

Stock code: 8069



E INK HOLDINGS INC.

2024 Annual General Meeting of Stockholders MEETING MINUTES

Date of meeting: May 29, 2024

Venue: The Company's 1F conference room

(No. 3, Lixing 1st Road, Hsinchu Science Park, Hsinchu City)

Form of meeting: Visual communication assisted shareholders meeting

(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.)

E Ink Holdings Inc.
2024 Annual General Meeting
Meeting Minutes

Time: Wednesday, May 29, 2024, at 9:00 AM

Venue: The Company's 1F conference room

(No. 3, Lixing 1st Road, Hsinchu Science Park, Hsinchu City)

Form of meeting: Visual communication assisted shareholders meeting

Shareholders Present: The total number of voting shares held by all attending shareholders and proxy agents is 1,028,432,258 shares (including 772,722,530 shares voted electronically), accounting for 89.86% of the total voting shares of the company's issued shares, which is 1,144,432,435 shares.

Board Members Present: Johnson Lee, FY Gan, Luke Chen, Sylvia Cheng, Po-Young Chu(Audit Committee Convenor), Huey-Jen Su, Chang-Mou Yang; total 7 members present.

Attendees: Lloyd Chen(CFO), Chong-He Song (Chung - Ho International Law Office), Hui-Min Huang (CPA of Deloitte & Touche); total 3 attendees present.

Chairman: Johnson Lee

Recorder: Doris Huang

Meeting Procedure:

1. Meeting Declaration: The total number of shares present has reached the legal quorum, and the Chairman declares the meeting open.

2. Chairman Remarks (omitted)

3. Report Items:

- (1) 2023 Business Report and Financial Statements. (Noted)
- (2) Audit Committee's Review Report on the 2023 Financial Statements. (Noted)
- (3) Report on the distribution of remuneration for employees and directors of the Company for the year 2023. (Noted)
- (4) Report on the distribution of cash dividends for the year 2023 by the Company. (Noted)
- (5) Report on partial amendments to the Company's "Board of Directors Meeting Rules." (Noted)

4. Adoption Items:

[Motion 1] (Proposed by the board of directors)

Subject: Adoption of the 2023 Business Report and Financial Statements

Explanation:

(1)The CPA firm has audited the Company's standalone and consolidated financial statements for 2023.

(2)The standalone and consolidated financial statements, along with 2023 business report, are attached in Appendices 1-2.

Resolution:

This proposal was voted on, and the results are as follows: the voting rights in favor account for 92.86% of the voting rights present at the time of the vote. The proposal was approved as originally proposed

Items	Voting rights in attendance	Approve	Disapprove	Invalid	Abstain/ Not Voted
Voting rights	1,028,392,258	955,042,750	344,336	0	73,005,172
Proportion	100%	92.86%	0.03%	0.00%	7.09%

Note: The above voting rights include voting rights exercised through electronic voting.

[Motion 2] (Proposed by the board of directors)

Subject: Adoption of the Proposal for Distribution of 2023 Profits.

Explanation:

(1)The initial undistributed earnings of the company amount to NT\$8,601,037,136. This figure includes an increase in retained earnings of NT\$204,839,547 due to the adoption of the equity method for investments, a decrease in retained earnings of NT\$1,066,117 due to the disposal of equity investments measured at fair value through other comprehensive income, and a decrease in retained earnings of NT\$12,437,052 due to the remeasurement of defined benefit plans. Additionally, the net profit after tax for the year 2023, is NT\$7,814,326,416. A statutory surplus reserve of NT\$800,566,279 is set aside, resulting in total distributable earnings of NT\$15,806,133,651.

(2)Please refer to Appendix 5 for the 2023 Profit Distribution Statement.

Resolution:

This proposal was voted on, and the results are as follows: the voting rights in favor account for 92.94% of the voting rights present at the time of the vote. The proposal was approved as originally proposed.

Items	Voting rights in attendance	Approve	Disapprove	Invalid	Abstain/ Not Voted
Voting rights	1,028,392,258	955,838,133	47,643	0	72,506,482
Proportion	100%	92.94%	0.00%	0.00%	7.05%

Note: The above voting rights include voting rights exercised through electronic voting.

5. Questions and Motions: None.

6. Adjournment: The meeting was adjourned at 09:31 AM on the same day.

(No shareholders raised any questions regarding the reports, adoption Items, and discussion items at this shareholders' meeting.)

Appendix 1

Business Report

To all shareholders:

2023 Business Report

In 2023, the global pandemic came to a complete end, but the macroeconomic recovery fell short of expectations. International turmoil posed challenges to businesses, and the ePaper industry, being part of the electronics supply chain, cannot remain unaffected.

Although facing challenges, E Ink's management team and staff made an all-out effort and deliver a consolidated revenue of NT\$27.12 billion in 2023, with the operating margin of 26.9%, profit margin of 29%, net income of NT\$7.81 billion, and EPS of NT\$6.85. Even though the business outcomes did not show growth compared to 2022, it still reached a the second-highest record in history. We would like to especially thank our shareholders, directors, all E Ink colleagues, ecosystem partners, and customers for their continuous recognition of E Ink's vision and support of the company.

Business and Operations Review

Despite numerous uncertainties in the macro environment, E Ink continues to invest more R&D resources to achieve the goal of pursuing profits and sustainability in tandem and ensure technological leadership. E Ink reaped periodic results in business, operations, and technology R&D:

- Consumer Electronics (CE) Applications: Despite the consumer market has been affected by inflation, the market performance remains stable. Global brand customers continue to release color and larger-sized eReader and eNote to meet the expectations of end consumers.
- IoT Applications: The retail electronic shelf labels, which experienced exceptional growth during the pandemic, slowed down in 2023 due to the transition between new and old technologies. However, public display, the medical field, and logistics tags continue to grow. Solar-powered ePaper bus stop signs and outdoor signage have been installed at more than 1,600 locations in Taiwan, and globally exceeding 70,000 locations.

In 2023, the full range of color ePaper technology platforms are in place, including E Ink Spectra™ 6 Full-Color ePaper, E Ink Kaleido™ 3 Outdoor Print Color ePaper, E Ink Kaleido™ 3 Print Color ePaper, E Ink Gallery™ 3 Full-Color ePaper, and E Ink Prism™ 3 Variable Color ePaper. According to the display characteristics of different color technologies, developing suitable products and diverse applications. Several customers have validated and adopted, gradually launching new color ePaper products in the market.

