articles of the Company's "Operating Procedures for Monetary Loan, Endorsement, or Provision of Guarantee".

Explanatory Note:

(1) To fit to the prevailing laws and regulations, it's planned to revise part of articles of the Company's "Operating Procedures for Monetary Loan, Endorsement, or Provision of Guarantee".

(2) Comparison table for the amended articles of "Operating Procedures for Monetary Loan, Endorsement, or Provision of Guarantee" refer to Appendix 8.

Voting Results : 835,838,534 shares voted for the proposal, (of which 359,358,153 shares were voted by way of electronic transmission); 6,356,632 shares voted against the proposal by way of electronic transmission; 34,430,700 votes were abstained, (of which 34,273,426 shares were voted by way of electronic transmission)

RESOLVED, that the above proposal be and hereby was accepted as proposed.

<Item 4>

(Proposed by the Board of Directors)

Subject: Rescind the non-competition restriction on directors of the Company.

Explanatory Note:

(1) According to Article 209 of the Company Act "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval", any director of the Company (including the legal person director and the representative) has any circumstance specified in the aforesaid law, such

director shall apply to the shareholders' meeting for rescinding the non-competition restriction according to Article 209 of the Company Act.

(2) Details of newly-added posts of directors of the Company see the table below.

Director	Company	Post
Johnson Lee	Tech Smart Logistics Ltd. E Ink Japan, Inc.	Director
Fang-Yuan Gan	Linfiny Corporation	Director

(3) The director of this Company taking this post has no influence to the duty performance as a director, so it's applied to the shareholders' meeting to rescind the non-competition restriction according to Article 209 of the Company Act.

Voting Results : 686,857,951 shares voted for the proposal, (of which 344,423,514 shares were voted by way of electronic transmission); 226,489 shares voted against the proposal by way of electronic transmission; 55,495,482 votes were abstained, (of which 55,338,208 shares were voted by way of electronic transmission)

RESOLVED, that the above proposal be and hereby was accepted as proposed.

6. Elections Items:

<Item 1>

Subject: The by-election for the one seat of the tenth term of independent directors.

Explanation:

(1) According to Article 13 of the Articles of Association, the number of independent directors shall be not less than 3. Since the independent directors Ping-sheng Wu resigned, the Company plans to elect another independent director in this year's general shareholders' meeting, whose term of office will be from June 18, 2019 to June 19, 2020.

(2) Election of the Company's directors and independent directors adopt the candidate nomination system. The list of candidates proposed by shareholders holding more than 1% shares which has been reviewed and passed by the Board of Directors is as below:

No	Job title	List of candidates	Major education experience	Shares (Unit: share)
1	Independent Director	Bo-Yong Chu	PhD, Purdue University (USA) Professor, Department of Management Science, National Chiao Tung University	0

Resolution:

Independent Director

Shareholder no. or Personal ID no	Person Elected	Votes
A10429****	Bo-Yong Chu	719,418,802

7. Special Motion: None.

8. Announcement of Adjournment:

The meeting was adjourned at AM 09:53 on the same day.

Appendix 1

2018 Business Report

Dear Shareholders,

2018 Business Report

In 2018, US-China trade tensions and fluctuations in the international financial markets led to increased uncertainty in the once stable global economy. E Ink's business growth was therefore less than expected, with a consolidated revenue of 14.2 Billion NTD and gross profit of 5.9 Billion NTD in 2018. Despite the slide in our company's annual revenues compared to 2017, gross margin remained steady at 41.7% in 2018. Net profit was 2.61 Billion NTD and earnings per share (EPS) was 2.32 NTD.

The business- ePaper did not achieve expected growth target in 2018. The main reason for this was that the eReader business did not perform as well as expected. The eNote business grew year-on-year due to growth in smart education and hand-writing digital , and we expect that eNote business will continues to develop positively.

The Electronic Shelf Label (ESL) business applied in new retail market has proved popular with retailers. It is therefore not only growing at a steady pace in the US and European markets, but also rapidly gaining popularity in China market, where it is being quickly adopted by large supermarket chains. As for the Signage business, sustainable smart city polices are being actively implemented around the world. E Ink has continued to work with the eco-system partners to develop the ePaper display application in smart transportation segment. Smart bus stop signs with ePaper display deliver a strong growth momentum with deployment in major global area, including in Europe, America, Japan, Shanghai and Taipei.

In terms of new technological developments, the ACeP (Advanced Color ePaper) technology has become even mature now. E Ink is continuing to optimize its cost structure in preparation for stable mass production. ACeP will be targeted at the commercial signage market. ACeP has won the "Outstanding Technology Award" at the "Gold Panel Awards 2018".

After years of realizing the sustainable development in the economic,

environment and society aspects, E Ink won a trio of top awards at the "11th Taiwan Corporate Sustainability Awards (TCSA)" including the "Comprehensive Performance - Top 50" award, the "Corporate Sustainability Report Gold Award" and "Best Performance in a Specific Category - Social Inclusion Award". The awards recognized our efforts in the "application of core product values to expand contributions to society and environmental sustainability."

2019 Business Focus

According to the IoT Devices Market Tracker issued by the international research firm IHS Markit, there will be 22.9 billion IoT devices around the world by 2030.¹ With the support of local governments and tech companies around the world, the development of IoT and smart city applications will create business opportunities with tremendous growth potential. Ultra-low power consumption, wireless Internet, wireless power transmission, and sunlight readable display are the key features to realize the development of smart city IoT devices. E Ink will leverage the benefits of ePaper technology, including low-power consumption and excellent outdoor readability to work with partners from supply chain and vertical markets to co-create an ePaper ecosystem and promote ePaper applications as the ideal IoT devices in smart cities.

Business development: E Ink will continue to focus on two main business areas, Consumer Electronics (CE) and Internet of Things (IoT). The eReader market is now maturing and the trend is towards a large display size of eReader display. Emerging markets will also be targeted for the development of related businesses. The global push towards an eye-friendly learning environment means that eNote will offer advantages such as the ability to store and record learning path and non-backlit display that prevent eye fatigue. The Company will leverage the local government policies and resources to take advantage of the massive business opportunities in the education market. For the IoT business, ESL application in smart retail segment is continuing to grow at a steady pace. Besides, the deployment of ePaper signage in retail premises as well as ePaper applications in the logistics sector are continuously promoted. In addition to the smart bus stop signs with ePaper display, the application is now been rolled out to a number of cities after a long-term development.

Technology development: There is a strong demand for battery-free and

¹ IHS Markit, 2019: [IoT Devices Market Tracker](#)

connectivity solution in retail and logistics sectors. E Ink will continue to invest in Energy Harvesting technology for ePaper to support the development of broader applications. At the same time, R&D and production optimization means yields for flexible ePaper have continued to reach new levels.

Business management: E Ink will continue to optimize our supply chain management and cost control. Production efficiency will be improved through automation to meet customer demands and improve customer satisfaction on delivery services.

Future Prospects

E Ink will continue to leverage the advantage of "ePaper: the ideal display technology for reading, writing and IoT applications" to refine our ePaper technology and manufacturing. We will consolidate the leadership in the electronics industry and realize steady growth by continuing to work with our eco-system partners on the development of new smart ePaper applications. The company's goal is to become a benchmark for sustainable development and contribute to a future that is sustainable, smart and "paper" free.

Best regards

Frank Ko, Chairman

Johnson Lee, President

Appendix 2
E INK HOLDINGS INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

ASSETS	2018		2017	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 7,695,106	21	\$ 11,878,649	33
Financial assets at fair value through profit or loss (Notes 4 and 7)	1,840,835	5	-	-
Financial assets at amortized cost (Notes 4 and 9)	3,860,537	10	-	-
Contract assets (Notes 4 and 24)	187,329	1	-	-
Debt investments with no active market (Notes 4 and 12)	-	-	519,209	1
Accounts receivable (Notes 4, 13 and 33)	2,243,412	6	2,009,800	6
Other receivables (Note 4)	223,850	1	325,740	1
Current tax assets (Notes 4 and 26)	44,850	-	315,229	1
Inventories (Notes 4 and 14)	1,926,990	5	2,143,359	6
Prepayments (Note 33)	318,982	1	220,007	1
Non-current assets held for sale (Notes 4 and 15)	10,166	-	-	-
Other financial assets (Notes 4 and 6)	-	-	199,391	-
Other current assets (Note 34)	518,868	1	136,356	-
Total current assets	<u>18,870,925</u>	<u>51</u>	<u>17,747,740</u>	<u>49</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Notes 4 and 8)	3,431,736	9	-	-
Available-for-sale financial assets (Notes 4 and 10)	-	-	2,749,317	8
Financial assets measured at cost (Notes 4 and 11)	-	-	267,981	1
Investments accounted for using the equity method (Note 4)	82,802	-	88,756	-
Property, plant and equipment (Notes 4, 15 and 17)	4,521,441	12	4,752,982	13
Goodwill (Notes 4 and 18)	6,781,244	19	6,702,636	19
Other intangible assets (Notes 4 and 18)	1,744,809	5	1,889,153	5
Deferred tax assets (Notes 4 and 26)	1,071,888	3	1,425,249	4
Other non-current assets (Notes 33 and 34)	409,263	1	252,106	1
Total non-current assets	<u>18,043,183</u>	<u>49</u>	<u>18,128,180</u>	<u>51</u>
TOTAL	<u>\$ 36,914,108</u>	<u>100</u>	<u>\$ 35,875,920</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 19)	\$ 1,480,000	4	\$ 377,600	1
Short-term bills payable (Note 19)	564,722	2	-	-
Contract liabilities (Notes 4 and 24)	1,573,002	4	-	-
Notes and accounts payable (Note 33)	1,347,676	4	2,201,116	6
Other payables (Notes 20 and 30)	1,351,759	4	1,641,420	5
Current tax liabilities (Notes 4 and 26)	128,343	-	153,649	-
Provisions (Notes 4 and 21)	26,095	-	637,781	2
Receipts in advance (Note 15)	18,373	-	1,701,659	5
Current portion of long-term borrowings (Note 19)	-	-	117,993	-
Other current liabilities (Notes 4 and 7)	79,147	-	40,334	-
Total current liabilities	<u>6,569,117</u>	<u>18</u>	<u>6,871,552</u>	<u>19</u>
NON-CURRENT LIABILITIES				
Contract liabilities (Notes 4 and 24)	1,761,719	5	-	-
Long-term borrowings (Note 19)	44,752	-	45,545	-
Deferred revenue - non-current (Note 4)	-	-	1,607,917	5
Net defined benefit liabilities (Notes 4 and 22)	80,770	-	70,350	-
Other non-current liabilities (Notes 4, 26 and 33)	143,306	-	53,661	-
Total non-current liabilities	<u>2,030,547</u>	<u>5</u>	<u>1,777,473</u>	<u>5</u>
Total liabilities	<u>8,599,664</u>	<u>23</u>	<u>8,649,025</u>	<u>24</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 4, 23 and 28)				
Share capital	11,404,677	31	11,404,677	32
Capital surplus	10,243,293	28	10,108,119	28
Retained earnings				
Legal reserve	1,512,287	4	1,304,481	4
Special reserve	70,678	-	70,678	-
Unappropriated earnings	5,138,085	14	4,246,203	12
Total retained earnings	<u>6,721,050</u>	<u>18</u>	<u>5,621,362</u>	<u>16</u>
Other equity	(255,475)	(1)	106,609	-
Treasury shares	(184,900)	-	(308,269)	(1)
Total equity attributable to owners of the Corporation	27,928,645	76	26,932,498	75
NON-CONTROLLING INTERESTS (Notes 23 and 29)	<u>385,799</u>	<u>1</u>	<u>294,397</u>	<u>1</u>
Total equity	<u>28,314,444</u>	<u>77</u>	<u>27,226,895</u>	<u>76</u>
TOTAL	<u>\$ 36,914,108</u>	<u>100</u>	<u>\$ 35,875,920</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

