

Code: 8069



## **E INK HOLDINGS INC.**

# **2015 ANNUAL GENERAL MEETING OF STOCKHOLDERS**

## **MEETING MANUAL**

Date: June 9 2015

Venue: 3, Li Hsin Road 1, Hsinchu Science Park, Hsinchu, Taiwan,  
R.O.C.

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

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**E INK HOLDINGS INC.**  
**2015 ANNUAL GENERAL MEETING OF STOCKHOLDERS**  
**MEETING AGENDA**

Date and Time: 9 am, June 9, 2015 (Tuesday)

Venue: Auditorium at B1, No. 3, Li-Hsin Road 1, Hsinchu Science Park,  
Hsinchu, Taiwan, R.O.C.

Meeting Procedure:

1. Announcement of the Commencement
2. Chairman's Opening Remarks
3. Report Items:
  - (1) To report the 2014 business report and financial statements of the Company
  - (2) To report the Audit Committee's review report
4. Adoption Items:
  - (1) To adopt the 2014 financial statements of the Company
  - (2) To adopt the proposal for 2014 earnings distribution of the Company
5. Discussion Items:
  - (1) To amend the Company's Articles of Incorporation
  - (2) To release the Company's directors and their representatives from non-compete restrictions
6. Any Other Business
7. Announcement of Adjournment

## **Report Items:**

<Item 1>

Subject: To report the 2014 business report and financial statements of the Company

Explanatory Note:

- (1) In 2014, the Company has the net sales of NT\$12,461,581,242, the consolidated net sales of NT\$14,571,205,413, the after-tax net profit of NT\$13,476,422 and the after-tax profit per share of NT\$0.01.
- (2) The business report and the relevant financial statements of the Company are attached hereto as Appendices 1 and 2 of the Meeting Manual.
- (3) Please kindly note.

<Item 2>

Subject: To report the Audit Committee's review report

Explanatory Note:

- (1) The 2014 financial statements of the Company have been audited by the CPA with the business report and proposal for earnings distribution of the Company, reviewed by the Audit Committee. The 2014 audited financial statements are attached hereto as Appendices 1 to 3 of the Meeting Manual.
- (2) Please kindly note.

## **Adoption Items:**

<Item 1>

(Proposed by Board of Directors)

Subject: To adopt the 2014 financial statements of the Company

Explanatory Note:

- (1) The 2014 financial statements and consolidated financial statements of the Company have been audited by the CPA and are considered to be correct.
- (2) The aforementioned financial statements, consolidated financial statements and the Company's 2014 Business Report are attached hereto as Appendices 1 to 3 of the Meeting Manual.
- (3) Please kindly adopt.

Resolution:

<Item 2>

(Proposed by Board of Directors)

Subject: To adopt the proposal for 2014 earnings distribution of the Company

Explanatory Note:

- (1) The amount of the Company's accumulated non-distributed earnings is NT\$2,539,948,974 as of the beginning of the year. The amount of retained earnings have been reduced to reflect the investments under equity method of NT\$37,964,376 , actuarial loss of NT\$11,752,323 and retired treasury stock of NT\$16,328,033; after adding the Company's 2014 after-tax net profit of NT\$13,476,422 and setting aside legal reserve of NT\$1,347,642, the total amount of distributable retained earnings is NT\$2,486,033,022. In consideration of the Company's business development and funding needs for the future fiscal year, it is proposed the above mentioned distributable retained earnings not be distributed and be reserved for future years.
- (2) The 2014 earnings distribution table is attached hereto as Appendix 4 of the Meeting Manual.
- (3) Please kindly adopt.

Resolution:

### **Discussion Items:**

<Item 1>

(Proposed by Board of Directors)

Subject: To amend the Company's Articles of Incorporation

Explanatory Note:

- (1) To meet the requirement for transferring Guishan plant of SiPix Technology, Inc , a subsidiary of the Company, to the Company as the Company's Guishan plant and to conform to the Company's scope of business, it is proposed to add the business items of SiPix Technology, Inc to the Company's Articles of Incorporation. In addition, as the Company has already adopted the audit committee system, the Company plans to delete the transitional provisions relating to replacing supervisors by adoption of the audit committee system.
- (2) The comparison table of the Articles of Incorporation is attached as the Appendix 5 of the Meeting Manual.
- (3) Please kindly discuss.

Resolution:

<Item 2>

(Proposed by Board of Directors)

Subject: To release Directors and their representatives from non-compete restrictions.

Explanatory Note:

(1) This item is proposed pursuant to Article 209 of the Company Act, which provides that a director, who does anything for himself or on behalf of another person that falls within the scope of the company's business, shall explain to the company's shareholders the essential contents of such act and secure their approval. Where any director, including corporate director and its representative, encounters the condition mentioned above, it is proposed to release the Director and its representative from non-compete restrictions set forth in Article 209 of the Company Act.

(2) As the directors' concurrent positions in other entity disclosed in the detailed list attached hereto as Appendix 6 of the Meeting Manual do not affect their duty owed to the Company, it is proposed, pursuant to Article 209 of the Company Act, to release the Directors and its representative from non-compete restrictions set forth in article 209 of the Company Act.

(3) Please kindly discuss.

Resolution:

**Any Other Business**

## Appendix 1

### 2014 Business Report

For E Ink, 2014 was a year of continuing challenges and a transition during which the Company completed its adjustment in the management corporate structure to better align with the markets we do business in and set the foundation for longer term growth by diverting more resources to new markets. Despite the fact that the new management team has made the efforts and hard work, we have been unable to make rewarding accomplishments for the year. In 2014, E Ink had a combined revenue of NT\$ 14.6 billion, a gross profit of NT\$ 1.57 billion with a gross profit margin at 11% and a net income after tax of NT\$ 13 million. The earnings per share (EPS) for 2014 are NT\$ 0.01.

The EPD business continues to be a difficult manufacturing and production environment due to market demand and our customers' repeated requests for new product capabilities and designs. Despite these challenges, the hard work of our staff continued to push up the overall shipment of eReader displays. We continued to see new product announcements from all of our major eReader customers. As reported last year, the electronic shelf label (ESL) business continues to grow. ESL using E Ink EPDs are being deployed in Europe, Asia and the United States. Thanks to the number of existing engagements and evaluations, we expect to see continued growth in 2015. Beyond these more established markets, during 2014 we adoption of EPDs in mobile phones, wearable devices and health and fitness products. These applications will bring increased business to the company as these markets continue to grow and mature.

For the LCD market, E Ink has chosen not to directly engage in the highly competitive, price cutting LCD business for the consumer market. We continue to focus on niche markets that have special needs, as well as by licensing Fringe Field Switching (FFS) technology.

We have completed the organizational reengineering plan in 2014. The establishment of functional organizations and business units is complete and our global operations are fully integrated enabling E Ink to better serve existing customers and focus on developing new businesses, with an ultimate goal of a diversified portfolio in the EPD market.

With the introduction of a number of new E Ink products, 2014 was the year where these products were adopted by our customers for their end products. E Ink Carta has been adopted by the major eReader suppliers and continues to see significant demand. E Ink Spectra and Aurora have been adopted by our leading ESL partners as part of their products and will be seeing deployment in 2015. E Ink Mobius has been adopted by our leading mobile and wearable product customers and will be seeing a significant growth in 2015.

### Operation Highlights in 2015

With the increasing popularity of EPD in various applications such as ESL, mobile phones, smart watches and electronic signage, together with a comprehensive eco-system we have created with our business partners, and driven by the growth of eReader devices in Europe, Japan and other emerging markets, we are convinced the EPD markets will continue to grow in 2015. To achieve our performance objectives, we will implement the following operation strategies in 2015:

- (1) Strengthen the integration of production and R&D to decrease the defect rate

With the spirit of “developing forward-looking technologies”, E Ink continues our quest and R&D efforts for critical technologies in EPD. We have had breakthroughs in areas such as front light, touch, flexible and color EPD, which have been introduced for various market applications. As the product applications continue to diversify, our clients have more diversified product designs and specifications requirements, which translates into more challenges in our production. In response, E Ink will strive to strengthen our organizational integration through organizational reengineering and bring the manufacturing and R&D units closer to each other so as to overcome the difficulties we may encounter in the production process, effectively reduce the defect rate in a meaningful sense, and meet the client’s products requirements.

