

Security Code: 9924



Taiwan Fu Hsing Industrial Co., Ltd.

2015
Meeting of Shareholders

Handbook

Date & Time: 9:00am June 17th, 2015

Venue: No. 17th, Bengong Rd., Kangshan Dist., Kaohsiung City

(2F of the Assembly Hall in the Benjhou Industrial Park Service Center)

Content

	<u>Page</u>
I. Meeting Agenda	3
1. Report Of Shareholders Presenting At The Meeting	3
2. Meeting Call To Order	3
3. Address By Chairman	3
4. Management Presentation	4
5. Proposed Resolutions For Acknowledgement	6
6. Matters For Discussion	7
7. Other Matters&Extempore Motions	8
8. Adjournment	8
II. Attachments	
1. 2014 Operation Report	9
2. Supervisor's Report	13
3. Independent Auditor'S Audit Report (I)	14
4. Non-Consolidated Balance Sheets	15
5. Non-Consolidated Statements Of Comprehensive Income	17
6. Non-Consolidated Statements Of Changes In Equity	18
7. Non-Consolidated Statements Of Cash Flows	19
8. Independent Auditor'S Audit Report (II)	21
9. Consolidated Balance Sheets	22
10. Consolidated Statements Of Comprehensive Income	24
11. Consolidated Statements Of Changes In Equity	25
12. Consolidated Statements Of Cash Flows	26
13. Earnings Distributions Table	28
14. Amendments Table Of The Ethical Operation Work Procedures And Behavior Guide	29
15. Amendments Table Of The Artic-Les Of Incorporation	34
16. Amendments Table Of The Rules Of Procedures For Shareholders' Meeting	35
III. Appendix	
1. Articles Of Incorporation (Before Amendments)	37
2. Rules Of Procedures For Shareholders' Meeting (Before Amendments)	44
3. Shareholding Status Of Directors And Supervisors	55

I. Meeting Agenda

Taiwan Fu Hsing Industrial Co., Ltd.

Meeting Agenda of the 2015 Shareholders' Meeting

Date & Time: 9:00an, June 17th, 2015 (Wednesday)

Venue: No. 17, Bengong Rd., Kangshan Dist., Kaohsiung City

(2F of the Assembly Hall in the Benjhou Industrial Park Service Center)

Meeting Procedures

1. Report Of Shareholders Presenting At The Meeting
2. Meeting Call To Order
3. Address By Chairman
4. Management Presentation
 - A. 2014 Operation Report
 - B. Supervisor's review report on the 2014 Financial Statements
 - C. Loaning of the company funds to others.
 - D. Amendments on the company's "Ethical Operation Work Procedures and Behavior Guide".
 - E. Others.
5. Proposed Resolutions For Acknowledgement
 - A. To acknowledge 2014 Financial Statements.
 - B. To acknowledge 2014 Earnings Distribution Proposal.
6. Matters For Discussion
 - A. To amend some articles in the "Articles of Incorporation".
 - B. To amend some articles in the "Rules of Procedures for Shareholders' Meeting".
7. Other Matters & Extempore Motions
8. Adjournment

4. Management Presentation

Report 1

Summary: The 2014 Operation Report

Explanation: Please see Attachment I for 2014 Operation Report, pp. [9-12].

Report 2

Summary: Supervisor's review on the 2014 Financial Statements

Explanation: Please see Attachment II for the review report, pp. [13].

Report 3

Summary: Loaning of the company's fund to others

Explanation:

1. The total fund lending to others is limited to be under 20% of the company's net worth stated in the most recent financial report.
2. Loaning of the company's fund to others in 2014 is as below:

Unit: NT\$1,000

Fund Loan To	Relationship with the company	Highest unused balance during this term	Balance at the end of the term	Amount actually used	The highest limit of the loan
Ziyong Hardware Products (Taichang) Co., Ltd.	A Subsidiary that Fu Hsing holds more than 50% of the share.	\$ 20,000	\$ 20,000	\$ 13,000	\$ 918,344

Report 4

Summary: Amendments on the company's "Ethical Operation Work Procedures and Behavior Guide"

Explanation:

1. According to the regulatory requirements in the Correspondence Jin-Guan-Zheng-Fa-Zi No. 1030051379 issued by the Financial Supervisory Commission and also the needs of the company's operations, amendments on the "Ethical Operation Work Procedures and Behavior Guide" were made to meet the requirements and needs.
2. Please see Attachment XIV for amended articles and current articles, pp. [29-33].

Report 5

Summary: Others.

Explanation: According to Article 172-1 of the Company Act, shareholders that hold 1% or above of the company's outstanding shares may submit written motions to the Shareholders' Meeting for discussion. However, one shareholder can submit only one motion with less than 300 words. The company opened up to accept shareholders' proposals from Apr. 10th, 2015 to Apr. 20th, 2015. During the aforementioned period, the company did not receive any proposals from any shareholders.

5. Proposed Resolutions For Acknowledgement

Proposal 1 (Proposed by the Board of Directors)

Proposal: To acknowledge 2014 Financial Statements ◦

Explanation:

1. The company's 2014 Financial Reports were audited by independent auditors, LIAO A-Shen and LIU Tzu-Meng, of the PWC Taiwan and were given audit report of Modified Unqualified Opinion. The 2014 Financial Reports have been approved by the Board and examined along with the Business Report and earnings distribution proposal by the supervisors of the Fu Hsing Industrial Co., Ltd.
2. Please refer to Attachment II, Attachment III to Attachment XII for the Supervisor's review report, independent auditors' audit report, and the above-mentioned Financial Statements, pp. [13-26].

Resolution:

Proposal 2 (proposed by the Board of Directors)

Proposal: To acknowledge 2014 Earnings Distribution

Explanation:

1. The Board of Directors has resolved to distribute cash dividend of NT\$2.00 in 2014.
2. Please refer to Earnings Distribution Table in Attachment XIII, pp. [28].
3. Upon the resolution in the Meeting of Shareholders, it is proposed that the Chairman be invited for resolving the ex-dividend date, ex-rights date, and other relevant issues.