With more eReader customers adopting new color technologies, E Ink has also planned the "Healthier Screen Time" project, promoting the research on the impact of blue light on the eyes published by the Harvard School of Public Health from an educational perspective. This aims to reinforce the advantages of ePaper in the reading market and establish a differentiated image from various display technologies.

At the same time, conveying the message that ePaper without blue light is not harmful to the eyes, and the inclusion of E Ink ComfortGaze™ front light technology makes it three times healthier for your eyes than LCD screens.

In addition, E Ink has actively enhanced its research and development capabilities and has been recognized with multiple awards. These awards affirm E Ink's continuous innovation and dedication to the development of color ePaper and related energy-saving and power-efficient ePaper applications. Awards include:

- E Ink Spectra™ 6 Full-Color technology received the 32nd Taiwan Excellence Award, and the "Solar-powered Sustainable Smart ePaper Shelf Tag and Warehouse Picking System" was awarded the Silver Award at the Taiwan Excellence Award.
- E Ink Spectra™ 6 Color ePaper display technology awarded 2023 Gold Panel Awards- Best Technology Award by the Taiwan Display Union Association.
- Battery-free Color ePaper Device utilizing E Ink Gallery™ Palette seven-color ePaper for eBadge and won the Smart Healthcare Award at the Smart Display Application Award. It also received the Excellent Innovation Product Award from the Hsinchu Science Park.
- E Ink Spectra™ 6 Color ePaper's breakthrough color performance and E Ink Kaleido™ 3 Print Color ePaper's rapid updating efficiency both earned the Gold Award at the Smart Display Industrial Alliance Award.

Sustainable Development - E Ink PESG

The annual average global temperature was 1.45 °C above pre-industrial levels in 2023 and was the warmest year on record. Environment changes not only increase the difficulty of operations but also motivate E Ink to make greater efforts to demonstrate its commitment as an environmental solution.

E Ink firmly believes that environmental sustainability and corporate profitability are equally important. With the "Product" of environmentally sustainable ePaper as its core, E Ink combines the "Environment", "Social", and "Governance" aspects of ESG to create a unique "P, E, S, G" sustainability framework, and taking actions related to climate, society, and other aspects through products.

E Ink PESG results in 2023 showed that in striving towards the two primary goals of Net Zero 2040 and RE100 2030, E Ink's global operations and sales locations have already reached the RE36 goal of using 36% renewable energy by the end of 2023. Among them, the United States, China, Japan, and South Korea, have reached the RE100 goal of using 100% renewable energy. The Yangzhou plant in China, over 50% of renewable energy is already being used. Since Taiwan is the challenging markets to source green energy, the proportion of renewable energy used at the E Ink's Taiwan plant has doubled to 8% (RE8) compared to the previous year.

In terms of improving energy efficiency, the Hsinchu, Linkou, and Yangzhou plants in China have all implemented ISO50001 energy management systems and obtained certification. The U.S. plant is also undergoing verification. The company focuses on process improvement, equipment scheduling

management, and independent research and development design to enhance energy efficiency. At the same time, it is advancing towards the EP100 initiative, aiming to double energy productivity by 2040 compared to the 2018 baseline.

E Ink has been committed to long-term PESG sustainability efforts. In the 2023 S&P Global Corporate Sustainability Assessment (CSA), it attained a remarkable score of 89, positioning itself as the top scorer globally within the Technology Hardware & Equipment Industry Group and consistently securing a position in both the Dow Jones Sustainability World Index (DJSI-World) and Dow Jones Sustainability Emerging Markets Index (DJSI-Emerging Markets). Additionally, it was achieved top 5% in the S&P Global Sustainability Yearbook and received the Best Progress Award for two consecutive years and also received several prestigious sustainability awards, including:

- Awarded the "Excellent Innovation Company" at the 8th National Industrial Innovation Award by the Ministry of Economic Affairs.
- Ranked among the top 5% of OTC companies in the 9th Corporate Governance Evaluation announced by the Taiwan Stock Exchange.
- Ranked 18th in the 2023 Taiwan's Excellence in Corporate Social Responsibility Award by CommonWealth Magazine, showing significant improvement compared to the previous year.
- Awarded the 2023 Global Views Monthly' ESG Award- the First Place, Comprehensive Performance in Electronics Technology Industry.
- Recognized as a RE100 Best Newcomer from the RE100 Leadership Awards 2023 and achieved target setting through the Science Based Targets initiative (SBTi).
- Recognized by the Taiwan Corporate Sustainability Awards (TCSA) for 7 consecutive years, winning the Top 10 Taiwan Enterprise Sustainability Excellence Award- Manufacture Group, Platinum Award of Corporate Sustainability Report, Climate Leader Award, Sustainable Supply Chain Award, Social Inclusion Award, Enterprise Care Award, and Growth through Innovation Award.
- Responding to net-zero transformation awarded Nation Sustainable Development Award.
- Secured in the list of Best Taiwan Global Brands with a brand value of US\$101 million.
- Achieved an A- Leadership Level on CDP Climate Change Rating and recognized efforts in climate change governance.

With the increasing importance of nature and biodiversity for the corporate sustainability development, E Ink focuses on environmental protection and actively implements the commitments to biodiversity and no gross deforestation. The company participates in the "Business for Nature" initiative, advocating for governments to adopt proactive policies to stop and reverse the loss of nature by 2030. Additionally, E Ink has initiated relevant strategies and has been recognized as one of global early adopter by the Task Force on Nature-related Financial Disclosures (TNFD) framework by the World Economic Forum. It ranked the top 14 pioneers in Taiwan and has committed to disclosing the natural-related risks and strategies in accordance with the TNFD framework.

2024 Business Focus

Due to the continued instability in international politics and economy in 2024, the E Ink team will closely monitor market trends and maintain a cautious and steady approach to business operations to

ensure sustained growth for the company. We will address challenges and seize opportunities in business, technology research and development, and operational management.