(2) Optimize environmental, manufacturing process and improve labor force efficiency  
E Ink continues to optimize our manufacturing process and the environment of our factory campus, while working hard to improve our labor efficiency. Starting in 2013 we have significantly committed to the optimization and automation of our production lines to improve product quality, shorten manufacturing time, and cut down the labor force required per unit output. Meanwhile, we are taking various measures to improve the working environment and quality of life to strengthen our employees’ loyalty to the Company. We have seen encouraging results and this endeavor will continue this year.

(3) Revitalize idle assets

For those production lines that need operational efficiency and idle assets, E Ink has adopted a number of projects to reduce the operational burdens and enhance efficiency. We are looking for making major accomplishments in 2015.

(4) Actively establish the EPD ecosystem

While striving to develop EPD, E Ink is also working hard to form a strategic alliance with suppliers in the upstream, downstream and peripheral sectors, and engage in technology cooperation with our major component suppliers to build a complete EPD market with an ultimate goal of pushing up our revenues and profits. Also, E Ink is collaborating with chip suppliers in a joint effort to develop new chip designs to make our EPD products more price competitive and functionally more powerful.

(5) Continue to promote new products and application markets

E Ink has broad and in-depth technologies for e-paper devices. We have also had a number of advances in the development of new technologies and new applications, such as digital signage and architecture applications. In the future, E Ink will continue to offer clients more options through the collaboration with leading brands, channels, and designers so as to become our main driving forces to advance our operation performance.

## **Prospect**

We have seen some preliminary accomplishments since our transformation efforts starting in 2012. With the ever growing popularity of the Internet of Things and portable devices, energy saving and lightweight/thinness/high efficiency have become an unstoppable trend into the future. We are optimistic about the broad applications of E Ink’s e-paper products in sectors other than eReader devices, such as ESL, mobile phones and wrist watches for their characteristics such as paper-like, extra-low power consumption, durability, lightweight/thinness and sunlight readability. This will eventually turn a lot of conceptual product designs into real end-user products. We expect in the near future the new applications will continue to become more popular, which in turn will bring more advantages to our business operation.



The management team will strive to enhance operation efficiency and allocate more R&D resources. We will continue our efforts in product innovation and help create values for our customers. We are sincerely thankful for our staff's long-term contribution to the Company, and all the support and recognition from our clients, partners, suppliers, shareholders and the public. We will do everything we can to lead all our staff to move along the set track and pragmatically implement the growth strategies we created to accomplish our goals.

Chairman: Frank ko

Manager: Lloyd Chen

Accounting Officer: Jason Lin

## Appendix 2

### INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Shareholders  
E Ink Holdings Inc.

We have audited the accompanying balance sheets of E Ink Holdings Inc. (the "Corporation") as of December 31, 2014 and 2013, and the related statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2014 and 2013. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of BOE Mobile Display Technology Co., Ltd., as of December 31, 2013, the investments in which the Corporation had equity-method investments by Hydis Technologies Co., Ltd. The investments amounted to NT\$175,316 thousand as of December 31, 2013, which accounted for about 0.4% of the Corporation's total assets as of the above date. The Corporation's equity of NT\$12,577 thousand in their comprehensive income in 2013 were about 1.1% of the Corporation's total comprehensive income. The investee's financial statements were audited by other auditors whose reports have been furnished to us, and, our opinion, insofar as it relates to the amounts included for the investee, is based solely on the reports of the other auditors.

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of E Ink Holdings Inc. as of December 31, 2014 and 2013, and the financial performance and its cash flows for the years ended December 31, 2014 and 2013, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers.

March 13, 2015

#### Notice to Readers

*The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.*

**E INK HOLDINGS INC.**

**BALANCE SHEETS**

**DECEMBER 31, 2014 AND 2013**

**(In Thousands of New Taiwan Dollars)**

ASSETS	2014		2013	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 791,496	2	\$ 1,767,590	4
Financial assets at fair value through profit or loss (Notes 4 and 7)	58,813	-	1,498,361	4
Debt investments with no active market (Notes 4 and 9)	600,000	2	-	-
Accounts receivable (Note 4)	402,446	1	205,661	-
Accounts receivable from related parties (Notes 4 and 23)	2,996,556	8	7,108,474	17
Other receivables from related parties (Note 23)	1,925,469	5	825,473	2
Inventories (Notes 4 and 10)	962,025	3	1,434,873	3
Prepayments	81,527	-	84,267	-
Other current assets (Notes 4, 17 and 24)	87,976	-	75,049	-
Total current assets	<u>7,906,308</u>	<u>21</u>	<u>12,999,748</u>	<u>30</u>
<b>NON-CURRENT ASSETS</b>				
Available-for-sale financial assets (Note 4)	851,785	2	766,310	2
Financial assets measured at cost (Notes 4 and 8)	22,305	-	77,601	-
Debt investments with no active market (Notes 4 and 9)	600,000	2	-	-
Investments accounted for using equity method (Notes 4 and 11)	26,692,398	69	26,453,736	62
Property, plant and equipment (Notes 4, 12 and 23)	1,994,224	5	2,064,620	5
Other intangible assets (Note 4)	106,479	-	45,038	-
Deferred tax assets (Notes 4 and 17)	338,397	1	209,144	1
Other non-current assets	28,323	-	44,333	-
Total non-current assets	<u>30,633,911</u>	<u>79</u>	<u>29,660,782</u>	<u>70</u>
<b>TOTAL</b>	<u>\$ 38,540,219</u>	<u>100</u>	<u>\$ 42,660,530</u>	<u>100</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 13)	\$ 1,132,325	3	\$ 149,025	1
Accounts payable	513,658	1	1,257,374	3
Accounts payable to related parties (Note 23)	5,505,527	14	9,045,728	21
Other payables (Note 20)	490,729	1	412,017	1
Other payable to related parties (Notes 20 and 23)	61,147	-	-	-
Current tax liabilities (Notes 4 and 17)	81,850	-	32,429	-
Receipts in advance (Note 23)	132,531	1	248,031	1
Current portion of long-term borrowings (Note 13)	2,089,715	6	1,780,629	4
Other current liabilities (Note 23)	32,107	-	32,072	-
Total current liabilities	<u>10,039,589</u>	<u>26</u>	<u>12,957,305</u>	<u>31</u>
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings (Note 13)	1,812,857	5	3,870,943	9
Other non-current liabilities (Notes 4, 11, 14, 17 and 23)	54,247	-	63,195	-
Total non-current liabilities	<u>1,867,104</u>	<u>5</u>	<u>3,934,138</u>	<u>9</u>
Total liabilities	<u>11,906,693</u>	<u>31</u>	<u>16,891,443</u>	<u>40</u>
<b>EQUITY (Notes 14, 15 and 19)</b>				
Share capital	11,404,677	30	11,409,897	27
Capital surplus	10,071,578	26	10,073,700	24
Retained earnings				
Legal reserve	1,058,406	3	1,055,476	2
Special reserve	70,678	-	483,507	1
Unappropriated earnings	2,487,381	6	2,130,050	5
Total retained earnings	<u>3,616,465</u>	<u>9</u>	<u>3,669,033</u>	<u>8</u>
Other equity	1,540,806	4	642,351	1
Treasury shares	-	-	(25,894)	-
Total equity	<u>26,633,526</u>	<u>69</u>	<u>25,769,087</u>	<u>60</u>
<b>TOTAL</b>	<u>\$ 38,540,219</u>	<u>100</u>	<u>\$ 42,660,530</u>	<u>100</u>