Resolution:

6. Matters for Discussion

Motion 1 (Proposed by the Board of Directors)

Motion: To amend some articles in the company's "Articles of Incorporation". Please proceed for resolution.

Explanation:

1. In order to meet the company's operational demands, the company plans to add two new business items, [F401201 – Restrained telecom radio frequency equipment and materials import] and [CC01101 – Restrained telecom radio frequency equipment and materials manufacturing]. Also to hold pace with the update in statutory business classification system by the Ministry of Economic Affairs, R.O.C., the company also plans to update current business items that were classified under the old classification system along with the increase of business item.
2. The amended articles and the original articles please refer to Attachment XV, pp. [37].

Resolution:

Motion 2 (Proposed by the Board of Directors)

Motion: To amend some articles in the "Rules of Procedures for Shareholders' Meeting". Please proceed for resolution.

Explanation:

1. According to the regulatory requirements in the Correspondence Jin-Guan-Zheng-Fa-Zi No. 1030051379 issued by the Financial Supervisory Commission and also the needs of the company's operations, we are planning to amend some articles in the "Rules of Procedures for Shareholders' Meeting" in order to have a smooth meeting procedures, so as to reduce disputes.
2. The amended articles and current articles please refer to

Attachment XVI, pp. [35-36].

Resolution:

7. Other Matters & Extempore Motions

8. Adjournment

II. Attachments

【 Attachment I 2014 Operation Report 】

To the Shareholders of Fu Hsing Industrial Co., Ltd.:

“Becoming the largest and the most trustworthy manufacturing company in the industry of door related technology products” is the goal that Fu Hsing has devoted to for years. By its profound R&D capability, continuous product innovation, supports to the market with various solutions, and also devotions to corporate social responsibility, Fu Hsing is able to keep improving our operation performance and meanwhile receive the recognition and support from the public and our shareholders.

In the year of 2014, with all’s efforts, regardless in domestically or internationally, Fu Hsing’s consolidated revenue wrote a new score in history again and reached to 7.07 billion dollars, which was a 20% growth comparing to the year before. The brilliant performance, besides the strong market demands backed by the dominant U.S. market and economy’s steadily recovery, partially came from the fruitful results in expanding new customers in Australia and European markets. In terms of products, the need for traditional mechanical locks is still growing steadily. But we also observe the trend of using electronic door lock is turning more and more obvious. And our electronic locks because of its beautiful design and safer and more convenient functions are widely accepted by customers and the sales volume is also growing steadily. As for panic exit device, the sales volume is keep increasing, especially in mid to higher end products, and the products are accepted and used by domestic famous construction cases and large size shopping center in successive. We expect the sales growth can be sustained in the future.

In addition, there is one other thing that is worth mentioning. Our Shanghai subsidiary that was established for expanding the mid to high level brands market in China was appraised as “one of the top ten hardware company in China” by China Hardware Technological Innovation Strategy Union in 2014. Thus it is obvious that after years of cultivation in China region, our products are gradually accepted and recognized by local market. And we believe this will definitely bring positive effects on our future business expansion in China region.

The Company's 2014 operation results are stated as the following:

(1) Review of Business Plan Implementation

Unit: NTD1,000

List	2014	2013	Increase (Decrease)	Increase (Decrease) by %
Revenues (Net)	7,074,752	5,887,680	1,187,072	20%
Operating Profit	499,433	308,501	190,932	62%
NIBT (Net Income Before Tax)	671,423	762,675	-91,252	-12%
NIAT (Net Income After Tax)	507,914	580,998	-73,084	-13%

(2) Review of Budget Implementation

Not available. Fu Hsing did not disclose Financial Forecast for the year of 2014.

(3) Analysis of Receipt, Expenditure, and Profitability

List		2014	2013
Financial Structure	Debt to Total Asset (%)	31.83	28.7
	Long Fund to Fixed Assets (%)	284.07	344.7
Business Solvency	Current Ratio (%)	201.13	240.2
	Quick Ratio (%)	150.27	175.9
	Interest Protection Multiples	223.40	276.9
Profitability	Return on Assets (%)	7.79	9.9
	Return on Shareholder's Equity (%)	11.32	13.7
	NIBT to Paid In Capital (%)	35.63	40.5
	Net Profit Ratio (%)	7.18	9.9
	Earnings Per Share (dollar)	2.70	3.08

(4) **Research & Development Works**

Global political and economic situation changes all the time. We clearly understand that if an enterprise is overly conservative, the enterprise will die out eventually and if an enterprise does not have its own thinking and passively follow the market trend all the time, the enterprise is also pushing itself to fall into the “red sea” competitions. Therefore, we decide to hold the attitude in sustainable operation and keep investing in product R&D aiming at future trend with the hope to keep developing the “blue sea” market in order to ensure our leading role in the market.

For the next year, our mail development direction will focus on:

1. Develop intelligent home gate products.

While hand-held mobile devices and cloud conception is getting more and more popular, traditional mechanical door lock products even though are still keeping its own market, consumers are having growing interests in intelligent home gate system. With the insight of future trend, we expect to put in considerable resources to introduce the technology of the Internet of the Things, develop gate system with wireless communication technology, and connect with other intelligent devices to bring in a whole new product experiences for our customers. We hope we can provide them with much more security feel and also the convenience of the technology.

2. Invest in social welfare and fulfill corporate social responsibility.

In the past year, the foot safety was a crisis and big issue in our society. It made us even believes that an enterprise can only be accepted as a good enterprise by the public when it can look after both sides in business profits and social welfare. Therefore, with prudent and responsible attitude, we completed the CSR report and hope the public can understand our devotion to social responsibility and our attitude and courage to take the responsibility. In addition, our Taiwan Fu Hsing Cultural and Educational Foundation has been devoted to and supported local students by real actions such as giving out donations to poor students, holding children’s summer camp or inviting poor students to watch shows, etc..., and also dedicated to encourage domestic sports culture by continuously holding national Fu Hsing Cup Tennis Competitions etc... for a long time. These are proofs of our expectations to make devotions to the society.

