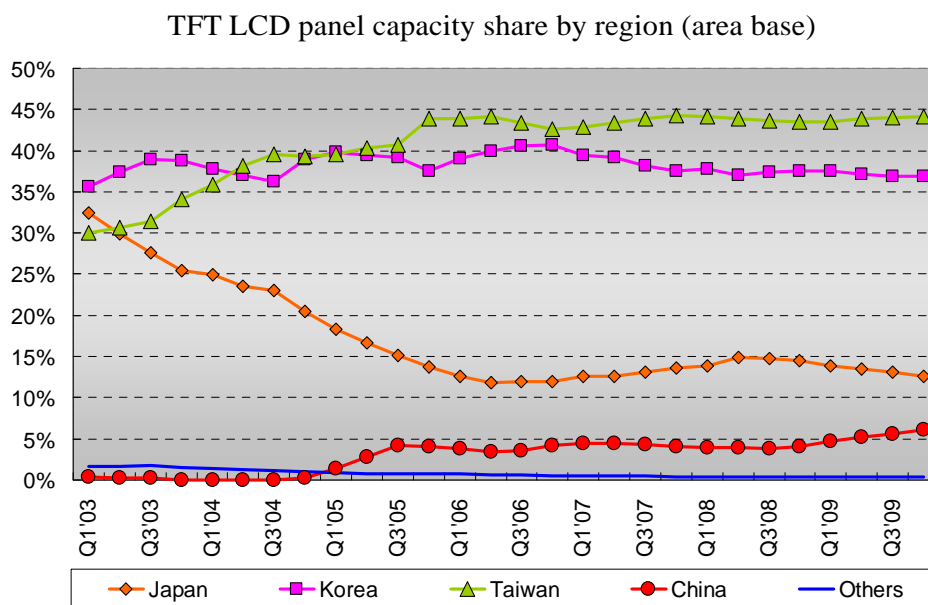


The Status Quo of Taiwan's FPD Industry

(I) Supply & Demand of the FPD Industry

According to DisplaySearch, the revenue of Taiwan's FPD industry reached US\$35 billion in 2007, making Taiwan the biggest producer of FPDs in the world. The table below shows that Taiwan's TFT-LCD makers account for 45% of the worldwide capacity. In the meantime, the revenue for key components in Taiwan has reached US\$21 billion in 2007, higher than Japan and Korea. Driven by the demands of many panel manufacturers, Taiwan has the highest demand for key components, at the same time serving as the key source for product manufacturing.



Source: DisplaySearch , 2008/1

Holding an important position in the global manufacturing of electronic products, Taiwan has been expanding its FPD supply chain over the years.

After several years of development, it has been the most important base for manufacturing and R&D in global FPD and key components. The development of FPD and TFT LCD panel industries in Taiwan has many advantages and features:

(II) Gap in Industry Chain, Investment Niche and Prospective Foreign Investors

1. Taiwan has been an important OEM base for desktop monitors and notebooks globally. The panel industry has a strong and well-established downstream customer base.
2. Flexible Taiwan government policies as well as support from other industrial, political, academic sectors of the community work toward enhancing the FPD industry.
3. Great strength and infrastructures in semiconductor technology and manufacturing base in Taiwan.
4. The corporate culture of Taiwan enterprises to gain great rewards through great efforts stimulates the FPD industry to seek more capital investments and excellent talents.
5. Taiwan's high standard of education produces many high tech talents with exceptional abilities.
6. The financial and trading activities in Taiwan encourage foreign capital investments.
7. The electronic industry in Taiwan is well-known for its strong capability in assembly and system integration, as well as flexible manufacturing system and rapid response to various demand changes. Taiwan's electronic manufacturers are also cost effective and innovative.

(III) Major Suppliers in Taiwan

Under such conditions, the investment opportunities exist in the complete supply chain of the TFT-LCD industry of Taiwan. Below is a diagram of the entire supply chain of Taiwan's TFT-LCD:

Supply Chain Layout of Taiwan TFT-LCD Industry

Taiwan TFT LCD Supply Chain