E INK HOLDINGS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2018		2017	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 24 and 33)	\$ 14,208,661	100	\$ 15,203,334	100
OPERATING COSTS (Notes 14, 25 and 33)	<u>8,278,485</u>	<u>58</u>	<u>8,918,918</u>	<u>59</u>
GROSS PROFIT	<u>5,930,176</u>	<u>42</u>	<u>6,284,416</u>	<u>41</u>
OPERATING EXPENSES (Notes 25 and 33)				
Selling and marketing expenses	796,893	6	728,467	5
General and administrative expenses	2,604,270	18	2,517,180	16
Research and development expenses	<u>2,071,848</u>	<u>15</u>	<u>1,936,382</u>	<u>13</u>
Total operating expenses	<u>5,473,011</u>	<u>39</u>	<u>5,182,029</u>	<u>34</u>
INCOME FROM OPERATIONS	<u>457,165</u>	<u>3</u>	<u>1,102,387</u>	<u>7</u>
NON-OPERATING INCOME AND EXPENSES (Note 4)				
Interest income (Note 33)	176,439	1	90,819	-
Royalty income (Note 24)	2,360,815	17	2,606,703	17
Dividend income	136,225	1	100,951	1
Other income (Note 33)	119,853	1	99,243	1
Interest expenses (Note 17)	(28,579)	-	(24,895)	-
Net gain on disposal of property, plant and equipment	796	-	50,317	-
Net gain (loss) on foreign currency exchange (Note 36)	310,568	2	(728,477)	(5)
Net gain on fair value change of financial assets and liabilities at fair value through profit or loss	6,413	-	101,591	1
Impairment loss (Note 17)	(223,627)	(2)	(21,672)	-
Other expenses	<u>(56,800)</u>	<u>-</u>	<u>(38,956)</u>	<u>-</u>
Total non-operating income and expenses	<u>2,802,103</u>	<u>20</u>	<u>2,235,624</u>	<u>15</u>
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	3,259,268	23	3,338,011	22
INCOME TAX EXPENSE (Notes 4 and 26)	<u>(567,192)</u>	<u>(4)</u>	<u>(405,713)</u>	<u>(3)</u>
NET INCOME FROM CONTINUING OPERATIONS	2,692,076	19	2,932,298	19
NET LOSS FROM DISCONTINUED OPERATIONS (Notes 4 and 15)	<u>-</u>	<u>-</u>	<u>(849,968)</u>	<u>(5)</u>

(Continued)

E INK HOLDINGS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2018		2017	
	Amount	%	Amount	%
NET INCOME FOR THE YEAR	\$ 2,692,076	19	\$ 2,082,330	14
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 23)	(10,235)	-	(7,076)	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(432,897)	(3)	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4 and 26)	4,226	-	1,165	-
	<u>(438,906)</u>	<u>(3)</u>	<u>(5,911)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	59,248	-	(482,418)	(3)
Unrealized gain on available-for-sale financial assets	-	-	122,316	-
Share of other comprehensive loss of associates and joint ventures accounted for using the equity method	(900)	-	(2,102)	-
	<u>58,348</u>	<u>-</u>	<u>(362,204)</u>	<u>(3)</u>
Other comprehensive loss for the year, net of income tax	<u>(380,558)</u>	<u>(3)</u>	<u>(368,115)</u>	<u>(3)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 2,311,518</u>	<u>16</u>	<u>\$ 1,714,215</u>	<u>11</u>
NET INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 2,613,673	18	\$ 2,078,065	14
Non-controlling interests	<u>78,403</u>	<u>1</u>	<u>4,265</u>	<u>-</u>
	<u>\$ 2,692,076</u>	<u>19</u>	<u>\$ 2,082,330</u>	<u>14</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 2,236,019	16	\$ 1,690,155	11
Non-controlling interests	<u>75,499</u>	<u>-</u>	<u>24,060</u>	<u>-</u>
	<u>\$ 2,311,518</u>	<u>16</u>	<u>\$ 1,714,215</u>	<u>11</u>

(Continued)

E INK HOLDINGS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<u>2018</u>		<u>2017</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
EARNINGS PER SHARE (Note 27)				
From continuing and discontinued operations				
Basic	<u>\$ 2.32</u>		<u>\$ 1.85</u>	
Diluted	<u>\$ 2.31</u>		<u>\$ 1.85</u>	
From continuing operations				
Basic	<u>\$ 2.32</u>		<u>\$ 2.57</u>	
Diluted	<u>\$ 2.31</u>		<u>\$ 2.56</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

E INK HOLDINGS INC. AND SUBSIDIARIES
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Corporation												
	Share Capital						Other Equity						
	Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating The Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Available-for- sale Financial Assets	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Treasury Shares	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2017	1,140,468	\$ 11,404,677	\$ 10,071,683	\$ 1,113,687	\$ 70,678	\$ 4,301,134	\$ 261,704	\$ 226,916	\$ -	\$ (360,464)	\$ 27,090,015	\$ (876)	\$ 27,089,139
Appropriation of 2016 earnings													
Legal reserve	-	-	-	190,794	-	(190,794)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(1,680,702)	-	-	-	-	(1,680,702)	-	(1,680,702)
Net income for the year ended December 31, 2017	-	-	-	-	-	2,078,065	-	-	-	-	2,078,065	4,265	2,082,330
Other comprehensive income (loss) for the year ended December 31, 2017, net of income tax	-	-	-	-	-	(5,899)	(504,327)	122,316	-	-	(387,910)	19,795	(368,115)
Total comprehensive income (loss) for the year ended December 31, 2017	-	-	-	-	-	2,072,166	(504,327)	122,316	-	-	1,690,155	24,060	1,714,215
Difference between actual consideration paid and carrying amount of subsidiaries acquired	-	-	(2,223)	-	-	(255,601)	-	-	-	-	(257,824)	191,413	(66,411)
Share-based payments	-	-	38,825	-	-	-	-	-	-	-	38,825	-	38,825
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	79,800	79,800
Treasury shares transferred to employees	-	-	(166)	-	-	-	-	-	-	52,195	52,029	-	52,029
BALANCE AT DECEMBER 31, 2017	1,140,468	11,404,677	10,108,119	1,304,481	70,678	4,246,203	(242,623)	349,232	-	(308,269)	26,932,498	294,397	27,226,895
Effect of retrospective application	-	-	-	-	-	327,468	-	(349,232)	376,899	-	355,135	15,903	371,038
BALANCE AT JANUARY 1, 2018 AS RESTATED	1,140,468	11,404,677	10,108,119	1,304,481	70,678	4,573,671	(242,623)	-	376,899	(308,269)	27,287,633	310,300	27,597,933
Appropriation of 2017 earnings													
Legal reserve	-	-	-	207,806	-	(207,806)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(1,853,550)	-	-	-	-	(1,853,550)	-	(1,853,550)
Unclaimed dividends extinguished by prescription	-	-	14	-	-	-	-	-	-	-	14	-	14
Net income for the year ended December 31, 2018	-	-	-	-	-	2,613,673	-	-	-	-	2,613,673	78,403	2,692,076
Other comprehensive income (loss) for the year ended December 31, 2018, net of income tax	-	-	-	-	-	(6,052)	61,295	-	(432,897)	-	(377,654)	(2,904)	(380,558)
Total comprehensive income for the year ended December 31, 2018	-	-	-	-	-	2,607,621	61,295	-	(432,897)	-	2,236,019	75,499	2,311,518
Share-based payments	-	-	135,552	-	-	-	-	-	-	-	135,552	-	135,552
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	18,149	-	-	(18,149)	-	-	-	-
Treasury shares transferred to employees	-	-	(392)	-	-	-	-	-	-	123,369	122,977	-	122,977
BALANCE AT DECEMBER 31, 2018	<u>1,140,468</u>	<u>\$ 11,404,677</u>	<u>\$ 10,243,293</u>	<u>\$ 1,512,287</u>	<u>\$ 70,678</u>	<u>\$ 5,138,085</u>	<u>\$ (181,328)</u>	<u>\$ -</u>	<u>\$ (74,147)</u>	<u>\$ (184,900)</u>	<u>\$ 27,928,645</u>	<u>\$ 385,799</u>	<u>\$ 28,314,444</u>

The accompanying notes are an integral part of the consolidated financial statements.

E INK HOLDINGS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax from continuing operations	\$ 3,259,268	\$ 3,338,011
Loss before income tax from discontinued operations	<u>-</u>	<u>(695,735)</u>
Income before income tax	3,259,268	2,642,276
Adjustments for		
Depreciation expenses	683,786	760,250
Amortization expenses	420,594	406,647
Expected credit loss recognized (impairment loss reversed) on accounts receivable	21,200	(10,107)
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(6,413)	(101,591)
Interest expenses	28,579	24,895
Interest income	(176,439)	(90,819)
Dividend income	(136,225)	(100,951)
Compensation costs of share-based payments	135,552	38,825
Share of loss of associates and joint ventures accounted for using the equity method	5,054	9,333
Net gain on disposal of property, plant and equipment	(796)	(50,317)
Net gain on disposal of non-current assets held for sale	-	(7,280)
Net loss (gain) on disposal of investments	1,888	(2,775)
Impairment loss	223,627	181,060
(Reversal of) write-downs of inventories	204,382	(246,721)
Net unrealized gain on foreign currency exchange	(4,553)	(16,992)
Changes in operating assets and liabilities		
Financial assets held for trading	-	115,789
Contract assets	134,610	-
Accounts receivable	(224,772)	(453,004)
Other receivables	31,774	266,000
Inventories	80,370	(585,945)
Prepayments	(183,310)	10,373
Other current assets	(363,464)	146,036
Contract liabilities	105,027	-
Notes and accounts payable	(879,066)	1,119,507
Other payables	(359,033)	394,143
Provisions	(602,151)	136,062
Receipts in advance	18,034	1,082,400
Other current liabilities	33,871	(37,043)
Net defined benefit liabilities	<u>376</u>	<u>(1,654)</u>
Cash generated from operations	2,451,770	5,628,397
Income tax received (paid)	<u>29,534</u>	<u>(113,125)</u>
Net cash generated from operating activities	<u>2,481,304</u>	<u>5,515,272</u>

(Continued)

E INK HOLDINGS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

	2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	\$ (968,590)	\$ -
Proceeds from disposal of financial assets at fair value through other comprehensive income	184,552	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	6,431	-
Acquisition of financial assets at amortized cost	(4,317,194)	-
Proceeds from disposal of financial assets at amortized cost	1,152,197	-
Acquisition of financial assets at fair value through profit or loss	(1,818,502)	-
Acquisition of available-for-sale financial assets	-	(839,986)
Acquisition of debt investments with no active market	-	(1,571,696)
Proceeds from repayments of principal of debt investments with no active market	-	1,479,431
Proceeds from disposal of financial assets measured at cost	-	25,080
Disposal of subsidiaries	(713)	-
Proceed from disposal of non-current assets held for sale	-	815,316
Acquisition of property, plant and equipment	(575,061)	(332,067)
Proceeds from disposal of property, plant and equipment	32,128	63,378
Acquisition of other intangible assets	(249,190)	(111,594)
Increase in other financial assets	-	(180,145)
Decrease (increase) in other non-current assets	(154,318)	40,124
Interest received	172,454	88,871
Dividends received	<u>136,225</u>	<u>100,951</u>
Net cash used in investing activities	<u>(6,399,581)</u>	<u>(422,337)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	1,101,625	(45,088)
Increase in short-term bills payable	564,722	-
Repayments of long-term borrowings	(118,148)	(122,700)
Increase in other non-current liabilities	6,783	5,109
Cash dividends	(1,853,550)	(1,680,702)
Proceeds from treasury shares transferred to employees	122,977	52,029
Interest paid	(27,922)	(24,322)
Changes in non-controlling interests	-	13,389
Proceeds from unclaimed dividends extinguished by prescription	<u>14</u>	<u>-</u>
Net cash used in financing activities	<u>(203,499)</u>	<u>(1,802,285)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>(61,767)</u>	<u>23,250</u>

(Continued)

E INK HOLDINGS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

	2018	2017
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (4,183,543)	\$ 3,313,900
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>11,878,649</u>	<u>8,564,749</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 7,695,106</u>	<u>\$ 11,878,649</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

E INK HOLDINGS INC.