3. Capacity expansion plan.

In order to meet the company’s long term growing demand, we successively procure nearly 6,000 ping lands near our plant in Kangshan area and actively carry out the advance process planning in order to provide satisfied services to our customers.

4. Patent portfolio that focuses on product quality.

One important reason to keep us in the leading position is our devotions in R&D to

take the lead in the technology. Also, applying products' patent rights in important markets is a necessary step to ensure our profits. So far, we have successfully applied and received nearly one thousand patents, and now the planning of our patent portfolio is gradually moving to focus on the quality instead of the volume. "One nuclear powered submarine is more powerful than dozens of traditional diesel powered submarines." This just explains the importance of holding key patents. And just because we can accurately predict the future trend in door lock and door closer markets, in the future we will focus on the development of technologies that can outpace the other technologies and market value. Therefore, we will not waste resources on the unnecessary patents and also is able to develop a successful patent portfolio to keep competitors away.

The IMF announced the newest World Economy Outlook in January 2015 and lowered the global economy growth rate to 3.5% in this year because of the sharp fall of oil prices. Other economy bases such as Euro Zone, Russia, and Japan also submitted downward views on the economy. And Taiwan also estimates the growth rate to be 3.8%. In this circumstance, we cannot become loose. We will cautiously and conscientiously execute our operation strategy in order to stand firm in such severe global economic conditions and continue to keep the leading position in the competitive industry.

Chairman:
LIN, Jui-Chang

President:
CHEN, Chien-Kun

Chief Accounting Officer:
LI, Kuo-Wei

【Attachment II Supervisor's Report】

Supervisor's Report

In accordance with the Article 219 of the Company Act, we have examined the company's operation report and motions of earnings distribution along with the mother company's financial report and the consolidated financial report that were audited and signed by Accountants LIAO, A-Shen and LIU, Tzu-Meng, of the PwC Taiwan and submitted by the Board of Directors for the year ending 2014, and found them in order.

Supervisor: HUANG, Fu-Ti

(Representative of Fu Yuan Investment Co., Ltd.)

LIN, Wen-Hsing

(Representative of Fu Yuan Investment Co., Ltd.)

March 23rd, 2015

【Attachment III Independent Auditor’s Report (I)】
REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE
PWCR14000399

To the Board of Directors and stockholders of Taiwan Fu Hsing Industrial Co., Ltd.:

We have audited the balance sheets of Taiwan Fu Hsing Industrial Co., Ltd. as of December 31, 2014 and 2013, and the related statements of income and changes in stockholder’s equity, and cash flows for the period from January 1 to December 31, 2014 and the period from January 1 to December 31, 2013. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit part of the Company’s investments accounted for under the equity method for 2014 and 2013 and the information related to the businesses in which the Company has invested disclosed in Note 13, as these financial reports were evaluated and disclosed based on the financial reports audited by other independent auditors. The share of profit and loss of associates & joint ventures accounted for using equity method for 2014 and 2013 that was recognized based on the financial reports audited by other independent auditors was NT\$28,447,000 and NT\$27,205,000, respectively, and the balance of investment accounted for under the equity method as of December 31, 2014 and December 31, 2013 was NT\$217,441,000 and NT\$141,843,000, respectively.

We conducted our audits in accordance with the “Rules Governing the Certification of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China. Those 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 provide a reasonable basis for our opinion.

In our opinion, based on the audit results by this CPA and other CPAs, the financial statements referred to in the first above present fairly, in all material respects, the financial position of Taiwan Fu Hsing Industrial Co., Ltd. as of December 31, 2014 and 2013 and the results of its operations and its cash flows for the periods from January 1 to December 31, 2014 and 2013, in conformity with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

PwC Taiwan
LIAO, A-Shen
CPA
LIU, Tzu-Meng

Certified by former Financial Supervisory Commission, Executive Yuan:

Jin-guang-zheng-shen-zi 1010015969

Certified by former Securities and Futures Commission, Ministry of Finance:

(84) Tai-cai-zheng(6) 29174

March 23, 2015

【 Attachment IV NON-CONSOLIDATED BALANCE SHEETS 】

TAIWAN FU HSING INDUSTRIAL CO., LTD.
NON-CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2014 AND DECEMBER 31, 2013
 (Expressed in thousands of New Taiwan dollars)

	Assets	Notes	2014		2013	
			Amount	%	Amount	%
Current Assets						
1100	Cash and cash equivalents	6(1)	\$ 113,705	2	\$ 203,379	4
1110	Financial assets at fair value through profit or loss - current	6(2)	-	-	266,624	5
1150	Notes receivable, net		15,829	-	13,252	-
1170	Accounts receivable, net	6(3)	1,051,750	17	732,613	13
1180	Accounts receivable, net – related parties	7(1)	26,861	1	51,333	1
1210	Other receivables – related parties	7(1)	47,105	1	43,009	1
130X	Inventories	6(4)	263,273	4	296,674	5
1476	Other financial assets - current		18,470	-	17,154	-
1479	Other current assets		36,792	1	30,465	1
11XX	Total current assets		<u>1,573,785</u>	<u>26</u>	<u>1,654,503</u>	<u>30</u>
Non-current assets						
1523	Available-for-sale financial assets – non-current	6(5)	333,081	5	328,927	6
1543	Financial assets measured at cost – non-current	6(6)	110,057	2	133,567	2
1546	Investments in bonds without active markets – non-current	6(7)	-	-	60,960	1
1550	Investments accounted for under equity method	6(8)	3,081,051	51	2,769,535	50
1600	Property, plant and equipment	6(9) and 7(1)	883,552	15	361,956	7
1780	Intangible assets		1,565	-	2,683	-
1840	Deferred income tax assets	6(22)	57,153	1	53,142	1
1980	Other financial assets – non-current		5,759	-	11,409	-
1990	Other non-current assets	6(10)	10,912	-	168,039	3
15XX	Total non-current assets		<u>4,483,130</u>	<u>74</u>	<u>3,890,218</u>	<u>70</u>
1XXX	Total assets		<u>\$ 6,056,915</u>	<u>100</u>	<u>\$ 5,544,721</u>	<u>100</u>

