



HANNSTAR DISPLAY CORPORATION
(the "Company")

NOTICE TO CONVENE 2006 ANNUAL GENERAL SHAREHOLDERS' MEETING
(ENGLISH TRANSLATION)

Share Listed No.: 6116

Date: May 2, 2006

According to the related Articles of the Company Law and the Securities and Exchange Law of the Republic of China and the resolutions of the Board of Directors on March 23 and April 26, 2006.

Matters announced:

1. Time of 2006 annual general shareholders' meeting: 9:00 a.m., June 15, 2006 (Thursday)
2. Place of meeting: The international ballroom of Holiday Inn Asiaworld Taipei, 2F, 100 Tun Hwa N. Road, Taipei, Taiwan, R.O.C.
3. Agenda of Meeting:
 - 1) EVENTS TO REPORT
 - a. To report the business of 2005.
 - b. Supervisors' review report.
 - c. Other reports.
 - 2) EVENTS TO ACKNOWLEDGE AND RECOGNIZE
 - a. Business Report and Financial Statement of Year 2005.
 - b. The allotment matters of the compensation of loss in Year 2005.
 - 3) EVENTS TO DISCUSS:
 - a. To choose a 5-years Tax Exemption for the Company as the Tax Benefits for the rights issue of 768,000,000 shares issued in 2005.
 - b. To discuss the issuance of new shares through local rights issues, or sponsoring issuance of GDSs at proper timing.
 - c. To discuss the issuance of preferred share through private placement.
 - d. To discuss the amendment of the Articles of Incorporation.
 - e. To discuss the amendment of the Shareholders' Meeting Rules and Procedures.
 - f. To discuss the amendment of the Rules for Electoral Proceeding of Directors and Supervisors.
 - g. To discuss the amendment of the Procedures for Lending and Endorsement.
 - h. To re-elect the Directors and Supervisors.
 - i. To discuss releasing the elected Directors from con-competition restrictions.
 - 4) OTHER MATTERS MOVED.
4. According to Article 165 of the Company Law, the entries in the Company's shareholders roster shall not be altered from April 17, 2006 to June 15, 2006. Besides, according to the Offering Plan of US\$250,000,000 and US\$170,000,000 Zero Coupon Convertible Bonds due 2008 and 2009, the conversion will be suspended from April 17, 2006 to June 15, 2006.

Shareholders who do not register their name on the register of numbers of the Company yet, shall go to the Company's shareholder's service office (address: 1F, No. 192, Jingye 1st Road, Jhongshan District, Taipei, Taiwan) before 5:00 p.m. April 14, 2006 to apply for registration of share transfer (for share transfer application sent by mail, the cut time shall be the date of April 16 postmark).

5. A written notice of convening annual general shareholders' meeting will be sent to each shareholder 30 days before the date of 2006 annual general shareholders' meeting. Shareholders may call the Company's shareholder's service office, at 02-8502-2299, for the written notice if they do not receive at due time. According to Article 26-2 of Securities and Exchange Law, the notice of the shareholders meeting to be given by an issuer to shareholders who own less than one thousand (1,000) shares of nominal stocks will be given in the form of a public announcement (please refer to the website of Market Observation Post System for details: <http://mops.tse.com.tw>).
6. Public announcement is made accordingly.



2) EVENTS TO ACKNOWLEDGE AND RECOGNIZE

- a. To recognize the Business Report and Financial Statement of Year 2005.
- b. To recognize the allotment matters of the compensation of loss in Year 2005.

3) EVENTS TO DISCUSS

a. To choose a 5-years Tax Exemption for the company as the Tax Benefits for the rights issue of 768,000,000 shares issued in 2005.

It is proposed for Company's tax benefit in accordance with Status for Upgrading Industries.

b. To discuss the issuance of new shares through local rights issues, or sponsoring issuance of GDSs at proper timing.

For operation need, it is proposed to authorize Board of Directors to issue new shares in 600 million shares by cash through either local subscriptions or issuance of GDSs at appropriate timing.

c. To discuss the issuance of preferred share through private placement.