BALANCE SHEETS DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

ASSETS	2018		2017	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,166,960	3	\$ 639,359	2
Accounts receivable (Notes 4 and 9)	676,905	2	256,077	1
Accounts receivable from related parties (Notes 4 and 24)	3,210,369	9	4,262,113	12
Inventories (Notes 4 and 10)	1,676,864	5	1,913,792	6
Prepayments	114,487	1	101,863	-
Other current assets (Notes 4, 18, 24 and 25)	<u>73,796</u>	-	<u>86,113</u>	-
Total current assets	<u>6,919,381</u>	<u>20</u>	<u>7,259,317</u>	<u>21</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Notes 4 and 7)	1,120,180	3	-	-
Available-for-sale financial assets (Notes 4 and 8)	-	-	1,077,878	3
Investments accounted for using the equity method (Notes 4 and 11)	25,350,261	72	23,992,123	70
Property, plant and equipment (Notes 4 and 12)	1,376,998	4	1,435,385	4
Other intangible assets (Note 4)	254,224	-	209,607	1
Deferred tax assets (Notes 4 and 18)	259,469	1	204,676	1
Other non-current assets (Note 4)	<u>53,888</u>	-	<u>53,218</u>	-
Total non-current assets	<u>28,415,020</u>	<u>80</u>	<u>26,972,887</u>	<u>79</u>
TOTAL	<u>\$ 35,334,401</u>	<u>100</u>	<u>\$ 34,232,204</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 13)	\$ 1,230,000	4	\$ 228,800	1
Short-term bills payable (Note 13)	399,812	1	-	-
Contract liabilities (Notes 4 and 16)	203,605	1	-	-
Notes and accounts payable	1,181,788	3	1,810,318	5
Accounts payable to related parties (Note 24)	3,173,821	9	4,074,739	12
Other payables (Note 21)	588,257	2	604,396	2
Other payables to related parties (Notes 21 and 24)	257,880	1	14,885	-
Current tax liabilities (Notes 4 and 18)	93,272	-	123,943	-
Receipts in advance (Notes 4 and 24)	71,185	-	301,798	1
Other current liabilities	<u>59,674</u>	-	<u>35,776</u>	-
Total current liabilities	<u>7,259,294</u>	<u>21</u>	<u>7,194,655</u>	<u>21</u>
NON-CURRENT LIABILITIES				
Contract liabilities (Notes 4 and 16)	65,806	-	-	-
Net defined benefit liabilities (Notes 4 and 14)	64,818	-	55,892	-
Other non-current liabilities (Notes 4, 18 and 24)	<u>15,838</u>	-	<u>49,159</u>	-
Total non-current liabilities	<u>146,462</u>	-	<u>105,051</u>	-
Total liabilities	<u>7,405,756</u>	<u>21</u>	<u>7,299,706</u>	<u>21</u>
EQUITY (Notes 14, 15 and 20)				
Share capital	<u>11,404,677</u>	<u>32</u>	<u>11,404,677</u>	<u>33</u>
Capital surplus	<u>10,243,293</u>	<u>29</u>	<u>10,108,119</u>	<u>30</u>
Retained earnings				
Legal reserve	1,512,287	4	1,304,481	4
Special reserve	70,678	-	70,678	-
Unappropriated earnings	<u>5,138,085</u>	<u>15</u>	<u>4,246,203</u>	<u>13</u>
Total retained earnings	<u>6,721,050</u>	<u>19</u>	<u>5,621,362</u>	<u>17</u>
Other equity	<u>(255,475)</u>	<u>(1)</u>	<u>106,609</u>	<u>-</u>
Treasury shares	<u>(184,900)</u>	<u>-</u>	<u>(308,269)</u>	<u>(1)</u>
Total equity	<u>27,928,645</u>	<u>79</u>	<u>26,932,498</u>	<u>79</u>
TOTAL	<u>\$ 35,334,401</u>	<u>100</u>	<u>\$ 34,232,204</u>	<u>100</u>

The accompanying notes are an integral part of the financial statements.

E INK HOLDINGS INC.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2018		2017	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 16 and 24)	\$ 12,773,679	100	\$ 13,905,359	100
OPERATING COSTS (Notes 10, 17 and 24)	<u>10,582,105</u>	<u>83</u>	<u>11,256,560</u>	<u>81</u>
GROSS PROFIT	<u>2,191,574</u>	<u>17</u>	<u>2,648,799</u>	<u>19</u>
UNREALIZED LOSS ON TRANSACTIONS WITH SUBSIDIARIES	<u>(1,492)</u>	<u>-</u>	<u>(2,314)</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>2,190,082</u>	<u>17</u>	<u>2,646,485</u>	<u>19</u>
OPERATING EXPENSES (Notes 17 and 24)				
Selling and marketing expenses	381,269	3	264,124	2
General and administrative expenses	757,525	6	759,309	5
Research and development expenses	<u>794,738</u>	<u>6</u>	<u>688,278</u>	<u>5</u>
Total operating expenses	<u>1,933,532</u>	<u>15</u>	<u>1,711,711</u>	<u>12</u>
INCOME FROM OPERATIONS	<u>256,550</u>	<u>2</u>	<u>934,774</u>	<u>7</u>
NON-OPERATING INCOME AND EXPENSES (Note 4)				
Interest income	4,279	-	6,499	-
Royalty income (Note 16)	241,696	2	201,774	2
Dividend income	51,892	-	32,151	-
Other income	42,744	-	45,586	-
Interest expenses (Notes 12 and 24)	(14,688)	-	(9,984)	-
Share of profit of subsidiaries accounted for using the equity method	2,119,710	17	1,006,612	7
Net gain (loss) on disposal of property, plant and equipment	(1,316)	-	42,842	-
Net gain (loss) on foreign currency exchange (Note 27)	56,663	1	(28,301)	-
Impairment loss (Notes 4 and 12)	(86,805)	(1)	-	-
Other expenses	<u>(3,342)</u>	<u>-</u>	<u>-</u>	<u>-</u>

Total non-operating income and expenses	<u>2,410,833</u>	<u>19</u>	<u>1,297,179</u>	<u>9</u>
INCOME BEFORE INCOME TAX	2,667,383	21	2,231,953	16
INCOME TAX EXPENSE (Notes 4 and 18)	<u>(53,710)</u>	<u>-</u>	<u>(153,888)</u>	<u>(1)</u>
NET INCOME FOR THE YEAR	<u>2,613,673</u>	<u>21</u>	<u>2,078,065</u>	<u>15</u>

(Continued)

E INK HOLDINGS INC.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2018		2017	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 14)	\$ (11,060)	-	\$ (6,853)	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	42,302	1	-	-
Share of other comprehensive loss of subsidiaries accounted for using the equity method	(474,417)	(4)	(211)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4 and 18)	<u>4,226</u>	<u>-</u>	<u>1,165</u>	<u>-</u>
	<u>(438,949)</u>	<u>(3)</u>	<u>(5,899)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Unrealized gain on available-for-sale financial assets	-	-	97,714	1
Share of other comprehensive income (loss) of subsidiaries accounted for using the equity method	<u>61,295</u>	<u>-</u>	<u>(479,725)</u>	<u>(4)</u>
	<u>61,295</u>	<u>-</u>	<u>(382,011)</u>	<u>(3)</u>
Other comprehensive loss for the year, net of income tax	<u>(377,654)</u>	<u>(3)</u>	<u>(387,910)</u>	<u>(3)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 2,236,019</u>	<u>18</u>	<u>\$ 1,690,155</u>	<u>12</u>
EARNINGS PER SHARE (Note 19)				
Basic	<u>\$ 2.32</u>		<u>\$ 1.85</u>	
Diluted	<u>\$ 2.31</u>		<u>\$ 1.85</u>	

The accompanying notes are an integral part of the financial statements.

(Concluded)

E INK HOLDINGS INC.

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)**

	Share Capital		Retained Earnings				Other Equity			Treasury Shares	Total
	Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Available-for- sale Financial Assets	Unrealized Gain (Loss) on Financial Assets at FVTOCI		
	BALANCE AT JANUARY 1, 2017	1,140,468	\$ 11,404,677	\$ 10,071,683	\$ 1,113,687	\$ 70,678	\$ 4,301,134	\$ 261,704	\$ 226,916		
Appropriation of 2016 earnings											
Legal reserve	-	-	-	190,794	-	(190,794)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(1,680,702)	-	-	-	-	(1,680,702)
Net income for the year ended December 31, 2017	-	-	-	-	-	2,078,065	-	-	-	-	2,078,065
Other comprehensive income (loss) for the year ended December 31, 2017, net of income tax	-	-	-	-	-	(5,899)	(504,327)	122,316	-	-	(387,910)
Total comprehensive income (loss) for the year ended December 31, 2017	-	-	-	-	-	2,072,166	(504,327)	122,316	-	-	1,690,155
Difference between actual consideration paid and carrying amount of subsidiaries acquired	-	-	(2,223)	-	-	(255,601)	-	-	-	-	(257,824)
Share-based payments	-	-	38,825	-	-	-	-	-	-	-	38,825
Treasury shares transferred to employees	-	-	(166)	-	-	-	-	-	-	52,195	52,029
BALANCE AT DECEMBER 31, 2017	1,140,468	11,404,677	10,108,119	1,304,481	70,678	4,246,203	(242,623)	349,232	-	(308,269)	26,932,498
Effect of retrospective application	-	-	-	-	-	327,468	-	(349,232)	376,899	-	355,135
BALANCE AT JANUARY 1, 2018 AS RESTATED	1,140,468	11,404,677	10,108,119	1,304,481	70,678	4,573,671	(242,623)	-	376,899	(308,269)	27,287,633
Appropriation of 2017 earnings											
Legal reserve	-	-	-	207,806	-	(207,806)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(1,853,550)	-	-	-	-	(1,853,550)
Unclaimed dividends extinguished by prescription	-	-	14	-	-	-	-	-	-	-	14
Net income for the year ended December 31, 2018	-	-	-	-	-	2,613,673	-	-	-	-	2,613,673
Other comprehensive income (loss) for the year ended December 31, 2018, net of income tax	-	-	-	-	-	(6,052)	61,295	-	(432,897)	-	(377,654)
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	-	2,607,621	61,295	-	(432,897)	-	2,236,019
Share-based payments	-	-	135,552	-	-	-	-	-	-	-	135,552
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	18,149	-	-	(18,149)	-	-
Treasury shares transferred to employees	-	-	(392)	-	-	-	-	-	-	123,369	122,977
BALANCE AT DECEMBER 31, 2018	1,140,468	\$ 11,404,677	\$ 10,243,293	\$ 1,512,287	\$ 70,678	\$ 5,138,085	\$ (181,328)	\$ -	\$ (74,147)	\$ (184,900)	\$ 27,928,645

The accompanying notes are an integral part of the financial statements.