(Continued)

【 Attachment IV NON-CONSOLIDATED BALANCE SHEETS 】

TAIWAN FU HSING INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2014 AND 2013

(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	2014		2013	
			Amount	%	Amount	%
Current liabilities						
2120	Financial liabilities at fair value through profit or loss - current	6(2)	\$ 9,265	-	\$ 6	-
2150	Notes payable		126,529	2	108,757	2
2170	Accounts payable		195,561	3	151,616	3
2180	Accounts payable – related parties	7(1)	411,143	7	272,696	5
2200	Other payables	6(11)	244,146	4	168,960	3
2220	Other payables – related parties	7(1)	26,297	1	42,027	1
2230	Current income tax liabilities		55,965	1	18,093	-
2399	Other current liabilities		7,530	-	4,618	-
21XX	Total current liabilities		<u>1,076,436</u>	<u>18</u>	<u>766,773</u>	<u>14</u>
Non-current liabilities						
2570	Deferred income tax liabilities	6(22)	138,749	2	131,439	2
2640	Accrued pension liabilities	6(12)	250,012	4	263,280	5
25XX	Total non-current liabilities		<u>388,761</u>	<u>6</u>	<u>394,719</u>	<u>7</u>
2XXX	Total Liabilities		<u>1,465,197</u>	<u>24</u>	<u>1,161,492</u>	<u>21</u>
Equity attributable to owners of the parent						
Share capital 6(13)						
3110	Common shares		1,884,521	31	1,884,521	34
Capital surplus 6(14)						
3200	Capital surplus		567,114	9	567,114	10
Retained earnings 6(15)(22)						
3310	Legal reserve		699,015	12	640,915	11
3320	Special reserve		48,991	1	48,991	1
3350	Unappropriated retained earnings		1,110,266	18	1,049,431	19
Other equity 6(16)						
3400	Other equity		281,811	5	192,257	4
3XXX	Total equity		<u>4,591,718</u>	<u>76</u>	<u>4,383,229</u>	<u>79</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet date 11						
Total liabilities and equity			<u>\$ 6,056,915</u>	<u>100</u>	<u>\$ 5,544,721</u>	<u>100</u>

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

Chairman: LIN, Jui-Chang

President: CHEN, Chien-Kun

Accounting Officer: LI, Kuo-Wei

【 Attachment V NON-CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME 】

TAIWAN FU HSING INDUSTRIAL CO., LTD.

NON-CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	2014		2013	
		Amount	%	Amount	%
4000 Operating revenue	6(17) and 7(1)	\$ 4,727,893	100	\$ 3,853,599	100
5000 Operating costs	6(4)(20)(21) and 7(1)	(4,103,172)	(87)	(3,290,520)	(86)
5900 Gross profit		<u>624,721</u>	<u>13</u>	<u>563,079</u>	<u>14</u>
Operating expenses	6(20)(21) and 7(1)				
6100 Selling expenses		(170,520)	(4)	(156,728)	(4)
6200 General and administrative expenses		(161,914)	(3)	(146,863)	(4)
6300 Research and development expense		(98,029)	(2)	(87,112)	(2)
6000 Total operating expenses		<u>(430,463)</u>	<u>(9)</u>	<u>(390,703)</u>	<u>(10)</u>
6900 Operating profit		<u>194,258</u>	<u>4</u>	<u>172,376</u>	<u>4</u>
Non-operating income and expenses					
7010 Other income	6(18)	29,963	1	46,961	1
7020 Other gains and losses	6(19)	104,722	2	94,115	3
7050 Finance costs		(224)	-	(31)	-
7070 Share of other comprehensive income of subsidiary, associates and joint ventures accounted for under equity method	6(8)	256,430	6	391,667	10
7000 Total non-operating income and expenses		<u>390,891</u>	<u>9</u>	<u>532,712</u>	<u>14</u>
7900 Profit before income tax		<u>585,149</u>	<u>13</u>	<u>705,088</u>	<u>18</u>
7950 Income tax expense	6(22)	(77,235)	(2)	(124,090)	(3)
8200 Profit for the year		<u>\$ 507,914</u>	<u>11</u>	<u>\$ 580,998</u>	<u>15</u>
Other comprehensive income, net					
8310 Cumulative translation differences of foreign operations		\$ 133,365	2	\$ 80,071	2
8325 Unrealised gain (loss) on valuation of available-for-sale financial assets	6(5)	4,154	-	(78,366)	(2)
8360 Actuarial loss on defined benefit plan	6(12)	(8,131)	-	(21,050)	(1)
8380 Share of profit/(loss) of subsidiary, associates and joint ventures accounted for under equity method		(53,291)	(1)	20,166	1
8399 Income tax relating to the components of other comprehensive income	6(22)	1,382	-	3,579	-
8300 Other comprehensive income for the year, net of tax		<u>\$ 77,479</u>	<u>1</u>	<u>\$ 4,400</u>	<u>-</u>
8500 Total comprehensive income for the year		<u>\$ 585,393</u>	<u>12</u>	<u>\$ 585,398</u>	<u>15</u>
Earnings per Share (in dollars)	6(23)				
9750 Basic earnings per share			<u>2.70</u>		<u>3.08</u>
9850 Diluted earnings per share			<u>2.68</u>		<u>3.07</u>

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

Chairman: LIN, Jui-Chang

President: CHEN, Chien-Kun

Accounting Officer: LI, Kuo-Wei

【 Attachment VI NON-CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY 】

TAIWAN FU HSING INDUSTRIAL CO., LTD.
NON-CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent

Note	Retained earnings					Other equity		Total
	Common share	Capital surplus - Share premium	Legal reserve	Special reserve	Unappropriated retained earnings	Cumulative translation differences of foreign operations	Unrealised gain (loss) on valuation of available-for-sale financial assets	
<u>2013</u>								
Balance at January 1, 2013	\$ 1,884,521	\$ 567,114	\$ 602,270	\$ 48,991	\$ 809,710	(\$ 56,621)	\$ 224,524	\$ 4,080,509
Distribution of 2012 earnings:	6(15)							
Legal reserve	-	-	38,645	-	(38,645)	-	-	-
Cash dividends	-	-	-	-	(282,678)	-	-	(282,678)
Net income for 2013	-	-	-	-	580,998	-	-	580,998
Other comprehensive income for 2013	6(5)(12)(16)	-	-	-	(19,954)	102,720	(78,366)	4,400
Balance at December 31, 2013	<u>\$ 1,884,521</u>	<u>\$ 567,114</u>	<u>\$ 640,915</u>	<u>\$ 48,991</u>	<u>\$ 1,049,431</u>	<u>\$ 46,099</u>	<u>\$ 146,158</u>	<u>\$ 4,383,229</u>
<u>2014</u>								
Balance at January 1, 2014	\$ 1,884,521	\$ 567,114	\$ 640,915	\$ 48,991	\$ 1,049,431	\$ 46,099	\$ 146,158	\$ 4,383,229
Distribution of 2013 earnings:	6(15)							
Legal reserve	-	-	58,100	-	(58,100)	-	-	-
Cash dividends	-	-	-	-	(376,904)	-	-	(376,904)
Net income for 2014	-	-	-	-	507,914	-	-	507,914
Other comprehensive income for 2014	6(5)(12)(16)	-	-	-	(12,075)	85,400	4,154	77,479
Balance at December 31, 2014	<u>\$ 1,884,521</u>	<u>\$ 567,114</u>	<u>\$ 699,015</u>	<u>\$ 48,991</u>	<u>\$ 1,110,266</u>	<u>\$ 131,499</u>	<u>\$ 150,312</u>	<u>\$ 4,591,718</u>

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

Chairman: LIN, Jui-Chang

President: CHEN, Chien-Kun

Accounting Officer: LI, Kuo-Wei

【 Attachment VII NON-CONSOLIDATED STATEMENTS OF CASH FLOWS 】

TAIWAN FU HSING INDUSTRIAL CO., LTD.
NON-CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

(Expressed in thousands of New Taiwan dollars)

	Note	2014	2013
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Net income before tax		\$ 585,149	\$ 705,088
Adjustment to reconcile consolidated net income to net cash provided by operating activities:			
Income and expenses having no effect on cash flows			
Depreciation	6(9)(20)	35,895	32,236
Amortization	6(20)	2,966	2,512
Provision (reversal of allowance) for bad debts	6(3) and 7(1)	2,939	129
Net gain on financial assets at fair value through profit or loss	6(2)(19)	3,456	2,932
Interest income	6(18)	(1,352)	(1,245)
Dividend income	6(18)	(22,985)	(29,258)
Adjustment due to change of investees' equity under the equity method		(256,430)	(391,667)
Gain on disposal of property, plant and equipment	6(19)	-	(196)
Interest expense		224	31
Gain on disposal of investments	6(2)(5)(6)(19)	(55,734)	(101,999)
Impairment loss on financial assets	6(6)(19)	-	27,435
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		273,251	63,833
Notes receivable		(2,577)	12,561
Accounts receivable		(321,199)	(541,568)
Accounts receivable - related parties		23,595	258,315
Other receivables - related parties		(14,560)	12,669
Inventories		33,401	44,410
Other financial assets - current		(11,213)	39,714
Other current assets		(6,327)	(442)
Net changes in liabilities relating to operating activities			
Notes payable		17,772	(36,423)
Accounts payable		43,945	(46,536)
Accounts payable - related parties		138,447	266,772
Other payables		63,873	(10,528)
Other payable - related parties		(15,730)	39,915
Other current liabilities		2,912	450
Accrued pension liabilities		(21,399)	(44,508)
Cash generated from operations		498,319	304,632
Interest received		1,449	1,232
Dividend received		176,197	194,407
Interest paid		(224)	(31)
Income tax paid		(34,683)	(58,604)
Net cash provided by operating activities		<u>641,058</u>	<u>441,636</u>

(Continued)

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

【 Attachment VII NON-CONSOLIDATED STATEMENTS OF CASH FLOWS 】

TAIWAN FU HSING INDUSTRIAL CO., LTD.
NON-CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
 (Expressed in thousands of New Taiwan dollars)

	Note	2014	2013
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease in other financial assets – current		\$ 9,800	-
Proceeds from disposal of available-for-sale financial assets		-	\$ 250,877
Proceeds from capital reduction of financial assets carried at cost		-	2,563
Proceeds from disposal of financial assets carried at cost	6(6)	79,838	-
Proceeds from disposal of investments in bonds without active market - non-current	6(7)	59,541	-
Increase in long-term investments- cash capital increase		(119,000)	(146,602)
Return of share capital from long-term equity investment accounted for under the equity method		11,242	-
Net cash provided by Fortress Industrial Co., Ltd. for spin-off	6(25)	-	(180,413)
Acquisition of property, plant and equipment	6(9)(25)	(350,163)	(12,227)
Increase in prepaid equipment		(48,902)	(184,060)
Proceeds from disposal of property, plant and equipment	6(9)(19)	9	2,055
Acquisition of intangible assets		(1,843)	(4,428)
Increase in other financial assets – non - current		5,650	(4,500)
Net cash used in investing activities		<u>(353,828)</u>	<u>(276,735)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Cash dividends paid	6(15)	(376,904)	(282,678)
Net cash used in financing activities		<u>(376,904)</u>	<u>(282,678)</u>
Net decrease increase in cash and cash equivalents		(89,674)	(117,777)
Cash and cash equivalents at beginning of year	6(1)	203,379	321,156
Cash and cash equivalents at end of year	6(1)	<u>\$ 113,705</u>	<u>\$ 203,379</u>

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

Chairman: LIN, Jui-Chang

President: CHEN, Chien-Kun

Accounting Officer: LI, Kuo-Wei

【Attachment VIII Independent Auditor's Report (II)】

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

PWCR14000399

To the Board of Directors and stockholders of Taiwan Fu Hsing Industrial Co., Ltd.

