

Stock Code: 8069



E INK HOLDINGS INC.

**2020
ANNUAL GENERAL MEETING OF
STOCKHOLDERS
MEETING MANUAL**

Date: June 18, 2020

Venue: Company Conference Room at No.3, Lixing 1st Rd., Hsinchu Science Park, Hsinchu 300, 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.)

Table of Contents

i.	Meeting Agenda.....	1
ii.	Reports Items.....	2
iii.	Adoption Items	6
iv.	Discussions and Election Items	8
v.	Special Motions.....	9
	Appendix	10
1.	Business Report	10
2.	2019 Financial Statements	14
3.	2019 Audit Committee's Review Report	31
4.	Third Share Repurchase and Employee Incentive Plan	32
5.	Table for the Distribution of Earnings In 2019.....	34
6.	Board of Directors Conference Rules	35
7.	Sustainability and Social Responsibility Code of Conduct	45
8.	Business Integrity Code of Conduct	49
9.	E Ink Holdings Inc. Articles of Incorporation	53
10.	List of Candidates of the 11th Term of Directors and Independent Directors	60
11.	Details of Posts of the 11th Term of New Directors and Independent Directors	61
12.	Rules of Shareholders Meeting	63
13.	Rules of Election of Directors	68
14.	Information Regarding Remuneration to Directors and Employees.....	70
15.	Impact Caused by Stock Dividends on Business Performance, Earnings Per Share, and Return on Equity:.....	70
16.	Number of Shares of Directors on Record Date	71

E INK HOLDINGS INC.

2020 Annual General Meeting of Stockholders Meeting

Meeting Agenda

Date and Time: June 18, 2020 (Thursday) 09:00 a.m.

Venue: Company Conference Room at No.3, Lixing 1st Rd., Hsinchu Science Park, Hsinchu 300, Taiwan (R.O.C.)

Meeting Procedure:

1. Announcement of the Commencement
2. Chairman's Opening Remarks
3. Report Items:
 - (1) 2019 business report and financial statements
 - (2) 2019 Audit Committee's Review Report
 - (3) 2019 report on the distribution of remuneration for employees and directors.
 - (4) Report on execution of treasury stock and transfer to employees.
 - (5) Report on partial amendments to "Board of Directors Conference Rules."
 - (6) Report on establishment of "Sustainability and Social Responsibility Code of Conduct."
 - (7) Report on establishment of "Business Integrity Code of Conduct."
4. Adoption Items:
 - (1) To adopt the 2019 financial statements of the Company.
 - (2) To adopt the proposal for 2019 earnings distribution of the Company.
5. Discussion and Elections Items :
 - (1) Revise part of articles of the Company's Articles of Association.
 - (2) Election of the Company's 11th board of directors, including 6 directors and 3 independent directors.
 - (3) Proposal to remove restrictions on competing business involvement for new directors and their representatives.
6. Special Motion
7. Announcement of Adjournment

Reports Items

<Item 1>

Subject: 2019 business report and financial statements.

Explanatory Note:

- (1) In 2019, the Company's net individual operating revenue was NT\$12,860,810,000; the net consolidated operating revenue was NT\$13,601,676,000; net profit for the Company was NT\$3,083,789,000.
- (2) In 2019, the earnings per share after taxes was NT\$2.72.
- (3) The business report and financial statements are attached hereto in Appendix 1~2.
- (4) Please Kindly Note.

<Item 2>

Subject: 2019 Audit Committee's Review Report.

Explanatory Note:

- (1) The Company's financial statements for the year 2019 have been audited by CPA, and reviewed by the Audit Committee together with the business report and proposal on the distribution of earnings. The audited financial statements of the Company and the Audit Committee's review report for the audited financial statements are attached hereto in Appendix 1~3.
- (2) Please Kindly Note.

<Item 3>

Subject: The Company's 2019 report on the distribution of remuneration for employees and directors.

Explanatory Note:

- (1) Pursuant to Article 19 of the Articles of Incorporation, "Profits concluded from a financial year are subject to employee remuneration of at least 1%

and director remuneration of no more than 1%."

- (2) The Company reported NT\$3,135,503,000 of pre-tax profit and NT\$3,182,982,000 of profit before employee and director remuneration (referred to as "Profit" below) for 2019, and a proposal has been made according to the above clause to pay NT\$31,900,000 of employee remuneration (representing approximately 1.002% of Profit) and NT\$15,579,000 of director remuneration (representing approximately 0.49% of Profit) entirely in cash. Employee remuneration may be paid to employees of subordinate companies, for which the Chairman is authorized to determine the scope and criteria of eligible employees.
- (3) Please Kindly Note.

<Item 4>

Subject: Company's buyback of the treasury shares and the transfer of such shares to the employees.

Explanatory Note:

- (1) To match with the Company's overall incentives, the scheme for the stay of personnel with excellent performance and the scheme for the engagement of special talents, according to the resolution of the 12th meeting of the 9th Board of Directors, the Company buys back 20,000,000 shares at the price of NT\$13 to NT\$24.6 per share, which will be transferred to employees.
- (2) The Company began buying back treasury stocks since June 14, 2016. By August 4, 2016, the Company had bought back a total of 20,000,000 shares at an average price of NT\$18.02 per share (including fees), which represented 1.754% of outstanding shares. Over the course of three transfers dated July 2017, July 2018 and July 2019, a total of 13,895,000 shares have been transferred to employees to date, leaving 6,105,000 treasury stocks that could still be transferred to employees.
- (3) The third time of buyback of the Company's shares and the transfer of such shares:

Item	Notes
Third buyback (in 2016) of company shares (completed)	
Passed by the board resolution	June 13, 2016
Purposes of buyback	To match with the Company's overall incentives, the scheme for the stay of personnel with excellent performance and the scheme for the engagement of special talents, the shares will be transferred to employees.
Period of buyback	June 14, 2016 - August 4, 2016
Price range of buyback	NT\$13.00 - NT\$24.60
Types and number of shares bought back	20,000,000 common shares
Amount of buyback	NT\$ 360,463,846
Quantity bought back as a percentage of planned buyback (%)	100%
Number of shares retired and transferred	13,895,000 shares
Accumulated holding of the Company's shares	6,105,000 shares
Cumulative holding of own shares as a percentage to total outstanding shares (%)	0.54%
Average price of each share for the buyback	NT\$ 18.02
Details about the third time (in 2017) of transfer of the treasury shares to employees (the first time of transfer)	
Period of transfer	July 2017
Number of transferred shares	2,896,000 shares
Available shares for transfer	17,104,000 shares
Price of shares transferred to employees	NT\$ 18.02
Details about the third time (in 2018) of transfer of the treasury shares to employees (the second times of transfer)	
Period of transfer	July 2018
Number of transferred shares	6,845,000 shares
Available shares for transfer	10,259,000 shares
Price of shares transferred to employees	NT\$ 18.02
Details about the third time (in 2019) of transfer of the treasury shares to employees (the 3rd times of transfer)	
Period of transfer	July 2019
Number of transferred shares	4,154,000 shares
Available shares for transfer	6,105,000 shares
Price of shares transferred to employees	NT\$ 18.02

(4) Please Kindly Note.

<Item 5>

Subject: Amendment to the report of the "Board of Directors Conference Rules".

Explanatory Note:

- (1) Proposal to make partial amendments to "Board of Directors Conference Rules" in accordance with Presidential Order No. Hua-Zong-I-Jing-10800063491 dated June 21, 2019 and Financial Supervisory Commission Letter No. Jin-Guan-Zheng-Fa-1080361934 dated January 15, 2020.
- (2) A comparison between existing and draft amendment of Board of Directors Conference Rules has been presented in Appendix 6 of this conference handbook.
- (3) Please Kindly Note.

<Item6>

Subject: Report on establishment of "Sustainability and Social Responsibility Code of Conduct".

Explanatory Note:

- (1) Proposal to amend the Company's "Sustainability and Social Responsibility Code of Conduct" based on "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" to enforce corporate social responsibilities within the organization.
- (2) A draft of the "Sustainability and Social Responsibility Code of Conduct" has been presented in Appendix 7 of the conference handbook.
- (3) Please Kindly Note.

<Item7>

Subject: Report on establishment of "Business Integrity Code of Conduct".

Explanatory Note:

- (1) Proposal to establish "Business Integrity Code of Conduct" based on Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies to foster a corporate culture of integrity that supports future growth.
- (2) A draft of the "Business Integrity Code of Conduct" has been presented in Appendix 8 of the conference handbook.
- (3) Please Kindly Note.

Adoption Items

<Item 1>

(Proposed by the Board of Directors)

Subject: To adopt the 2019 financial statements of the Company.

Explanatory Note:

- (1) The financial statement auditors have completed auditing of the Company's 2019 standalone and consolidated financial statements.
- (2) The abovementioned standalone and consolidated financial statements, along with the Company's 2019 business report, have been presented in Appendix 1~2 of this conference handbook.
- (3) Please kindly adopt.

Resolution:

<Item 2>

(Proposed by the Board of Directors)

Subject: To adopt the proposal for 2019 earnings distribution of the Company.

Explanatory Note:

- (1) The Company had opening undistributed earnings of NT\$2,318,482,391; after taking into account incremental retained earnings adjustments from equity-accounted investments (+NT\$1,054,839), incremental retained earnings adjustment from disposal of equity instrument carried at fair value through other comprehensive income (+NT\$7,678,000), retained earnings reduction from remeasurement of defined benefit plan (-NT\$11,751,662), 2019 net income (+NT\$3,083,788,601), provision for legal reserve (-NT\$308,076,978) and reversal of special reserve (+NT\$154,915,452), distributable earnings for the year amounted to NT\$5,246,090,643.
- (2) Proposal to allocate 2019 distributable earnings according to the Company's Articles of incorporation as follows:
Cash dividends at NT\$2.00 per share for a sum of NT\$2,268,725,430.
- (3) Dividends and profit sharing shall be distributed to shareholders based on the names and shareholding position recorded on the shareholder registry as of the dividend baseline date. The amount of payment shall be truncated to nearest dollar; fractions that do not amount to a full NT\$1 are to be summed and recognized by the Company as other income.
- (4) The cash dividend payout ratio disclosed herein was calculated based on the number of shares outstanding on February 29, 2020. Should the Company decide to buy back its shares, transfer/retire treasury stock or

for any reason alter the total number of outstanding shares, or if shareholders waive their rights to dividend or profit sharing on a later date, and therefore resulting in a change of payout ratio, the Chairman shall be authorized to adjust details of the dividend payment based on shares outstanding on the dividend baseline date.

- (5) Proposal to fully authorize the Chairman for decisions concerning the dividend baseline date and details of the cash dividend payment.
- (6) Please refer to Appendix 5 of this conference handbook for the 2019 Earnings Appropriation Chart.
- (7) Please kindly adopt.

Resolution:

Discussions and Election 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 9.
- (3) Please kindly discuss.

Resolution:

<Item 2>

(Proposed by the Board of Directors)

Subject: Election of the Company's 11th board of directors, including 6 directors and 3 independent directors.

Explanatory Note:

- (1) Service of the 11th board of directors and independent directors is due to end on June 19, 2020.
- (2) The Company hereby proposes to elect 6 directors and 3 independent directors in the upcoming annual general meeting according to the Articles of Incorporation to serve a term of 3 years, i.e., from June 18, 2020 to June 17, 2023.
- (3) Election of the Company's directors and independent directors shall proceed using the candidate nomination system. Please refer to Appendix 10 of this conference handbook for a list of candidates reviewed and passed by the board of directors.
- (4) Please kindly elect.

Resolution:

<Item 3>

(Proposed by the Board of Directors)

Subject: Proposal to remove restrictions on competing business involvement for new directors and their representatives. The motion is open for resolution.

Explanatory Note:

- (1) Article 209 of The Company Act states that: "Directors are required to disclose material details to shareholders and obtain permission for engaging in business activities that coincide with those of the company, whether for directors' own benefit or for the benefits of others." Should the above condition apply to any newly elected director (including corporate director and representative thereof) in the 11th board, the Company hereby seeks shareholders' consent to remove restrictions against directors' competing business involvement according to Article 209 of The Company Act.
- (2) Directors' concurrent involvements in other organizations (refer to Appendix 11) do not contradict their duties within the Company; hence a proposal is raised to seek shareholders' consent to remove restrictions against directors' competing business involvements according to Article 209 of The Company Act.
- (3) Please kindly discuss.

Resolution:

Special Motions

Appendix 1

Business Report

To all shareholders:

2019 Business Report

Continued US-China tensions in 2019 led to increased trade barriers and uncertainty in economic activities within the global economy. Global economic growth therefore dropped to its lowest rate in a decade. Faced with challenges such as conservative enterprise spending around the world and weak consumer buying power, E Ink revenues did not grow as much as expected and consolidated revenue for the year was NT\$13.6 billion. Despite the challenges of revenue growth, E Ink engaged in aggressive efforts to improve business efficiency and governance. A gross profit of NT\$6.04 billion with a gross profit margin of 44.4% created a new record. Net profit after tax was NT\$3.08 billion with an earnings per share (EPS) of NT\$2.72, making this the 7th consecutive year of record company earnings.

Looking back on developments in 2019, there was a shift towards larger displays and stacked product packages with a high unit price though eReaders experienced a slight decline in revenue and shipments. eNote also made great progress in the smart education and e-learning market. Due to cooperating to ecosystem partners on product launch and end-user market development timeline, product revenues were not achieved the growth targets. The increasing maturity of Print Color ePaper technologies means that eNote products will become colorful to meet the demands of the e-learning market.

For Internet-of-Things (IoT) applications, Electronic Shelf Label (ESL) is growing steadily in the New Retail market. In addition to its adoption by large supermarket chains in the Europe, U.S. and Chinese markets, the surface area of ePaper shipped for ESL now matches the surface area of ePaper shipped for eReader applications. In the ePaper signage business, we were actively involved in the smart healthcare and smart city applications market. We continued to strengthen our collaboration with ecosystem partners to design innovative or revolutionary products for hospital and

transport applications. Our efforts are beginning to pay off and the visibility of our pilot locations have continued to increase. At the same time, ACeP™ (Advanced Color ePaper) is moving towards mass production and future applications will include retail signage as well as digital signage in other spaces.