Business Development

- **Consumer Electronics:** Full-color ePaper has entered mass production and many global brand customers will launch eReaders and eNotes in 2024. Larger-sized eReader and eNote products will also be released, driving a wave of ePaper products replacement.
- **IoT Applications:** The color technology transition for electronic shelf labels has been completed. In addition to the ongoing growth in the European market, American supermarket chains have also launched installation and adoption. The development of ePaper signage will move towards larger sizes suitable for indoor or outdoor environments. The environmentally-friendly ultra-low carbon color ePaper signage have gained attention, and the market's growth momentum continues to rise. The application in smart healthcare, smart logistics, smart factories, and other fields are continuously expanding, fostering new growth opportunities.

Technology Development

E Ink will focus on developing ePaper technologies related to ePaper film, color, flexibility, modules, and those key areas including wireless power supply technologies, ePaper timing controller chips, and product reference designs. In addition, the company will continue to improve and develop environmentally friendly, low-power-consumption technologies, such as reducing stacks, minimizing materials, and enhancing energy efficiency. By prioritizing carbon reduction, energy efficiency, recycling, and innovation, E Ink hopes to create products with a smaller carbon footprint.

Operations Management

As the new office and factory building at the Hsinchu headquarters is set to be completed and operational in the second quarter of 2024, it will inject new research and development capabilities and production capacity into E Ink. This reflects E Ink's commitment to local investment and talent cultivation.

In response to E Ink's 2040 Net Zero and 2030 RE100 net-zero paths, the company will improve energy efficiency, reduce greenhouse gas emissions, and low-carbon measures in eco-friendly manufacturing. At the same time, E Ink is committed to building a low-carbon supply chain with plans to adopt the ISO 20400 Sustainable Procurement-Guidance to strengthen green supply chain management and create a sustainable development value chain for the ePaper industry.

Outlook

E Ink will aggressively invest in ePaper technology development and innovation, as well as the business expansion of product applications, and continue to work with its ecosystem partners to enhance and develop the ePaper industry. By promoting the widespread use of ePaper, the world can reduce more carbon emissions, while also promoting the digital transformation to enterprises.

With “We Make Surfaces Smart and Green” as the brand vision, E Ink will seize opportunities in AIoT and sustainable development trends, use environmentally friendly ePaper to promote the development in areas such as smart education, smart signage, smart retail, smart transportation, and smart logistics. This will enable the company to continue making steady profits and taking steadfast steps towards sustainable development.

Appendix 2

E INK HOLDINGS INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	2023		2022	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS (Note 4)				
Cash and cash equivalents (Note 6)	\$9,687,937	13	\$8,835,066	14
Financial assets at fair value through profit or loss (Note 7)	1,888,265	3	1,473,957	2
Financial assets at fair value through other comprehensive income (Notes 8 and 11)	267,502	-	-	-
Financial assets at amortized cost (Notes 9, 11 and 32)	8,266,473	11	4,945,143	8
Contract assets (Note 23)	15,883	-	27,566	-
Accounts receivable (Notes 10, 23 and 31)	2,717,486	4	4,700,178	7
Other receivables (Note 31)	469,887	1	263,370	-
Inventories (Note 12)	2,851,650	4	4,404,899	7
Prepayments (Note 31)	335,578	-	508,997	1
Other current assets (Note 25)	<u>15,029</u>	-	<u>5,539</u>	-
Total current assets	<u>26,515,690</u>	<u>36</u>	<u>25,164,715</u>	<u>39</u>
NON-CURRENT ASSETS (Note 4)				
Financial assets at fair value through profit or loss (Note 7)	2,749,468	4	2,201,399	3
Financial assets at fair value through other comprehensive income (Notes 8, 11 and 31)	22,601,622	30	16,732,386	26
Financial assets at amortized cost (Notes 9, 11 and 32)	2,175,413	3	1,554,668	2
Investments accounted for using the equity method (Note 15)	1,307,285	2	1,455,933	2
Property, plant and equipment (Notes 16, 28 and 31)	9,149,833	12	8,033,290	12
Right-of-use assets (Notes 17 and 31)	1,049,987	1	1,016,890	2
Goodwill (Note 18)	7,134,748	9	7,135,786	11
Other intangible assets (Note 18)	472,709	1	577,146	1
Deferred tax assets (Note 25)	1,203,325	2	1,058,383	2
Other non-current assets (Note 31)	<u>96,153</u>	-	<u>195,464</u>	-
Total non-current assets	<u>47,940,543</u>	<u>64</u>	<u>39,961,345</u>	<u>61</u>
	<u>\$</u>		<u>\$</u>	
TOTAL	<u>74,456,233</u>	<u>100</u>	<u>65,126,060</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES (Note 4)				
Short-term borrowings (Notes 19 and 32)	\$4,350,437	6	\$4,352,270	7
Short-term bills payable (Note 19)	4,965,853	7	654,532	1