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

(With Deloitte & Touche audit report dated March 13, 2015)

**E INK HOLDINGS INC.**

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2014		2013	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 23)	\$ 12,461,581	100	\$ 14,427,628	100
OPERATING COSTS (Notes 10, 14, 16 and 23)	<u>11,542,526</u>	<u>93</u>	<u>13,133,743</u>	<u>91</u>
GROSS PROFIT	<u>919,055</u>	<u>7</u>	<u>1,293,885</u>	<u>9</u>
OPERATING EXPENSES (Notes 14, 16 and 23)				
Selling and marketing expenses	154,728	1	121,963	1
General and administrative expenses	702,895	6	589,765	4
Research and development expenses	<u>548,338</u>	<u>4</u>	<u>522,855</u>	<u>4</u>
Total operating expenses	<u>1,405,961</u>	<u>11</u>	<u>1,234,583</u>	<u>9</u>
INCOME (LOSS) FROM OPERATIONS	<u>(486,906)</u>	<u>(4)</u>	<u>59,302</u>	<u>-</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 4 and 23)	29,115	-	35,116	-
Royalty income (Notes 4 and 23)	30,716	-	30,716	-
Other income (Note 4)	36,984	-	95,592	1
Interest expense (Note 12)	(105,267)	(1)	(98,912)	(1)
Share of profit or loss of subsidiaries and associates	443,162	4	(175,617)	(1)
Net gain on foreign currency exchange	-	-	38,803	-
Net gain on fair value change of financial assets at fair value through profit or loss	60,452	1	67,211	1
Net loss on foreign currency exchange	(30,971)	-	-	-
Impairment loss (Notes 4, 5, 8 and 11)	<u>(5,296)</u>	<u>-</u>	<u>(9,322)</u>	<u>-</u>
Total non-operating income and expenses	<u>458,895</u>	<u>4</u>	<u>(16,413)</u>	<u>-</u>
INCOME (LOSS) BEFORE INCOME TAX	(28,011)	-	42,889	-
INCOME TAX BENEFIT (EXPENSE) (Notes 4 and 17)	<u>41,487</u>	<u>-</u>	<u>(13,586)</u>	<u>-</u>
NET INCOME FOR THE YEAR	<u>13,476</u>	<u>-</u>	<u>29,303</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME				
Unrealized gain on available-for-sale financial assets	9,805	-	151,866	1
Actuarial loss arising from defined benefit plans (Notes 4 and 14)	(14,159)	-	(10,449)	-

(Continued)

E INK HOLDINGS INC.

STATEMENTS OF COMPREHENSIVE INCOME  
 FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013  
 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2014		2013	
	Amount	%	Amount	%
Share of other comprehensive income of subsidiaries	\$ 941,398	8	\$ 987,944	7
Income tax relating to components of other comprehensive income (Notes 4, 14 and 17)	<u>2,407</u>	<u>-</u>	<u>1,776</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>939,451</u>	<u>8</u>	<u>1,131,137</u>	<u>8</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 952,927</u>	<u>8</u>	<u>\$ 1,160,440</u>	<u>8</u>
EARNINGS PER SHARE (Note 18)				
Basic	<u>\$0.01</u>		<u>\$0.03</u>	

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

(With Deloitte & Touche audit report dated March 13, 2015)

(Concluded)

**E INK HOLDINGS INC.**

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013  
(In Thousands of New Taiwan Dollars)**

	Share Capital		Capital Surplus	Retained Earnings			Other Equity		Treasury Shares	Total Equity
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets		
BALANCE AT JANUARY 1, 2013	1,080,990	\$ 10,809,897	\$ 9,686,700	\$ 1,055,476	\$ 271,435	\$ 2,528,246	\$ (559,205)	\$ 75,698	\$ (25,894)	\$ 23,842,353
Special reserve under Rule No. 1010012865 issued by the FSC	-	-	-	-	70,678	(70,678)	-	-	-	-
Special reserve	-	-	-	-	141,394	(141,394)	-	-	-	-
Net income for the year ended December 31, 2013	-	-	-	-	-	29,303	-	-	-	29,303
Other comprehensive income for the year ended December 31, 2013, net of income tax	-	-	-	-	-	5,279	620,774	505,084	-	1,131,137
Total comprehensive income for the year ended December 31, 2013	-	-	-	-	-	34,582	620,774	505,084	-	1,160,440
Private issuance of ordinary shares for cash - July	60,000	600,000	387,000	-	-	-	-	-	-	987,000
Change in equity from investments in associates accounted for by using equity method	-	-	-	-	-	(25,705)	-	-	-	(25,705)
Partial acquisition of interests in subsidiaries	-	-	-	-	-	(195,001)	-	-	-	(195,001)
BALANCE AT DECEMBER 31, 2013	1,140,990	11,409,897	10,073,700	1,055,476	483,507	2,130,050	61,569	580,782	(25,894)	25,769,087
Legal reserve	-	-	-	2,930	-	(2,930)	-	-	-	-
Reversal of special reserve	-	-	-	-	(412,829)	412,829	-	-	-	-
Net income for the year ended December 31, 2014	-	-	-	-	-	13,476	-	-	-	13,476
Other comprehensive income for the year ended December 31, 2014, net of income tax	-	-	-	-	-	40,996	1,020,437	(121,982)	-	939,451
Total comprehensive income for the year ended December 31, 2014	-	-	-	-	-	54,472	1,020,437	(121,982)	-	952,927
Retirement of treasury stock	(522)	(5,220)	(4,346)	-	-	(16,328)	-	-	25,894	-
Partial acquisition of interests in subsidiaries	-	-	2,224	-	-	(90,712)	-	-	-	(88,488)
BALANCE AT DECEMBER 31, 2014	<u>1,140,468</u>	<u>\$ 11,404,677</u>	<u>\$ 10,071,578</u>	<u>\$ 1,058,406</u>	<u>\$ 70,678</u>	<u>\$ 2,487,381</u>	<u>\$ 1,082,006</u>	<u>\$ 458,800</u>	<u>\$ -</u>	<u>\$ 26,633,526</u>

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

(With Deloitte & Touche audit report dated March 13, 2015)

# E INK HOLDINGS INC.

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013 (In Thousands of New Taiwan Dollars)

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	\$ (28,011)	\$ 42,889
Adjustments for:		
Depreciation expenses	267,555	257,580
Amortization expenses	34,248	33,744
Net gain on fair value change of financial assets at fair value through profit or loss	(60,452)	(67,211)
Interest expense	105,267	98,912
Interest income	(29,115)	(35,116)
Dividend income	(18,976)	(16,639)
Share of profit or loss of subsidiaries and associates	(443,162)	175,617
Net gain on disposal of property, plant and equipment	(2,946)	-
Net gain on disposal of investments	(359)	-
Impairment loss recognized on financial assets	5,296	-
Impairment loss recognized on non-financial assets	-	9,322
Write-down of inventories	312,000	77,000
Unrealized net loss on foreign currency exchange	122,977	80,359
Royalty income	(30,716)	(30,716)
Changes in operating assets and liabilities		
Accounts receivable	(188,803)	209,299
Accounts receivable from related parties	4,172,964	406,482
Inventories	160,848	(829,514)
Prepayments	2,740	(32,106)
Other current assets	(722)	(31,077)
Accounts payable	(745,670)	(1,246,661)
Accounts payable to related parties	(3,702,396)	(943,015)
Other payables	60,412	(61,942)
Receipts in advance	(115,500)	200,969
Other current liabilities	(4,812)	16,176
Cash used in operations	(127,333)	(1,685,648)
Income tax paid	(27,341)	(203,992)
Net cash used in operating activities	(154,674)	(1,889,640)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on sale of financial assets at fair value through profit or loss	1,500,000	-
Purchase of available-for-sale financial assets	(28,120)	-
Proceeds on sale of available-for-sale financial assets	2,809	-
Purchase of debt investments with no active market	(1,500,000)	-
Proceeds on sale of debt investments with no active market	-	885,720
Proceeds from redemption of debt investments with no active market	300,000	-
Payments for property, plant and equipment	(121,576)	(823,913)
Proceeds from disposal of property, plant and equipment	3,592	-
Decrease in other receivables from related parties	797,240	1,234,133
Payments for intangible assets	(80,046)	(22,888)
Decrease (increase) in other non-current assets	367	(1,953)