E Ink was also presented with a 5th Taiwan Mittelstand Award by the Ministry of Economic Affairs in 2019 that recognized the company management's lean and highly-efficient business management, the continued refining of ePaper technology, the development of ePaper applications, and the steady growth of the company. That was not all either. E Ink made great strides in the economic, environmental, and social aspects of sustainability development by winning the Taiwan CSR Award for three consecutive years. In 2019, E Ink won four top awards in 2019: "Top 50 Corporate Sustainability Award," "Corporate sustainability Report Awards - IT & IC Manufacturing" (Gold award)," "Best Performance in a Specific Category - Social Inclusion Award," and "Best Performance in a Specific Category - Growth through Innovation Award."

2020 Business Focus

Having weathered the economic uncertainties of 2019, E Ink will continue to pursue revenue growth, technological capability, and sound governance in 2020. The global supply chain and economic development was however impacted by the Novel Coronavirus (COVID-19) at the start of 2020. Faced with this unexpected and even more challenging development, E Ink immediately took all precautions and cooperated fully with the epidemic prevention efforts of the relevant agencies. Epidemic prevention measures in company operations were also tightened. Resources were mobilized in a timely manner to ensure the continuity of production even as we stayed in close contact with our customers and worked together to ensure no interruption to shipments. Nevertheless, the already weak global economy and uncertainty over the pace of future recovery will all become significant variables in the future revenue growth of E Ink.

For business development in 2020, E Ink will continue to develop the market for eReader, eNote, and IoT applications. Even as eReaders move towards larger displays and stacked products with high unit prices, the introduction of handwriting function

will hopefully attract more users and lead to a larger market. For eNote business, we will not only continue to develop existing markets and support the launch of new customer products, but also seek to generate new growth from the application of Print-Color ePaper to the education market. In IoT, the ESL business is growing steadily and the market shows no sign of abating. Previous market efforts onePaper tag for smart logistics should begin to deliver results. Digital signage applications in health care and transport should also start to bear fruit too, so revenues will be expected gradually increase.

In terms of technology development, we will not only supply black & white ePaper products with better performance but also consolidate our product and production technologies to achieve further improvements in the yield of flexible electronic products. At the same time, color ePaper products will enter mass production. This technology will contribute revenue in individual applications. The development of eReader and eNote technologies will focus on the refinement of the handwriting function; retail and logistics ePaper tags will focus on the development of power-saving and passive technology to lay down the foundations for future product development.

Business management will build on the solid foundations we have achieved so far. In addition to consolidating our R&D capability to accelerate the product development cycle and shorten the time-to-market, we will also continue to improve productivity through production automation. At the same time, the flexibility of operational management will be strengthened to maximize efficiency between product development and product shipping so that it can serve as a core component of our business competitiveness.

Future Prospects

Faced with an uncertain macro-economic environment, E Ink will streamline our business management, refine our development and manufacturing of color, flexible, energy-efficient and energy harvesting technologies, as well as liaise closely with customers and supply chain partners to ensure the smoothness and reliability of our ePaper manufacturing and shipments, as well as strengthening our business development. At the same time, facing the dual trends of smart city and IoT, E Ink will

focus our efforts on the development of smart applications based on ACeP and Print Color ePaper technologies that equip with the bistability and reflective attributes of ePaper. E Ink will take this opportunity to bring business growth and dedicate to bringing a sustainable, smart and “paper-free” future.

Best regards

Johnson Lee, Chairman

FY Gan, President

Appendix 2
E INK HOLDINGS INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

ASSETS	2019		2018	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 7,047,106	17	\$ 7,695,106	21
Financial assets at fair value through profit or loss (Notes 4 and 7)	2,455,299	6	1,840,835	5
Financial assets at amortized cost (Notes 4, 9 and 30)	7,526,246	18	4,379,385	11
Contract assets (Notes 4 and 21)	60,088	-	187,329	1
Accounts receivable (Notes 4, 10, 21 and 29)	2,059,829	5	2,243,412	6
Other receivables (Note 4)	216,253	1	223,850	1
Current tax assets (Notes 4 and 23)	22,011	-	44,850	-
Inventories (Notes 4 and 11)	1,941,702	5	1,926,990	5
Prepayments (Note 29)	192,732	-	318,982	1
Non-current assets held for sale (Notes 4 and 12)	109,745	-	10,166	-
Other current assets	3,049	-	20	-
Total current assets	<u>21,634,060</u>	<u>52</u>	<u>18,870,925</u>	<u>51</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Notes 4 and 8)	4,474,517	11	3,431,736	9
Investments accounted for using the equity method (Note 4)	147,694	-	82,802	-
Property, plant and equipment (Notes 4, 14, 22 and 26)	4,104,317	10	4,521,441	12
Right-of-use assets (Notes 4, 15 and 22)	1,766,034	4	-	-
Goodwill (Notes 4 and 16)	6,720,745	16	6,781,244	19
Other intangible assets (Notes 4, 16, 22 and 29)	1,387,096	3	1,744,809	5
Deferred tax assets (Notes 4 and 23)	987,282	3	1,071,888	3
Other non-current assets (Notes 4, 7, 29 and 30)	399,204	1	409,263	1
Total non-current assets	<u>19,986,889</u>	<u>48</u>	<u>18,043,183</u>	<u>49</u>
TOTAL	<u>\$ 41,620,949</u>	<u>100</u>	<u>\$ 36,914,108</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 17 and 30)	\$ 4,557,832	11	\$ 1,480,000	4
Short-term bills payable (Note 17)	579,887	1	564,722	2
Contract liabilities (Notes 4 and 21)	1,298,608	3	1,573,002	4
Notes and accounts payable (Note 29)	1,156,039	3	1,347,676	4
Other payables (Notes 18 and 26)	1,263,755	3	1,351,759	4
Current tax liabilities (Notes 4 and 23)	146,121	-	128,343	-
Other current liabilities (Notes 4, 7, 12, 15 and 29)	204,433	1	123,615	-
Total current liabilities	<u>9,206,675</u>	<u>22</u>	<u>6,569,117</u>	<u>18</u>
NON-CURRENT LIABILITIES				
Contract liabilities (Notes 4 and 21)	1,024,259	3	1,761,719	5
Deferred tax liabilities (Notes 4 and 23)	120,854	-	110,299	-
Lease liabilities (Notes 4, 15 and 29)	1,721,654	4	-	-
Net defined benefit liabilities (Notes 4 and 19)	87,600	-	80,770	-
Other non-current liabilities (Notes 17 and 29)	7,123	-	77,759	-
Total non-current liabilities	<u>2,961,490</u>	<u>7</u>	<u>2,030,547</u>	<u>5</u>
Total liabilities	<u>12,168,165</u>	<u>29</u>	<u>8,599,664</u>	<u>23</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4, 20 and 25)				
Share capital	11,404,677	27	11,404,677	31
Capital surplus	10,306,993	25	10,243,293	28
Retained earnings				
Legal reserve	1,773,654	4	1,512,287	4
Special reserve	255,475	1	70,678	-
Unappropriated earnings	5,399,253	13	5,138,085	14
Total retained earnings	7,428,382	18	6,721,050	18
Other equity	(29,881)	-	(255,475)	(1)
Treasury shares	(110,032)	-	(184,900)	-
Total equity attributable to owners of the Company	29,000,139	70	27,928,645	76
NON-CONTROLLING INTERESTS (Note 20)	<u>452,645</u>	<u>1</u>	<u>385,799</u>	<u>1</u>
Total equity	<u>29,452,784</u>	<u>71</u>	<u>28,314,444</u>	<u>77</u>
TOTAL	<u>\$ 41,620,949</u>	<u>100</u>	<u>\$ 36,914,108</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, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 21 and 29)	\$ 13,601,676	100	\$ 14,208,661	100
OPERATING COSTS (Notes 11, 22 and 29)	<u>7,563,090</u>	<u>56</u>	<u>8,278,485</u>	<u>58</u>
GROSS PROFIT	<u>6,038,586</u>	<u>44</u>	<u>5,930,176</u>	<u>42</u>
OPERATING EXPENSES (Notes 22 and 29)				
Selling and marketing expenses	755,050	6	796,893	6
General and administrative expenses	2,349,323	17	2,604,270	18
Research and development expenses	<u>2,374,402</u>	<u>17</u>	<u>2,071,848</u>	<u>15</u>
Total operating expenses	<u>5,478,775</u>	<u>40</u>	<u>5,473,011</u>	<u>39</u>
INCOME FROM OPERATIONS	<u>559,811</u>	<u>4</u>	<u>457,165</u>	<u>3</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	337,373	2	176,439	1
Royalty income (Notes 4 and 21)	2,240,251	16	2,360,815	17
Dividend income (Note 4)	184,437	1	136,225	1
Gains on sale of land use rights (Note 12)	153,500	1	-	-
Net gain on foreign currency exchange (Note 32)	223,994	2	310,568	2
Net gain on fair value change of financial assets and liabilities at fair value through profit or loss	83,444	1	6,413	-
Other income (Note 29)	122,738	1	120,649	1
Interest expenses (Notes 14 and 29)	(86,085)	(1)	(28,579)	-
Impairment loss (Notes 4 and 14)	(63,654)	-	(223,627)	(2)
Other expenses	<u>(34,342)</u>	<u>-</u>	<u>(56,800)</u>	<u>-</u>
Total non-operating income and expenses	<u>3,161,656</u>	<u>23</u>	<u>2,802,103</u>	<u>20</u>
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	3,721,467	27	3,259,268	23
INCOME TAX EXPENSE (Notes 4 and 23)	<u>(547,870)</u>	<u>(4)</u>	<u>(567,192)</u>	<u>(4)</u>
NET INCOME FOR THE YEAR	<u>3,173,597</u>	<u>23</u>	<u>2,692,076</u>	<u>19</u>

(Continued)

E INK HOLDINGS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	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 19)	\$ (13,576)	-	\$ (10,235)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	989,618	7	(432,897)	(3)
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4 and 23)	<u>2,938</u>	<u>-</u>	<u>4,226</u>	<u>-</u>
	<u>978,980</u>	<u>7</u>	<u>(438,906)</u>	<u>(3)</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(773,206)	(5)	59,248	-
Share of other comprehensive loss of associates and joint ventures accounted for using the equity method	<u>(6,161)</u>	<u>-</u>	<u>(900)</u>	<u>-</u>
	<u>(779,367)</u>	<u>(5)</u>	<u>58,348</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>199,613</u>	<u>2</u>	<u>(380,558)</u>	<u>(3)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 3,373,210</u>	<u>25</u>	<u>\$ 2,311,518</u>	<u>16</u>
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 3,083,789	23	\$ 2,613,673	18
Non-controlling interests	<u>89,808</u>	<u>-</u>	<u>78,403</u>	<u>1</u>
	<u>\$ 3,173,597</u>	<u>23</u>	<u>\$ 2,692,076</u>	<u>19</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 3,306,364	24	\$ 2,236,019	16
Non-controlling interests	<u>66,846</u>	<u>1</u>	<u>75,499</u>	<u>-</u>
	<u>\$ 3,373,210</u>	<u>25</u>	<u>\$ 2,311,518</u>	<u>16</u>

(Continued)

E INK HOLDINGS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<u>2019</u>		<u>2018</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
EARNINGS PER SHARE (Note 24)				
Basic	<u>\$ 2.72</u>		<u>\$ 2.32</u>	
Diluted	<u>\$ 2.71</u>		<u>\$ 2.31</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, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company						Other Equity						Total Equity
	Share Capital		Capital Surplus	Retained 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	
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings							
BALANCE AT JANUARY 1, 2018	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 (loss) 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	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	385,799	28,314,444
Appropriation of 2018 earnings													
Legal reserve	-	-	-	261,367	-	(261,367)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	184,797	(184,797)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(2,373,438)	-	-	-	-	(2,373,438)	-	(2,373,438)
Unclaimed dividends extinguished by prescription	-	-	26	-	-	-	-	-	-	-	26	-	26
Net income for the year ended December 31, 2019	-	-	-	-	-	3,083,789	-	-	-	-	3,083,789	89,808	3,173,597
Other comprehensive income (loss) for the year ended December 31, 2019, net of income tax	-	-	-	-	-	(10,697)	(756,459)	-	989,731	-	222,575	(22,962)	199,613
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	3,073,092	(756,459)	-	989,731	-	3,306,364	66,846	3,373,210
Share-based payments	-	-	63,912	-	-	-	-	-	-	-	63,912	-	63,912
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	7,678	-	-	(7,678)	-	-	-	-
Treasury shares transferred to employees	-	-	(238)	-	-	-	-	-	-	74,868	74,630	-	74,630
BALANCE AT DECEMBER 31, 2019	1,140,468	\$ 11,404,677	\$ 10,306,993	\$ 1,773,654	\$ 255,475	\$ 5,399,253	\$ (937,787)	\$ -	\$ 907,906	\$ (110,032)	\$ 29,000,139	\$ 452,645	\$ 29,452,784

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, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax from continuing operations	\$ 3,721,467	\$ 3,259,268
Adjustments for		
Depreciation expenses	784,768	683,786
Amortization expenses	463,395	420,594
Expected credit loss recognized (reversed) on accounts receivable	(6,401)	21,200
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(83,444)	(6,413)
Interest expenses	86,085	28,579
Interest income	(337,373)	(176,439)
Dividend income	(184,437)	(136,225)
Compensation costs of share-based payments	63,912	135,552
Share of loss of associates and joint ventures accounted for using the equity method	8,460	5,054
Net gain on disposal of property, plant and equipment	(2,746)	(796)
Gain on sale of land use rights	(153,500)	-
Net loss on disposal of investments	2,934	1,888
Impairment loss	63,654	223,627
Write-downs of inventories	134,739	204,382
Net unrealized loss (gain) on foreign currency exchange	(29,250)	4,458
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(24,934)	-
Contract assets	120,460	134,610
Accounts receivable	193,773	(224,772)
Other receivables	43,629	31,774
Inventories	(206,533)	80,370
Prepayments	124,885	(183,310)
Other current assets	(3,029)	27
Contract liabilities	(966,420)	105,027
Notes and accounts payable	(177,956)	(879,066)
Other payables	(75,658)	(359,033)
Other current liabilities	17,860	(550,246)
Net defined benefit liabilities	(5,983)	376
Cash generated from operations	3,572,357	2,824,272
Income tax received (paid)	(427,739)	29,534