E INK HOLDINGS INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,667,383	\$ 2,231,953
Adjustments for		
Depreciation expenses	240,682	240,562
Amortization expenses	39,643	25,735
Expected credit loss recognized on accounts receivable	1,120	-
Interest expenses	14,688	9,984
Interest income	(4,279)	(6,499)
Dividend income	(51,892)	(32,151)
Compensation costs of share-based payments	91,454	20,257
Share of profit of subsidiaries accounted for using the equity method	(2,119,710)	(1,006,612)
Net loss (gain) on disposal of property, plant and equipment	1,316	(42,842)
Net gain on disposal of investments	-	(2,775)
Impairment loss	86,805	-
Write-downs of (reversal of) inventories	217,212	(13,244)
Unrealized loss on transactions with subsidiaries	1,492	2,314
Net unrealized loss (gain) on foreign currency exchange	30,515	(53,660)
Royalty income	(241,696)	(201,774)
Changes in operating assets and liabilities		
Accounts receivable	(423,076)	227,144
Accounts receivable from related parties	1,106,122	(1,097,866)
Inventories	19,716	(984,235)
Prepayments	(102,474)	(13,335)
Other current assets	(12,470)	(10,936)
Contract liabilities	340,470	-
Notes and accounts payable	(638,927)	852,434
Accounts payable to related parties	(969,117)	190,578
Other payables	(46,591)	94,104
Receipts in advance	(90,006)	458,137
Other current liabilities	25,409	8,918
Net defined benefit liabilities	(2,134)	(2,504)
Cash generated from operations	181,655	893,687
Income tax paid	(137,519)	(21,344)
Net cash generated from operating activities	<u>44,136</u>	<u>872,343</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of available-for-sale financial assets	-	(279,998)
Proceeds from disposal of financial assets measured at cost	-	25,080
Acquisition of property, plant and equipment	(176,100)	(131,298)
Proceeds from disposal of property, plant and equipment	72	48,784
Decrease in other receivables from related parties	26,481	52,946
Acquisition of other intangible assets	(67,646)	(34,290)
Increase in other non-current assets	(674)	(977)
Interest received	4,171	6,531

(Continued)

E INK HOLDINGS INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

	2018	2017
Dividends received	<u>\$ 798,083</u>	<u>\$ 613,674</u>
Net cash generated from investing activities	<u>584,387</u>	<u>300,452</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	999,900	230,100
Increase in short-term bills payable	399,812	-
Increase in other payables to related parties	244,802	-
Increase (decrease) in other non-current liabilities	(566)	1,688
Cash dividends	(1,853,550)	(1,680,702)
Proceeds from treasury shares transferred to employees	122,977	52,029
Interest paid	(14,311)	(9,772)
Proceeds from unclaimed dividends extinguished by prescription	<u>14</u>	<u>-</u>
Net cash used in financing activities	<u>(100,922)</u>	<u>(1,406,657)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	527,601	(233,862)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>639,359</u>	<u>873,221</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,166,960</u>	<u>\$ 639,359</u>

The accompanying notes are an integral part of the financial statements.

(Concluded)

Appendix 3

Audit Committee's Review Report

We express our consent on the separate and consolidated financial statements compiled by the Board of Directors covering the year ended on December 31, 2018. These financial statements were audited by Weng Ya-Ling and Shao Chi-Ming, CPAs of Deloitte Taiwan with the issuance of Auditors' Report.

The Board of Directors also presented the 2018 Business Report and Proposal for Distribution of Income of the year for our review. In our opinion, these reports and statements were fairly presented in accordance with applicable legal rules. We present the aforementioned statements and report to the Shareholders Meeting pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

2019 Annual General Meeting of Stockholders Meeting

E INK HOLDINGS INC.

Convener of the Audit Committee: Ten Chung Chen

Date: March 20, 2019

Appendix 4

E INK HOLDINGS INC.

Comparison Table of the Third Share Repurchase and Employee Incentive Plan

Article	After Amendment	Before Amendment	Amendment reason
4	The shares repurchased by the Company can be transferred by installments within <u>five</u> years from the date of buyback in accordance with the Plan.	The shares repurchased by the Company can be transferred by installments within three years from the date of buyback in accordance with the Plan.	Amended in accordance with the provisions of the Securities Exchange Act. °
9	The Company shall transfer all of the repurchased Shares to employees within <u>five</u> years from the last date of actual repurchase period. The Shares that has not been transferred after expiry of the foregoing time limit shall be deemed as not yet been issued and the Company shall register cancellation of such shares accordingly.	The Company shall transfer all of the repurchased Shares to employees within three years from the last date of actual repurchase period. The Shares that has not been transferred after expiry of the foregoing time limit shall be deemed as not yet been issued and the Company shall register cancellation of such shares accordingly.	Amended in accordance with the provisions of the Securities Exchange Act.

Appendix 5

E Ink Holdings Incorporated

Table for the Distribution of Earnings in 2018

Unit: NT\$

Item	Amount	Notes
Earnings undistributed at the period-beginning	2,184,846,587	
The amount affected by retroactive application	327,467,976	
Adjusted undistributed earnings at the period-beginning	2,512,314,563	
Adjusted retained earnings for investment due to the use of the equity approach	18,930,638	
Remeasured amount of confirmed welfare plan listed in the retained earnings	(6,834,021)	
Adjusted undistributed earnings	2,524,411,180	
Net profits in this year	2,613,673,179	
Statutory surplus reserve set aside (10%)	(261,367,318)	
Special surplus reserve set aside according to law	(184,796,348)	
Earnings available for distribution in this period	4,691,920,693	
Items of distribution		
Cash dividends and bonuses for shareholders	2,373,438,302	Distributing a dividend of NT\$2.10 for each share
Earnings undistributed at the period-end	2,318,482,391	

Chairman: Frank Ko President: Johnson Lee CFO: Lloyd Chen Controller: James Huang

Appendix 6

E INK HOLDINGS INC.

Comparison Table of the Draft the Amendment of the "Articles of Association"

Article No.	After amendment	Before amendment	Amendment reason
Article 19	If the Company gains profits in the year, it shall set aside at least 1% of the profits as the remuneration for employees and set aside not more than 1% of the profits as the remuneration for directors. However, if the Company has accumulated loss, certain amount to offset such loss shall be set aside in advance.	If the Company gains profits in the year, it shall set aside at least 1% but not more than 10% of the profits as the remuneration for employees and set aside not more than 1% of the profits as the remuneration for directors. However, if the Company has accumulated loss, certain amount to offset such loss shall be set aside in advance.	Considering the flexibility of corporate governance, and according to the method for determining the ratio of remuneration for employees in Jing-Shang-Tze#10402413890 of the Ministry of Economics Affairs (June 11, 2015), the upper limit for the proportion of remuneration provision shall be deleted.
	Remuneration for directors shall be paid in cash. Remuneration for employees can be paid in cash or stock and such employees include employees of subsidiaries who satisfy certain conditions. The Board of Directors shall be authorized to determine such conditions. The ratio for the payment of remuneration to directors, the way and ratio for the payment of remuneration to employees shall be determined by the Board of Directors with the attendance of more than 2/3 of directors and the consent of more than half of the present directors, and reported to the shareholders' meeting.	Remuneration for directors shall be paid in cash. Remuneration for employees can be paid in cash or stock and such employees include employees of subsidiaries who satisfy certain conditions. The Board of Directors shall be authorized to determine such conditions. The ratio for the payment of remuneration to directors, the way and ratio for the payment of remuneration to employees shall be determined by the Board of Directors with the attendance of more than 2/3 of directors and the consent of more than half of the present directors, and reported to the shareholders' meeting.	

Article No.	After amendment	Before amendment	Amendment reason
	When calculating the remuneration for employees and directors, the accumulated loss shall be deducted first from the profits of the year (i.e., the pre-tax profits before deducting the amount of remuneration for employees and directors).	When calculating the remuneration for employees and directors, the accumulated loss shall be deducted first from the profits of the year (i.e., the pre-tax profits before deducting the amount of remuneration for employees and directors).	
Article 19-2	With the attendance of more than 2/3 of directors in the Board Meeting and the resolution of more than half of the present directors, all or part of the dividends and bonuses to be distributed shall be paid in cash, and the issue shall be reported to the shareholders' meeting.	(This article is newly increased)	To coordinate with the modified Paragraph 5 of Article 240 of the Company Act, the Company shall authorize the Board of Directors in the Articles of Association to distribute in cash all or part of the dividends and bonuses which should be distributed through special resolution, and then report it to the shareholders' meeting. This article is newly added.
Article 21	The Articles of Association was concluded on June 1, 1992. The first amendment was made on December 23, 1993. The second amendment was made on May 31, 1994. The third amendment was made on April 12, 1995. The fourth amendment was made on November 19, 1996 The fifth amendment was made on April 12,	The Articles of Association was concluded on June 1, 1992. The first amendment was made on December 23, 1993. The second amendment was made on May 31, 1994. The third amendment was made on April 12, 1995. The fourth amendment was made on November 19, 1996 The fifth amendment was made on April 12, 1997 The sixth amendment was made on June 2, 1998 The seventh amendment was made on July 28, 1999	

Article No.	After amendment	Before amendment	Amendment reason
	<p>1997</p> <p>The sixth amendment was made on June 2, 1998</p> <p>The seventh amendment was made on July 28, 1999</p> <p>The eighth amendment was made on May 12, 2000</p> <p>The ninth amendment was made on November 2, 2001</p> <p>The tenth amendment was made on June 20, 2002</p> <p>The eleventh amendment was made on June 24, 2003</p> <p>The twelfth amendment was made on June 21, 2004</p> <p>The thirteenth amendment was made on June 30, 2006</p> <p>The fourteenth amendment was made on June 15, 2007</p> <p>The fifteenth amendment was made on June 19, 2009</p> <p>The sixteenth amendment was made on November 18, 2009</p> <p>The seventeenth amendment was made on June 18, 2010</p> <p>The eighteenth amendment was made on June 24, 2011</p> <p>The nineteenth amendment was made on June 18, 2012</p>	<p>The eighth amendment was made on May 12, 2000</p> <p>The ninth amendment was made on November 2, 2001</p> <p>The tenth amendment was made on June 20, 2002</p> <p>The eleventh amendment was made on June 24, 2003</p> <p>The twelfth amendment was made on June 21, 2004</p> <p>The thirteenth amendment was made on June 30, 2006</p> <p>The fourteenth amendment was made on June 15, 2007</p> <p>The fifteenth amendment was made on June 19, 2009</p> <p>The sixteenth amendment was made on November 18, 2009</p> <p>The seventeenth amendment was made on June 18, 2010</p> <p>The eighteenth amendment was made on June 24, 2011</p> <p>The nineteenth amendment was made on June 18, 2012</p> <p>The twentieth amendment was made on May 3, 2013</p> <p>The twenty first amendment was made on June 18, 2014</p> <p>The twenty second amendment was made on June 9, 2015</p> <p>The twenty third amendment was made on June 22, 2016</p>	

Article No.	After amendment	Before amendment	Amendment reason
	<p>The twentieth amendment was made on May 3, 2013</p> <p>The twenty first amendment was made on June 18, 2014</p> <p>The twenty second amendment was made on June 9, 2015</p> <p>The twenty third amendment was made on June 22, 2016</p> <p>The twenty fourth amendment was made on June 18, 2019</p>		

Appendix 7

E INK Holdings Inc.