(Continued)

**E INK HOLDINGS INC.**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013  
(In Thousands of New Taiwan Dollars)**

	2014	2013
Interest received	\$ 18,371	\$ 34,989
Dividend received	<u>51,040</u>	<u>33,368</u>
Net cash generated from investing activities	<u>943,677</u>	<u>1,339,456</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in short-term borrowings	982,015	(1,242,000)
Proceeds from long-term borrowings	-	1,200,000
Repayments of long-term borrowings	(1,769,542)	(1,769,542)
Increase in other payables to related parties	444	-
Increase (decrease) in other non-current liabilities	1,712	(2)
Proceeds from issuance of ordinary shares	-	987,000
Payments for acquisition of interests in subsidiaries	(873,908)	(7,024)
Interest paid	<u>(105,818)</u>	<u>(106,303)</u>
Net cash used in financing activities	<u>(1,765,097)</u>	<u>(937,871)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(976,094)	(1,488,055)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,767,590</u>	<u>3,255,645</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 791,496</u>	<u>\$ 1,767,590</u>

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

(With Deloitte & Touche audit report dated March 13, 2015)

(Concluded)



## INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Shareholders  
E Ink Holdings Inc.

We have audited the accompanying consolidated balance sheets of E Ink Holdings Inc. and subsidiaries (the "Corporation") as of December 31, 2014 and 2013, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2014 and 2013. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of BOE Mobile Display Technology Co., Ltd., as of December 31, 2013. The investments amounted to NT\$175,316 thousand as of December 31, 2013, which accounted for about 0.4% of the Corporation's total assets as of the above date. The Corporation's equity of NT\$12,577 thousand in their comprehensive income in 2013 were about 1.2% of the Corporation's total comprehensive income. The investee's financial statements were audited by other auditors whose reports have been furnished to us, and, our opinion, insofar as it relates to the amounts included for the investee, is based solely on the reports of the other auditors.

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of E Ink Holdings Inc. and subsidiaries as of December 31, 2014 and 2013, and the consolidated financial performance and their consolidated cash flows for the years ended December 31, 2014 and 2013, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards, International Accounting Standards, interpretations as well as related guidance translated by Accounting Research and Development Foundation endorsed by the Financial Supervisory Commission of the Republic of China.

We have also audited the parent company only financial statements of E Ink Holdings Inc. as of and for the years ended December 31, 2014 and 2013 on which we have issued an unqualified and a modified unqualified opinion, respectively.

March 13, 2015

Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

# E INK HOLDINGS INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2014 AND 2013 (In Thousands of New Taiwan Dollars)

ASSETS	2014		2013	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 8,124,294	21	\$ 4,664,263	12
Financial assets at fair value through profit or loss (Notes 4, 7 and 28)	173,358	-	1,586,260	4
Debt investments with no active market (Notes 4 and 10)	600,000	2	-	-
Notes and accounts receivable (Notes 4 and 11)	2,391,938	6	3,499,785	9
Accounts receivable from related parties (Notes 4 and 27)	64,162	-	27,776	-
Other receivables (Notes 4 and 9)	1,397,268	4	191,023	-
Current tax assets (Notes 4 and 20)	637,923	2	131,833	-
Inventories (Notes 4 and 12)	1,989,398	5	3,197,831	8
Prepayments	305,555	1	306,778	1
Other current assets (Note 28)	198,357	-	610,895	1
Total current assets	<u>15,882,253</u>	<u>41</u>	<u>14,216,444</u>	<u>35</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss (Notes 4 and 7)	282,799	1	259,929	1
Available-for-sale financial assets (Notes 4 and 8)	2,043,268	5	2,044,551	5
Financial assets measured at cost (Notes 4 and 9)	125,924	-	2,833,107	7
Debt investments with no active market (Notes 4 and 10)	600,000	1	-	-
Investments accounted for using equity method (Notes 4 and 9)	49,745	-	237,271	1
Property, plant and equipment (Notes 4 and 13)	9,041,082	23	9,835,142	24
Goodwill (Notes 4 and 14)	6,858,206	18	6,761,078	17
Other intangible assets (Notes 4 and 14)	2,817,788	7	3,036,726	8
Deferred tax assets (Notes 4 and 20)	1,023,992	3	604,725	1
Other non-current assets (Notes 27 and 28)	228,795	1	256,122	1
Total non-current assets	<u>23,071,599</u>	<u>59</u>	<u>25,868,651</u>	<u>65</u>
<b>TOTAL</b>	<u>\$ 38,953,852</u>	<u>100</u>	<u>\$ 40,085,095</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 15)	\$ 1,796,975	5	\$ 894,150	2
Accounts payable	1,508,379	4	2,478,235	6
Accounts payable to related parties (Note 27)	38,106	-	66,420	-
Other payables (Note 16)	1,272,817	3	1,416,847	4
Current tax liabilities (Notes 4 and 20)	112,455	-	38,074	-
Receipts in advance	878,721	2	992,165	3
Current portion of long-term borrowings (Note 15)	2,894,548	7	2,419,308	6
Current portion of long-term payables to related parties (Notes 15 and 27)	-	-	118,171	-
Other current liabilities	610,823	2	138,201	-
Total current liabilities	<u>9,112,824</u>	<u>23</u>	<u>8,561,571</u>	<u>21</u>
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings (Note 15)	2,566,020	7	4,877,848	12
Long-term payables to related parties (Notes 15 and 27)	-	-	452,360	1
Accrued pension liabilities (Notes 4 and 17)	422,643	1	397,056	1
Other non-current liabilities (Notes 4, 15 and 20)	339,363	1	244,145	1
Total non-current liabilities	<u>3,328,026</u>	<u>9</u>	<u>5,971,409</u>	<u>15</u>
Total liabilities	<u>12,440,850</u>	<u>32</u>	<u>14,532,980</u>	<u>36</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 17, 18, 22 and 23)</b>				
Share capital	<u>11,404,677</u>	<u>29</u>	<u>11,409,897</u>	<u>28</u>
Capital surplus	<u>10,071,578</u>	<u>26</u>	<u>10,073,700</u>	<u>25</u>
Retained earnings				
Legal reserve	1,058,406	3	1,055,476	3
Special reserve	70,678	-	483,507	1
Unappropriated earnings	2,487,381	6	2,130,050	5
Total retained earnings	<u>3,616,465</u>	<u>9</u>	<u>3,669,033</u>	<u>9</u>
Other equity	<u>1,540,806</u>	<u>4</u>	<u>642,351</u>	<u>2</u>
Treasury shares	-	-	(25,894)	-
Total equity attributable to owners of the Corporation	<u>26,633,526</u>	<u>68</u>	<u>25,769,087</u>	<u>64</u>
<b>NON-CONTROLLING INTERESTS (Notes 18 and 23)</b>	<u>(120,524)</u>	<u>-</u>	<u>(216,972)</u>	<u>-</u>
Total equity	<u>26,513,002</u>	<u>68</u>	<u>25,552,115</u>	<u>64</u>
<b>TOTAL</b>	<u>\$ 38,953,852</u>	<u>100</u>	<u>\$ 40,085,095</u>	<u>100</u>

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

(With Deloitte & Touche audit report dated March 13, 2015)