Net cash generated from operating activities	<u>3,144,618</u>	<u>2,853,806</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(64,692)	(968,590)
Proceeds from disposal of financial assets at fair value through other comprehensive income	9,928	184,552
		(Continued)

E INK HOLDINGS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	\$ -	\$ 6,431
Acquisition of financial assets at amortized cost	(14,670,275)	(4,834,433)
Proceeds from disposal of financial assets at amortized cost	11,321,850	1,287,349
Acquisition of financial assets at fair value through profit or loss	(1,511,179)	(1,818,502)
Proceeds from sale of financial assets at fair value through profit or loss	823,402	-
Acquisition of associates	(79,513)	-
Disposal of subsidiaries	-	(713)
Acquisition of property, plant and equipment	(550,492)	(575,061)
Proceeds from disposal of property, plant and equipment	6,869	32,128
Acquisition of other intangible assets	(123,803)	(249,190)
Proceeds from disposal of land use rights	153,869	-
Decrease (increase) in other non-current assets	58,147	(154,318)
Interest received	300,623	172,454
Dividends received	<u>184,437</u>	<u>136,225</u>
Net cash used in investing activities	<u>(4,140,829)</u>	<u>(6,781,668)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	3,091,036	1,101,625
Increase in short-term bills payable	15,165	564,722
Repayments of long-term borrowings	(43,169)	(118,148)
Repayment of the principal portion of lease liabilities	(75,899)	-
Increase (decrease) in other non-current liabilities	(788)	6,783
Cash dividends	(2,373,438)	(1,853,550)
Proceeds from treasury shares transferred to employees	74,630	122,977
Interest paid	(79,203)	(27,922)
Proceeds from unclaimed dividends extinguished by prescription	<u>26</u>	<u>14</u>
Net cash generated from (used in) financing activities	<u>608,360</u>	<u>(203,499)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>(260,149)</u>	<u>(52,182)</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS	(648,000)	(4,183,543)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>7,695,106</u>	<u>11,878,649</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 7,047,106</u>	<u>\$ 7,695,106</u>

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

(Concluded)

E INK HOLDINGS INC.

BALANCE SHEETS

DECEMBER 31, 2019 AND 2018

(In Thousands of New Taiwan Dollars)

ASSETS	2019		2018	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,021,441	3	\$ 1,166,960	3
Accounts receivable (Notes 4 and 8)	985,790	3	676,905	2
Accounts receivable from related parties (Note 24)	2,665,187	7	3,210,369	9
Inventories (Notes 4 and 9)	1,663,656	4	1,676,864	5
Prepayments	69,725	-	114,487	-
Other current assets (Notes 4, 18, 24 and 25)	63,449	-	73,796	-
Total current assets	<u>6,469,248</u>	<u>17</u>	<u>6,919,381</u>	<u>19</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (Note 4)	60,285	-	-	-
Financial assets at fair value through other comprehensive income (Notes 4 and 7)	1,361,416	4	1,120,180	3
Investments accounted for using the equity method (Notes 4 and 10)	27,029,983	72	25,350,261	72
Property, plant and equipment (Notes 4, 11, 17 and 21)	1,330,352	3	1,376,998	4
Right-of-use assets (Notes 4, 12 and 17)	840,585	2	-	-
Other intangible assets (Notes 4, 17 and 24)	246,717	1	254,224	1
Deferred tax assets (Notes 4 and 18)	275,583	1	259,469	1
Other non-current assets	52,995	-	53,888	-
Total non-current assets	<u>31,197,916</u>	<u>83</u>	<u>28,415,020</u>	<u>81</u>
TOTAL	<u>\$ 37,667,164</u>	<u>100</u>	<u>\$ 35,334,401</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 13)	\$ 2,940,000	8	\$ 1,230,000	4
Short-term bills payable (Note 13)	379,919	1	399,812	1
Contract liabilities (Notes 4 and 16)	150,411	-	203,605	1
Notes and accounts payable	885,690	2	1,181,788	3
Accounts payable to related parties (Note 24)	2,519,458	7	3,173,821	9
Other payables (Note 21)	582,861	2	588,257	2
Other payables to related parties (Notes 21 and 24)	8,763	-	257,880	1
Current tax liabilities (Notes 4 and 18)	45,598	-	93,272	-
Receipts in advance (Notes 4 and 24)	112,953	-	71,185	-
Other current liabilities (Notes 4 and 12)	70,346	-	59,674	-
Total current liabilities	<u>7,695,999</u>	<u>20</u>	<u>7,259,294</u>	<u>21</u>
NON-CURRENT LIABILITIES				
Contract liabilities (Notes 4 and 16)	67,087	-	65,806	-
Lease liabilities (Notes 4 and 12)	824,971	2	-	-
Net defined benefit liabilities (Notes 4 and 14)	76,941	1	64,818	-
Other non-current liabilities (Notes 4, 18 and 24)	2,027	-	15,838	-
Total non-current liabilities	<u>971,026</u>	<u>3</u>	<u>146,462</u>	<u>-</u>
Total liabilities	<u>8,667,025</u>	<u>23</u>	<u>7,405,756</u>	<u>21</u>
EQUITY (Notes 15 and 20)				
Share capital	<u>11,404,677</u>	<u>30</u>	<u>11,404,677</u>	<u>33</u>
Capital surplus	<u>10,306,993</u>	<u>27</u>	<u>10,243,293</u>	<u>29</u>
Retained earnings				
Legal reserve	1,773,654	5	1,512,287	4
Special reserve	255,475	1	70,678	-
Unappropriated earnings	<u>5,399,253</u>	<u>14</u>	<u>5,138,085</u>	<u>15</u>
Total retained earnings	<u>7,428,382</u>	<u>20</u>	<u>6,721,050</u>	<u>19</u>
Other equity	<u>(29,881)</u>	<u>-</u>	<u>(255,475)</u>	<u>(1)</u>
Treasury shares	<u>(110,032)</u>	<u>-</u>	<u>(184,900)</u>	<u>(1)</u>
Total equity	<u>29,000,139</u>	<u>77</u>	<u>27,928,645</u>	<u>79</u>
TOTAL	<u>\$ 37,667,164</u>	<u>100</u>	<u>\$ 35,334,401</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, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 16 and 24)	\$ 12,860,810	100	\$ 12,773,679	100
OPERATING COSTS (Notes 9, 17 and 24)	<u>10,715,354</u>	<u>83</u>	<u>10,582,105</u>	<u>83</u>
GROSS PROFIT	<u>2,145,456</u>	<u>17</u>	<u>2,191,574</u>	<u>17</u>
UNREALIZED LOSS ON TRANSACTIONS WITH SUBSIDIARIES	<u>-</u>	<u>-</u>	<u>(1,492)</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>2,145,456</u>	<u>17</u>	<u>2,190,082</u>	<u>17</u>
OPERATING EXPENSES (Notes 17 and 24)				
Selling and marketing expenses	393,693	3	381,269	3
General and administrative expenses	657,956	5	757,525	6
Research and development expenses	<u>999,315</u>	<u>8</u>	<u>794,738</u>	<u>6</u>
Total operating expenses	<u>2,050,964</u>	<u>16</u>	<u>1,933,532</u>	<u>15</u>
INCOME FROM OPERATIONS	<u>94,492</u>	<u>1</u>	<u>256,550</u>	<u>2</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income	9,929	-	4,279	-
Royalty income (Notes 4 and 16)	248,388	2	241,696	2
Dividend income (Note 4)	66,208	-	51,892	-
Other income	40,007	-	42,744	-
Interest expenses (Notes 11 and 24)	(37,839)	-	(14,688)	-
Share of profit of subsidiaries accounted for using the equity method	2,806,352	22	2,119,710	17
Net gain (loss) on disposal of property, plant and equipment	6,011	-	(1,316)	-
Net gain (loss) on foreign currency exchange (Note 27)	(64,791)	(1)	56,663	-
Impairment loss (Notes 4 and 11)	(12,895)	-	(86,805)	-
Net loss on fair value change of financial assets and liabilities at fair value through profit or loss	(17,715)	-	-	-
Other expenses	<u>(2,644)</u>	<u>-</u>	<u>(3,342)</u>	<u>-</u>

Total non-operating income and expenses	<u>3,041,011</u>	<u>23</u>	<u>2,410,833</u>	<u>19</u>
INCOME BEFORE INCOME TAX	3,135,503	24	2,667,383	21
INCOME TAX EXPENSE (Notes 4 and 18)	<u>(51,714)</u>	<u>-</u>	<u>(53,710)</u>	<u>-</u>
NET INCOME FOR THE YEAR	<u>3,083,789</u>	<u>24</u>	<u>2,613,673</u>	<u>21</u>

(Continued)

E INK HOLDINGS INC.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018	
	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)	\$ (14,690)	-	\$ (11,060)	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	251,164	2	42,302	-
Share of other comprehensive income (loss) of subsidiaries accounted for using the equity method	739,622	6	(474,417)	(3)
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4 and 18)	<u>2,938</u>	<u>-</u>	<u>4,226</u>	<u>-</u>
	<u>979,034</u>	<u>8</u>	<u>(438,949)</u>	<u>(3)</u>
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income (loss) of subsidiaries accounted for using the equity method	<u>(756,459)</u>	<u>(6)</u>	<u>61,295</u>	<u>-</u>
	<u>(756,459)</u>	<u>(6)</u>	<u>61,295</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>222,575</u>	<u>2</u>	<u>(377,654)</u>	<u>(3)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 3,306,364</u>	<u>26</u>	<u>\$ 2,236,019</u>	<u>18</u>
EARNINGS PER SHARE (Note 19)				
Basic	<u>\$ 2.72</u>		<u>\$ 2.32</u>	
Diluted	<u>\$ 2.71</u>		<u>\$ 2.31</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, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	Share Capital		Capital Surplus	Retained Earnings			Other Equity			Treasury Shares	Total
	Shares	Amount		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		
	(In Thousands)										
BALANCE AT JANUARY 1, 2018	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
Appropriation of 2018 earnings											
Legal reserve	-	-	-	261,367	-	(261,367)	-	-	-	-	-
Special reserve	-	-	-	-	184,797	(184,797)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(2,373,438)	-	-	-	-	(2,373,438)
Unclaimed dividends extinguished by prescription	-	-	26	-	-	-	-	-	-	-	26
Net income for the year ended December 31, 2019	-	-	-	-	-	3,083,789	-	-	-	-	3,083,789
Other comprehensive income (loss) for the year ended December 31, 2019, net of income tax	-	-	-	-	-	(10,697)	(756,459)	-	989,731	-	222,575
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	3,073,092	(756,459)	-	989,731	-	3,306,364
Share-based payments	-	-	63,912	-	-	-	-	-	-	-	63,912
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	7,678	-	-	(7,678)	-	-
Treasury shares transferred to employees	-	-	(238)	-	-	-	-	-	-	74,868	74,630
BALANCE AT DECEMBER 31, 2019	1,140,468	\$ 11,404,677	\$ 10,306,993	\$ 1,773,654	\$ 255,475	\$ 5,399,253	\$ (937,787)	\$ -	\$ 907,906	\$ (110,032)	\$ 29,000,139

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, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 3,135,503	\$ 2,667,383
Adjustments for		
Depreciation expenses	273,394	240,682
Amortization expenses	47,314	39,643
Expected credit loss recognized (reversed) on accounts receivable	(230)	1,120
Net loss on fair value changes of financial assets and liabilities at fair value through profit or loss	17,715	-
Interest expenses	37,839	14,688
Interest income	(9,929)	(4,279)
Dividend income	(66,208)	(51,892)
Compensation costs of share-based payments	38,909	91,454
Share of profit of subsidiaries accounted for using the equity method	(2,806,352)	(2,119,710)
Net loss (gain) on disposal of property, plant and equipment	(6,011)	1,316
Impairment loss	12,895	86,805
Write-downs of inventories	102,850	217,212
Unrealized loss on transactions with subsidiaries	-	1,492
Net unrealized loss on foreign currency exchange	48,829	30,515
Royalty income	(248,388)	(241,696)
Changes in operating assets and liabilities		
Accounts receivable	(323,422)	(423,076)
Accounts receivable from related parties	464,918	1,106,122
Inventories	(89,642)	19,716
Prepayments	41,534	(102,474)
Other current assets	3,595	(12,313)
Contract liabilities	196,475	340,470
Notes and accounts payable	(288,933)	(638,927)
Accounts payable to related parties	(618,720)	(969,117)
Other payables	42,957	(46,591)
Receipts in advance	58,400	(90,006)
Other current liabilities	(6,414)	25,409
Net defined benefit liabilities	(2,567)	(2,134)
Cash generated from operations	56,311	181,812
Income tax paid	(126,704)	(137,519)
Net cash generated from (used in) operating activities	(70,393)	44,293

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from disposal of financial assets at fair value through other comprehensive income	9,928	-
Acquisition of financial assets at amortized cost	(34,666)	(36,835)
Proceeds from disposal of financial assets at amortized cost	36,835	36,678
Acquisition of financial assets at fair value through profit or loss	(78,000)	-
Acquisition of subsidiaries	(4,340)	-
Acquisition of property, plant and equipment	(261,619)	(176,100)

(Continued)

E INK HOLDINGS INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (In Thousands of New Taiwan Dollars)

	2019	2018
Proceeds from disposal of property, plant and equipment	\$ 6,071	\$ 72
Decrease in other receivables from related parties	4,474	26,481
Acquisition of other intangible assets	(36,581)	(67,646)
Decrease (increase) in other non-current assets	58	(674)
Interest received	9,899	4,171
Dividends received	<u>1,188,712</u>	<u>798,083</u>
Net cash generated from investing activities	<u>840,771</u>	<u>584,230</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	1,710,000	999,900
Increase (decrease) in short-term bills payable	(19,893)	399,812
Increase (decrease) in other payables to related parties	(249,146)	244,802
Repayment of the principal portion of lease liabilities	(20,616)	-
Increase (decrease) in other non-current liabilities	329	(566)
Cash dividends	(2,373,438)	(1,853,550)
Proceeds from treasury shares transferred to employees	74,630	122,977
Interest paid	(37,789)	(14,311)
Proceeds from unclaimed dividends extinguished by prescription	<u>26</u>	<u>14</u>
Net cash used in financing activities	<u>(915,897)</u>	<u>(100,922)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(145,519)	527,601
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,166,960</u>	<u>639,359</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,021,441</u>	<u>\$ 1,166,960</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, 2019. These financial statements were audited by Huang Hui-Min and Shao Chi-Ming, CPAs of Deloitte Taiwan with the issuance of Auditors' Report.