Comparison Table of the Draft Amendment to Procedures for Acquisition or Disposition of Assets

Article No.	Article No.	Before amendment	Amendment reason
Article 3	<p>The Handling Procedures are applicable to the following assets:</p> <ol style="list-style-type: none"> 1. Stocks, government bonds, corporate bonds, financial bonds, negotiable securities representing bonds, depository receipt, call (put) warrants, beneficial securities, asset backed securities and other investment. 2. Immovables (including land, house and building, investment properties, inventory of the construction industry) and equipment. 3. Membership card. 4. Patent right, copyright, franchise and other intangible assets. <u>5. Right-of-use asset.</u> 6. Creditor's rights of financial institutions (including receivables, loans and bills purchased and discounted, and overdue receivables). 7. Derivatives. 8. Assets acquired or disposed through mergers or consolidations, splits, acquisitions, or assignment of shares in accordance with acts of law. 	<p>The Handling Procedures are applicable to the following assets:</p> <ol style="list-style-type: none"> 1. Stocks, government bonds, corporate bonds, financial bonds, negotiable securities representing bonds, depository receipt, call (put) warrants, beneficial securities, asset backed securities and other investment. 2. Immovables (including land, house and building, investment properties, inventory of the construction industry) and equipment. 3. Membership card. 4. Patent right, copyright, franchise and other intangible assets. 5. Creditor's rights of financial institutions (including receivables, loans and bills purchased and discounted, and overdue receivables). 6. Derivatives. 7. Assets acquired or disposed through mergers or consolidations, splits, acquisitions, or assignment of shares in accordance with acts of law. 8. Other major assets. 	<ol style="list-style-type: none"> 1. To coordinate with the revision of clauses of the Handling Procedures of Public Stock Companies for the Acquisition or Disposal of Assets. 2. To change the articles.

Article No.	Article No.	Before amendment	Amendment reason
	9. Other major assets.		
Article 4	<p>Definitions</p> <p>1. Derivatives: refer to forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts, and compound contracts combining the above products, or compound contracts with embedded derivatives or structured products, whose value is derived from specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable. The term forward contracts does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.</p> <p>2. Assets acquired or disposed through mergers, splits, acquisitions, or assignment of shares in accordance with acts of law:</p> <p>Refer to assets acquired or disposed through mergers, splits, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to acquisitions of shares of another company through issuance of new shares of its own as the consideration therefor (hereinafter referred to as "acquisition of shares") under Article 156-3 of the Company</p>	<p>Definitions</p> <p>1. Derivatives: refer to forward contracts, options contracts, futures contracts, leverage contracts, and swap contracts, and compound contracts combining the above products, whose value is derived from assets, interest rate, foreign exchange rate, indexes or other interests. The term forward contracts does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreements.</p> <p>2. Assets acquired or disposed through mergers, splits, acquisitions, or assignment of shares in accordance with acts of law:</p> <p>Refer to assets acquired or disposed through mergers, splits, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to acquisitions of shares of another company through issuance of new shares of its own as the consideration therefor (hereinafter referred to as "acquisition of shares") under Article 156-8 of the Company Act.</p> <p>3. Related parties, subsidiaries: shall be identified according to the provisions of</p>	<p>1. To coordinate with the revision of articles of the "Company Act".</p> <p>2. To coordinate with the definition of financial instruments in IFRS No.9 and clarify the scope of derivatives.</p>

Article No.	Article No.	Before amendment	Amendment reason
	<p>Act.</p> <p>3. Related parties, subsidiaries: shall be identified according to the provisions of the Guidelines for Preparation of Financial Reports by Securities Issuers.</p> <p>4. Professional appraiser: refers to a real property appraiser or other person duly authorized by an act of law to engage in the value appraisal of real property or other fixed assets.</p> <p>5. Date of occurrence: refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the Competent Authority is required, the earlier of the above date or the date of receipt of approval by the Competent Authority shall apply.</p> <p>6. Mainland area investment: refers to investment in Mainland China conducted according to the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area formulated by the Ministry of Economic Affairs Investment Commission.</p> <p>7. Place of business of securities firms: place of business of domestic securities firms, refers to the place that securities firms specially provide counters for transactions according to Regulations Governing Trading of</p>	<p>the Guidelines for Preparation of Financial Reports by Securities Issuers.</p> <p>4. Professional appraiser: refers to a real property appraiser or other person duly authorized by an act of law to engage in the value appraisal of real property or other fixed assets.</p> <p>5. Date of occurrence: refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the Competent Authority is required, the earlier of the above date or the date of receipt of approval by the Competent Authority shall apply.</p> <p>6. Mainland area investment: refers to investment in Mainland China conducted according to the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area formulated by the Ministry of Economic Affairs Investment Commission.</p> <p>7. Total assets: refers to the calculated amount of total assets in the individual or separate financial reports of the latest period prepared according to the Criteria</p>	

Article No.	Article No.	Before amendment	Amendment reason
	<p>Securities on the Over-the-Counter Market; place of business of overseas securities firms, refers to the place of business of financial institutions administrated by overseas securities regulatory authorities and running the securities business._</p> <p>8. Total assets: refers to the calculated amount of total assets in the individual or separate financial reports of the latest period prepared according to the Criteria Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>9. Paid-in capital: refers to that, for companies whose shares have no par value or the par value of each share is not NT\$10, 20% of the paid-in capital shall be calculated according to 10% of the equity attributable to the owner of the parent company.</p> <p>10. All members of the Audit Committee and all directors: refers to the incumbents of such posts.</p>	<p>Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>8. Paid-in capital: refers to that, for companies whose shares have no par value or the par value of each share is not NT\$10, 20% of the paid-in capital shall be calculated according to 10% of the equity attributable to the owner of the parent company.</p> <p>9. All members of the Audit Committee and all directors: refers to the incumbents of such posts.</p>	
Article 5	<p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant’s opinions, attorney’s opinions, or underwriter’s opinions shall satisfy the following provisions:</p> <p><u>1. Never being sentenced to imprisonment for one year or more due to the violation of this Act, the Company Act, the</u></p>	<p><u>Exclusion of related parties</u></p> <p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant’s opinions, attorney’s opinions, or underwriter’s opinions shall not be a related party of any party to the transaction</p>	To coordinate with the revision of clauses of the Handling Procedures of Public Stock Companies for the Acquisition or Disposal of Assets.

Article No.	Article No.	Before amendment	Amendment reason
	<p><u>Banking Act, the Insurance Act, the Financial Holding Company Act, the Commercial Accounting Act, or the act of fraud, breach of trust, misappropriation, forgery of documents or professional crime. However, those with sentence implemented, probation expired or pardon for more than 3 years shall be excluded.</u></p> <p><u>2. Not being a related party of any party to the transaction or having a substantially related party.</u></p> <p><u>3. If the Company needs the appraisal reports issued by more than 2 professional appraisers, different professional appraisers or their officers shall not be a related party of each other or have a substantially related party.</u></p> <p><u>When issuing the appraisal reports or opinions, the aforesaid personnel shall abide by the following:</u></p> <p><u>1. They shall prudently assess their own professional abilities, practical experience and independence before accepting cases.</u></p> <p><u>2. When auditing cases, they shall have good planning and implement proper operating process, so as to form conclusions and issue reports or opinions on the basis; and carefully record the implemented procedures, collected materials and conclusion in the work draft of such cases.</u></p>		

Article No.	Article No.	Before amendment	Amendment reason
	<p><u>3. As to the source, parameters and information of the materials used, the completeness, accuracy and reasonableness shall be assessed item by item, so that they can be the basis for issuing appraisal reports or opinions.</u></p> <p><u>4. Statement shall include that relevant personnel are professional and independent and they have assessed the reasonableness and accuracy of information used and followed relevant laws and regulations.</u></p>		
Article 6 Paragraph 1	The total amount of immovables and equipment for non-operating use and their right-of-use assets shall not exceed the equity of the Company's shareholders.	The total amount of immovables for non-operating use shall not exceed the equity of the Company's shareholders.	To coordinate with the revision of clauses of the Handling Procedures of Public Stock Companies for the Acquisition or Disposal of Assets.
Article 6 Paragraph 5	The total amount of investment in China Mainland shall not exceed the limit specified by relevant competent authorities for investment in China Mainland. The limit for the subsidiaries of the Company to purchase immovables for non-operating use and their right-of-use assets or negotiable securities or invest in specific negotiable securities is the same with that for the parent company.	The total amount of investment in China Mainland shall not exceed the limit specified by relevant competent authorities for investment in China Mainland. The limit for the subsidiaries of the Company to purchase immovables for non-operating use or negotiable securities or invest in specific negotiable securities is the same with that for the parent company.	To coordinate with the revision of clauses of the Handling Procedures of Public Stock Companies for the Acquisition or Disposal of Assets.
Article 9	For the acquisition or disposal of immovables, equipment or their right-of-use assets, except that the Company trades with domestic government agencies,	For the acquisition or disposal of immovables or the equipment transaction amount shall reach the declaration standard. Except	To coordinate with the revision of clauses of the Handling Procedures of

Article No.	Article No.	Before amendment	Amendment reason
	<p>establishes on the Company's own land or has them established by others on the leased land, or acquires or disposes of equipment or their right-of-use assets for operating use, when the transaction amount reaches 20% of the Company's paid-in capital or is more than NT\$300 million, appraisal report issued by a professional appraiser before the date of occurrence shall be acquired and the following conditions shall be satisfied:</p> <ol style="list-style-type: none"> 1. If pegged price, specific price or special price shall be taken as the reference of transaction price due to special reasons, such transaction shall be submitted to the Board Meeting for resolution; if the conditions have any change later, it shall also be submitted to the Board Meeting for resolution. 2. When the transaction amount is over NT\$1 billion, more than 2 professional appraisers shall be invited for the appraisal. 3. If the appraisal result provided by the professional appraiser has any of the following circumstances, except that the appraisal results of the acquired assets are all higher than the transaction amount, or the appraisal results of the disposed assets are all lower than the transaction amount, accountant shall be invited to handle that according to the Statement of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation of the 	<p>that the Company trades with domestic government agencies, establishes on the Company's own land or has them established by others on the leased land, or acquires or disposes of machinery equipment, when the transaction amount reaches 20% of the Company's paid-in capital or is more than NT\$300 million, appraisal report issued by a professional appraiser before the date of occurrence shall be acquired and the following conditions shall be satisfied:</p> <ol style="list-style-type: none"> 1. If pegged price, specific price or special price shall be taken as the reference of transaction price due to special reasons, such transaction shall be submitted to the Board Meeting for resolution; if the conditions have any change later, it shall also be handled according to the aforesaid procedures. 2. When the transaction amount is over NT\$1 billion, more than 2 professional appraisers shall be invited for the appraisal. 3. If the appraisal result provided by the professional appraiser has any of the following circumstances, except that the appraisal results of the acquired assets are all higher than the transaction amount, or the appraisal results of the disposed assets are all lower than the transaction amount, 	<p>Public Stock Companies for the Acquisition or Disposal of Assets.</p>