## E INK HOLDINGS INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2014		2013	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 27)	\$ 14,571,205	100	\$ 18,905,129	100
OPERATING COSTS (Notes 12, 17, 19 and 27)	<u>13,000,451</u>	<u>89</u>	<u>15,886,448</u>	<u>84</u>
GROSS PROFIT	<u>1,570,754</u>	<u>11</u>	<u>3,018,681</u>	<u>16</u>
OPERATING EXPENSES (Notes 17, 19 and 27)				
Selling and marketing expenses	576,458	4	453,723	3
General and administrative expenses	2,482,941	17	2,641,962	14
Research and development expenses	<u>1,746,266</u>	<u>12</u>	<u>1,571,313</u>	<u>8</u>
Total operating expenses	<u>4,805,665</u>	<u>33</u>	<u>4,666,998</u>	<u>25</u>
LOSS FROM OPERATIONS	<u>(3,234,911)</u>	<u>(22)</u>	<u>(1,648,317)</u>	<u>(9)</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 4)	148,145	1	152,255	1
Royalty income (Note 4)	3,561,145	24	1,610,262	9
Dividend income (Notes 4 and 27)	86,019	1	62,161	-
Other income (Note 27)	244,618	2	255,609	1
Interest expense (Note 13)	(153,031)	(1)	(176,668)	(1)
Net gain on foreign currency exchange	76,927	-	142,446	1
Loss on disposal of investments (Note 9)	(892,569)	(6)	-	-
Impairment loss (Notes 4, 5, 9, 13 and 14)	(120,389)	(1)	(59,212)	-
Other expenses (Note 17)	<u>(37,709)</u>	<u>-</u>	<u>(550,026)</u>	<u>(3)</u>
Total non-operating income and expenses	<u>2,913,156</u>	<u>20</u>	<u>1,436,827</u>	<u>8</u>
LOSS BEFORE INCOME TAX	(321,755)	(2)	(211,490)	(1)
INCOME TAX BENEFIT (Notes 4 and 20)	<u>375,964</u>	<u>2</u>	<u>175,481</u>	<u>1</u>
NET INCOME (LOSS) FOR THE YEAR	<u>54,209</u>	<u>-</u>	<u>(36,009)</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME				
Exchange differences on translating foreign operations	1,014,257	7	607,206	3
Unrealized gain (loss) on available-for-sale financial assets	(121,982)	(1)	505,084	3
Actuarial gain arising from defined benefit plans (Notes 4 and 17)	41,523	1	8,405	-

(Continued)

## E INK HOLDINGS INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2014		2013	
	Amount	%	Amount	%
Share of other comprehensive loss of associates	\$ (1,931)	-	\$ (4,588)	-
Income tax relating to components of other comprehensive income (Notes 4, 17 and 20)	<u>2,407</u>	<u>-</u>	<u>1,776</u>	<u>-</u>
Other comprehensive income for the year, net of income tax	<u>934,274</u>	<u>7</u>	<u>1,117,883</u>	<u>6</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 988,483</u>	<u>7</u>	<u>\$ 1,081,874</u>	<u>6</u>
NET INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 13,476	-	\$ 29,303	-
Non-controlling interests	<u>40,733</u>	<u>-</u>	<u>(65,312)</u>	<u>-</u>
	<u>\$ 54,209</u>	<u>-</u>	<u>\$ (36,009)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 952,927	7	\$ 1,160,440	6
Non-controlling interests	<u>35,556</u>	<u>-</u>	<u>(78,566)</u>	<u>-</u>
	<u>\$ 988,483</u>	<u>7</u>	<u>\$ 1,081,874</u>	<u>6</u>
EARNINGS PER SHARE (Note 21)				
Basic	<u>\$0.01</u>		<u>\$0.03</u>	

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

(With Deloitte & Touche audit report dated March 13, 2015)

(Concluded)

## E INK HOLDINGS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation											Total Equity
	Share Capital		Capital Surplus	Retained Earnings			Other Equity		Treasury Shares	Total	Non-controlling Interests	
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets				
BALANCE AT JANUARY 1, 2013	1,080,990	\$ 10,809,897	\$ 9,686,700	\$ 1,055,476	\$ 271,435	\$ 2,528,246	\$ (559,205)	\$ 75,698	\$ (25,894)	\$ 23,842,353	\$ (59,709)	\$ 23,782,644
Special reserve under Rule No. 1010012865 issued by the FSC	-	-	-	-	70,678	(70,678)	-	-	-	-	-	-
Special reserve	-	-	-	-	141,394	(141,394)	-	-	-	-	-	-
Net income (loss) for the year ended December 31, 2013	-	-	-	-	-	29,303	-	-	-	29,303	(65,312)	(36,009)
Other comprehensive income (loss) for the year ended December 31, 2013, net of income tax	-	-	-	-	-	5,279	620,774	505,084	-	1,131,137	(13,254)	1,117,883
Total comprehensive income (loss) for the year ended December 31, 2013	-	-	-	-	-	34,582	620,774	505,084	-	1,160,440	(78,566)	1,081,874
Private issuance of ordinary shares for cash - July	60,000	600,000	387,000	-	-	-	-	-	-	987,000	-	987,000
Change in equity from investments in associates accounted for by using equity method	-	-	-	-	-	(25,705)	-	-	-	(25,705)	-	(25,705)
Partial acquisition of interests in subsidiaries	-	-	-	-	-	(195,001)	-	-	-	(195,001)	(78,697)	(273,698)
BALANCE AT DECEMBER 31, 2013	1,140,990	11,409,897	10,073,700	1,055,476	483,507	2,130,050	61,569	580,782	(25,894)	25,769,087	(216,972)	25,552,115
Legal reserve	-	-	-	2,930	-	(2,930)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(412,829)	412,829	-	-	-	-	-	-
Net income for the year ended December 31, 2014	-	-	-	-	-	13,476	-	-	-	13,476	40,733	54,209
Other comprehensive income (loss) for the year ended December 31, 2014, net of income tax	-	-	-	-	-	40,996	1,020,437	(121,982)	-	939,451	(5,177)	934,274
Total comprehensive income for the year ended December 31, 2014	-	-	-	-	-	54,472	1,020,437	(121,982)	-	952,927	35,556	988,483
Retirement of treasury stock	(522)	(5,220)	(4,346)	-	-	(16,328)	-	-	25,894	-	-	-
Partial acquisition of interests in subsidiaries	-	-	2,224	-	-	(90,712)	-	-	-	(88,488)	60,892	(27,596)
BALANCE AT DECEMBER 31, 2014	<u>1,140,468</u>	<u>\$ 11,404,677</u>	<u>\$ 10,071,578</u>	<u>\$ 1,058,406</u>	<u>\$ 70,678</u>	<u>\$ 2,487,381</u>	<u>\$ 1,082,006</u>	<u>\$ 458,800</u>	<u>\$ -</u>	<u>\$ 26,633,526</u>	<u>\$ (120,524)</u>	<u>\$ 26,513,002</u>

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

(With Deloitte & Touche audit report dated March 13, 2015)