The Board of Directors also presented the 2019 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.

2020 Annual General Meeting of Stockholders Meeting

E INK HOLDINGS INC.

Convener of the Audit Committee: Ten Chung Chen

Date: March 18, 2020

Appendix 4

E INK HOLDINGS INC. Third Share Repurchase And Employee Incentive Plan

Adoption date: June 13, 2016
First amendment: August 9, 2016
Second amendment: May 8, 2019

Article 1 In order to enhance execution performance of projects, to recruit professional talents and to retain employees with high performance, pursuant to subparagraph 1 of paragraph 1 of Article 28-2 of Securities and Exchange Act, Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies by Financial Supervisory Commission and other related laws, the Company has established this Share Repurchase and Employee Incentive Plan (the "Plan"). On June 13, 2016, the Board of Directors has resolved to repurchase the Company's shares and transfer to above-mentioned employees, and that except as otherwise regulated in relevant laws, then it shall be conducted according to this Plan.

(Approval for Transferee and Number of Shares)

Article 2 Projects, employees participating in the projects, professional talents recruited that are qualified pursuant to the preceding article and the number of shares allowed for subscription should be submitted to the Compensation Committee for review then submitted to the Board of Directors for approval. The employees qualified as transferees set forth include employees of the Company or of any of its Subsidiaries, domestic or overseas ("Subsidiaries" shall have the meaning given in item 1, (2) in Order No. Financial-Supervisory-Securities-I-0960073134 on December 26, 2007 of FSC.)

(Type of Shares to Be Transferred, Rights and Limitations of the Rights)

Article 3 The shares to be transferred to employees (the "Shares") shall be common shares of the Company. Unless as otherwise provided for in the Plan and relevant laws, the Shares bear the identical rights and obligations as other outstanding common shares of the Company.

(Transfer Period)

Article 4 The shares repurchased by the Company can be transferred by installments within five years from the date of buyback in accordance with the Plan.

(Rules of Allotment and Procedures of Transfer)

Article 5 An employee shall be deemed to have waived the right for the number of shares such employee is entitled to subscribe according to the resolution of Board of Directors of Article 2 if subscription or payment is not made during the set period for subscription or payment. For Shares not subscribed, the Chairman of the Board is authorized to engage other qualified employees to subscript.

(Procedures for Transfer)

Article 6 The procedures for transfer of repurchased Shares are as follows:

- (1) The Company shall make announcement and report and repurchase the Shares within the execution period in accordance with the resolution of the Board of Directors.
- (2) The Chairman of the Board is authorized to decide and announce the record date of subscription, the subscription and payment period, the rights and limitations of shares, etc. according to this Plan.
- (3) The Company shall calculate the number of Shares actually subscribed and paid for then transfer those Shares and register such transfer.

(Transfer Price per Share)

Article 7 The transfer price of the Shares equals to the average of the actual share repurchase price. If the number of the Company's issued common shares increases or decreases prior to transfer, the transfer price may be adjusted in proportion to the actual number of issued shares at that time (rounded off to the second decimal place).

Adjustment formula of the transfer price:

Adjusted transfer price = average of the actual share repurchase price × (number of issued common shares at the time repurchase is reported / number of issued common shares prior to transfer of repurchased Shares to employees.

(Rights and Obligations of Shares after Transfer)

Article 8 After Shares have been transferred to employees and such transfer has been registered, unless otherwise provided, the rights and obligations shall be identical with those attached to common shares.

Article 9 The Company shall transfer all of the repurchased Shares to employees within five 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.

Article 10 The Plan shall take affect upon adoption of the resolution by the Board of Directors and may be submitted to the Board of Directors for a resolution for amendment.

Article 11 After the repurchase period resolved by the Board of Directors expires or the Plan is fully carried out (whichever happens first), the Plan shall be reported at the most recent Shareholders' meeting.

Appendix 5

E INK HOLDINGS INC.

Table For The Distribution Of Earnings In 2019

Unit: NT\$

Item	Amount	Remarks
Earnings undistributed at the period-beginning		\$2,318,482,391
Net income of the current year	\$ 3,083,788,601	
Adjusted retained earnings for investment due to the use of the equity approach	1,054,839	
Disposal of equity instruments carried at fair value through other comprehensive income and transfer of cumulative gains/losses to retained earnings	7,678,000	
Remeasured amount of confirmed welfare plan listed in the retained earnings	(11,751,662)	
Sum of current net income and non-net income items added to current undistributed earnings		3,080,769,778
Statutory surplus reserve set aside (10%)		(308,076,978)
Reversal of special reserve previously provided		154,915,452
Distributable earnings for the year		5,246,090,643
Items of distribution		
Cash dividends and bonuses for shareholders		(2,268,725,430) Cash dividends at NT\$2.0 per share
Closing undistributed earnings		\$2,977,365,213

Chairman: Johnson Lee CFO: Lloyd Chen Controller: James Huang

Appendix 6

E INK HOLDINGS INC. Board of Directors Conference Rules

Article 1: This policy has been established in accordance with "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" to enhance board of directors' governance, supervision and management over the Company.

Article 2: All issues relating to board of directors meeting, such as motions, procedures, minutes, announcements, etc., shall proceed according to this policy.

Article 3: The board of directors shall convene meetings at least once a quarter.

When convening a board meeting, the purpose shall be stated and directors shall be notified 7 days in advance. However, when there is an emergency, it can be convened at any time. Notification about the convening of a board meeting shall be given by fax or e-mail.

The above mentioned meeting advice can be made in electronic form if consented by the receiving party.

Except in the case of emergency or under circumstances supported by justifiable reasons, all discussed topics listed in Paragraph 1, Article 7 of this policy shall be advised in advance as part of the agenda, and cannot be raised through a special motion.

Article 4: Board of directors meetings shall be held at the Company's business premise during office hours, or at any other time and place convenient for directors to attend.

Article 5: The board of directors has designated the Legal Division as the meeting organizer.

The meeting organizer is responsible for outlining board of directors meeting agenda and preparing adequate meeting information, which will be distributed along with the meeting advice.

Directors may request for supplemental information from the meeting organizer if they consider the prepared information to be inadequate. Directors may resolve to postpone certain discussions if they consider the information presented to them to be inadequate.

Article 6: The Company's regular board meetings shall cover at least the following issues:

1. Reports:

- (1) Minutes of the previous meeting and execution of meeting resolutions.
- (2) Reports on key financial or business information.
- (3) Reports on internal audit issues.
- (4) Reports on other important issues.

2. Discussions:

- (1) Discussions carried forward from the previous meeting.

(2) Discussions proposed for the current meeting.

3. Special motions.

Article 7: The following issues shall be raised for discussion in board of directors meetings:

1. The Company's operating plans.
2. Annual financial report signed or sealed by Chairman, manager and chief accountant, and second-quarter financial reports audited by CPA.
3. Establishment or amendment of internal control system, and assessment of effectiveness of the internal control system according to Article 14-1 of the Securities and Exchange Act.
4. Establishment or amendment of asset acquisition and disposal procedures, derivative trading procedures, third party lending procedures, third party endorsement and guarantee procedures, and other procedures of major financial consequences according to Article 36-1 of the Securities and Exchange Act.
5. Offering, issuance, or private placement of securities with equity characteristics.
6. Appointment and dismissal of the head of finance, accounting, or chief internal auditor.
7. Donation to related party or major donation to non-related party. However, in the occurrence of a major natural disaster, emergency aids of charitable nature can be made first and acknowledged later during the next board of directors meeting.
8. Any decisions that shall be resolved in a shareholder meeting or a board of directors meeting as required by Article 14-3 of the Securities and Exchange Act, relevant regulations or Articles of Incorporation, and any major issues prompted by the competent authority.

The term "related party" mentioned in Subparagraph 7 above shall adhere to the definitions stipulated in Regulations Governing the Preparation of Financial Reports by Securities Issuers. Major donation to non-related party shall refer to any single or cumulative donations that amount to NT\$100 million or above in a year to the same party, or amounts that accumulate to more than 1% of net revenues or 5% of paid-up capital, as shown in the latest audited financial statements.

The one-year period mentioned above shall refer to the one year dating back from the current board meeting. Amounts that have already been passed in previous board meetings may be excluded from calculation.

If the Company has independent directors in place, at least one independent director shall be personally present at each board of directors meeting. For any decisions that require resolution in a board of directors meeting, as mentioned in Article 14-3 of the Securities and Exchange Act, all independent directors shall personally attend the board meeting. Independent directors who are unable to attend personally shall appoint another independent director to attend on behalf. All objections and reservations expressed by independent directors shall be detailed in board of directors meeting minutes. If the independent director is unable to express objections or reservations in person during the board of directors meeting, the opinion shall be expressed in writing

in advance and recorded in board meeting minutes unless there is justifiable reason not to do so.

Article 8: Attendance logs shall be provided during board meetings and signed by attending directors.

Directors are required to attend board meetings personally. Directors who are unable to attend personally may seek proxy attendance from other directors according to the Articles of Incorporation. Directors who participate in the meeting using video conferencing are considered to have attended personally.

In case a director appoints another director to attend a meeting of the board of directors in his/her behalf, he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting.

The proxy mentioned in the two preceding Paragraphs may only represent the presence of one absent director.

Article 9: The Company's board meetings shall be convened and chaired by the Chairman. However, the first meeting of a newly elected board shall be convened by the director who receives the highest number of votes at the shareholder meeting, whereas the role of meeting chairperson shall be assumed by the convener. If two or more directors are equally eligible to serve as convener, one shall be elected among themselves to serve as convener.

If the Chairman is unable to perform duties due to leave of absence or any reason, the Chairman may appoint one of the directors to act on behalf. If no one is appointed, the remaining directors will appoint one among them to perform the Chairman's duties.

Article 10: Personnel from relevant departments or subsidiaries may be called to participate in the board meeting depending on the topics discussed. Certified public accountants, lawyers, or other professionals may also be invited to express opinions in board meetings if necessary. However, these professionals are to be dismissed during discussion and voting.

Article 11: The entire proceeding of the Company's board of directors meetings shall be recorded in both video and audio, and kept for at least 5 years. The footage can be stored in electronic form.

Should any litigation arise with respect to a specific board meeting resolution before the abovementioned expiry, the relevant recordings shall be retained as evidence indefinitely and are not subject to the above rules.

Where meetings are held by way of video conferencing, the recorded video and audio shall be treated as part of the meeting minutes and retained indefinitely.

Article 12: The chairperson may commence board meeting when the time is due with more than half of all directors present. If the meeting is due to convene but less than half of board is present, the chairman may postpone the meeting for up to two times for no more than 1 hour in total. If the number of participants remains insufficient after two postponements, the chairperson shall re-convene the meeting according to Paragraph 2, Article 3 of the conference rules.

The notion of "entire board of directors" mentioned above and in Subparagraph 2, Paragraph 2, Article 17 of the Rules shall refer to those who are currently in active duty.

Article 13: Board meetings shall proceed as scheduled in the meeting advice. However, changes can be made with the consent of more than half of all attending directors.

Except with the consent of more than half of all attending directors, the chairperson cannot dismiss the meeting while a planned motion, as mentioned in the preceding Paragraph, or a special motion is still in progress.

If the number of remaining directors falls to less than half of all attending directors while the board meeting is in progress, the chairperson shall suspend the meeting at the request of remaining directors and proceed according to the preceding Article.

Article 14: The chairperson may announce to discontinue further discussion if the topic is considered to have been sufficiently discussed to proceed with voting.

A motion is considered passed if none of the attending directors express any objection when asked by the chairperson during the voting process. This voting method shall carry the same effect as the ballot method.

The attending directors mentioned in the two paragraphs above do not include directors who are not permitted to vote under Paragraphs 1 and 2 of Article 16.

Article 15: Unless otherwise regulated in Securities and Exchange Act or The Company Act, the board's resolutions shall be passed only if more than half of total board members are present in a meeting, and with more than half of attending directors voting in favor.

The chairperson may choose to proceed with voting using any of the following methods, but if there is any objection among attendants as to the choice of voting method, the chairperson shall adopt the method that has the highest support among attendants:

1. Voting by show of hands.
2. Vote by roll call.
3. Vote by ballot.

In cases where several amendment or alternative solutions have been proposed at the same time, the chairperson shall determine the order in which proposals are to be voted. However, if any proposal is passed, all other proposals shall be deemed rejected and no further voting is necessary.

If the voting process requires a ballot examiner and a ballot counter, the chairperson shall appoint them accordingly. The ballot examiner, however, shall be a director.

The results of resolution(s) shall be announced in the meeting immediately, and recorded in the minutes of the meeting.

Article 16: If a director, or the corporate entity a director represents, is considered a stakeholder to the discussed topic, the director shall state the stakes involved during the current meeting session and shall disassociate from all discussions and voting if the stakes are in conflict against the Company's interests. In addition, the director may not exercise voting rights on behalf of other directors.

Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has

interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.

Board resolutions that involve directors who are prohibited from exercising voting rights, as mentioned in the two preceding Paragraphs, shall proceed according to Paragraph 4, Article 206 and Paragraph 2, Article 180 of The Company Act.