Financial liabilities at fair value through profit or loss (Note 7)	622	-	52,405	-
Contract liabilities (Note 23)	630,179	1	437,442	1
Notes and accounts payable (Note 31)	2,544,280	3	1,992,054	3
Other payables (Notes 20, 28 and 31)	2,753,862	4	3,334,773	5
Current tax liabilities (Note 25)	1,385,091	2	2,005,876	3
Long-term borrowings-Current portion (Note 19)	-	-	150,000	-
Other current liabilities (Notes 17 and 31)	<u>403,519</u>	<u>-</u>	<u>428,789</u>	<u>1</u>
Total current liabilities	<u>17,033,843</u>	<u>23</u>	<u>13,408,141</u>	<u>21</u>
NON-CURRENT LIABILITIES (Note 4)				
Long-term borrowings (Note 19)	5,621,615	7	5,601,228	9
Deferred tax liabilities (Note 25)	1,178,834	2	696,631	1
Lease liabilities (Notes 17 and 31)	1,013,776	1	994,736	1
Net defined benefit liabilities (Note 21)	30,431	-	106,981	-
Other non-current liabilities (Note 31)	<u>29,262</u>	<u>-</u>	<u>55,139</u>	<u>-</u>
Total non-current liabilities	<u>7,873,918</u>	<u>10</u>	<u>7,454,715</u>	<u>11</u>
Total liabilities	<u>24,907,761</u>	<u>33</u>	<u>20,862,856</u>	<u>32</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4, 22 and 27)				
Share capital	11,411,033	15	11,404,047	18
Advance receipts for share capital	87,141	-	-	-
Capital surplus	10,878,525	15	10,748,007	16
Retained earnings	20,696,630	28	17,822,789	27
Other equity	<u>5,834,492</u>	<u>8</u>	<u>3,712,145</u>	<u>6</u>
Total equity attributable to owners of the Company	48,907,821	66	43,686,988	67
NON-CONTROLLING INTERESTS (Note 22)	<u>640,651</u>	<u>1</u>	<u>576,216</u>	<u>1</u>
Total equity	<u>49,548,472</u>	<u>67</u>	<u>44,263,204</u>	<u>68</u>
TOTAL	<u>\$</u>		<u>\$</u>	
	<u>74,456,233</u>	<u>100</u>	<u>65,126,060</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, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 23 and 31)	\$ 27,119,755	100	\$ 30,060,509	100
OPERATING COSTS (Notes 12, 24 and 31)	<u>12,663,275</u>	<u>47</u>	<u>13,830,537</u>	<u>46</u>
GROSS PROFIT	<u>14,456,480</u>	<u>53</u>	<u>16,229,972</u>	<u>54</u>
OPERATING EXPENSES (Notes 24 and 31)				
Selling and marketing expenses	886,538	3	938,261	3
General and administrative expenses	2,637,617	10	2,631,971	9
Research and development expenses	<u>3,646,848</u>	<u>13</u>	<u>3,460,465</u>	<u>11</u>
Total operating expenses	<u>7,171,003</u>	<u>26</u>	<u>7,030,697</u>	<u>23</u>
INCOME FROM OPERATIONS	<u>7,285,477</u>	<u>27</u>	<u>9,199,275</u>	<u>31</u>
NON-OPERATING INCOME AND EXPENSES				
Share of loss of associates (Note 15)	(140,802)	(1)	(78,139)	-
Interest income (Notes 24 and 31)	1,127,327	4	435,409	1
Royalty income (Notes 4 and 23)	538,923	2	1,339,362	4
Dividend income	535,274	2	664,612	2
Other income (Notes 13, 24 and 31)	136,653	1	711,417	2
Net (gain) loss on disposal of property, plant and equipment	(10,172)	-	22,730	-
Net gain on foreign currency exchange (Note 34)	127,398	-	396,748	1
Interest expenses (Notes 16 and 31)	(278,508)	(1)	(163,176)	-
Other expenses	(46,194)	-	(19,070)	-
Net gain (loss) on fair value change of financial assets and liabilities at fair value through profit or loss	<u>548,932</u>	<u>2</u>	<u>(424,642)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>2,538,831</u>	<u>9</u>	<u>2,885,251</u>	<u>9</u>
INCOME BEFORE INCOME TAX	9,824,308	36	12,084,526	40
INCOME TAX EXPENSE (Notes 4 and 25)	<u>(1,958,082)</u>	<u>(7)</u>	<u>(2,145,181)</u>	<u>(7)</u>
NET INCOME FOR THE YEAR	<u>7,866,226</u>	<u>29</u>	<u>9,939,345</u>	<u>33</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)				

(Continued)

E INK HOLDINGS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 21)	\$ (17,639)	-	\$ (6,298)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	3,095,738	11	879,219	3
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 25)	<u>(390,049)</u>	<u>(1)</u>	<u>(457,645)</u>	<u>(1)</u>
	<u>2,688,050</u>	<u>10</u>	<u>415,276</u>	<u>2</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(471,441)	(2)	1,624,946	5
Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income	112,678	1	(144,278)	-
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method (Note 15)	20,174	-	6,644	-
Income tax related to items that may be reclassified subsequently to profit or loss (Note 25)	<u>(23,258)</u>	<u>-</u>	<u>30,504</u>	<u>-</u>
	<u>(361,847)</u>	<u>(1)</u>	<u>1,517,816</u>	<u>5</u>
Other comprehensive income for the period, net of income tax	<u>2,326,203</u>	<u>9</u>	<u>1,933,092</u>	<u>7</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 10,192,429</u>	<u>38</u>	<u>\$ 11,872,437</u>	<u>40</u>
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 7,814,326	29	\$ 9,911,750	33
Non-controlling interests	<u>51,900</u>	<u>-</u>	<u>27,595</u>	<u>-</u>
	<u>\$ 7,866,226</u>	<u>29</u>	<u>\$ 9,939,345</u>	<u>33</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 10,139,003	38	\$ 11,827,002	40
Non-controlling interests	<u>53,426</u>	<u>-</u>	<u>45,435</u>	<u>-</u>
	<u>\$ 10,192,429</u>	<u>38</u>	<u>\$ 11,872,437</u>	<u>40</u>

(Continued)