## E INK HOLDINGS INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013 (In Thousands of New Taiwan Dollars)

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	\$ (321,755)	\$ (211,490)
Adjustments for:		
Depreciation expenses	1,529,110	1,597,401
Amortization expenses	433,575	460,916
Impairment loss recognized (reversal of impairment loss) on notes and accounts receivable	1,773	(10,063)
Net gain on fair value change of financial assets at fair value through profit or loss	(67,472)	(69,337)
Interest expense	153,031	176,668
Interest income	(148,145)	(152,255)
Dividend income	(86,019)	(62,161)
Share of profit or loss of associates	9,998	(1,105)
Net loss (gain) on disposal of property, plant and equipment	(248)	13,428
Net loss (gain) on disposal of investments	892,569	(10,312)
Impairment loss recognized on financial assets	5,296	-
Impairment loss recognized on non-financial assets	115,093	59,212
Write-down (reversal) of inventories	373,095	(779,069)
Unrealized net loss on foreign currency exchange	108,250	27,317
Changes in operating assets and liabilities		
Financial assets held for trading	(26,000)	81,000
Notes and accounts receivable	1,238,140	3,403,086
Accounts receivable from related parties	(36,386)	15,678
Other receivables	(100,859)	(95,569)
Inventories	1,001,440	1,101,181
Prepayments	14,167	221,374
Other current assets	430,291	223,219
Accounts payable	(1,011,606)	(2,743,718)
Accounts payable to related parties	(28,314)	42,492
Other payables	(107,530)	(168,102)
Receipts in advance	(252,914)	258,976
Other current liabilities	476,266	6,314
Accrued pension liabilities	57,674	(377,044)
Cash generated from operations	4,652,520	3,008,037
Income tax paid	(451,057)	(85,250)
Net cash generated from operating activities	<u>4,201,463</u>	<u>2,922,787</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on sale of financial assets at fair value through profit or loss	1,500,000	-
Purchase of available-for-sale financial assets	(67,729)	-
Proceeds on sale of available-for-sale financial assets	3,440	-
Purchase of debt investments with no active market	(1,500,000)	-
Proceeds from redemption of debt investments with no active market	300,000	-
Proceeds on sale of financial assets measured at cost	849,182	-

(Continued)

## E INK HOLDINGS INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013 (In Thousands of New Taiwan Dollars)

	2014	2013
Proceeds on sale of associates	\$ 84,918	\$ -
Payments for acquisition of associates	-	(4,302)
Payments for property, plant and equipment	(552,611)	(1,095,298)
Proceeds from disposal of property, plant and equipment	9,911	15,946
Payments for intangible assets	(131,224)	(32,273)
Decrease in other financial assets	-	45,752
Decrease in other non-current assets	19,662	38,737
Interest received	129,901	154,262
Dividend received	<u>86,019</u>	<u>62,161</u>
Net cash generated from (used in) investing activities	<u>731,469</u>	<u>(815,015)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in short-term borrowings	862,078	(3,012,590)
Repayments of bonds payable	-	(624,938)
Proceeds from long-term borrowings	-	1,200,000
Repayments of long-term borrowings	(2,556,966)	(2,617,975)
Increase (decrease) in other non-current liabilities	70,616	(43,164)
Proceeds from issuance of ordinary shares	-	987,000
Interest paid	(146,074)	(197,834)
Changes in non-controlling interests	<u>(27,596)</u>	<u>(168,769)</u>
Net cash used in financing activities	<u>(1,797,942)</u>	<u>(4,478,270)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES</b>		
	<u>325,041</u>	<u>144,399</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,460,031	(2,226,099)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>4,664,263</u>	<u>6,890,362</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 8,124,294</u>	<u>\$ 4,664,263</u>

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

(With Deloitte & Touche audit report dated March 13, 2015)

(Concluded)



## **Appendix 3**

### **AUDIT COMMITTEE'S REVIEW REPORT**

To: The Company's 2015 Annual General Meeting of Stockholders

The Board of Directors has prepared the Company's 2014 business report, financial statements, consolidated financial statements and proposal of earnings distribution. And Deloitte & Touche, a CPA firm, has completed its audit to the Company's financial statements and issued an audit report thereof. The above-mentioned business report, financial statements, consolidated financial statement and proposal of earnings distribution have been reviewed and determined to be correct and accurate by us, so, according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report to the 2015 Annual General Meeting of stockholders of the Company.

E INK HOLDINGS INC.

Convener of the Audit Committee: Ten Chung Chen

Date: March 13, 2015

## Appendix 4

### E INK HOLDINGS INC. 2014 EARNINGS DISTRIBUTION STATEMENT

Unit: NTD

Item	Amount (NTD)	Note
<b>Retained earnings at the beginning of this fiscal year</b>	\$2,539,948,974	
Adjustment on retained earnings for Investments under equity method	(37,964,376)	
Actuarial losses/gains on retained earnings	(11,752,323)	
Adjustment on retained earnings for retired treasury stock	(16,328,033)	Note(1)
<b>Adjusted retained earnings</b>	<b>\$2,473,904,242</b>	
Plus: After-tax profit of this year	13,476,422	
Deduct: Setting aside 10% legal reserve	(1,347,642)	
<b>Distributable retained earnings of this fiscal year</b>	<b>2,486,033,022</b>	
Item of Allocation		
Unappropriated earnings at the end of this fiscal year	\$2,486,033,022	

Note(1): Because the book value of 522,000 shares of retired treasury stock exceeds the total amount of par value and share premium of these shares, the excess is offset by the capital reserve arising from the same type of treasury stock first and then by retained earnings in the event that the former is insufficient to cover the excess.

Note(2): None of the earnings will be allocated as bonuses of employees and remuneration of directors .

Chairman: Frank Ko    Manager: Lloyd Chen    Accounting Officer: Jason Lin

## Appendix 5

### E INK HOLDINGS INC.

#### Comparison Table of the Draft Amendment to Articles of Incorporation

Article	After Amendment	Before Amendment	Remarks
Chapter I Article 2	<p>The scope of business of the Company shall be as follows:</p> <p>(1) CC01080 Electronic Parts and Components Manufacturing</p> <p><u>(2) F119010 Wholesale of Electronic Materials (limited to the operation outside the territory of the Republic of China ("ROC"))</u></p> <p><u>(3) F219010 Retail Sale of Electronic Materials (limited to the operation outside the territory of ROC)</u></p> <p><u>(4) F113050 Wholesale of Computing and Business Machinery Equipment (limited to the operation outside the territory of ROC)</u></p> <p><u>(5) F213030 Retail Sale of Computing and Business Machinery Equipment (limited to the operation outside the territory of ROC)</u></p> <p><u>(6) F118010 Wholesale of Computer Software (limited to business outside the area)</u></p> <p><u>(7) F218010 Retail Sale of Computer Software (limited to the operation outside the territory of ROC)</u></p> <p><u>(8) I301010 Software Design Services (limited to the operation outside the territory of ROC)</u></p> <p><u>(9) CC01101 Restrained Telecom Radio Frequency Equipment and Materials Manufacturing (limited to the operation outside the territory of ROC)</u></p> <p><u>(10) F401021 Restrained Telecom Radio Frequency Equipment and Materials Import (limited to the operation outside the territory of ROC)</u></p> <p>(11) F401010 International Trade Business</p> <p>Researching, developing, producing, manufacturing and marketing the following products:</p> <p>(i) TFT-LCD</p> <p>(ii) TFT-LCD TV, various kinds of monitoring systems and all kinds of parts and components of the aforementioned systems (limited to the operation by the branch offices outside the territory of the Republic of China ("ROC"))</p>	<p>The scope of business of the Company shall be as follows:</p> <p>(1) CC01080 Electronic Parts and Components Manufacturing</p> <p>(2) F401010 International Trade Business</p> <p>Researching, developing, producing, manufacturing and marketing the following products:</p> <p>(i) TFT-LCD</p> <p>(ii) TFT-LCD TV, various kinds of monitoring systems and all kinds of parts and components of the aforementioned systems (limited to the operation by the branch offices outside the territory of the Republic of China ("ROC"))</p> <p>To concurrently operate the import and export business involving the related business of the Company.</p>	<p>1. To meet the requirement for transferring Guishan plant of SiPix Technology, Inc , a subsidiary of the Company, to the Company as the Company's Guishan plant, it is proposed to add new items to the Company's scope of business,</p> <p>2. Renumber the former (2) as (11).</p>