Article 17: Proceeding of the Company's board of directors meetings shall be compiled into detailed minutes. The meeting minutes shall record the following details:

1. The meeting session (or year), time, and venue.
2. Name of the meeting chairperson.
3. Directors' attendance, including the number and names of attendees, absentees, and those on leave of absence.
4. The names and designations of meeting participants.
5. The name of minutes taker.
6. The reported issues.
7. Discussions: The methods by which resolutions were reached and outcomes of each motion; summary of opinions expressed by directors, experts and other personnel involved; the names of directors who held conflicting interests in the discussed topic as described in Paragraph 1 of the preceding Article, descriptions of the stakes involved, reasons for directors' disassociation or participation in the discussed topic, and whether the director had disassociated from the discussion/vote; any objections or reservations expressed on record or in writing; and independent directors' written opinions raised according to Paragraph 5, Article 7.
8. Special motions: The name of the person who raised the motion; the method of resolution and outcome; summary of opinions expressed by directors, experts and other personnel; the names of directors who held conflicting interests in the discussed topic as described in Paragraph 1 of the preceding Article, descriptions of the stakes involved, reasons for directors' disassociation or participation in the discussed topic, and whether the director had disassociated from the discussion/vote; and any objections or qualified opinions expressed on record or in writing.
9. Other details as deemed relevant.

If the board resolution involves any of the following, the details of which shall be addressed in the meeting minutes and posted onto the reporting website designated by the authority within 2 days after the board resolution is made:

1. Objections or reservations expressed by independent directors on record or in writing.
2. If an Audit Committee has been assembled, any issues that are not agreed by the Audit Committee but passed by more than two-thirds of entire directors.

The attendance log constitutes part of the meeting minutes, and therefore shall be kept indefinitely.

Meeting minutes shall be signed or sealed by the chairperson and the minutes taker, and distributed to all directors within 20 days after the meeting. These documents shall also be treated as part of the Company's key files and kept properly over the Company's existence.

Preparation and distribution of meeting minutes mentioned in Paragraph 1 can be made in electronic form.

Article 18: The conference rules shall be implemented once approved by the board of directors, and will be reported in the upcoming shareholder meeting. The same applies to all subsequent revisions.

E INK HOLDINGS INC.

Comparison of Changes to Board of Directors Conference Rules

Clause	After amendment	Before amendment	Notes
Article 7	<p>The following issues shall be raised for discussion in board of directors meetings:</p> <ol style="list-style-type: none"> 1. The Company's operating plans. 2. Annual financial report <u>signed or sealed by Chairman, manager and chief accountant, and second-quarter financial reports audited by CPA.</u> 3. Establishment or amendment of internal control system, and assessment of effectiveness of the internal control system according to Article 14-1 of the Securities and Exchange Act. 4. Establishment or amendment of asset acquisition and disposal procedures, derivative trading procedures, third party lending procedures, third party endorsement and guarantee procedures, and other procedures of major financial consequences according to Article 36-1 of the Securities and Exchange Act. 5. Offering, issuance, or private placement of securities with equity characteristics. 6. Appointment and dismissal of the head of finance, accounting, or chief internal auditor. 7. Donation to related party or major donation to non-related party. However, in the occurrence of a major 	<p>The following issues shall be raised for discussion in board of directors meetings:</p> <ol style="list-style-type: none"> 1. The Company's operating plans. 2. Annual <u>and semi-annual financial reports. This excludes semi-annual financial reports that do not need to be audited by a CPA.</u> 3. Establishment or amendment of internal control system, and assessment of effectiveness of the internal control system according to Article 14-1 of the Securities and Exchange Act. 4. Establishment or amendment of asset acquisition and disposal procedures, derivative trading procedures, third party lending procedures, third party endorsement and guarantee procedures, and other procedures of major financial consequences according to Article 36-1 of the Securities and Exchange Act. 5. Offering, issuance, or private placement of securities with equity characteristics. 6. Appointment and dismissal of the head of finance, accounting, or chief internal auditor. 7. Donation to related party or major donation to non-related party. However, in the occurrence of a major natural disaster, emergency 	Amended to conform with regulatory amendments

Clause	After amendment	Before amendment	Notes
	<p>natural disaster, emergency aids of charitable nature can be made first and acknowledged later during the next board of directors meeting.</p> <p>8. Any decisions that shall be resolved in a shareholder meeting or a board of directors meeting as required by Article 14-3 of the Securities and Exchange Act, relevant regulations or Articles of Incorporation, and any major issues prompted by the competent authority.</p> <p>The term "related party" mentioned in Subparagraph 7 above shall adhere to the definitions stipulated in Regulations Governing the Preparation of Financial Reports by Securities Issuers. Major donation to non-related party shall refer to any single or cumulative donations that amount to NT\$100 million or above in a year to the same party, or amounts that accumulate to more than 1% of net revenues or 5% of paid-up capital, as shown in the latest audited financial statements. The one-year period mentioned above shall refer to the one year dating back from the current board meeting. Amounts that have already been passed in previous board meetings may be excluded from calculation. If the Company has independent directors in place, at least one independent director shall be personally present at each board of directors meeting.</p>	<p>aids of charitable nature can be made first and acknowledged later during the next board of directors meeting.</p> <p>8. Any decisions that shall be resolved in a shareholder meeting or a board of directors meeting as required by Article 14-3 of the Securities and Exchange Act, relevant regulations or Articles of Incorporation, and any major issues prompted by the competent authority.</p> <p>The term "related party" mentioned in Subparagraph 7 above shall adhere to the definitions stipulated in Regulations Governing the Preparation of Financial Reports by Securities Issuers. Major donation to non-related party shall refer to any single or cumulative donations that amount to NT\$100 million or above in a year to the same party, or amounts that accumulate to more than 1% of net revenues or 5% of paid-up capital, as shown in the latest audited financial statements. The one-year period mentioned above shall refer to the one year dating back from the current board meeting. Amounts that have already been passed in previous board meetings may be excluded from calculation. If the Company has independent directors in place, at least one independent director shall be personally present at each board of directors meeting.</p>	

Clause	After amendment	Before amendment	Notes
	<p>For any decisions that require resolution in a board of directors meeting, as mentioned in Article 14-3 of the Securities and Exchange Act, all independent directors shall personally attend the board meeting. Independent directors who are unable to attend personally shall appoint another independent director to attend on behalf. All objections and reservations expressed by independent directors shall be detailed in board of directors meeting minutes. If the independent director is unable to express objections or reservations in person during the board of directors meeting, the opinion shall be expressed in writing in advance and recorded in board meeting minutes unless there is justifiable reason not to do so.</p>	<p>For any decisions that require resolution in a board of directors meeting, as mentioned in Article 14-3 of the Securities and Exchange Act, all independent directors shall personally attend the board meeting. Independent directors who are unable to attend personally shall appoint another independent director to attend on behalf. All objections and reservations expressed by independent directors shall be detailed in board of directors meeting minutes. If the independent director is unable to express objections or reservations in person during the board of directors meeting, the opinion shall be expressed in writing in advance and recorded in board meeting minutes unless there is justifiable reason not to do so.</p>	
Article 14	<p>The chairperson may announce to discontinue further discussions if the chairperson considers the motion to have been sufficiently discussed to proceed with voting.</p> <p>A motion is considered passed if none of the attending directors express any objection when asked by the chairperson during the voting process. This voting method shall carry the same effect as the ballot method.</p> <p><u>The attending directors mentioned in the two paragraphs above do not include directors who are not permitted to vote under Paragraphs 1 and 2 of Article 16.</u></p>	<p>The chairperson may announce to discontinue further discussions if the chairperson considers the motion to have been sufficiently discussed to proceed with voting.</p> <p>A motion is considered passed if none of the attending directors express any objection when asked by the chairperson during the voting process. This voting method shall carry the same effect as the ballot method.</p>	Amended to conform with regulatory amendments

Clause	After amendment	Before amendment	Notes
Article 16	<p>If a director, or the corporate entity a director represents, is considered a stakeholder to the discussed topic, the director shall state the stakes involved during the current meeting session and shall disassociate from all discussions and voting if the stakes are in conflict against the Company's interests. In addition, the director may not exercise voting rights on behalf of other directors.</p> <p><u>Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.</u></p> <p>Board resolutions that involve directors who are prohibited from exercising voting rights, as mentioned <u>in the two preceding Paragraphs</u>, shall proceed according to Paragraph 4, Article 206 and Paragraph 2, Article 180 of The Company Act.</p>	<p>If a director, or the corporate entity a director represents, is considered a stakeholder to the discussed topic, the director shall state the stakes involved during the current meeting session and shall disassociate from all discussions and voting if the stakes are in conflict against the Company's interests. In addition, the director may not exercise voting rights on behalf of other directors.</p> <p>Board resolutions that involve directors who are prohibited from exercising voting rights, as mentioned above, are governed by Paragraph 3, Article 206 and Paragraph 2, Article 180 of The Company Act.</p>	Amended to conform with regulatory amendments

Appendix 7

E INK HOLDINGS INC. Sustainability and Social Responsibility Code of Conduct

Passed by the board of directors on December 19, 2019

- Article 1 "E Ink Corporation Sustainability and Social Responsibility Code of Conduct" (hereafter referred to as "Code of Conduct") has been established based on "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" to enforce corporate social responsibilities within the Company and to facilitate sustainable growth in economic, social as well as environmental aspects.
- Article 2 This Code of Conduct applies to the Company and all subsidiaries included in the consolidated income statement (collectively referred to as "The Company and Subsidiaries").
- Article 3 The Company and Subsidiaries shall aim to maximize shareholder value, protect stakeholders' interest, exert positive influence on the society, and reduce resource consumption in a reasonable manner in all business and operational activities.
- Article 4 The notion of "sustainability and social responsibility" shall include the following:
1. Sound corporate.
 2. Support to environmental sustainability.
 3. Preservation of public welfare.
 4. Enhanced disclosure of corporate social responsibility information.
- Article 5 The Company has a "Corporate Social Responsibility Committee" that specializes in the planning of CSR policies and management systems that complement the Company's visions toward innovation, teamwork, localization, social care, product globalization and sustainability.
- Article 6 The board of directors shall supervise the management team in fulfilling the Code of Conduct, and the management team is required to make regular reports to the board of directors regarding enforcement of CSR practices. The Company's philosophy toward sustainability and social responsibilities shall be communicated in employee training courses to ensure proper implementation of the CSR system.
- The abovementioned regular report shall cover:
1. The Company's CSR missions and visions.
 2. Communication with stakeholders
 3. Execution plan and outcome.
 4. Disclosure of sustainability and social responsibilities.
- Article 7 The Company shall fully convey and communicate with stakeholders its sustainability and social responsibility values, execution plans and outcomes.
- The Company has a Stakeholders Communication section created on its website for stakeholders to express their expectations and requirements.
- Article 8 The Company and Subsidiaries shall fully observe impacts to the environment, local environmental laws and international standards when carrying out operational and

business activities, and improve practices with time.

Article 9 In order to minimize negative impact of operating activities on the environment, the Company shall:

1. Gather adequate information and make timely assessment on how operating activities affect the natural environment.
2. Develop measurable environmental targets, and examine and adjust in a regular and timely manner.
3. Implement feasible plans or action solutions, and examine the effectiveness on a regular basis.

Article 10 When engaging in research, development, procurement, production, operating and service activities, the Company shall:

1. Minimize use of resources and energy in the products/services offered.
2. Reduce emission of pollutants, toxic substances and waste, and ensure proper disposal of waste.
3. Improve the recyclability and reusability of raw materials or products offered.
4. Maximize the use of renewable resources.
5. Extend durability of products offered.
6. Enhance product and service efficiency.

Article 11 The Company shall assemble an "Environment, Safety, Health and Energy Management System Promotion Committee" to perform the following responsibilities:

1. Manage energy consumption.
2. Manage greenhouse gas emission and reduce energy/carbon.
3. Manage water resources.
4. Control air pollution.
5. Manage waste.

Article 12 The Company shall adopt common international standards to perform greenhouse gas survey at key operating premises and disclose information including:

1. Direct greenhouse gas emission (where the source of emission is owned or controlled by the Company).
2. Indirect greenhouse gas emission (refers to greenhouse gas created from purchased electricity, heat or steam).

The Company shall monitor how climate change affects business activities and, based on current operations and greenhouse gas survey, develop energy/carbon reduction and greenhouse gas reduction strategies and enforce accordingly to reduce climate change impacts on business activities.

Article 13 The Company shall assemble an "Environment, Safety, Health and Energy Management System Promotion Committee" to perform the following responsibilities:

1. Establish and execute water resource-related policies.
2. Ensure that effluents are treated properly to minimize impact to the environment.
3. Increase utilization efficiency of water researches and promote water recycling.

Article 14 The Company and Subsidiaries shall comply with human right laws in places where they operate, implement management policies that comply with world-recognized labor and human right principles, eliminate all actions that violate human rights, and treat

employees with respect and dignity.

The Company and Subsidiaries shall adopt human resource policies that are free of discrimination and differential treatment whether in terms of gender, sexual orientation, ethnicity, social status, age, marital status or family background, and promote fairness in recruitment, employment terms, compensation, benefits, training, performance assessment and promotion opportunities.

The Company and Subsidiaries shall provide effective, accessible and appropriate channels for employees to raise complaints, and ensure that complaints are handled and responded in a fair, transparent and appropriate manner.

Article 15 The Company and subsidiaries shall establish a reasonable compensation policy to ensure that compensations are aligned with the organization's strategies, goals and stakeholders' interests.

Employee compensation policy shall be designed in a way that reflects the Company's performance results and supports recruitment, encouragement and retention of human resources.

Article 16 The Company and subsidiaries shall provide employees with adequate information to facilitate proper understanding of the rights they are entitled to under local labor regulations.

Article 17 The Company has an "Environment, Safety, Health and Energy Management System Promotion Committee" in place, whereas the management values employees' safety and health and cares for environmental protection as well as energy issues. Using safety, health, environmental protection and energy assessment tools, The Company and subsidiaries shall develop management solutions and implement them in daily operations to achieve safety in operations, clean production, environmental protection, energy saving and sustainable growth.