For operation need, it is proposed to authorize the issuance of preferred share in 500 million shares through private placement. The main rights and obligations of the preferred shares are as below:

1. The preferred shares will be redeemed totally after 3 years of issuance.
2. The shareholders of the preferred shares have the right to put their preferred shares at any time between 18~33 months after the Issuing Date and prior to the Maturity Date.
3. The Company has the option to call the outstanding preferred shares at 100~115% of the issuing price at any time between 24~33 months after the Issuing Date and prior to the Maturity Date.
4. Shareholders of the preferred shares shall not be entitled to receive cash dividends or stock dividend form distribution of profits or capital reserves.
5. Shareholders of the preferred shares have priority over common shareholders to assets of HannStar available for distribution to shareholders upon liquidation or dissolution of HannStar. However, the preemptive rights to the assets shall not exceed the issue value of the shares and accrued undistributed cumulative dividends of the preferred shares.
6. Shareholders of the preferred shares have no voting rights but can be elected to be directors or supervisors.
7. Shareholders of the preferred shares have the same priority to participate the right issue with the shareholders of common share.

d. To discuss the amendment of the Articles of Incorporation.

In order to comply with the amendments of Company Law, Securities and Exchange Law as well as the operation need, it is proposed to amend Article 7-1, 10-1, 11, 12, 12-1, 14, 14-1, 19, 24 and 27.

Article 7-1: To amend the cash dividends of preferred shares to Bank of Taiwan's 3-year-time deposit rates plus 100~600 bps.

Article 10-1: (New article) To add the shareholders' proposal rights for a regular shareholders' meeting.

Article 11: (To simplify the wording.)

Article 12: (To amend the expression.)

Article 12-1: (New article) The board of directors can resolve to adopt the voting power at a shareholders' meeting may be exercised in writing or by way of electronic transmission.

Article 14: To amend the number of board seats from 11 to 13 directors to 9 to 11 directors, including two to three independent directors.

And to add that the co-optation of independent directors should be adopted by the candidates nomination system.

Article 14-1: (New article) The effective date of candidates nomination system of independent directors will be on January 1, 2007.

Article 19: (To amend the expression.)

Article 24: (To amend the expression.)

Article 27: To add the date for fourteenth time amended on June 15, 2006.

e. To discuss the amendment of the Shareholders' Meeting Rules and Procedures.

In order to comply with the amendments of Company Law, Securities and Exchange Law as well as the operation need, it is proposed to amend Article 3, 5 and 20 for adding the voting power at a shareholders' meeting may be exercised in writing or by way of electronic transmission .

f. To discuss the amendment of the Rule for Electoral Proceeding of Directors and Supervisors.

In order to comply with the amendments of Company Law, Securities and Exchange Law as well as the operation need, it is proposed to amend Article 1, 2 and 7.

Article 1: (To amend the expression)

Article 2: To add that the co-optation of independent directors should be adopted by the candidates nomination system.

Article 7: To add the standard of determining ineffectiveness of a ballot.

g. To discuss the amendment of the Procedures for Lending and Endorsement.

In order to comply with the amendments of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantee by Public Companies as well as the operation need, it is proposed to amend the Article 8.8.1, 8.8.2 and 8.9.

The conditions of company that would be endorsed/guaranteed by HannStar are as below:

1. Companies with which it does business.

2. The subsidiaries that HannStar holds their shares directly or indirectly represents more than 50% of the total number of voting shares.

3. The parent company that holds Hannstar shares directly or indirectly more than 50% of the total number of voting shares.

h. To re-elect Directors and Supervisors.

To elect 9 directors and 3 supervisors for the fourth term board of directors.

The Candidates list that supported by over than 5% shareholders of the Company is as below:

9 directors:



1. Mr. Ting-Piao Chiao, the representative of Walsin Lihwa Corp.
2. Mr. Yu-Chi Chiao, the Chairman of HannStar.
3. CDIB Equity Inc., the director of HannStar.
4. Mr. Chih-Ling Ma, the director of Chiao Tung Bank.
5. Mr. Ding-Huei, David, Joe, the director and president of HannStar.
6. Mr. Yuan-Chi Chao, the supervisor of HannStar.
7. Mr. Chwo-Ming Yu, the professor of the Department of Business Administration of National Chengchi University.
8. Mr. E-Chung Chiu, the independent management consultant.
9. Mr. Sam Chang, the independent financial consultant and previous managing director of Credit Suisse Taiwan Branch.

3 supervisors

1. Mr. Arthur Yu-Cheng Chiao, the director of HannStar and the chairman of Windbond Electronics Corp.
2. Mr. Shu Yeh, the associate professor of the Department and Graduate Institute of Accounting of National Taiwan University.
3. Mr. Gary Tseng, the independent director of HannStar.

i. To discuss releasing the Directors elected from con-competition restriction.

(The new elected Directors will report their competition status in the shareholders' meeting.)