E INK HOLDINGS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ 6.85</u>		<u>\$ 8.69</u>	
Diluted	<u>\$ 6.78</u>		<u>\$ 8.60</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, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company								Other Equity		Total	Non-controlling Interests	Total Equity
	Share Capital			Capital Surplus	Retained Earnings				Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at FVTOCI			
	Shares (In Thousands)	Amount	Advance Receipts for Share Capital		Legal Reserve	Special Reserve	Unappropriated Earnings	Total					
BALANCE AT JANUARY 1, 2022	1,140,405	\$ 11,404,047	\$ -	\$ 10,407,670	\$ 2,441,853	\$ 70,678	\$ 8,487,671	\$ 11,000,202	\$ (2,360,327)	\$ 4,715,574	\$ 35,167,166	\$ 530,719	\$ 35,697,885
Appropriation of 2021 earnings													
Legal reserve	-	-	-	-	530,211	-	(530,211)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(3,649,295)	(3,649,295)	-	-	(3,649,295)	-	(3,649,295)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	239,600	-	-	-	-	2,399	-	241,999	-	241,999
Other changes in capital surplus	-	-	-	7	-	-	-	-	-	-	7	-	7
Net income for the year ended December 31, 2022	-	-	-	-	-	-	9,911,750	9,911,750	-	-	9,911,750	27,595	9,939,345
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	(4,842)	(4,842)	1,606,067	314,027	1,915,252	17,840	1,933,092
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	-	9,906,908	9,906,908	1,606,067	314,027	11,827,002	45,435	11,872,437
Difference between consideration received and the carrying amount subsidiaries' net assets during actual disposals	-	-	-	-	-	-	-	-	(621)	-	(621)	-	(621)
Share-based payments	-	-	-	100,730	-	-	-	-	-	-	100,730	62	100,792
Disposal of investments in equity instruments designated as at FVTOCI	-	-	-	-	-	-	564,974	564,974	-	(564,974)	-	-	-
BALANCE AT DECEMBER 31, 2022	1,140,405	11,404,047	-	10,748,007	2,972,064	70,678	14,780,047	17,822,789	(752,482)	4,464,627	43,686,988	576,216	44,263,204
Appropriation of 2022 earnings													
Legal reserve	-	-	-	-	1,047,188	-	(1,047,188)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(5,131,821)	(5,131,821)	-	-	(5,131,821)	-	(5,131,821)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	5,208	-	-	-	-	-	-	5,208	-	5,208
Other changes in capital surplus	-	-	-	14	-	-	-	-	-	-	14	-	14
Net income for the year ended December 31, 2023	-	-	-	-	-	-	7,814,326	7,814,326	-	-	7,814,326	51,900	7,866,226
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	-	(14,420)	(14,420)	(437,005)	2,776,102	2,324,677	1,526	2,326,203
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	7,799,906	7,799,906	(437,005)	2,776,102	10,139,003	53,426	10,192,429
Actual acquisition of partial interests in subsidiaries	-	-	-	-	-	-	(10,994)	(10,994)	-	-	(10,994)	10,994	-
Share-based payments	-	-	-	80,488	-	-	-	-	-	-	80,488	15	80,503
Exercise of employee share options	698	6,986	87,141	44,808	-	-	-	-	-	-	138,935	-	138,935
Disposal of investments in equity instruments designated as at FVTOCI	-	-	-	-	-	-	216,750	216,750	-	(216,750)	-	-	-
BALANCE AT DECEMBER 31, 2023	1,141,103	\$ 11,411,033	\$ 87,141	\$ 10,878,525	\$ 4,019,252	\$ 70,678	\$ 16,606,700	\$ 20,696,630	\$ (1,189,487)	\$ 7,023,979	\$ 48,907,821	\$ 640,651	\$ 49,548,472

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, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 9,824,308	\$ 12,084,526
Adjustments for		
Depreciation expenses	1,197,308	812,775
Amortization expenses	183,468	203,385
Expected credit loss recognized on accounts receivable	3,482	2,516
Net (gain) loss on fair value changes of financial assets and liabilities at fair value through profit or loss	(548,932)	424,642
Interest expenses	278,508	163,176
Interest income	(1,127,327)	(435,409)
Dividend income	(535,274)	(664,612)
Compensation costs of share-based payments	80,503	100,792
Share of loss of associates and joint ventures accounted for using the equity method	140,802	78,139
Net (gain) loss on disposal of property, plant and equipment	10,172	(22,730)
Net loss on disposal of intangible assets	272	96
Net loss on disposal of investments	-	996
Reversal of impairment loss	(108)	(431)
Reversal of write-downs of inventories	(128,868)	(27,939)
Net unrealized loss on foreign currency exchange	71,514	28,757
Gain recognized in bargain purchase transaction	-	(25,131)
Gain on lease modification	(1)	(3,901)
Other revenue	(41,999)	(568,806)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	11,541	-
Contract assets	11,580	11,332
Accounts receivable	1,962,764	(1,443,434)
Other receivables	23,044	7,489
Inventories	1,674,507	(60,384)
Prepayments	151,993	(212,098)
Other current assets	2,300	(3,073)
Financial liabilities held for trading	(197,499)	(562,018)
Contract liabilities	191,360	(2,903,613)
Notes and accounts payable	619,682	(1,186,870)
Other payables	(449,631)	1,170,516
Other current liabilities	(24,161)	218,137
Net defined benefit liabilities	(93,755)	(4,479)
Cash generated from operations	13,291,553	7,182,346
Income tax paid	(2,665,119)	(1,151,344)
Net cash generated from operating activities	<u>10,626,434</u>	<u>6,031,002</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(4,653,187)	(1,084,697)
Proceeds from sale of financial assets at fair value through other comprehensive income	1,583,377	2,061,867
Capital reduction and withdrawal of shares of financial assets at fair value through other comprehensive income	5,217	-
Acquisition of financial assets at amortized cost	(21,320,420)	(14,110,751)

(Continued)

E INK HOLDINGS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Proceeds from disposal of financial assets at amortized cost	\$ 17,159,264	\$ 11,802,642
Acquisition of financial assets at fair value through profit or loss	(1,144,518)	(1,342,462)
Proceeds from sale of financial assets at fair value through profit or loss	876,177	1,252,336
Acquisition of associates	-	(199,770)
Acquisition of property, plant and equipment	(2,442,789)	(3,101,381)
Proceeds from disposal of property, plant and equipment	9,171	80,001
Acquisition of other intangible assets	(16,792)	(35,288)
Decrease in other non-current assets	2,029	4,855
Interest received	1,043,933	337,878
Dividends received	<u>568,502</u>	<u>664,612</u>
Net cash used in investing activities	<u>(8,330,036)</u>	<u>(3,670,158)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	(188,042)	424,412
Increase (decrease) in short-term bills payable	4,311,321	(3,990,014)
Increase in long-term borrowings	20,387	4,903,888
Repayment of the principal portion of lease liabilities	(85,590)	(86,894)
Increase in other non-current liabilities	16,193	5,290
Cash dividends	(5,131,821)	(3,649,295)
Proceeds from treasury shares transferred to employees	138,935	-
Interest paid	(285,966)	(145,086)
Regain overdue dividends	<u>14</u>	<u>7</u>
Net cash used in financing activities	<u>(1,204,569)</u>	<u>(2,537,692)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>(238,958)</u>	<u>260,679</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	852,871	83,831
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	<u>8,835,066</u>	<u>8,751,235</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 9,687,937</u>	<u>\$ 8,835,066</u>

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

(Concluded)

E INK HOLDINGS INC.

BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS (Note 4)				
Cash and cash equivalents (Note 6)	\$ 3,605,756	5	\$ 1,665,566	3
Financial assets measured at amortized cost (Notes 9 and 27)	3,508,315	5	480,041	1
Accounts receivable (Notes 10 and 18)	1,365,187	2	3,104,845	5
Accounts receivable from related parties (Notes 10, 18 and 26)	2,092,042	3	3,313,437	5
Other receivables from related parties (Note 26)	1,003,482	2	35,233	-
Inventories (Note 11)	2,341,921	3	3,540,804	6
Prepayments	157,221	-	164,758	-
Other current assets (Note 7)	<u>76,526</u>	<u>-</u>	<u>51,304</u>	<u>-</u>
Total current assets	<u>14,150,450</u>	<u>20</u>	<u>12,355,988</u>	<u>20</u>
NON-CURRENT ASSETS (Note 4)				
Financial assets at fair value through profit or loss (Note 7)	126,717	-	-	-
Financial assets at fair value through other comprehensive income (Notes 8 and 26)	4,265,163	6	3,564,049	6
Investments accounted for using the equity method (Note 12)	47,347,707	66	41,690,952	66
Property, plant and equipment (Notes 13, 23 and 26)	4,249,215	6	3,583,886	6
Right-of-use assets (Notes 14 and 26)	844,935	1	883,386	1
Other intangible assets	162,025	-	179,410	-
Deferred tax assets (Note 20)	392,627	1	677,658	1
Other non-current assets (Note 26)	<u>16,752</u>	<u>-</u>	<u>12,836</u>	<u>-</u>
Total non-current assets	<u>57,405,141</u>	<u>80</u>	<u>50,592,177</u>	<u>80</u>
TOTAL	<u>\$ 71,555,591</u>	<u>100</u>	<u>\$ 62,948,165</u>	<u>100</u>

LIABILITIES AND EQUITY

CURRENT LIABILITIES (Note 4)

Short-term borrowings (Note 15)	\$ 3,270,000	5	\$ 1,800,000	3
Short-term bills payable (Note 15)	4,226,224	6	349,835	1
Contract liabilities (Note 18)	473,083	1	189,850	-
Notes and accounts payable	1,498,047	2	1,291,869	2
Accounts payable to related parties (Note 26)	3,576,990	5	5,078,557	8
Other payables (Notes 23 and 26)	1,459,197	2	1,574,768	2
Current tax liabilities (Note 20)	836,351	1	1,436,470	2

Current portion of long-term borrowings (Note 15)	-	-	150,000	-
Receipts in advance (Note 26)	401,503	1	1,018,818	2
Other current liabilities (Notes 14 and 26)	<u>326,708</u>	<u>-</u>	<u>321,241</u>	<u>1</u>
Total current liabilities	<u>16,068,103</u>	<u>23</u>	<u>13,211,408</u>	<u>21</u>
NON-CURRENT LIABILITIES (Note 4)				
Long-term borrowings (Note 15)	5,621,615	8	5,001,228	8
Lease liabilities (Notes 14 and 26)	837,851	1	871,393	2
Net defined benefit liabilities (Note 16)	5,271	-	90,154	-
Other non-current liabilities (Notes 12, 20 and 26)	<u>114,930</u>	<u>-</u>	<u>86,994</u>	<u>-</u>
Total non-current liabilities	<u>6,579,667</u>	<u>9</u>	<u>6,049,769</u>	<u>10</u>
Total liabilities	<u>22,647,770</u>	<u>32</u>	<u>19,261,177</u>	<u>31</u>
EQUITY (Notes 17 and 22)				
Share capital	11,411,033	16	11,404,047	18
Advance receipts for share capital	87,141	-	-	-
Capital surplus	10,878,525	15	10,748,007	17
Retained earnings	20,696,630	29	17,822,789	28
Other equity	<u>5,834,492</u>	<u>8</u>	<u>3,712,145</u>	<u>6</u>
Total equity	<u>48,907,821</u>	<u>68</u>	<u>43,686,988</u>	<u>69</u>
TOTAL	<u>\$ 71,555,591</u>	<u>100</u>	<u>\$ 62,948,165</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, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 18 and 26)	\$ 19,815,440	100	\$ 23,302,339	100
OPERATING COSTS (Notes 11, 19 and 26)	<u>13,375,649</u>	<u>67</u>	<u>14,643,703</u>	<u>63</u>
GROSS PROFIT	<u>6,439,791</u>	<u>33</u>	<u>8,658,636</u>	<u>37</u>
OPERATING EXPENSES (Notes 19 and 26)				
Selling and marketing expenses	492,608	3	464,410	2
General and administrative expenses	1,033,968	5	1,055,458	5
Research and development expenses	<u>1,362,779</u>	<u>7</u>	<u>1,222,423</u>	<u>5</u>
Total operating expenses	<u>2,889,355</u>	<u>15</u>	<u>2,742,291</u>	<u>12</u>
INCOME FROM OPERATIONS	<u>3,550,436</u>	<u>18</u>	<u>5,916,345</u>	<u>25</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 19)	210,869	1	28,904	-
Royalty income (Notes 4 and 18)	211,190	1	230,546	1
Dividend income	141,597	1	199,043	1
Other income (Note 26)	83,726	-	109,940	-
Net loss on disposal of property, plant and equipment	(1,263)	-	(2,797)	-
Net gain on foreign currency exchange (Note 29)	49,274	-	220,592	1
Share of profit of subsidiaries and associates accounted for using the equity method	4,632,382	23	4,377,363	19
Interest expenses (Note 13)	(150,976)	(1)	(99,685)	-
Other expenses	(20,685)	-	(155)	-
Net loss on fair value change of financial assets and liabilities at fair value through profit or loss	<u>(58,552)</u>	<u>-</u>	<u>(754)</u>	<u>-</u>
Total non-operating income and expenses	<u>5,097,562</u>	<u>25</u>	<u>5,062,997</u>	<u>22</u>
INCOME BEFORE INCOME TAX	8,647,998	43	10,979,342	47
INCOME TAX EXPENSE (Notes 4 and 20)	<u>(833,672)</u>	<u>(4)</u>	<u>(1,067,592)</u>	<u>(4)</u>
NET INCOME FOR THE YEAR	<u>7,814,326</u>	<u>39</u>	<u>9,911,750</u>	<u>43</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)				
Items that will not be reclassified subsequently to profit or loss:				

(Continued)