Article 18 The Company and subsidiaries shall provide employees with a work environment that facilitates career development, and implement effective training programs to help develop the skills needed for career advancement.

Article 19 The Company and Subsidiaries shall implement channels not only to facilitate communication with employees, but also to support employees' right to receive information and express opinions with regards to operating activities and management decisions.

The Company and subsidiaries shall respect workers' representatives and their rights to negotiate on behalf of employees. Employees shall be provided with the necessary information and hardware to facilitate negotiation and collaboration between the employer, the employees and workers' representatives.

The Company and subsidiaries shall utilize appropriate means to notify employees on operational changes that may be of significant impact to them.

Article 20 The Company and Subsidiaries shall comply with local laws and rules to ensure the quality of products and services offers, and that customers are treated fairly and reasonably.

The Company and Subsidiaries shall take actions to prevent products and services from causing direct damage to consumers' interest, health and safety, and shall avoid deception,

misrepresentation, fraud and any behavior that undermines consumers' trust or interests.

Article 21 The Company shall provide transparent and effective procedures for addressing customers' and consumers' complaints in a fair and timely manner. The Company shall also comply with the Personal Information Protection Act and handle customers'/consumers' personal information in the utmost respect.

Article 22 The Company and Subsidiaries shall actively coordinate with suppliers to enforce corporate social responsibilities.

The Company and Subsidiaries shall avoid dealing with counterparties that exhibit violation against the Company's CSR principles. When signing contract with others, CSR clauses shall be included where appropriate.

Article 23 The Company shall actively increase positive influence of its operating activities on the local community, and build sound interaction and communication with the local community to minimize potential negative impacts. The Company shall also hire local workers where appropriate.

The Company shall aim to contribute resources to the local community through commercial campaigns, donations, volunteer service and non-profit activities, and in doing so promote co-prosperity with the local community.

Article 24 The Company and subsidiaries shall maintain an open information policy in compliance with laws, and disclose relevant and reliable CSR information.

Article 25 The Company shall disclose CSR-related information by preparing CSR reports using internationally recognized standards or guidelines. Third-party assurance or affirmation shall be obtained for the prepared reports.

Article 26 The Company shall pay attention to new developments in local and foreign CSR trends and changes in the business environment, so that the Company's CSR systems can be examined and improved accordingly.

Article 27 This Code of Conduct shall be implemented upon approval of the board of directors and raised for acknowledgment during shareholder meeting. The same applies to subsequent amendments.

Appendix 8

E INK HOLDINGS INC. Business Integrity Code of Conduct

Passed during the board of directors meeting held on December 19, 2019

Article 1 The following code of conduct has been established in accordance with "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" to maintain a corporate culture of honest business dealing.

This Business Integrity Code of Conduct applies to the Company and all subsidiaries included in the consolidated income statement (collectively referred to as "The Company and Subsidiaries").

Article 2 The Company shall manage its businesses in the utmost integrity, and develop robust corporate governance and risk management practices to ensure continuity of its business activities.

The Company and Subsidiaries shall comply with laws and rules applicable at places where business activities take place, and treat them as the foundation for integrity management.

Article 3 The Company's and subsidiaries' directors, supervisors, managers, employees or any empowered personnel (collectively referred to as "Controllers" below) are prohibited from offering, committing, requesting or accepting any illegitimate benefit and involving in any conduct that would be construed as dishonest, illegal, or in breach of trust (collectively referred to as Dishonest Conducts below), whether directly or indirectly, when carrying out business activities, in an attempt to obtain or maintain gains.

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.

Article 4 The term "gains" mentioned in the code of conducts shall refer to anything of value, including money, gifts, commissions, positions, services, privileges, and kickbacks of any form and purpose. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

Article 5 The Company may develop preventive measures against dishonest conducts (referred to as "Preventions" below) based on the Code of Conduct. When developing Preventions, the Company shall identify business activities that are prone to high risk of dishonesty and adopt enhanced preventive measures accordingly.

The above Preventions shall prevent at least the following misconducts:

1. Offering and acceptance of bribe.
2. Offering of illegal political donations.
3. Inappropriate donation or sponsorship.
4. Offering or acceptance of inappropriate gift, treatment or benefit.
5. Infringement of business secret, trademark, patent, copyright and other intellectual property rights.
6. Engagement in unfair competition.

7. Direct or indirect damage to consumers' or stakeholders' interest, health or safety during research, development, procurement, manufacturing, offering or sale of products and services.

Article 6 The Company shall ensure fair competition, legitimacy and compliance in all business activities performed.

Prior to engaging in commercial transactions, the Company is required to evaluate the legitimacy of its counterparties and investigate whether they were previously involved in dishonest conducts. The Company shall avoid dealing with entities that demonstrate poor integrity.

Contracts signed by the Company with distributors, suppliers, customers or other counterparties shall include an integrity clause.

Article 7 The Company, subsidiaries and directors, supervisors, managers, employees, agents and controllers thereof shall adhere to the following rules when performing business activities:

1. Do not offer, guarantee, request or accept any form of illegitimate benefit with customers, distributors, contractors, suppliers, government officials or stakeholders, whether directly or indirectly, when carrying out business activities.
2. Any donations made directly or indirectly to political parties, campaigns or individuals comply with the Political Donations Act and the Company's internal procedures. These donations cannot be exploited as means to obtain commercial benefit or advantage.
3. Any donations or sponsorships made to charity organizations shall comply with relevant laws and the Company's internal procedures. These donations and sponsorships cannot be exploited as means of bribery.
4. Do not offer or accept inappropriate gifts, treatments or benefits, whether directly or indirectly, as a means to establish commercial relationship or affect commercial outcomes.
5. Comply strictly with intellectual property laws, internal procedures and contract terms. Except with the consent of the intellectual property rights owner, the Company may not use, reveal, disclose, dispose, destroy or commit any action that constitutes infringement of intellectual property right.

For the purpose of highlighting business practices that require attention for directors, managers, employees and controllers of The Company and Subsidiaries, the Company may develop a set of operating procedures and behavioral guidelines to address at least the following:

1. Definitions on the offering/acceptance of improper gains.
2. Procedures for offering legitimate political donations.
3. Procedures for offering legitimate donations or sponsorships, and limits.
4. Rules against conflict of interest, including reporting and handling procedures.
5. Confidentiality rules for secrets and sensitive information obtained through business activity.
6. Rules and procedures for suppliers, customers and business counterparties involved in dishonest conducts.
7. Procedures for handling violation against the Business Integrity Code of Conduct.

8. Disciplinary actions against violators.

Article 8 The Company shall comply with competition laws when engaging in business activities, and shall avoid actions that may be construed as an attempt to undermine market competition, such as: price fixing, bid rigging, use of output restriction or quota, or share or divide market by allocating customers, suppliers, territories, or business activities.

Article 9 The Company, subsidiaries and directors, supervisors, managers, employees, agents and controllers thereof shall comply with laws and international standards when researching, developing, procuring, manufacturing, supplying and selling products and services to prevent products/services from causing direct or indirect damage to consumers or compromising the rights, health and safety of other stakeholders.

Article 10 The Company, subsidiaries and directors, supervisors, managers, employees, agents and controllers thereof shall exercise the duty of care as prudent managers to supervise and prevent dishonest conducts, while constantly review performance to ensure ongoing improvement and sound execution of integrity policy.

For the purpose of enforcing integrity management, the Company has assigned its HR Central Division the duty of overseeing the establishment and execution of business integrity policies and Preventions, for which the division is required to report to the board of directors on a regular basis (at least once a year).

Article 11 The Company shall implement a conflicting interest policy to identify, supervise and manage potential conflicts of interest that may give rise to dishonest behaviors, and implement channels for directors, supervisors, managers, stakeholders and board meeting participants to state their conflicting interests with the Company.

If a director of The Company and Subsidiaries, or the corporate entity a director represents, is considered a stakeholder to the motion discussed during board meeting, the director shall state the stakes involved during the current meeting session and shall disassociate from all discussions and voting. In addition, the director may not exercise voting rights on behalf of other directors.

The Company, subsidiaries and directors, supervisors, managers, employees, agents and controllers thereof shall not exploit their vested authorities or influences for improper gains, whether for themselves or for spouse, parents, children, or any other parties.

Article 12 The Company shall implement effective accounting and internal control systems and perform timely reviews to ensure ongoing effectiveness of its policies.

The internal audit unit has the duty to audit the Company's compliance with the above policies on a regular basis, and report findings to the board of directors in the form of an audit report. The internal audit unit may also engage CPAs to perform audit, and seek help from professionals if necessary.

Article 13 The board of directors and management shall commit to enforcing business integrity.

Chairman, President and senior managers shall constantly convey the importance of integrity with directors, employees and agents, and enforce them in internal management as well as external business activities.

The Company shall organize regular training or adopt other means to convey its integrity values, so that stakeholders are made fully aware of the Company's commitment as well

as policies, Preventions and disciplinary measures imposed to enforce business integrity.

The integrity policy shall be incorporated into the human resource policy and enforced with an effective reward/disciplinary system.

Article 14 The Company shall develop and implement a whistleblower system that encompasses at least the following:

1. Misconduct reporting channels available to insiders and outsiders, including mailboxes and hotlines that are operated by the Company or by independent third-party institutions.
2. Personnel or unit assigned specifically to handle reported misconducts, along with classification criteria and standard operating procedures for reported misconducts. Misconduct reports that involve directors or the senior management are to be escalated to independent directors.
3. Procedures for acceptance and investigation of reported misconducts, and documentation and preservation of investigation outcome.
4. Protection of informant's identity and details of reported misconduct.
5. Protection for informants against retaliation.
6. Whistleblowing incentives.

The unit or personnel responsible for handling whistleblowing is required to file report and notify independent directors in writing upon discovery of any major violation or any occurrence that has the potential to cause significant damage to the Company.

Article 15 The Company shall establish a system that facilitates the reporting and discipline of conducts that violate the integrity policy. Any personnel who commit violation will have their names, titles, misconducts, date of violation, and disciplinary actions disclosed on the Intranet.

Article 16 This code of conduct shall be disclosed on website and in annual reports.

The Company shall disclose via website, annual report, prospectus and Market Observation Post System the measures it adopts to enforce business integrity, as well as the execution and effectiveness of such measures.

Article 17 The Company shall observe local and foreign integrity guidelines and encourage directors, supervisors, managers and employees to raise suggestions that would help improve the integrity policy and its implementation, and thereby enhance integrity performance.

Article 18 The Business Integrity Code of Conduct shall be implemented upon approval of the board of directors and raised for acknowledgment by the Audit Committee and at shareholder meeting. The same applies to subsequent amendments.

Independent directors' opinions shall be fully taken into consideration when the Business Integrity Code of Conduct is raised for discussion among the board of directors. All objections and reservations expressed by independent directors shall be detailed in board of directors meeting minutes. If the independent director is unable to express objections or reservations in person during board meeting, the opinion shall be expressed in writing in advance and recorded in board meeting minutes unless there is justifiable reason not to do so.

Appendix 9

E Ink Holdings Inc. Articles of Incorporation

(Before amendment)

Chapter 1 General Provisions

Article 1: This Company is incorporated according to the provisions of the Company Act, and named as E INK HOLDINGS INC.

Article 2: Businesses of the Company include the following:

- (1) CC01080 Electronic components manufacturing
- (2) F119010 Wholesales of electronic materials (limited operation outside the area)
- (3) F219010 Retail of electronic materials (limited operation outside the area)
- (4) F113050 Wholesales of computers and transactional machinery equipment (limited operation outside the area)
- (5) F213030 Retail of computers and transactional machinery equipment (limited operation outside the area)
- (6) F118010 Wholesales of information software (limited operation outside the area)
- (7) F218010 Retail of information software (limited operation outside the area)
- (8) I301010 Information software services (limited operation outside the area)
- (9) CC01101 Manufacturing of restrained telecom RF equipment and materials (limited operation outside the area)
- (10) F401021 Import of restrained telecom RF equipment and materials (limited operation outside the area)
- (11) F113070 Wholesales of telecom equipment and materials (limited operation outside the area)
- (12) F213060 Retail of telecom equipment and materials (limited operation outside the area)
- (13) ZZ99999 Apart from the permitted businesses, other business not prohibited or restricted by laws (limited operation outside the area)
- (14) F401010 International trade

Research, development, production, manufacturing and sales of the following products:

- (1) TFT-LCD.
- (2) TFT-LCD television, monitoring systems, and components of the aforesaid systems (limited operation outside the area).

The Company also does import and export of products related to the business scope.

Article 3: The Company shall externally undertake that:

The total amount of external investment of the Company shall not be restricted by the amount of the 40% paid-in capital.

Article 4: The head office of the Company is located in Hsinchu Science Park. When necessary, branches can be established at home and abroad through the resolution of the Board of Directors and the approval of competent authorities.

Chapter 2 Shares

Article 5: Capital sum of the Company is determined to be NT\$20 billion, which is divided into 2 billion shares priced at NT\$10 per share.

The Board of Directors shall be authorized to issue the aforesaid shares by several times.

NT\$1.4 billion in the capital mentioned in Article 1 shall be retained for issuing share subscription warrants for employees, which will be divided into 140 million shares priced at NT\$10 per share, and issued by several times according to the resolutions of the Board of Directors.

Article 5-1: The Company shall issue the share subscription warrants for employees at a subscription price lower than the market price, and shall issue that according to Article 56-1 and Article 76 of Guidelines for Issuers to Raise and Issue Negotiable Securities after being decided by the shareholders' meeting.

Article 5-2: The Company shall transfer the buyback shares to employees at a price lower than the average buyback price and handle the transfer according to Article 10-1 and Article 13 of the Measures for Listed Companies or OTC Companies to Buy back Their Own Shares after decision is made on the latest shareholders' meeting.

Article 5-3: (Deletion)

Article 5-4: (Deletion)

Article 5-5: (Deletion)

Article 5-6: (Deletion)

Article 6: The shares of the Company are generally registered shares, which were signed or sealed by more than 3 directors and issued after being certified according to law. The Company can also use stocks which are not issued by any entity and not necessarily printed, and negotiate with centralized securities depository enterprises for the selling.