Article No.	Article No.	Before amendment	Amendment reason
	<p>Republic of China (hereinafter referred to as the "Accounting Research and Development Foundation"), and give concrete opinions on the reason of the difference and the fairness of the transaction price:</p> <p>(1) The difference between the appraisal result and the transaction amount is more than 20% of the transaction amount.</p> <p>(2) The difference between the appraisal results provided by more than 2 professional appraisals and the transaction amount is more than 10% of the transaction amount.</p> <p>4. The difference between the date of the reports issued by professional appraisers and the signing date of the contract shall not be more than 3 months. However, if the announced current value of the same period is applicable and it does not exceed 6 months, opinions shall be issued by the previous professional appraiser.</p>	<p>accountant shall be invited to handle that according to the Statement of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation of the Republic of China (hereinafter referred to as the "Accounting Research and Development Foundation"), and give concrete opinions on the reason of the difference and the fairness of the transaction price:</p> <p>(1) The difference between the appraisal result and the transaction amount is more than 20% of the transaction amount.</p> <p>(2) The difference between the appraisal results provided by more than 2 professional appraisals and the transaction amount is more than 10% of the transaction amount.</p> <p>4. The difference between the date of the reports issued by professional appraisers and the signing date of the contract shall not be more than 3 months. However, if the announced current value of the same period is applicable and it does not exceed 6 months, opinions shall be issued by the previous professional appraiser.</p>	
Article10 Item 2	When the Company acquires or disposes of immovables or their right-of-use assets from a related party, or acquires or disposes of any other assets other than the immovables or their right-of-use assets with a related party, and	When the Company acquires or disposes of immovables from a related party, or acquires or disposes of any other assets other than the immovables with a related party, and the transaction	To coordinate with the revision of clauses of the Handling Procedures of Public Stock Companies for the

Article No.	Article No.	Before amendment	Amendment reason
	<p>the transaction amount reaches 20% of the Company's paid-in capital, 20% of the total assets or NT\$300 million or more, except that it trades Taiwan's public debt, bonds subject to buyback or resale conditions, and purchases or buys back money market funds issued by Taiwan Securities Investment Trust Enterprise, the following documents shall be approved by more than half of the members of the Audit Committee, and submitted to the Board Meeting for resolution. Then, the transaction contract can be signed and payment can be made. If without the consent of more than half of the members of the Audit Committee, consent shall be gained from more than 2/3 of all the directors and the resolution of the Audit Committee shall be recorded on the minutes of the Board Meeting:</p> <p>(1) The purpose, necessity and estimated benefit of the acquired or disposed assets.</p> <p>(2) The reason why the related party is chosen as the transaction counterparty.</p> <p>(3) Relevant documents related to the assessment of the reasonableness of the estimated transaction conditions according to Article 10-3 and 10-6 when acquiring immovables or their right-of-use assets from the related party.</p> <p>(4) The previous acquisition date and price of the related party, the transaction counterparty and</p>	<p>amount reaches 20% of the Company's paid-in capital, 10% of the total assets or NT\$300 million or more, except that it trades Taiwan's public debt, bonds subject to buyback or resale conditions, and purchases or buys back money market funds issued by Taiwan Securities Investment Trust Enterprise, the following documents shall be approved by more than half of the members of the Audit Committee, and submitted to the Board Meeting for resolution. Then, the transaction contract can be signed and payment can be made. If without the consent of more than half of the members of the Audit Committee, consent shall be gained from more than 2/3 of all the directors and the resolution of the Audit Committee shall be recorded on the minutes of the Board Meeting:</p> <p>(1) The purpose, necessity and estimated benefit of the acquired or disposed assets.</p> <p>(2) The reason why the related party is chosen as the transaction counterparty.</p> <p>(3) Relevant documents related to the assessment of the reasonableness of the estimated transaction conditions according to Article 10-3 and 10-6 when acquiring immovables from the related party.</p> <p>(4) The previous acquisition</p>	<p>Acquisition or Disposal of Assets.</p>

Article No.	Article No.	Before amendment	Amendment reason
	<p>the relationship between the Company and the related party, and other matters.</p> <p>(5) Estimated table of cash deposit and withdrawal for each month of the next year started from the estimated month of contract signing, and the assessment of the transaction's necessity and the reasonableness of the fund employment.</p> <p>(6) The appraisal reports issued by professional appraisers which are acquired according to the article above, or the opinions of accountants.</p> <p>(7) The restricted conditions of this transaction and other important agreements.</p> <p>The calculation of the aforesaid transaction amount shall be according to Article 14-2 and the one-year period referred to in the preceding paragraph shall be based on the date of occurrence of this transaction facts and shall be reckoned retroactively for one year, and the part agreed by the more than half of the members of Audit Committee and approved by the Board Meeting according to these Procedures does not need to be calculated.</p> <p>If the Company and its subsidiaries, or subsidiaries with 100% issued shares or total capital directly or indirectly held by the Company have the following transactions, the Board of Directors shall authorize the chairman to make resolution first within the amount of NT\$500</p>	<p>date and price of the related party, the transaction counterparty and the relationship between the Company and the related party, and other matters.</p> <p>(5) Estimated table of cash deposit and withdrawal for each month of the next year started from the estimated month of contract signing, and the assessment of the transaction's necessity and the reasonableness of the fund employment.</p> <p>(6) The appraisal reports issued by professional appraisers which are acquired according to the article above, or the opinions of accountants.</p> <p>(7) The restricted conditions of this transaction and other important agreements.</p> <p>The calculation of the aforesaid transaction amount shall be according to Article 14-2 and the one-year period referred to in the preceding paragraph shall be based on the date of occurrence of this transaction facts and shall be reckoned retroactively for one year, and the part agreed by the Audit Committee and approved by the Board Meeting according to these Procedures does not need to be calculated.</p> <p>If the Company and its parent company or subsidiaries acquire or dispose of the equipment or its right-of-use assets for operating use, the</p>	

Article No.	Article No.	Before amendment	Amendment reason
	<p>million, which shall be submitted to and recognized by the latest Board Meeting.</p> <p><u>(1) Acquiring or disposing of the equipment or its right-of-use assets for operating use.</u></p> <p><u>(2) Acquiring or disposing of immovables' right-of-use assets for operating use.</u></p> <p>If independent directors are arranged, when the transaction is submitted to the Board Meeting for discussion according to Item 1, the opinions of independent directors shall be fully considered. If independent directors have any objection or retained opinion, such opinion shall be recorded on the minutes of the Board Meeting.</p>	<p>Board of Directors shall authorize the chairman to make resolution first within the amount of NT\$500 million, which shall be submitted to and recognized by the latest Board Meeting.</p> <p>If independent directors are arranged according to the Act, when the transaction is submitted to the Board Meeting for discussion according to Item 1, the opinions of independent directors shall be fully considered. If independent directors have any objection or retained opinion, such opinion shall be recorded on the minutes of the Board Meeting.</p>	
Article 10 Item 3	<p>When acquiring immovables or their right-of-use assets from related parties, the following methods shall be followed to assess the reasonableness of the transaction cost (when jointly purchasing or leasing the land and house of same subject matter, one of the following method shall be respectively adopted to assess the transaction cost for the land and house):</p> <p>(1) It shall be calculated according to the price of the related party transaction plus necessary, fund interest and the cost to be borne by the buyer according to law. The necessary fund interest cost shall be calculated according to the weighted average interest rate for the loan borrowed by the</p>	<p>When acquiring immovables from related parties, the following methods shall be followed to assess the reasonableness of the transaction cost (when jointly purchasing the land and house of same subject matter, one of the following method shall be respectively adopted to assess the transaction cost for the land and house):</p> <p>(1) It shall be calculated according to the price of the related party transaction plus necessary, fund interest and the cost to be borne by the buyer according to law. The necessary fund interest cost shall be calculated according to the weighted average interest rate for the loan borrowed by the Company in</p>	To coordinate with the revision of clauses of the Handling Procedures of Public Stock Companies for the Acquisition or Disposal of Assets.

Article No.	Article No.	Before amendment	Amendment reason
	<p>Company in the year the assets are acquired by the Company, but it shall not be higher than the highest lending rate for non-financial industry issued by the Ministry of Finance.</p> <p>(2) If the related party has mortgaged the subject matter to get loans from any financial institution, the appraised total value of the subject matter for loans provided by the financial institution shall be adopted. However, the accumulated amount of loans released by the financial institution through such subject matter shall reach 70% of the appraised total value of the subject matter for loans and the period of lending have been more than 1 year. It's not applicable to the circumstance that the financial institution is a related party of any party of the transaction.</p>	<p>the year the assets are acquired by the Company, but it shall not be higher than the highest lending rate for non-financial industry issued by the Ministry of Finance.</p> <p>(2) If the related party has mortgaged the subject matter to get loans from any financial institution, the appraised total value of the subject matter for loans provided by the financial institution shall be adopted. However, the accumulated amount of loans released by the financial institution through such subject matter shall reach 70% of the appraised total value of the subject matter for loans and the period of lending have been more than 1 year. It's not applicable to the circumstance that the financial institution is a related party of any party of the transaction.</p>	
Article 10 Item 4	When acquiring immovables or their right-of-use assets from a related party, besides that the cost of such immovables or their right-of-use assets shall be appraised according to the aforesaid provisions, accountant shall also be invited to review that and issue concrete opinions.	When acquiring immovables from a related party, besides that the cost of such immovables shall be appraised according to the aforesaid provisions, accountant shall also be invited to review that and issue concrete opinions.	To coordinate with the revision of clauses of the Handling Procedures of Public Stock Companies for the Acquisition or Disposal of Assets.
Article 10 Item 5	When acquiring immovables or their right-of-use assets from a related party, and there is any of the following circumstances, Item 1 and 2 are not applicable, but procedures shall still be handled according to Item 2: (1) The related party acquires the	When acquiring immovables from a related party, and there is any of the following circumstances, Item 1 and 2 are not applicable, but procedures shall still be handled according to Item 2: (1) The related party acquires	To coordinate with the revision of clauses of the Handling Procedures of Public Stock Companies for the Acquisition or

Article No.	Article No.	Before amendment	Amendment reason
	<p>immovables or their right-of-use assets by inheritance or gift.</p> <p>(2) The time when the related party signed the contract to acquire the immovables or their right-of-use assets is more than 5 years ago when this contract is signed.</p> <p>(3) The immovables are acquired by signing joint construction contract with a related party, or entrusting a related party to construct the immovables on the Company's own land or leased land.</p> <p><u>(4) The Company and its subsidiaries, or subsidiaries with 100% issued shares or total capital directly or indirectly held by the Company acquire the right-of-use assets of immovables for operating use.</u></p>	<p>the immovables by inheritance or gift.</p> <p>(2) The time when the related party signed the contract to acquire the immovables is more than 5 years ago when this contract is signed.</p> <p>(3) The immovables are acquired by signing joint construction contract with a related party, or entrusting a related party to construct the immovables on the Company's own land or leased land.</p>	Disposal of Assets.
Article 10 Item 6	<p>When acquiring immovables or their right-of-use assets from a related party, if the appraisals results conducted according to Item 3 of this Article are all lower than the transaction price, it shall be handled according to Item 7. However, the following circumstances with objective evidences and the provision of concrete and reasonable opinions issued by professional real estate appraisers and accountants are not limited:</p> <p>(1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions::</p> <p>1. Where the undeveloped land</p>	<p>When acquiring immovables from a related party, if the appraisals results conducted according to Item 3 of this Article are all lower than the transaction price, it shall be handled according to Item 7. However, the following circumstances with objective evidences and the provision of concrete and reasonable opinions issued by professional real estate appraisers and accountants are not limited:</p> <p>(1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions::</p>	To coordinate with the revision of clauses of the Handling Procedures of Public Stock Companies for the Acquisition or Disposal of Assets.