We have audited the consolidated balance sheets of Taiwan Fu Hsing Industrial Co., Ltd. and its subsidiaries as of December 31, 2014 and 2013, and the related statements of income and changes in stockholder's equity, and cash flows for the period from January 1 to December 31, 2014 and the period from January 1 to December 31, 2013. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit financial reports of the subsidiaries contained in the above-stated consolidated financial statements, as these financial reports were audited by other independent auditors. Therefore, in our opinion on the above-stated consolidated financial statements, the listed amounts of financial reports of such subsidiaries and the related information disclosed in Note 13 were based on the audit reports by other CPAs. The total amounts of assets of such subsidiaries as of December 31, 2014 and 2013 were NT\$310,194,000 and NT\$202,365,000, respectively, accounting for 6% and 3% of the total consolidated asset and the net incomes for the periods from January 1 to December 31, 2014 and 2013 were NT\$315,118,000 and NT\$185,206,000, respectively, accounting for 4% and 3% of the consolidated net income.

We conducted our audits in accordance with the "Rules Governing the Certification of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Those 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 provide a reasonable basis for our opinion.

In our opinion, based on our audit results and those by other CPAs, the consolidated financial statements referred to in the first paragraph present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2014 and 2013, and its financial performance and cash flows for the periods from January 1 to December 31, 2014 and 2013, in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, interpretations and published interpretations thereof endorsed by the Financial Supervisory Commission of the Republic of China.

We have reviewed the financial statements for 2014 and 2013 prepared by the Company. Based on our reviews, we express an unqualified review report with an explanatory paragraph related to a change in accounting principles on the financial statements.

PwC Taiwan

LIAO, A-Shen

CPA

LIU, Tzu-Meng

Certified by former Financial Supervisory Commission, Executive Yuan:

Jin-guang-zheng-shen-zi 1010015969

Certified by former Securities and Futures Commission, Ministry of Finance:

(84) Tai-cai-zheng(6) 29174

March 20, 2015

【 Attachment IX CONSOLIDATED BALANCE SHEETS 】

TAIWAN FU HSING INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2014 AND 2013

(Expressed in thousands of New Taiwan dollars)

Assets	Notes	2014		2013		
		Amount	%	Amount	%	
Current Assets						
1100	Cash and cash equivalents	6(1)	\$ 1,000,962	15	\$ 878,729	14
1110	Financial assets at fair value through profit or loss - current	6(2)	-	-	278,352	5
1150	Notes receivable, net		24,415	-	20,754	-
1170	Accounts receivable, net	6(3)	1,575,916	23	1,171,353	19
1180	Accounts receivable, net – related parties	7(1)	-	-	20,883	-
130X	Inventories	6(4)	830,318	12	818,478	13
1476	Other financial assets - current	6(5)	42,503	1	23,887	1
1479	Other current assets		83,782	1	74,506	1
11XX	Total current assets		<u>3,557,896</u>	<u>52</u>	<u>3,286,942</u>	<u>53</u>
Non-current assets						
1523	Available-for-sale financial assets – non-current	6(6)	333,081	5	328,927	5
1543	Financial assets measured at cost – non-current	6(7)	110,057	1	133,567	2
1546	Investments in bonds without active markets – non-current	6(8)	-	-	60,960	1
1550	Investments accounted for under equity method	6(9)	753,433	11	700,987	11
1600	Property, plant and equipment	6(10) and 7(1)	1,765,981	26	1,271,743	21
1780	Intangible assets	6(11)	175,948	2	77,429	1
1840	Deferred income tax assets	6(25)	70,117	1	59,263	1
1980	Other financial assets –non-current	8	37,223	-	30,609	1
1985	Long-term prepaid rents	6(12)	46,419	1	45,874	1
1990	Other non-current assets	6(13)	42,889	1	201,841	3
15XX	Total non-current assets		<u>3,335,148</u>	<u>48</u>	<u>2,911,200</u>	<u>47</u>
1XXX	Total assets		<u>\$ 6,893,044</u>	<u>100</u>	<u>\$ 6,198,142</u>	<u>100</u>

(Continued)

Chairman: LIN, Jui-Chang

President: CHEN, Chien-Kun

Accounting Officer: LI, Kuo-Wei

【 Attachment IX CONSOLIDATED BALANCE SHEETS 】

TAIWAN FU HSING INDUSTRIAL CO., LTD. AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEETS
 DECEMBER 31, 2014 AND 2013

(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	2014		2013	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(14)	\$ 93,649	1	\$ 90,059	1
2120	Financial liabilities at fair value through profit or loss - current	6(2)	36,041	1	6	-
2150	Notes payable		249,739	4	228,470	4
2170	Accounts payable		847,741	12	653,849	11
2200	Other payables	6(15)	403,652	6	317,576	5
2220	Other payables – related parties	7(1)	26,297	1	21,147	-
2230	Current income tax liabilities		88,926	1	47,308	1
2399	Other current liabilities		22,935	-	10,251	-
21XX	Total current liabilities		<u>1,768,980</u>	<u>26</u>	<u>1,368,666</u>	<u>22</u>
Non-current liabilities						
2570	Deferred income tax liabilities	6(25)	142,655	2	132,017	2
2640	Accrued pension liabilities	6(16)	282,308	4	278,918	5
25XX	Total non-current liabilities		<u>424,963</u>	<u>6</u>	<u>410,935</u>	<u>7</u>
2XXX	Total Liabilities		<u>2,193,943</u>	<u>32</u>	<u>1,779,601</u>	<u>29</u>
Equity attributable to owners of the parent						
Share capital						
		6(17)				
3110	Common shares		1,884,521	28	1,884,521	31
Capital surplus						
		6(18)				
3200	Capital surplus		567,114	8	567,114	9
Retained earnings						
		6(19)(25)				
3310	Legal reserve		699,015	10	640,915	10
3320	Special reserve		48,991	1	48,991	1
3350	Unappropriated retained earnings		1,110,266	16	1,049,431	17
Other equity						
		6(20)				
3400	Other equity		281,811	4	192,257	3
31XX	Equity attributable to owners of the parent		<u>4,591,718</u>	<u>67</u>	<u>4,383,229</u>	<u>71</u>
36XX	Non-controlling interest		<u>107,383</u>	<u>1</u>	<u>35,312</u>	<u>-</u>
3XXX	Total equity		<u>4,699,101</u>	<u>68</u>	<u>4,418,541</u>	<u>71</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet date						
		11				
Total liabilities and equity			<u>\$ 6,893,044</u>	<u>100</u>	<u>\$ 6,198,142</u>	<u>100</u>