Article 7: Unless otherwise specified by laws and regulations, affairs of the Company related to shares shall be handled according to the "Criteria Governing Handling of Stock Affairs by Public Stock Companies".

Chapter 3 Shareholders' meeting

Article 8: Within 60 days before the commencement of each general shareholders' meeting, and within 30 days before the commencement of shareholders' interim meeting and within 5 days before the base date that the Company decides to distribute dividend and bonus or other interests, the transfer of shares shall be stopped.

Article 9: Shareholders' meeting includes general meeting and interim meeting. The regular meeting will be convened once a year by the Board of Directors according to law within 6 months after the end of each fiscal year. Interim meeting can be convened according to when necessary. The Rules of Order of Shareholders' Meeting shall be followed for discussions. The convening of the general shareholders' meeting shall be before the 30th day; shareholders shall be notified of the convening of an interim meeting before the 15th day and the cause shall be clarified.

Article 10: When a shareholder cannot attend the shareholders' meeting due to some reasons, he/she may issue a letter of authorization printed by the Company stating the scope of authorization, sign or seal it to delegate an agent to attend the meeting. Apart from the provision of Article 177 of the Company Act, the "Rules of Public Stock Companies for the Use of Letter of Authorization for the Attendance of Shareholders' Meeting" shall be adopted by a shareholder to delegate an agent to attend the meeting.

Article 11: Except those with no voting right according to Article 179 or Article 197 of the Company Act, each share has one voting right for the shareholders of the Company.

Article 12: Unless otherwise specified by the Company Act, resolutions of shareholders' meeting shall be made with the attendance of shareholders representing more than half of the Company's issued shares and approved by more than half of the voting rights of present shareholders.

Chapter 4 Directors and the Audit Committee

Article 13: The Company arranges 7 to 11 directors, with a 3-year term of office. The candidate nomination system is adopted. The shareholders' meeting will select directors from the list of director candidates at random and they can be reappointed if they are select successively.

Among the aforesaid directors, the number of independent directors shall be at least 3 and shall not be less than 1/5 of seats for directors. The restrictions on the professional qualification, shares and part-time job of independent shareholders, their nomination and selection and other matters shall be done according to relevant regulations of securities regulatory authorities.

The total proportion of shareholding by all the directors shall be according to the regulations of securities regulatory authorities.

Article 13-1: According to Article 14-4 of the Securities Exchange Act, the Company sets up an Audit Committee to take charge of performing the duties of supervisor specified in the Company Act, the Securities Exchange Act and other laws and regulations.

The Audit Committee shall be formed by all the independent directors.

Article 14: The Board of Directors shall be organized by directors. With the attendance of more than 2/3 of directors and the consent of more than half of the present directors, the chairman can be elected and one vice-chairman can be selected to support the chairman. The chairman comprehensively handles all affairs on behalf of the Company. If the chairman asks for a leave or cannot perform the duties due to some reasons and there is a vice-chairman, the vice-chairman can act on his/her behalf; if there is no vice-chairman and the chairman designate no agent, directors can select one among them to take charge of that.

Article 15: The board meeting shall be convened at least once every quarter. When necessary, interim board meeting can be convened. When any director cannot attend the board meeting, he/she may issue a letter of authorization which states the purpose of the meeting and the scope of authorization, to delegate other director to attend the meeting on his/her behalf. The aforesaid agent can only accept the delegation of one director.

When convening a board meeting, the purpose shall be stated and directors shall be notified 7 days in advance. However, when there is an emergency, it can be convened at any time. Notification about the convening of a board meeting shall be given by fax

or e-mail.

The implementation of the Company's board meeting shall be handled according to the Company's "Rules of Order of the Board Meetings".

Article 16: Remuneration shall be paid to the directors no matter the Company gained profit or not. The Board of Directors shall be authorized to determine their remuneration according to their participation in the operation of the Company and their contribution and by referring the general paid amount of peers; when the Company has profits, remuneration shall be distributed according to Article 19.

Article 16-1: The Company shall buy liability insurances for directors and managers with their term of office according to their scope of services.

Chapter 5 Managers

Article 17: The Company shall have managers, whose title, appointment, resign and remuneration shall be handled according to provisions of the Company Act.

Chapter 6 Accounting

Article 18: The fiscal year of the Company is from January 1 of each year to December 31. At the end of each fiscal year, the Board of Directors shall issue (1) a business report, (2) the financial statements, (3) the proposal on the distribution of earnings or the provision for loss and other documents, submit them to the Audit Committee for review 30 days before the opening of the general shareholders' meeting, and request the general shareholders' meeting to confirm them according to the legal procedures.

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.

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.

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 19-1: The Company is engaged in the emerging technological industry. To coordinate with the Company's long-term financial planning, and seek for sustainable operation, the residual dividend policy is adopted.

If there is surplus after the settlement of each year, 10% statutory surplus reserve shall be set aside according to law after taxes are paid and loss or previous years is offset. Then, special surplus reserve shall be set aside or transferred; if there is still surplus, the Board of Director shall measure the capital demand of future years according to the future capital budget. After keeping the part for the future, at least 50% of the remaining amount shall be distributed as dividend and bonus for shareholders.

The distribution of the aforesaid surplus shall be together with the accumulated undistributed surplus of the previous years.

The distribution of dividend and bonus for shareholders shall be made in cash or stocks. Dividends made in cash shall not be less than 10% of the total dividend distribution of the year.

When Item 2 statutory surplus reserve reaches the amount of paid-in capital, the provision shall be stopped.

The proposal for the distribution of earnings each year shall be submitted by the Board of Directors to the shareholders' meeting for resolution.

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.

Chapter 7 Supplementary provisions

Article 20: Matters not covered herein shall be handled according to the provisions of the Company Act.

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, 1997

The sixth amendment was made on June 2, 1998

The seventh amendment was made on July 28, 1999

The eighth amendment was made on May 12, 2000

The ninth amendment was made on November 2, 2001

The tenth amendment was made on June 20, 2002

The eleventh amendment was made on June 24, 2003

The twelfth amendment was made on June 21, 2004

The thirteenth amendment was made on June 30, 2006

The fourteenth amendment was made on June 15, 2007

The fifteenth amendment was made on June 19, 2009

The sixteenth amendment was made on November 18, 2009

The seventeenth amendment was made on June 18, 2010

The eighteenth amendment was made on June 24, 2011

The nineteenth amendment was made on June 18, 2012

The twentieth amendment was made on May 3, 2013

The twenty first amendment was made on June 18, 2014

The twenty second amendment was made on June 9, 2015

The twenty third amendment was made on June 22, 2016

The twenty fourth amendment was made on June 18, 2019

E INK Holdings Inc.
Johnson Lee,
Chairman

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 19-1	<p>The Company is engaged in the emerging technological industry. To coordinate with the Company's long-term financial planning, and seek for sustainable operation, the residual dividend policy is adopted.</p> <p>If there is surplus after the settlement of each year, 10% statutory surplus reserve shall be set aside according to law after taxes are paid and loss or previous years is offset. Then, special surplus reserve shall be set aside or transferred; if there is still surplus, the Board of Director shall measure the capital demand of future years according to the future capital budget. After keeping the part for the future, at least 50% of the remaining amount shall be distributed as dividend and bonus for shareholders.</p> <p>The distribution of the aforesaid surplus shall be together with the accumulated undistributed surplus of the previous years. The distribution of dividend and bonus for shareholders shall be made in cash or stocks. Dividends made in cash shall not be less than 10% of the total dividend distribution of the year.</p> <p>When Item 2 statutory surplus reserve reaches the amount of paid-in capital, the provision shall be stopped.</p>	<p>The Company is engaged in the emerging technological industry. To coordinate with the Company's long-term financial planning, and seek for sustainable operation, the residual dividend policy is adopted.</p> <p>If there is surplus after the settlement of each year, 10% statutory surplus reserve shall be set aside according to law after taxes are paid and loss or previous years is offset. Then, special surplus reserve shall be set aside or transferred; if there is still surplus, the Board of Director shall measure the capital demand of future years according to the future capital budget. After keeping the part for the future, at least 50% of the remaining amount shall be distributed as dividend and bonus for shareholders.</p> <p>The distribution of the aforesaid surplus shall be together with the accumulated undistributed surplus of the previous years. The distribution of dividend and bonus for shareholders shall be made in cash or stocks. Dividends made in cash shall not be less than 10% of the total dividend distribution of the year.</p> <p>When Item 2 statutory surplus reserve reaches the amount of paid-in capital, the provision shall be stopped.</p> <p><u>The proposal for the distribution of earnings each year shall be submitted by the Board of Directors to the shareholders' meeting for resolution.</u></p>	<p>In accordance with Article 240, Article 5 of the Company Law, the company may authorize the board of directors in the articles of association by special resolution to pay all or part of the dividends and dividends to be distributed in cash, and then report it to the shareholders' meeting, so it is deleted. Part.</p>
Article 19-2	<p>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 to be distributed shall be paid by issuance of new shares. The issuance shall be approved by the shareholders' meeting.</p>	<p>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.</p>	<p>In order to clarify the distribution method of surplus, it is appropriate to make an explanation of the distribution of surplus by "transferring capital to issue new shares.</p>
Article 21	<p>The Articles of Association was concluded on June 1, 1992.</p> <p>The first amendment was made on December 23, 1993.</p> <p>.....</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> <p><u>The twenty fifth amendment was made on June 18, 2020</u></p>	<p>The Articles of Association was concluded on June 1, 1992.</p> <p>The first amendment was made on December 23, 1993.</p> <p>.....</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 10

E INK HOLDINGS INC.

List of Candidates of the 11th Term of Directors and Independent Directors

The list of director and independent director candidates below is provided pursuant to Article 192-1 of the ROC Company Act:

No.	Title	Name of Candidate	Key Qualifications / Experience	Shareholding (Note)
1	Director	Aidatek Electronics, Inc. Representative : Johnson Lee	Bachelors of Economic and Electrical Engineering from Tufts University /Chairman of E Ink Holdings Inc.	100,000
2	Director	Aidatek Electronics, Inc. Representative : S.C. Ho	Master in Engineering from the University of Wisconsin /Chairman of Sinopac Financial Holdings Co., Ltd.	100,000
3	Director	Aidatek Electronics, Inc. Representative : Felix Ho	Master in Finance Management from MIT Sloan School of Management /Chairman of YFY Inc.	100,000
4	Director	Shin-Yi Enterprise Co., Ltd. Representative: FY Gan	PhD from McGill University in Canada /General manager of E Ink Holdings Inc.	32,842,345
5	Director	Shin-Yi Enterprise Co., Ltd. Representative : CC Tsai	PhD from the University of Chicago /Chief Technology Officer of E Ink Holdings Inc.	32,842,345
6	Director	Shin-Yi Enterprise Co., Ltd. Representative : Luke Chen	Master of Electrical Engineering and Master of Industrial Engineering, New Mexico State University /Executive Vice President of Operations Center of E Ink Holdings Inc.	32,842,345
7	Independent Director	Po-Young Chu	PhD, Purdue University (USA) Professor /Department of Management Science, National Chiao Tung University	-
8	Independent Director	Donald Chang	Bachelor of Chemical Engineering from Cultural University /President of 3M Greater China	-
9	Independent Director	Shi-Chern Yen	PhD in Chemical Engineering, University of Wisconsin /Professor of the Department of Chemical Engineering, National Taiwan University, Deputy Director of the Green Energy Institute of the Industrial Technology Research Institute, and Director of the Department of Chemical Engineering, National Taiwan University	-

Note: The shareholdings of each candidate is as of April 20, 2020, which is the book closure date for the Annual General Meeting

Appendix 11

E INK HOLDINGS INC.

Details of Posts of the 11th Term of New Directors and Independent Directors

Director	Company	Post	Remark
Johnson Lee	YuanHan Materials Inc.	Director	Representative of E INK HOLDINGS INC.
	New Field e-Paper Co.,Ltd.	Director	Representative of E INK HOLDINGS INC.
	Linfiny Corporation	Chairman	Representative of YuanHan Materials Inc.
	Hydis Technologies Co., Ltd.	Chairman	
	E Ink Corporation	Chairman	
	Linfiny Japan Inc.	Chairman	
	E Ink Japan Inc.	Director	
	Prime View Communications Ltd.	Director	
	Tech Smart Logistics Ltd.	Director	Representative of New Field e-Paper Co.,Ltd.
	Pvi Global Corp.	Director	Representative of E INK HOLDINGS INC.
	Pvi International Corp.	Director	Representative of PVI Global Corp.
	Hot Track International Ltd.	Director	Representative of E INK HOLDINGS INC.
	Transcend Optronics (Yangzhou) Co., Ltd.	Chairman	
	Rich Optronics (Yangzhou) Co.,Ltd	Chairman	
Transmart Electronics (Yangzhou) Ltd.	Chairman		
Transyork Technology Yangzhou Ltd.	Chairman		
Yangzhou Huaxia Integrated O/E System Co., Ltd.	Chairman		
S.C. Ho	E Ink Corporation	Director	
	Effion Enertech Co., Ltd.	Director	
Felix Ho	Arizon Rfid Technology Co., Ltd.	Chairman	
	Arizon Japan Co., Ltd.	Director	
FY Gan	Linfiny Corporation	Director	Representative of YuanHan Materials Inc.
	Hydis Technologies Co., Ltd.	Director	
	E Ink California, Llc.	Director	
	Dream Pacific International Corp.	Director	Representative of PVI Global Corp
Luke Chen	Yuanhan Materials Inc.	Chairman	Representative of E INK HOLDINGS INC.
	Linfiny Corporation	Director	Representative of YuanHan Materials Inc.
	E Ink Corporation	Director	
	Dream Universe Limited	Director	Representative of E INK HOLDINGS INC.
	Ruby Lustre Ltd.	Director	Representative of PVI Global Corp.
	Transcend Optronics (Yangzhou) Co., Ltd.	Director	
	Rich Optronics (Yangzhou) Co.,Ltd	Director	
	Transmart Electronics (Yangzhou) Ltd.	Director	
	Transyork Technology Yangzhou Ltd.	Director	
	Yangzhou Huaxia Integrated O/E System Co., Ltd.	Director	