E INK HOLDINGS INC.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
Remeasurement of defined benefit plans (Note 16)	\$ (15,546)	-	\$ (7,632)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	692,668	4	(424,056)	(2)
Share of other comprehensive income of subsidiaries and associates accounted for using the equity method	2,459,774	12	1,199,409	5
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 20)	<u>(375,214)</u>	<u>(2)</u>	<u>(458,536)</u>	<u>(2)</u>
	<u>2,761,682</u>	<u>14</u>	<u>309,185</u>	<u>1</u>
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	<u>(437,005)</u>	<u>(2)</u>	<u>1,606,067</u>	<u>7</u>
Other comprehensive income for the year, net of income tax	<u>2,324,677</u>	<u>12</u>	<u>1,915,252</u>	<u>8</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 10,139,003</u>	<u>51</u>	<u>\$ 11,827,002</u>	<u>51</u>
EARNINGS PER SHARE (Note 21)				
Basic	<u>\$ 6.85</u>		<u>\$ 8.69</u>	
Diluted	<u>\$ 6.78</u>		<u>\$ 8.60</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, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

	Share Capital			Retained Earnings				Other Equity			
	Shares	Amount	Advance receipts	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Total
	(In Thousands)		for share capital								
BALANCE AT JANUARY 1, 2022	1,140,405	\$ 11,404,047	\$ -	\$ 10,407,670	\$ 2,441,853	\$ 70,678	\$ 8,487,671	\$ 11,000,202	\$ (2,360,327)	\$ 4,715,574	\$ 35,167,166
Appropriation of 2021 earnings											
Legal reserve	-	-	-	-	530,211	-	(530,211)	-	-	-	-
Cash dividends	-	-	-	-	-	-	(3,649,295)	(3,649,295)	-	-	(3,649,295)
Changes in capital surplus from investments in associates for using the equity method	-	-	-	239,600	-	-	-	-	2,399	-	241,999
Other changes in capital surplus	-	-	-	7	-	-	-	-	-	-	7
Net income for the year ended December 31, 2022	-	-	-	-	-	-	9,911,750	9,911,750	-	-	9,911,750
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	(4,842)	(4,842)	1,606,067	314,027	1,915,252
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	-	9,906,908	9,906,908	1,606,067	314,027	11,827,002
Difference between consideration and carrying amount resulting from disposal of subsidiaries	-	-	-	-	-	-	-	-	(621)	-	(621)
Share-based payments	-	-	-	100,730	-	-	-	-	-	-	100,730
Disposal of investments in equity instruments designated as at FVTOCI	-	-	-	-	-	-	564,974	564,974	-	(564,974)	-
BALANCE AT DECEMBER 31, 2022	1,140,405	11,404,047	-	10,748,007	2,972,064	70,678	14,780,047	17,822,789	(752,482)	4,464,627	43,686,988
Appropriation of 2022 earnings											
Legal reserve	-	-	-	-	1,047,188	-	(1,047,188)	-	-	-	-
Cash dividends	-	-	-	-	-	-	(5,131,821)	(5,131,821)	-	-	(5,131,821)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	5,208	-	-	-	-	-	-	5,208
Other changes in capital surplus	-	-	-	14	-	-	-	-	-	-	14
Net income for the year ended December 31, 2023	-	-	-	-	-	-	7,814,326	7,814,326	-	-	7,814,326
Other comprehensive (loss) income for the year ended December 31, 2023, net of income tax	-	-	-	-	-	-	(14,420)	(14,420)	(437,005)	2,776,102	2,324,677
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	7,799,906	7,799,906	(437,005)	2,776,102	10,139,003
Actual acquisition of partial interests in subsidiaries	-	-	-	-	-	-	(10,994)	(10,994)	-	-	(10,994)
Share-based payments	-	-	-	80,488	-	-	-	-	-	-	80,488
Exercise of employee share options	698	6,986	87,141	44,808	-	-	-	-	-	-	138,935
Disposal of investments in equity instruments at FVTOCI	-	-	-	-	-	-	216,750	216,750	-	(216,750)	-
BALANCE AT DECEMBER 31, 2023	1,141,103	\$ 11,411,033	\$ 87,141	\$ 10,878,525	\$ 4,019,252	\$ 70,678	\$ 16,606,700	\$ 20,696,630	\$ (1,189,487)	\$ 7,023,979	\$ 48,907,821

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, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 8,647,998	\$ 10,979,342
Adjustments for		
Depreciation expenses	599,653	380,592
Amortization expenses	51,236	53,897
Expected credit loss recognized on accounts receivable	16	-
Net loss on fair value changes of financial assets and liabilities at fair value through profit or loss	58,552	754
Interest expenses	150,976	99,685
Interest income	(210,869)	(28,904)
Dividend income	(141,597)	(199,043)
Compensation costs of share-based payments	50,335	66,061
Share of profit of subsidiaries and associates accounted for using the equity method	(4,632,382)	(4,377,363)
Net loss on disposal of property, plant and equipment	1,263	2,797
Net loss on disposal of intangible assets	272	96
Net loss on disposal of investments	-	59
Reversal of write-downs of inventories	(94,314)	(137,101)
Net unrealized loss on foreign currency exchange	48,423	154,540
Gain recognized in bargain purchase transaction	-	(18,712)
Gain on lease modifications	(1)	(3,901)
Royalty income	(211,190)	(230,546)
Changes in operating assets and liabilities		
Accounts receivable	1,687,933	(1,330,669)
Accounts receivable from related parties	1,094,958	2,577,161
Inventories	1,293,197	(72,102)
Prepayments	27,514	(123,838)
Other current assets	44,413	(54,373)
Financial liability held for trading	(39,868)	(1,012)
Contract liabilities	494,423	(2,199,900)
Notes and accounts payable	255,240	(1,213,046)
Accounts payable to related parties	(1,442,241)	(1,758,795)
Other payables	(82,180)	642,881
Receipts in advance	(617,315)	631,479
Other current liabilities	72,852	251,250
Net defined benefit liabilities	(100,429)	(7,514)
Cash generated from operations	7,006,868	4,083,775
Income tax paid	(1,151,316)	(148,626)
Net cash generated from operating activities	<u>5,855,552</u>	<u>3,935,149</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(178,365)	(323,848)

(Continued)