Chairman: LIN, Jui-Chang

President: CHEN, Chien-Kun

Accounting Officer: LI, Kuo-Wei

【 Attachment X CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME 】

TAIWAN FU HSING INDUSTRIAL CO., LTD. AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items	Notes	2014		2013	
		Amount	%	Amount	%
4000 Operating revenue	7(1)	\$ 7,074,752	100	\$ 5,887,680	100
5000 Operating costs	6(4)(23)(24) and 7(1)	(5,718,366)	(81)	(4,935,013)	(84)
5900 Gross profit		<u>1,356,386</u>	<u>19</u>	<u>952,667</u>	<u>16</u>
Operating expenses	6(23)(24) and 7(1)				
6100 Selling expenses		(341,462)	(5)	(225,685)	(4)
6200 General and administrative expenses		(314,055)	(4)	(257,266)	(4)
6300 Research and development expenses		(201,436)	(3)	(161,215)	(3)
6000 Total operating expenses		<u>(856,953)</u>	<u>(12)</u>	<u>(644,166)</u>	<u>(11)</u>
6900 Operating profit		<u>499,433</u>	<u>7</u>	<u>308,501</u>	<u>5</u>
Non-operating income and expenses					
7010 Other income	6(21)	56,187	1	66,159	1
7020 Other gains and losses	6(22)	63,251	1	91,237	2
7050 Finance costs		(3,019)	-	(2,764)	-
7060 Share of profit/(loss) of associates and joint ventures accounted for under equity method	6(9)	<u>55,571</u>	<u>1</u>	<u>299,542</u>	<u>5</u>
7000 Total non-operating income and expenses		<u>171,990</u>	<u>3</u>	<u>454,174</u>	<u>8</u>
7900 Profit before income tax		<u>671,423</u>	<u>10</u>	<u>762,675</u>	<u>13</u>
7950 Income tax expense	6(25)	(144,705)	(2)	(170,363)	(3)
8200 Profit for the year		<u>\$ 526,718</u>	<u>8</u>	<u>\$ 592,312</u>	<u>10</u>
Other comprehensive income, net					
8310 Cumulative translation differences of foreign operations	6(20)	\$ 102,017	1	\$ 80,572	1
8325 Unrealised gain (loss) on valuation of available-for-sale financial assets	6(6)(20)	4,154	-	(78,366)	(1)
8360 Actuarial loss on defined benefit plan	6(16)	(17,989)	-	(24,042)	-
8370 Share of other comprehensive income of associates and joint ventures accounted for under equity method	6(20)	(16,328)	-	22,649	-
8399 Income tax relating to the components of other comprehensive income	6(25)	<u>3,058</u>	<u>-</u>	<u>4,088</u>	<u>-</u>
8300 Other comprehensive income for the year, net of tax		<u>\$ 74,912</u>	<u>1</u>	<u>\$ 4,901</u>	<u>-</u>
8500 Total comprehensive income for the year		<u>\$ 601,630</u>	<u>9</u>	<u>\$ 597,213</u>	<u>10</u>
Profit attributable to:					
8610 Owners of the parent		\$ 507,914	8	\$ 580,998	10
8620 Non-controlling interest		<u>18,804</u>	<u>-</u>	<u>11,314</u>	<u>-</u>
		<u>\$ 526,718</u>	<u>8</u>	<u>\$ 592,312</u>	<u>10</u>
Comprehensive income attributable to:					
8710 Owners of the parent		\$ 585,393	9	\$ 585,398	10
8720 Non-controlling interest		<u>16,237</u>	<u>-</u>	<u>11,815</u>	<u>-</u>
		<u>\$ 601,630</u>	<u>9</u>	<u>\$ 597,213</u>	<u>10</u>
Earnings per Share (in dollars)	6(26)				
9750 Basic earnings per share		<u>\$ 2.70</u>		<u>\$ 3.08</u>	
9850 Diluted earnings per share		<u>\$ 2.68</u>		<u>\$ 3.07</u>	