Director	Company	Post	Remark
CC Tsai	Yuanhan Materials Inc.	Director	Representative of E INK HOLDINGS INC.
	New Field E-Paper Co.,Ltd.	Director	Representative of E INK HOLDINGS INC.
	Linfiny Corporation	Director	Representative of YuanHan Materials Inc.
	E Ink Corporation	Director	
Po-Young Chu	Hsin Kuang Steel Company Limited	Independent Director	
	Polytronics Technology Corporation	Independent Director	
	Shin Foong Specialty And Applied Materials Co., Ltd.	Independent Director	
	Lian Guan International Co., Ltd.	Director	
Donald Chang	Chung Hwa Pulp Corporation	Independent Director	
	Advantech Co., Ltd.	Director	
Shi-Chern Yen	Taiflex Scientific Co., Ltd.	Independent Director	
	Shin Foong Specialty And Applied Materials Co., Ltd.	Independent Director	
	Subtron Technology Co.,Ltd	Independent Director	

Appendix 12

E INK HOLDINGS INC. Rules of Shareholders Meeting

- Article 1 The shareholders' meeting of the Company shall be proceeded with in accordance with these rules, unless otherwise provided by laws and regulations.
- Article 2 The Company shall prepare a sign-in book for shareholders to sign in, and an attending shareholder may hand in an attendance card in lieu of signing on the sign-in book. The number of shares representing shareholders present in the meeting shall be calculated in accordance with those indicated on the sign-in book or the attendance cards, as well as shares with voting rights exercised in writing or by means of electronic transmission.
- Article 3 The presence of shareholders and any voting in a shareholders' meeting shall be made on the basis of counting the number of shares.
- Article 4 The shareholders' meetings shall be held at the premises of the Company, or any other place convenient for attending by shareholders, and suitable for holding of such meetings. The meetings shall not be commenced earlier than 9 a.m. or later than 3 p.m.
- Article 5 If a shareholders' meeting is convened by the board of directors, the chairman of the board of directors shall preside at the shareholders' meeting. In case the chairman is on leave or unable to exercise his/her functions the vice chairman shall act in his/her place. If there is no vice chairman or the vice chairman is also on leave or unable to exercise his/her functions, the chairman shall designate a managing director to act in lieu of the chairman. If there are no managing directors, the chairman shall designate a director to exercise his/her functions. If the chairman does not designate a director, the managing directors or directors shall elect one from among themselves to act in lieu of the chairman.
- If a shareholders' meeting is convened by any person other than the board of directors, the person who is entitled to convene the meeting shall preside at the meeting. If there are more than two such persons, one shall be elected among themselves to preside at the meeting.
- Article 6 The Company may designate its lawyer, certified public accountant or other relevant persons to attend the shareholders' meeting.
- The personnel handling the affairs of a shareholders' meeting shall each wear an identification badge or an arm-band.
- Article 7 All proceedings of the shareholders' meeting shall be recorded with an audio or video tape, and such audio tapes or video tapes shall be kept for at least one year.
- Article 8 When it is time to commence a shareholders' meeting, the person presiding the meeting shall immediately commence the meeting, provided, however, that if the

total amount of shares represented at the meeting do not exceed one-half of the total number of the issued shares, the person presiding the meeting may postpone the meeting; provided, however, that the postponement of the meeting shall be limited to two times, and the total time postponed shall not exceed one hour. If the meeting has been postponed for two times, but the total amount of shares represented at the meeting still do not exceed one-half of the total number of the issued shares, a tentative resolution may be adopted in accordance with Paragraph 1 of Article 175 of the Company Act of ROC, if the total amount of shares represented at the meeting is more than one-third of the total number of the issued shares.

If, before the end of the meeting, the total amount of shares represented at the meeting becomes to exceed one-half of the total number of the issued shares, the person presiding the meeting may present the previously adopted tentative resolution to the meeting for resolution in accordance with Article 174 of the Company Act of ROC.

Article 9 If a shareholders' meeting is convened by the board of directors, the agenda of the meeting shall be prepared by the board of directors, and the meeting shall be proceeded with in accordance with the agenda. The agenda shall not be changed without a resolution made by the shareholders' meeting.

If a shareholders' meeting is not convened by the board of directors, but by the person who is entitled to convene such meeting, the preceding paragraph shall apply mutatis mutandis to the change of agenda of the meeting.

The person presiding the meeting shall not adjourn a meeting without a resolution adopted by shareholders if the motions (including extraordinary motions) in the agenda arranged in the above two Paragraphs shall not have been resolved. If the person presiding the meeting declares the adjournment of the meeting in a manner in violation of these rules, a new person presiding the meeting may be elected to continue the proceedings of the meeting by a resolution representing the majority of the shares represented at the meeting.

If the meeting is duly adjourned, the shareholders may not elect another person presiding the meeting to continue to hold the meeting at the same place or at any other place.

Article 10 A shareholder wishing to speak in a shareholders' meeting shall first fill out a slip, specifying therein the gist of his/her speech, his/her shareholder identification number (or the number of attendance certification) and his/her name, and the person presiding the meeting shall determine such shareholders' order of giving a speech.

A shareholder who submits his/her slip for a speech but does not actually speak shall be considered as not having given a speech. If the contents of his/her speech

are different from those specified on the slip, the contents of his speech shall prevail.

When a shareholder is giving a speech, the other shareholders shall not interrupt unless they have obtained the prior consent from the person presiding the meeting and the speaking shareholder, and the person presiding the meeting may prevent others from interrupting.

Article 11 A shareholder shall not speak more than two times and each of his speech shall not exceed five minutes for one subject, unless he has obtained the prior consent from the person presiding the meeting.

If a shareholder violates the preceding paragraph or his/her speech is irrelevant to the subject, the person presiding the meeting may stop him from continuing speaking.

Article 12 If corporate shareholder is mandated by another shareholder to attend a shareholders' meeting, it may designate only one representative to the meeting.

If a corporate shareholder designates two or more representatives to represent it at the shareholders' meeting, only one of its representatives may speak on the same subject.

Article 13 After a shareholder has given a speech, the person presiding the meeting may answer in person or designate relevant person to respond.

Article 14 When the person presiding the meeting considers that the discussion for a subject has reached to the degree that a resolution may be adopted, he may discontinue the discussions and submit the subject for resolution.

Article 15 The persons scrutinizing the casting of votes and the counting thereof for resolutions shall be designated by the person presiding the meeting, provided, however, that the person scrutinizing the casting of votes shall be a shareholder. The results of resolution(s) shall be announced in the meeting immediately, and recorded in the minutes of the meeting.

Article 16 During the meeting, the person presiding the meeting may announce for a break with a time period he thinks fit.

Article 17 Except for the voting rights restricted or excluded according to Article 179 paragraph 2 and Article 197-1 of the Company Act, a shareholder shall have one voting right in respect of each share in his/her/its possession.

Unless otherwise provided by laws and regulations or the Articles of Incorporation, the resolutions of the shareholders' meeting shall be adopted by the majority of the shares represented at the meeting.

Article 17-1 The voting right at a shareholders' meeting may be exercised in writing or by way of electronic transmission, provided, however, that the method for exercising the voting right shall be described in the shareholders' meeting notice to be given to

the shareholders. A shareholder who exercises his/her/its voting right at a shareholders' meeting in writing or by way of electronic transmission shall be deemed to have attended the shareholders' meeting in person, but shall be deemed to have waived his/her/its voting right in respect of any extemporary motion(s) and/or the amendment(s) to the original proposal(s) at the shareholders' meeting. In case a shareholder elects to exercise his/her/its voting right in writing or by way of electronic transmission, his/her/its declaration of intention shall be served to the company at least two days prior to the scheduled meeting date of the shareholders' meeting, whereas if two or more declarations of the same intention are served to the company, the first declaration of such intention received shall prevail unless an explicit statement to revoke the previous declaration is made in the declaration which comes later.

In case a shareholder who has exercised his/her/its voting right in writing or by way of electronic transmission intends to attend the shareholders' meeting in person, he/she/it shall, at least two days prior to the scheduled meeting date of the shareholders' meeting and in the same manner previously used in exercising his/her/its voting power, serve a separate declaration of intention to rescind his/her/its previous declaration of intention made in exercising the voting right under the preceding paragraph. In the absence of a timely rescission of the previous declaration of intention, the voting right exercised in writing or by way of electronic transmission shall prevail. In case a shareholder has exercised his/her/its voting right in writing or by way of electronic transmission, and has also authorized a proxy to attend the shareholders' meeting in his/her/its behalf, the voting right exercised by the authorized proxy for the said shareholder shall prevail.

Unless otherwise provided by the Company Act or the Articles of Incorporation, the resolutions of the shareholders' meeting shall be adopted by the majority of the voting rights represented at the meeting. When voting, the Chairman or its designated personnel should announce case by case the total amount of voting rights represented by those attending shareholders and the shareholders vote accordingly. The results of shareholders' agreements, disagreements or waivers for each case should be entered into MOPS after the shareholders' meeting.

Article 18 If there is an amendment or a substitute proposal to a subject being discussed, the person presiding the meeting may combine the amendment or substitute proposal into the original subject, and determine their orders for voting. If any one of the above has been passed, the others shall be considered as rejected, upon which no further resolution shall be required.

Article 19 The person presiding the meeting may direct order-maintaining personnel (or security personnel) to maintain the order of the meeting. For doing so they shall wear an arm-band bearing the words of "order-maintaining personnel" (or security

personnel).

Article 20 Establishment of amendment to these rules shall be subject to the adoption by the shareholders at a shareholders' meeting.

Appendix 13

E INK HOLDINGS INC. Rules Of Election Of Directors

- Article 1 The election of directors of the Company shall be carried out in compliance with these rules, unless otherwise provided by statutes, regulations or the Company's Article of Incorporation.
- Article 2 For the election of Directors, each share has votes in the amount of the number of Directors to be elected, and the votes may be casted for one or more nominees.
- Article 3 The Board of Directors shall prepare the form of vote for the election of Directors of the Company with the numbers of votes filled therein, and dispatch the form to each attending shareholder.
- Article 4 Before the election, the chairperson shall appoint several scrutineers and vote counters for relevant works.
- Article 5 The Board of Directors shall prepare ballot boxes for the election of directors, which shall be examined in public by the scrutineers before the election.
- Article 6 In the event that the nominee is also a shareholder, the voter shall fill the name and number of the nominee's shareholder ID in the "candidate" blank of the voting form; while in the event that the nominee is not a shareholder, the voter shall fill the name and citizen ID number of the nominee therein. In the event that the nominee is a governmental body or other legal entity, the voter shall fill therein the name of the governmental body or the legal entity (or together with the name of the representatives thereof). If there are several representatives, their names shall be filled in the voting form respectively.
- Article 7 The voting form is invalid if:
1. it is not provided according to these Rules;
 2. it is blank when being put into the ballot box;
 3. the handwriting is crabbed or altered;
 4. in the event that the nominee is a shareholder, the name or the shareholder ID number filled therein is inconsistent with those registered in the shareholder list; or in the event that the nominee is not a shareholder, the name or citizen ID number filled therein is inconsistent with those registered in the authority;
 5. any script other than the names or number of the nominees' citizen ID (or shareholder ID) or the respective votes is written thereon;
 6. the names or number of the nominees' citizen ID (or shareholder ID) is not filled therein; or
 7. two or more nominees are filled in the voting form.
- Article 8 The Directors of the Company shall be nominated according to the candidate nomination system and then elected by the general meeting from the nominee list of Directors. The nominees in the number determined according to the Article of Incorporation, who receive the most votes, shall be elected as the Directors.

The election of Directors and Independent Directors shall be concurrently proceeded, with the number of electees calculated respectively.

If two or more nominees receive the same number of ballot cast and the remaining vacancy is insufficient, the Director elect shall be decided by lot. If any nominee is not present, the chairperson shall draw the lot on his or her behalf.

Article 9 The ballot shall be counted immediately and the chairperson shall announce the results right on the spot.

Article 10 The Board of the Company shall issue a certificate to the Directors elect respectively.

Article 11 The Company Act, the Articles of Incorporation and the related regulations promulgated by the governmental bodies will apply if these rules contained herein are insufficient.

Article 12 Establishment of an amendment to these rules shall be subject to the adoption by the general shareholders meeting.

Appendix 14

Information Regarding Remuneration to Directors and Employees

The details of the remuneration of Directors and employees approved by the Board of Directors on March 18, 2020 are set forth as follows, which will be conducted pursuant to the relevant rules upon the resolution passed at the general shareholders meeting on June 18, 2020.

(NTD \$ thousand)	Employees Bonuses (Cash)	Remuneration to Directors	Total
Amount Approved by the Board of Directors	31,900	15,579	47,479
Amount Showed in the 2019 Annual Financial Statements	31,900	15,579	47,479
Discrepancy	The distribution amount approved by the Board of Directors is the same as listed on the accounts.		

Appendix 15

Impact Caused By Stock Dividends On Business Performance, Earnings Per Share, And Return On Equity:

Not applicable as the Company did not issue any stock dividends this year.

Appendix 16

E INK HOLDINGS INC

List of Directors

Record Date: April 20, 2020

Position	Name		Current Number of Shares
Chairman	Johnson Lee	The Representative of Adatek Electronics, Inc.	100,000
Director	S.C. Ho		
Director	Felix Ho		
Director	Luke Chen		
Director	FY Gan	The Representative of YFY Inc.	133,472,904
Director	CC Tsai		
Independent Director	Ten-Chung Chen		0
Independent Director	Chao-Tung Wen		0
Independent Director	Po-Young Chu		0
Total			133,572,904

Total issued shares as of April 20, 2020: 1,140,467,715 shares.

The number of shares legally required to be held by all Directors: 32,000,000 shares; as of April 20, 2020, all Directors have held 133,572,904 shares. (The shares held by the Independent Directors will not be counted as the number of shares held by the Directors).

MEMO