E INK HOLDINGS INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Proceeds from sale of financial assets at fair value through other comprehensive income	\$ 169,919	\$ 1,105,482
Acquisition of financial assets at amortized cost	(3,577,357)	(494,371)
Proceeds from disposal of financial assets at amortized cost	480,041	34,665
Acquisition of financial assets at fair value through profit or loss	(281,871)	(6,725)
Proceeds from sale of financial assets at fair value through profit or loss	144,163	-
Acquisition of long-term equity investment using the equity method	-	(148,743)
Acquisition of subsidiaries	-	(1,002,512)
Acquisition of property, plant and equipment	(1,270,088)	(1,727,400)
Increase in refundable deposits	(3,831)	(5,111)
Increase in other receivables from related parties	(1,000,000)	-
Acquisition of other intangible assets	(14,601)	(13,354)
Interest received	165,201	26,585
Dividends received	<u>820,932</u>	<u>1,696,859</u>
Net cash used in investing activities	<u>(4,545,857)</u>	<u>(858,473)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	1,470,000	(412,550)
Increase (decrease) in short-term bills payable	3,876,389	(3,949,763)
Increase in long-term borrowings	470,387	4,303,888
Repayment of the principal portion of lease liabilities	(43,901)	(28,860)
Increase (decrease) in other non-current liabilities	(1,294)	634
Cash dividends	(5,131,821)	(3,649,295)
Exercise of employee share options	138,935	-
Interest paid	(148,214)	(95,683)
Return of overdue uncollected dividends	<u>14</u>	<u>7</u>
Net cash generated from (used in) financing activities	<u>630,495</u>	<u>(3,831,622)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,940,190	(754,946)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,665,566</u>	<u>2,420,512</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 3,605,756</u>	<u>\$ 1,665,566</u>

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

Appendix 3

Audit Committee's Review Report

The Board of Directors has presented the company's operating report, financial statements, and profit distribution proposal for 2023. The financial statements have been audited by Deloitte & Touche, and an audit report has been issued.

The operating report, financial statements, and profit distribution proposal have been reviewed by our Audit Committee, which found no discrepancies. In accordance with Article 14-4 of the Securities Exchange Act and Article 219 of the Company Act, we hereby report as above for your reference. Please acknowledge.

For
2024 Annual General Meeting

E Ink Holdings Inc.

Audit Committee Convener: Po-Young Chu

Feb 23, 2024

Appendix 4

E Ink Holdings Inc.

Board of Directors Meeting Rules

Passed at the Board of Directors meeting on February 23, 2024.

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.

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

All items listed in Paragraph 1, Article 7 of this policy shall be advised in advance as part of the agenda, and cannot be proposed as a special motions.

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. The election or discharge of the chairperson.
7. Appointment and dismissal of the head of finance, accounting, or chief internal auditor.
8. 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.
9. 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 8 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 of the board shall announce the commencement of the meeting when the scheduled meeting time arrives and more than half of the directors are present. If, at the scheduled meeting time, less than half of the directors are present, the chairperson may announce a postponement of the meeting **to later in the same day**, with a limit of two postponements totaling no more than one hour. If there are still insufficient attendees after two postponements, the chairperson shall reconvene the meeting according to the procedures specified in Article 3, Paragraph 2.

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.

During a board meeting, if the chairperson is unable to preside over the meeting due to unforeseen circumstances or fails to adjourn the meeting in accordance with the provisions of the second paragraph, the selection of a proxy shall be governed by the provisions of Article 9, Paragraph 2.

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 a 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 Meeting Rules

Clause	After amendment	Before amendment	Description
Article 12	<p>The chairperson of the board shall announce the commencement of the meeting when the scheduled meeting time arrives and more than half of the directors are present. If, at the scheduled meeting time, less than half of the directors are present, the chairperson may announce a postponement of the meeting to later in the same day, with a limit of two postponements totaling no more than one hour. If there are still insufficient attendees after two postponements, the chairperson shall reconvene the meeting according to the procedures specified in Article 3, Paragraph 2.</p> <p>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.</p>	<p>The chairperson of the board shall announce the commencement of the meeting when the scheduled meeting time arrives and more than half of the directors are present. If, at the scheduled meeting time, less than half of the directors are present, the chairperson may announce a postponement of the meeting, with a limit of two postponements totaling no more than one hour. If there are still insufficient attendees after two postponements, the chairperson shall reconvene the meeting according to the procedures specified in Article 3, Paragraph 2.</p> <p>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.</p>	It is expressly stipulated that when the number of attendees is insufficient, the chairperson may announce a time limit for postponing the meeting, limited to the same day.
Article 13	<p>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.</p> <p>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.</p> <p>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.</p> <p><u>During a board meeting, if the chairperson is unable to preside over the meeting due to unforeseen circumstances or fails to adjourn the meeting in accordance with the provisions of the second paragraph, the selection of a proxy shall be governed by the provisions of Article 9, Paragraph 2.</u></p>	<p>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.</p> <p>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.</p> <p>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.</p>	It is expressly stipulated that during the proceedings of a board meeting, if the chairperson is unable to preside over the meeting due to unforeseen circumstances or fails to adjourn the meeting in accordance with the rules, the method for appointing a proxy for the chairperson of the board shall be as follows.

Appendix 5

E Ink Holdings Inc.

Profit Distribution Statement for 2023

Unit: NTD

Item	Amount		Remarks
Undistributed profits at the beginning of the period		8,601,037,136	
Net profit after tax for the current year	7,814,326,416		
Retained earnings adjusted for investment under the equity method	204,839,547		
Recognition of remeasurement of defined benefit plans is recorded in retained earnings.	(12,437,052)		
The disposal of equity instruments measured at fair value through other comprehensive income results in the cumulative gains or losses being transferred to retained earnings.	(1,066,117)		
The net profit after tax for the current year, plus other items not included in the net profit after tax for the current year, are included in the amount of undistributed earnings for the current year.		8,005,662,794	
Appropriation of statutory surplus reserve (10%)		(800,566,279)	
Profit available for distribution for the year		15,806,133,651	
Distribution items			
Cash dividends and bonuses for shareholders		(5,140,771,808)	NT\$4.5 per share
Undistributed earnings at the end of the period		10,665,361,843	

Chairman: Johnson Lee

Manager: FY Gan

Lloyd Chen

Head of Accounting: Chun-Ming Li