Article No.	Article No.	Before amendment	Amendment reason
	<p>is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The said reasonable construction profit shall be the average operating gross profit ratio of the construction department of the related party within the last 3 years or the most recent gross profit ratio of the construction industry published by the Ministry of Finance, whichever lower.</p> <p>2. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market practices.</p> <p>(2) Where the Company acquiring immovables from a related party or acquiring the right-of-use assets of immovables through leasing provides evidence that the terms of the transaction are similar to the terms of transactions completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>(3) (1), (2) Completed</p>	<p>1. Where the undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The said reasonable construction profit shall be the average operating gross profit ratio of the construction department of the related party within the last 3 years or the most recent gross profit ratio of the construction industry published by the Ministry of Finance, whichever lower.</p> <p>2. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market practices.</p> <p><u>3. Completed transactions by unrelated parties within the preceding year involving other floors of the same property, where transaction terms are similar after calculation of reasonable price discrepancies in floor prices in accordance with property leasing practices.</u></p> <p>(2) Where the Company</p>	

Article No.	Article No.	Before amendment	Amendment reason
	<p>transactions for neighboring or closely valued parcels of land in the paragraph (1) and (2) in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; the term similar area means that in the case of transaction of non-related party, the area is not less than 50% of the property in question; within one year as mentioned above refers to the year preceding the base date of occurrence of the current transaction.</p>	<p>acquiring immovables from a related party that the terms of the transaction are similar to the terms of transactions completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>(3) (1), (2) Completed transactions for neighboring or closely valued parcels of land in the paragraph (1) and (2) in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; the term similar area means that in the case of transaction of non-related party, the area is not less than 50% of the property in question; within one year as mentioned above refers to the year preceding the base date of occurrence of the current transaction.</p>	
<p>Article 10 Item 7</p>	<p>Where the Company acquires immovables from a related party and the results of appraisals conducted in accordance with the provisions of Item 3-6 of this Article are uniformly lower than the transaction price, the following shall be done:</p> <p>(1) The difference between the transaction price and the appraised costs of the immovables and their right-of-use assets shall be allocated as special reserve in</p>	<p>Where the Company acquires immovables from a related party and the results of appraisals conducted in accordance with the provisions of Item 3-6 of this Article are uniformly lower than the transaction price, the following shall be done:</p> <p>(1) The difference between the transaction price and the appraised costs of the immovables shall be allocated as special reserve in</p>	<p>1. To coordinate with the revision of clauses of the Handling Procedures of Public Stock Companies for the Acquisition or Disposal of Assets.</p> <p>2. To consider the character revision.</p>

Article No.	Article No.	Before amendment	Amendment reason
	<p>accordance with the provisions of Article 41, paragraph 1 of the Act and distribution of dividend or capital increase converted from earnings shall not be allowed. If an investor that has investment in the Company carried on the equity method is also a public stock company, it shall also list as special reserve under Article 41, paragraph 1 of the Act its share of the allocated portion in proportion to its shareholding. A public stock company that has allocated special reserve under the preceding paragraph may not utilize such special reserve until it has recognized loss due to price decline for the assets it purchased at a premium, or they have been disposed of, or adequate compensation has been made, or the original condition has been restored, or there is other evidence confirming that it is not unreasonable to do so, and the Financial Supervisory Commission has agreed.</p>	<p>accordance with the provisions of Article 41, paragraph 1 of the Act and distribution of dividend or capital increase converted from earnings shall not be allowed. If an investor that has investment in the Company carried on the equity method is also a public stock company, it shall also list as special reserve under Article 41, paragraph 1 of the Act its share of the allocated portion in proportion to its shareholding. A public stock company that has allocated special reserve under the preceding paragraph may not utilize such special reserve until it has recognized loss due to price decline for the assets it purchased at a premium, or they have been disposed of, or adequate compensation has been made, or the original condition has been restored, or there is other evidence confirming that it is not unreasonable to do so, and the Financial Supervisory Commission has agreed.</p> <p>(2) Independent director members of the Audit Committee shall follow Article 218 of the Company Act.</p> <p>(3) The circumstances of handling under paragraph (1) and paragraph (2) shall be reported to the shareholders' meeting and the detailed content of the transaction shall be disclosed in the annual report and public</p>	

Article No.	Article No.	Before amendment	Amendment reason
		prospectus. (4) If there is other evidence indicating that the transaction is in any way inconsistent with regular business practices, the provisions of the preceding two paragraphs shall be followed.	
Article 11 Item 2	When the transaction amount for acquiring or disposing of the membership certificate or its right-of-use assets or intangible assets reaches 20% of the Company's paid-in capital or more than NT\$300 million, except that such transaction is made with domestic government agencies, the Company shall invite accountants to give opinions on the reasonableness of the transaction price before the date of occurrence and the accountants shall handle that according to provisions of Statement of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation.	When the transaction amount for acquiring or disposing of the membership certificate or intangible assets reaches 20% of the Company's paid-in capital or more than NT\$300 million, except that such transaction is made with government agencies, the Company shall invite accountants to give opinions on the reasonableness of the transaction price before the date of occurrence and the accountants shall handle that according to provisions of Statement of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation.	To coordinate with the revision of clauses of the Handling Procedures of Public Stock Companies for the Acquisition or Disposal of Assets.
Article 12 Item 8 Paragraph 3 Subparagraph 5	For the transaction of derivatives, the Company shall authorize relevant personnel to handle that according to the Handling Procedures for the Acquisition and Disposal of Assets. After that, the transaction shall be reported to the Board of Directors in the latest board meeting.	For the transaction of derivatives, the Company shall authorize relevant personnel to handle that according to the Handling Procedures for the Acquisition and Disposal of Assets. After that, the transaction shall be reported to the Board of Directors in the latest board meeting.	To coordinate with the revision of clauses of the Handling Procedures of Public Stock Companies for the Acquisition or Disposal of Assets.
Article 14 Item1 Paragraph 1	Acquiring or disposing of real estate or its right-of-use assets from the related party, or any other assets other than the real estate or its right-of-use assets	Acquiring or disposing of real estate from the related party, or any other assets other than the real estate acquired or disposed of with the related	To coordinate with the revision of clauses of the Handling Procedures of

Article No.	Article No.	Before amendment	Amendment reason
	acquired or disposed of with the related party, and the transaction amount amounts to 20% of the Company's paid-in capital, 10% of the total assets or NT\$300 million or more, provided, however, that it purchases or sells internal public debt, bonds subject to buyback or resale conditions, and purchases or buys back money market funds issued by domestic Securities Investment Trust Enterprise, which are not subject to the limits.	party, and the transaction amount amounts to 20% of the Company's paid-in capital, 10% of the total assets or NT\$300 million or more, provided, however, that it purchases or sells internal public debt, bonds subject to buyback or resale conditions, and purchases or buys back money market funds issued by domestic Securities Investment Trust Enterprise, which are not subject to the limits.	Public Stock Companies for the Acquisition or Disposal of Assets.
Article 14 Item 1 Paragraph 3	The trading losses of equity derivatives reach the maximum amount of all or individual contract losses specified in the handling procedures.	The trading losses of equity derivatives reach the maximum amount of all or individual contract losses specified in the handling procedures.	To coordinate with the revision of clauses of the Handling Procedures of Public Stock Companies for the Acquisition or Disposal of Assets.
Article 14 Item 1 Paragraph 4	Acquiring or disposing of the equipment or its right-of-use assets for business use, and the transaction object is not a related party, and the transaction amount shall reach one of the following provisions: 1. The transaction amount is over NT\$1 billion. 2. To acquire real estate by means of land commission, land rental commission, co-construction sub-housing, co-construction sharing and co-construction sub-sale, the Company is expected to invest more than NT\$500 million of transaction amounts.	Acquiring or disposing of the equipment or its right-of-use assets for business use, and the transaction object is not a related party, and the transaction amount shall reach one of the following provisions: 2. To acquire real estate by means of land commission, land rental commission, co-construction sub-housing, co-construction sharing and co-construction sub-sale, the Company is expected to invest more than NT\$500 million of transaction amounts.	To coordinate with the revision of clauses of the Handling Procedures of Public Stock Companies for the Acquisition or Disposal of Assets.

Article No.	Article No.	Before amendment	Amendment reason
Article 14 Item 1 Paragraph 5 Subparagraph 1	Buying and selling of internal public debt.	Buying and selling of public debt.	To coordinate with the revision of clauses of the Handling Procedures of Public Stock Companies for the Acquisition or Disposal of Assets.
Article 14 Item 2 Paragraph 3	The amount of the real estate of the same development plan or its right-of-use assets accumulated to acquire or disposed of (acquisition and disposal are respectively accumulated) within one year.	The accumulated amount of the same development plan assets acquired or disposed of within one year (acquisition and disposition accumulated respectively).	To coordinate with the revision of clauses of the Handling Procedures of Public Stock Companies for the Acquisition or Disposal of Assets.

Appendix 8

E INK HOLDINGS INC.