	To concurrently operate the import and export business involving the related business of the Company.		
Chapter IV Article 13-1	<p>Pursuant to Article 14-4 of the Securities and Exchange Act, the Company shall organize the Audit Committee to perform supervisors' power and duty under the Company Act, the Securities and Exchange Act and other relevant regulations.</p> <p><del>The Audit Committee shall comprise all the independent directors. The relevant provisions regarding the supervisors shall cease to be effective from the date when the Audit Committee is established. The term of office of the elected supervisors will end on the date when the first Audit Committee is established.</del></p>	<p>Pursuant to Article 14-4 of the Securities and Exchange Act, the Company shall organize the Audit Committee to perform supervisors' power and duty under the Company Act, the Securities and Exchange Act and other relevant regulations.</p> <p>The Audit Committee shall comprise all the independent directors. The relevant provisions regarding the supervisors shall cease to be effective from the date when the Audit Committee is established. The term of office of the elected supervisors will end on the date when the first Audit Committee is established.</p>	To follow the requirement on the Company for effective implementation of the Audit Committee, it is proposed to delete the transitional provisions relating to replacing supervisors by adoption of the Audit Committee system.
Article 21	<p>These Articles of Incorporation were established on June 1, 1992. The first amendment was made on December 23, 1993.</p> <p>.....</p> <p>The twenty-first amendment was made on June 18, 2014. <u>The twenty-second amendment was made on June 9, 2015.</u></p>	<p>These Articles of Incorporation were established on June 1, 1992. The first amendment was made on December 23, 1993.</p> <p>.....</p> <p>The twenty-first amendment was made on June 18, 2014.</p>	Current revision date is added

## Appendix 6

### E INK HOLDINGS INC. List of Newly Added Concurrent Position Held by Directors and their Representatives

Name	Company where a concurrent position is held	Title
Frank Ko	Yuen Yu Investment Co., Ltd	Director
	Kai Yu Investment Co., Ltd.	Director
	New Field E-Paper Co., Ltd.	Director
	Sipix Technology Inc.	Director
	Hydis Technologies Co., Ltd.	Director
	PVI Global Corp.	Director
	Tech Smart Logistics Ltd.	Director
	Hot Track International Ltd.	Director
	Dream Pacific International Corp.	Director
	Prime View Communications Ltd.	Director
	PVI International Corp.	Director
	Mobilio Limited	Director
	Leading Concept Ltd.	Director
	Lucky Joy Holdings Ltd.	Director
	Ruby Lustre Ltd.	Director
	North Diamond International Co., Ltd.	Director
Rock Pearl International Corp.	Director	
Dream Universe Ltd.	Director	
Johnson Lee	Yuen Yu Investment Co., Ltd	Director
	Kai Yu Investment Co., Ltd.	Director
	New Field E-Paper Co., Ltd.	Director
	Yangzhou Huaxia Integrated O/E System Co., Ltd.	Director
	YangZhou QiDi Eletronics Corp.	Director
	YangZhou QiFu Eletronics Corp.	Director
	YangZhou Effect Media International Investment Corp.	Director
	Foongtone Technology Co., Ltd.	Director
	BoardTek Electronics Corp.	Director
BIING-SENG WU	Himax Technologies Limited	Director
	Iris Optronics Co., Ltd.	Director
	Himax Display, Inc.	Director
	Himax Analogic, Inc.	Director
	Himax Semiconductor, Inc.	Director
	Himax Media Solutions, Inc.	Director
	Harvest Investment Limited	Director
	Chi Duan Investment Ltd.	Director
	Sanfair Asia Investment Ltd.	Director
	Himax Technologies, Inc.	Director
	Himax Technologies Korea Ltd.	Director
	Himax Imaging, Inc.	Director
Himax Display (USA) Inc.	Director	
CHAO-TUNG WEN	Pharmadax Inc.	Independent Director
	Tatung System Technologies Inc.	Independent Director

## Appendix 7

### E INK HOLDINGS INC. ARTICLES OF INCORPORATION

#### Chapter I General Provisions

- Article 1 The Company is organized as a company limited by shares in accordance with the Company Act under the name of 元太科技工業股份有限公司 and the English name of E INK HOLDINGS INC.
- Article 2 The scope of business of the Company shall be as follows:  
(1) CC01080 Electronic Parts and Components Manufacturing  
(2) F401010 International Trade Business  
Researching, developing, producing, manufacturing and marketing the following products:  
(i) TFT-LCD  
(ii) TFT-LCD TV, various kinds of monitoring systems and all kinds of parts and components of the aforementioned systems (limited to the operation by the branch offices outside the territory of the Republic of China ("ROC"))  
To concurrently operate the import and export business involving the related business of the Company.
- Article 3 The Company may externally act in capacity of a guarantee.  
The aggregate amount of investment by the Company shall not be restricted to forty percent (40%) of its paid-in capital.
- Article 4 The head office of the Company is located in Science-based Industrial Park, Hsinchu and the Company may, where necessary, establish branch offices within or outside the territory of ROC subject to the resolution of the board of directors and approval of the competent authority.

#### Chapter II Shares

- Article 5 The authorized capital of the Company shall be Twenty Billion New Taiwan Dollars (NT\$20,000,000,000), divided into Two Billion (2,000,000,000) shares with a par value of Ten New Taiwan Dollars (NT\$10) per share.  
The board of directors is authorized to issue shares not yet issued by installments.  
The Company shall reserve One Billion and Four Hundred Million New Taiwan Dollars (NT\$1,400,000,000), divided into One Hundred and Forty Million (140,000,000) shares with a par value of Ten New Taiwan Dollars (NT\$10) per share, for issue of warrants for its employees (the "**Employee Warrants**"). The board of directors is authorized to issue Employee Warrants by installments.
- Article 5-1 The Company may issue the Employee Warrant with a subscribing price lower than the market price provided that the Employee Warrant shall not be issued until the shareholders' meeting so resolved in accordance with Articles 56-1 and 76 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers.

- Article 5-2 The Company may transfer its shares to its employees at a price lower than the average price for buying back the Company's shares provided that such transfer shall not be effected until it is approved by the then adjacent shareholders' meeting and in accordance with Articles 10-1 and 13 of the Regulations Governing the Share Buy-back by Companies Listed on the Taiwan Stock Exchange ("TSE") or GreTai Securities Market ("GTSM").
- Article 6 The share certificates of the Company shall bear the shareholders' names, be signed or sealed by three or more directors, and legalized in accordance with laws before they are issued and then registered with the securities central depository institution.
- Article 7 Any affair with regard to the shares of the Company shall be handled in accordance with the Guidelines for Handling Stock Affairs by a Public Issuing Company promulgated by the competent authority.

### **Chapter III Shareholders' Meeting**

- Article 8 No change of entries in the shareholder roster shall be permitted within sixty (60) days prior to a general shareholders' meeting, thirty (30) days prior to an extraordinary shareholders' meeting, or within five (5) days prior to the record date fixed by the Company for the distribution of dividends, bonuses, or other benefits.
- Article 9 Shareholders' meetings shall be of two types: general shareholders' meeting and extraordinary shareholders' meeting. A general shareholders' meeting shall be convened at least once every year and shall be convened by the board of directors according to law within six (6) months after the close of each fiscal year. An extraordinary shareholders' meeting shall be convened according to law at such time as may be deemed necessary. The proceeding of the shareholder's meeting of the Company shall be conducted in accordance with the "Rules for Proceedings of Shareholders' Meeting" of the Company.
- The general shareholders' meeting shall be convened thirty (30) days prior to the meeting; while extraordinary shareholders' meeting shall be convened by giving a fifteen (15)-day prior notice, of which the purpose of the meeting shall be specified on the notice, to the shareholders.
- Article 10 In case a shareholder is unable to attend a shareholders' meeting, he may issue a proxy document printed by the Company stating the powers vested in the proxy, and sign or seal such document to designate a proxy to attend the meeting on his behalf. Use of proxy documents is governed by Article 177 of the Company Act and the Rules Governing Attendance of a Public Company's Shareholders' Meeting by Proxy as enacted by the competent authority.
- Article 11 Each shareholder of the Company will have one vote for each share held, save in the circumstance described in Article 179 and Article 197-1 of the Company Act where shares have no voting power.
- Article 12 Unless otherwise provided by the Company Act, a resolution of the shareholders' meeting shall be adopted by a majority vote of shareholders present at the meeting whose aggregate shares account for the majority of the total issued shares of the Company.

## Chapter IV Directors and Audit Committee

- Article 13 The Company shall have 7 to 11 directors and three (3) supervisors, all to be nominated according to the candidate nomination system and then elected at a shareholders' meeting from the nominee list of directors, and all eligible for re-election. The term of office of both directors shall be three years.
- At least three (3) of the above directors of the Company must be independent directors accounting for at least one-fifth (1/5) of the total number of directors. The professional qualifications, restrictions on shareholding and concurrent posts held, nomination and election methods, and other matters for compliance with respect to independent directors are governed by the applicable regulations of the competent securities authority.
- The aggregate shareholding of all directors is governed by the regulations of the regulatory securities authority
- Article13-1 Pursuant to Article 14-4 of the Securities and Exchange Act, the Company shall organize the Audit Committee to perform supervisors' power and duty under the Company Act, the Securities and Exchange Act and other relevant regulations.
- The Audit committee shall comprise all the independent directors.
- The relevant provisions regarding the supervisors shall cease to be effective from the date when the Audit Committee is established. The term of office of the elected supervisors will end on the date when the first Audit Committee is established.
- Article 14 The aggregate shareholding of all directors and supervisors is governed by the regulations of the regulatory securities authority. The board of directors will be organized by the directors. Directors will duly elect one from among themselves as the chairman and may elect another as the vice chairman of the board of directors with the approval of a majority of the directors present at a meeting attended by two-thirds (2/3) of all the directors. The chairman of the board of directors will carry out all businesses of the Company on behalf of the Company. If the chairman is on leave of absence or unable to exercise his authority for whatever reason, the vice chairman will act in his stead. If no vice chairman is elected or no agent is designated to act on behalf of the chairman, the directors will elect one from among themselves to act on behalf of the chairman.
- Article 15 The meeting of the board of directors shall be convened at least once per quarter, but extraordinary meeting of the board of directors shall be convened when necessary. In the event a director cannot attend a meeting for any cause whatsoever, he may issue a proxy document stating the powers vested in the proxy in connection with the purpose of the meeting to designate a proxy to attend the meeting on his behalf.
- A director may not act as proxy for more than one absent director.
- The reasons for convening a Board meeting shall be notified to each director at least seven days in advance of such meeting. In case of emergency, the meeting may be convened anytime. The notice may be made by fax or email to serve each director.
- The proceeding of the meeting of the board of directors shall be conducted in accordance with the "Rules of Board of Directors Meeting" of the Company.
- Article 16 Regardless of surplus or deficit of the Company, each Directors is entitled to the



remuneration determined by the Board of Directors, taking into consideration of the participation and contribution devoted by the Directors and Supervisors to the Company as well as the general standard of other companies in the same industry. Where the Company has surplus earnings, a special remuneration to the Directors and Supervisors shall be paid pursuant to Article 19.

Article 16-1 The Company may purchase liability insurance policies for the Directors and Officers covering their duties during their terms.

### **Chapter V Managerial Officers**

Article 17 The Company may have managerial officers. The title, appointment, discharge of and remuneration to the managerial officers are governed by the Company Act.

### **Chapter VI Accounting**

Article 18 The fiscal year of the Company begins from January 1<sup>st</sup> and ends on December 31<sup>st</sup> of each year. At the end of each fiscal year, the board of directors shall prepare (1) a report of operations, (2) financial statements, and (3) proposals for the distribution of profit or the making up of losses, etc., thirty (30) days prior to the convention of the shareholders' meeting for the Audit Committee's review and examination, and present the same at the general shareholders' meeting for adoption in accordance with regulations.

Article 19 The Company is in the emerging technology business. For purpose of continuing operation, the Company adopts the residual dividend policy to comply with its long-term financial plan.

Out of the profit of the Company upon annual closing of books, after having provided for taxes and covered the losses of previous years, there shall first be duly set aside a legal reserve of 10% and set aside or withdraw a special reserve pursuant to the applicable laws and regulations. The balance, if any, upon the assessment of the capital need for the upcoming year by the Board of Directors in accordance with the future capital budget plan, shall first be allocated as part of the funds required for financing the retained earnings, and at least fifty (50) percent of the remaining balance shall be allocated for distribution pursuant to the following order:

1. The dividends distributed to the shareholders shall not exceed one percent (1%) per annum.
2. The remaining balance shall be distributed as the employee bonuses, remuneration for Directors and the shareholder bonuses.

Among those, employee bonuses shall be at least one percent (1%) but shall not be more than ten percent (10%), and remuneration for Directors shall not be higher than one percent (1%).

The distribution of retained earning provided in the preceding paragraph may be done together with the cumulative unappropriated retained earning of the preceding years.

The distribution of shareholder bonuses and dividends may be in cash or shares, provided cash dividends shall not be lower than 10% of the total dividends.

The rules of distribution of employee bonuses shall be stipulated by the Board of Directors; in respect of share dividends, the distributees may include certain employees of a subsidiary.

Where the total legal reserve set aside according to paragraph 2 amounts to the paid-in capital, the Company may stop setting aside the legal reserve.

Each year's profit distribution proposal should be approved by the board of directors and passed by shareholders' meeting.

## **Chapter VII Supplementary Provisions**

Article 20 Issues not addressed by these Articles of Incorporation are governed by the Company Act.

Article 21 These Articles of Incorporation were established 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

E INK Holdings Inc.  
Frank Ko, Chairman

## Appendix 8

### **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 and amendment to these rules shall be subject to the adoption by the shareholders at a shareholders' meeting.

## Appendix 9

### INFORMATION REGARDING REMUNERATION TO DIRECTORS AND BONUSES FOR EMPLOYEES

The details of the remuneration to Directors and the bonuses for employees approved by the Board of Directors on March 13, 2015 are set forth as follows, which will be conducted pursuant to the relevant rules upon the resolution passed at the general meeting on June 09, 2015.

	Employees Bonuses (Cash)	Remuneration to Directors	Total
Amount Approved by the Board of Directors	0	0	0
Amount Showed in the 2014 Annual Financial Statements	0	0	0
Discrepancy	The distribution amount approved by the Board of Directors is the same as listed on the accounts.		

## Appendix 10

### 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 11

### E INK HOLDINGS INC.

#### List of Directors and Independent Directors

Record Date: April 11, 2015

Position	Name		Date of Election/ Assumption of Office	Number of Shares on Date of Election			Current Number of Shares			Remark
				Type	Number of Shares	%	Type	Number of Shares	%	
Chairman	Frank Ko	The representative of YFY Inc.	June 18, 2014	Common Stock	133,472,904	11.70%	Common Stock	133,472,904	11.7%	
Director	Chuang-Chuang Tsai		June 18, 2014							
Director	Ching-Yuang Chang		June 18, 2014							
Director	Johnson Lee	The representative of Aidatek Electronics, Inc.	June 18, 2014	Common Stock	100,000	0.01%	Common Stock	100,000	0.01%	
Director	Show-Chung Ho		June 18, 2014							
Director	Felix Ho		June 18, 2014							
Independent Director	Ten-Chung Chen		June 18, 2014	Common Stock	0	0.00%	Common Stock	0	0.00%	
Independent Director	Biing-Seng Wu		June 18, 2014	Common Stock	278	0.00%	Common Stock	278	0.00%	
Independent Director	Chao-Tung Wen		June 18, 2014	Common Stock	0	0.00%	Common Stock	0	0.00%	
Total					133,573,182	11.71%		133,573,182	11.71%	

Total issued shares as of April 11, 2015: 1,140,467,715 shares.

Note: The number of shares legally required to be held by all Directors: 40,000,000 shares; as of April 11, 2015, all Directors 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.



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