Comparison Table of the Draft Amendment of "Operating Procedures for Monetary Loan, Endorsement, or Provision of Guarantee"

Article No.	Article No.	Before amendment	Amendment reason
Article 3	<p>The funds of this Company shall not be loaned to shareholder or any others, unless:</p> <ol style="list-style-type: none"> 1. They are companies or businesses that have business relationship with the Company. What is more, there are no dishonored bills, bank refused to exchange and other bad records. 2. They are companies or businesses necessary for short-term financing. <p>The amount of individual financing shall not exceed the amount of business contact between the both parties, and the total amount of monetary loan shall not exceed 40% of the net value of this Company. What it calls short-term refers to the period of one year or one operating cycle, whichever is the longer. What it calls financing amount refers to the cumulative balances of this Company's short-term financing funds. What it calls the necessity of short-term financing refers to the following circumstances:</p> <ol style="list-style-type: none"> (1) A subsidiary in which the Company holds more than 50% of the shares directly or indirectly with the demand for short-term financing because of business needs. (2) Other companies or businesses with 	<p>The funds of this Company shall not be loaned to shareholder or any others, unless:</p> <ol style="list-style-type: none"> 1. They are companies or businesses that have business relationship with the Company. What is more, there are no dishonored bills, bank refused to exchange and other bad records. 2. They are companies or businesses necessary for short-term financing. <p>The amount of individual financing shall not exceed the amount of business contact between the both parties, and the total amount of monetary loan shall not exceed 40% of the net value of this Company. What it calls short-term refers to the period of one year or one operating cycle, whichever is the longer. What it calls financing amount refers to the cumulative balances of this Company's short-term financing funds. What it calls the necessity of short-term financing refers to the following circumstances:</p> <ol style="list-style-type: none"> (1) A subsidiary in which the Company holds more than 50% of the shares directly or indirectly with the demand for short-term financing because of business needs. 	To coordinate with the revision of Article 4 of these Procedures

Article No.	Article No.	Before amendment	Amendment reason
	<p>the demand for short-term financing because of material purchase or operating turnover.</p> <p>(3) Other monetary loans approved by the Board of Directors of this Company.</p>	<p>(2) Other companies or businesses with the demand for short-term financing because of material purchase or operating turnover.</p> <p>(3) Other monetary loans approved by the Board of Directors of this Company.</p> <p><u>Monetary loans between this Company and foreign subsidiaries in which it directly and indirectly holds 100% of the voting shares are not subject to the restrictions of the second item of this Article, provided that the total amount of monetary loans shall not exceed 40% of the net value of this Company, and individual loans and amounts shall not exceed 40% of the net value of this Company; what is more, the loan period shall not exceed three years or three operating cycles (whichever is the longer).</u></p>	
Article 4	<p>The total amount of monetary loans made by this Company to others shall not exceed 40% of the net value of this Company's most recent financial statements audited and certified by an accountant.</p> <p>In the event that the Company and other companies or businesses have monetary loan because of business contact relationship, the individual monetary loan and amount shall be limited to the amount of business contact between the both parties within one year or one operating cycle (whichever is the longer). What it calls business contact amount refers to the higher amount of purchase or sales between the both parties.</p> <p><u>Monetary loans between this Company and foreign subsidiaries in which it directly and indirectly holds 100% of the</u></p>	<p>The total amount of monetary loans made by this Company to others shall not exceed 40% of the net value of this Company's most recent financial statements audited and certified by an accountant.</p> <p>In the event that the Company and other companies or businesses have monetary loan because of business contact relationship, the individual monetary loan and amount shall be limited to the amount of business contact between the both parties. What it calls business contact amount refers to the higher amount of purchase or sales between the both parties.</p>	To comply with the revision of Paragraph 2 of Article 9 of Standards for the Handling of Monetary Loan, Endorsement, or Provision of Guarantee of Public Stock Companies and loosen the monetary loan and

Article No.	Article No.	Before amendment	Amendment reason
	<p><u>voting shares are not subject to the restrictions of Article 3 and the first item of this Article, provided that the total amount of monetary loans shall not exceed 100% of the net value of this Company, and individual loans and amounts shall not exceed 100% of the net value of this Company; what is more, the loan period shall not exceed three years or three operating cycles (whichever is the longer).</u></p>		<p>restriction for overseas subsidiaries with 100% shares directly or indirectly held by the Company.</p>
Article 5	<p>Monetary loaning to others, in addition to conforming to the specified requirements of Article 3, shall be subject to a detailed examination procedure by the finance and accounting departments regarding the objects of financing, and an assessment report shall be stipulated, which shall include the following:</p> <ol style="list-style-type: none"> 1. Assessment of the necessity and reasonability of monetary loaning to others. 2. Credit checking and risk assessment of the borrower: its financial situation, debt repayment, credit capacity, profit situation, purpose of loan, maximum loanable amount, period as well as method for calculating interest, etc. 3. The method for calculating interest shall not be lower than the short-term interest rate on borrowings of this Company, and shall be calculated in installments or settled once upon maturity. 4. Impact on the Company's operational risk, financial situation and shareholders' equity. 5. A report on acquiring the assessed value of collateral security. 	<p>Monetary loaning to others, in addition to conforming to the specified requirements of Article 3, shall be subject to a detailed examination procedure by the finance and accounting departments regarding the objects of financing, and an assessment report shall be stipulated, which shall include the following:</p> <ol style="list-style-type: none"> 1. Assessment of the necessity and reasonability of monetary loaning to others. 2. Credit checking and risk assessment of the borrower: its financial situation, debt repayment, credit capacity, profit situation, purpose of loan, maximum loanable amount, period as well as method for calculating interest, etc. 3. The method for calculating interest shall not be lower than the short-term interest rate on borrowings of this Company, and shall be calculated in installments or settled once upon maturity. 4. Impact on the Company's operational risk, financial situation and shareholders' equity. 5. A report on acquiring the 	<p>To coordinate with the revision of Article 4 of these Procedures.</p>

Article No.	Article No.	Before amendment	Amendment reason
	<p>The aforesaid items shall be conducted after they are submitted to the Board of Directors for approval, the opinions of the independent directors shall be fully considered. If the independent directors have objections or reservations, they shall be set forth in the journals of the Board of Directors.</p> <p>Monetary loan between this Company and its subsidiaries, or between subsidiaries of this Company, shall be submitted to the Board of Directors for resolution in accordance with the provisions of the preceding paragraph, and the Chairman shall be authorized to allocate in batches or recycle to employ to a certain quota for the same borrower as determined by the Board of Directors and within a period not exceeding one year.</p> <p>For a certain quota referred to in the preceding paragraph, except monetary loans between the Company and its foreign subsidiaries referred to in Article 4-3 in which it directly or indirectly holds 100% voting shares which are exempt from any authorization limit, the authorization limit of monetary loans made by this Company or its subsidiaries to a single enterprise shall not exceed 10% of the net value of the Company's latest financial statements.</p>	<p>assessed value of collateral security.</p> <p>The aforesaid items shall be conducted after they are submitted to the Board of Directors for approval, the opinions of the independent directors shall be fully considered. If the independent directors have objections or reservations, they shall be set forth in the journals of the Board of Directors.</p> <p>Monetary loan between this Company and its subsidiaries, or between subsidiaries of this Company, shall be submitted to the Board of Directors for resolution in accordance with the provisions of the preceding paragraph, and the Chairman shall be authorized to allocate in batches or recycle to employ to a certain quota for the same borrower as determined by the Board of Directors and within a period not exceeding one year.</p> <p>For a certain quota referred to in the preceding paragraph, except monetary loans between the Company and its foreign subsidiaries referred to in Article 3-2 in which it directly or indirectly holds 100% voting shares which are exempt from any authorization limit, the authorization limit of monetary loans made by this Company or its subsidiaries to a single enterprise shall not exceed 10% of the net value of the Company's latest financial statements.</p>	
Article 7	Notes after the issuance of the loan 1. The finance and accounting	Notes after the issuance of the loan 1. The finance and accounting	To comply with the revision of

Article No.	Article No.	Before amendment	Amendment reason
	<p>departments shall regularly investigate and evaluate the financial situation, business status and related credit conditions of the debtor and the guarantor. If there is any collateral, the finance and accounting departments shall pay attention to the change of the value of such collateral. In the event of major changes to such collateral, the finance and accounting departments shall immediately inform the Chairman of the Board of Directors and follow the instructions to make appropriate treatment.</p> <p>2. If the debtor repays the loan at the expiration of the loan or before the loan expires, the interest payable shall be paid first. After the principal is paid off, the note-based loan can be written off and the note, such as promissory note, can be returned to the debtor or the procedures can be undertaken to nullify the mortgage.</p> <p>3. If the debtor fails to perform the loan contract for any reason, the Company may dispose of the collateral or recover the debts from the guarantor in accordance with the law.</p> <p>4. The term of the loan, depending on the circumstances of the debtor and the amount of the loan, shall be determined by the Board of Directors in accordance with the provisions of this operating procedure. When the term of the loan expires, the principal and interest shall be paid off, otherwise the Company shall recover the principal and interest in accordance with the law.</p> <p>5. The loan rate of the Company shall not be lower than the average interest rate of the short-term lending of the financial industry. In the event of Item 3 and 4 of this Article, the Company shall not only</p>	<p>departments shall regularly investigate and evaluate the financial situation, business status and related credit conditions of the debtor and the guarantor. If there is any collateral, the finance and accounting departments shall pay attention to the change of the value of such collateral. In the event of major changes to such collateral, the finance and accounting departments shall immediately inform the Chairman of the Board of Directors and follow the instructions to make appropriate treatment.</p> <p>2. If the debtor repays the loan at the expiration of the loan or before the loan expires, the interest payable shall be paid first. After the principal is paid off, the note-based loan can be written off and the note, such as promissory note, can be returned to the debtor or the procedures can be undertaken to nullify the mortgage.</p> <p>3. If the debtor fails to perform the loan contract for any reason, the Company may dispose of the collateral or recover the debts from the guarantor in accordance with the law.</p> <p>4. The term of the loan, depending on the circumstances of the debtor and the amount of the loan, shall be determined by the Board of Directors in accordance with the provisions of this operating procedure. When the term of the loan expires, it can be extended after being reviewed by the Board of Directors. If the extension is not reviewed and determined by the Board of Directors, the principal and interest shall be paid off, otherwise</p>	<p>Paragraph 2 of Article 3 of "Standards for the Handling of Monetary Loan, Endorsement, or Provision of Guarantee of Public Stock Companies".</p>

Article No.	Article No.	Before amendment	Amendment reason
	<p>dispose of the collateral and recover the debts, but also impose an additional 10% penalty based on the agreed interest rate.</p> <p>6. If the debtor's qualifications do not conform to the provisions of this operating procedure or the amount of the loan exceeds the limit due to the change of circumstances, an improvement plan shall be formulated. The relevant improvement plan shall be sent to the Independent Director of the Audit Committee and shall be completed as planned.</p>	<p>the Company shall recover the principal and interest in accordance with the law.</p> <p>5. The loan rate of the Company shall not be lower than the average interest rate of the short-term lending of the financial industry. In the event of Item 3 and 4 of this Article, the Company shall not only dispose of the collateral and recover the debts, but also impose an additional 10% penalty based on the agreed interest rate.</p> <p>6. If the debtor's qualifications do not conform to the provisions of this operating procedure or the amount of the loan exceeds the limit due to the change of circumstances, an improvement plan shall be formulated. The relevant improvement plan shall be sent to the Independent Director of the Audit Committee and shall be completed as planned.</p>	
Article 16	<p>Management of subsidiaries</p> <p>1. In case the subsidiary intends to lend money to others or make a guaranty endorsement for others, procedures relevant to capital loan and guaranty endorsement shall be set up, and it shall be submitted to Board of Directors of its company for approval, procedure is same for any amendment. The subsidiary shall handle as per procedures prescribed herein, when capital loan and guaranty endorsement is made, for matters not covered herein, provisions of the procedure shall be applied.</p> <p>2. The subsidiary shall report capital loan and amount of guaranty</p>	<p>Management of subsidiaries</p> <p>1. In case the subsidiary intends to lend money to others or make a guaranty endorsement for others, procedures relevant to capital loan and guaranty endorsement shall be set up, and it shall be submitted to Board of Directors of its company for approval, procedure is same for any amendment. The subsidiary shall handle as per procedures prescribed herein, when capital loan and guaranty endorsement is made, for matters not covered herein, provisions of the procedure shall be applied.</p>	<p>To simplify the procedures for the revision of the "Operating Procedures for Monetary Loan, Endorsement, or Provision of Guarantee".</p>

Article No.	Article No.	Before amendment	Amendment reason
	endorsement, the object and deadline etc. (deal with last month) to the Company prior to the 5th day of each month.	2. The subsidiary shall report capital loan and amount of guaranty endorsement, the object and deadline etc. (deal with last month) to the Company prior to the 5th day of each month.	