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

Chairman: LIN, Jui-Chang

President: CHEN, Chien-Kun

Accounting Officer: LI, Kuo-Wei

【 Attachment XI CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY 】

TAIWAN FU HSING INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent										
	Note	Common share	Capital surplus - Share premium	Retained earnings			Other equity		Total	Non-controlling interest	Total equity
Legal reserve				Special reserve	Unappropriated retained earnings	Cumulative translation differences of foreign operations	Unrealised gain (loss) on valuation of available-for-sale financial assets				
<u>2013</u>											
Balance at January 1, 2013		\$ 1,884,521	\$ 567,114	\$ 602,270	\$ 48,991	\$ 809,710	(\$ 56,621)	\$ 224,524	\$ 4,080,509	\$ 31,690	\$ 4,112,199
Distribution of 2012 earnings:	6(19)										
Legal reserve		-	-	38,645	-	(38,645)	-	-	-	-	-
Cash dividends		-	-	-	-	(282,678)	-	-	(282,678)	-	(282,678)
Net income for 2013		-	-	-	-	580,998	-	-	580,998	11,314	592,312
Other comprehensive income for 2013	6(6)(16)(20)	-	-	-	-	(19,954)	102,720	(78,366)	4,400	624	5,024
Cash dividends distributed to non-controlling interest		-	-	-	-	-	-	-	-	(8,316)	(8,316)
Balance at December 31, 2013		<u>\$ 1,884,521</u>	<u>\$ 567,114</u>	<u>\$ 640,915</u>	<u>\$ 48,991</u>	<u>\$ 1,049,431</u>	<u>\$ 46,099</u>	<u>\$ 146,158</u>	<u>\$ 4,383,229</u>	<u>\$ 35,312</u>	<u>\$ 4,418,541</u>
<u>2014</u>											
Balance at January 1, 2014		\$ 1,884,521	\$ 567,114	\$ 640,915	\$ 48,991	\$ 1,049,431	\$ 46,099	\$ 146,158	\$ 4,383,229	\$ 35,312	\$ 4,418,541
Distribution of 2013 earnings:	6(19)										
Legal reserve		-	-	58,100	-	(58,100)	-	-	-	-	-
Cash dividends		-	-	-	-	(376,904)	-	-	(376,904)	-	(376,904)
Net income for 2014		-	-	-	-	507,914	-	-	507,914	18,804	526,718
Other comprehensive income for 2014	6(6)(16)(20)	-	-	-	-	(12,075)	85,400	4,154	77,479	(2,567)	74,912
Effect of non-controlling interest from acquisition of subsidiaries	6(27)	-	-	-	-	-	-	-	-	67,604	67,604
Cash dividends distributed to non-controlling interest		-	-	-	-	-	-	-	-	(11,770)	(11,770)
Balance at December 31, 2014		<u>\$ 1,884,521</u>	<u>\$ 567,114</u>	<u>\$ 699,015</u>	<u>\$ 48,991</u>	<u>\$ 1,110,266</u>	<u>\$ 131,499</u>	<u>\$ 150,312</u>	<u>\$ 4,591,718</u>	<u>\$ 107,383</u>	<u>\$ 4,699,101</u>

Please refer to the Independent Accountant's Report audited by accountants LIAO, A-Shen and LIU, Tzu-Meng of the PwC Taiwan and issued on Mar. 20, 2015.

Chairman: LIN, Jui-Chang

President: CHEN, Chien-Kun

Accounting Officer: LI, Kuo-Wei

【 Attachment XII CONSOLIDATED STATEMENTS OF CASH FLOWS 】

TAIWAN FU HSING INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

(Expressed in thousands of New Taiwan dollars)

	Note	2014	2013
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Consolidated net income before tax		\$ 671,423	\$ 762,675
Adjustment to reconcile consolidated net income to net cash provided by operating activities:			
Income and expenses having no effect on cash flows			
Depreciation	6(10)(23)	140,245	128,783
Amortization	6(23)	34,187	24,880
Provision for bad debts	6(3) and 7(1)	3,650	414
Net gain on financial assets at fair value through profit or loss	6(2)(22)	45,821	(20,007)
Interest expense		3,019	2,764
Interest income	6(21)	(11,527)	(7,607)
Dividend income	6(21)	(22,985)	(29,258)
Adjustment due to change of investees' equity under the equity method		(55,571)	(299,542)
(Gain) loss on disposal of property, plant and equipment	6(22)	(521)	433
Gain on disposal of investments	6(2)(6)(7)(22)	(55,734)	(101,999)
Impairment loss on financial assets	6(8)(22)	-	27,435
Impairment loss on non-financial assets	6(10)(22)	-	20,051
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		268,379	81,633
Notes receivable		166	17,116
Accounts receivable		(353,803)	(594,206)
Accounts receivable - related parties		37,211	512,401
Other receivables		-	7,802
Inventories		34,168	(183,498)
Other financial assets – current		(9,749)	29,323
Other current assets		(13,243)	(10,287)
Net changes in liabilities relating to operating activities			
Notes payable		19,963	(38,549)
Accounts payable		135,674	155,891
Other payables		54,184	36,196
Other current liabilities		8,272	658
Accrued pension liabilities		(14,599)	(44,266)
Cash generated from operations		918,630	479,236
Interest received		11,557	6,981
Dividend received		53,187	165,625
Interest paid		(2,758)	(2,152)
Income tax paid		(98,895)	(104,099)
Net cash provided by operating activities		<u>881,721</u>	<u>545,591</u>

(Continued)

【 Attachment XII CONSOLIDATED STATEMENTS OF CASH FLOWS 】

TAIWAN FU HSING INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

(Expressed in thousands of New Taiwan dollars)

	Note	2014	2013
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
(Increase) decrease in other financial assets –			
current		(\$ 7,441)	\$ 118,689
Proceeds from disposal of available-for-sale financial assets	6(6)	-	250,877
Proceeds from capital reduction of financial assets carried at cost		-	14,121
Proceeds from disposal of financial assets carried at cost	6(7)	79,838	-
Proceeds from disposal of investments in bonds without active market - non-current	6(8)	59,541	-
Net cash outflow for acquisition of subsidiaries	6(29)	(50,708)	-
Acquisition of property, plant and equipment	6(10)(29)	(408,027)	(161,799)
Increase in prepaid equipment		(54,607)	(191,489)
Proceeds from disposal of property, plant and equipment	6(10)(22)	7,565	21,699
Acquisition of intangible assets	6(11)(29)	(3,068)	(6,144)
Increase in other financial assets – non-current		(4,259)	(18,407)
Increase in other non-current assets		(8,674)	(35,796)
Net cash used in investing activities		(389,840)	(8,249)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		228,648	133,706
Decrease in short-term borrowings		(228,320)	(75,827)
Cash dividends paid	6(19)	(376,904)	(282,678)
Cash dividends distributed to non-controlling interest		(11,770)	(8,316)
Net cash used in financing activities		(388,346)	(233,115)
Effect of exchange rate changes on cash and cash equivalents		18,698	31,383
Net increase in cash and cash equivalents		122,233	335,610
Cash and cash equivalents at beginning of year	6(1)	878,729	543,119
Cash and cash equivalents at end of year	6(1)	\$ 1,000,962	\$ 878,729

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

Chairman: LIN, Jui-Chang

President: CHEN, Chien-Kun

Accounting Officer: LI, Kuo-Wei

【Attachment XIII Earnings Distribution Table】

Taiwan Fu Hsing Industrial Co., Ltd.
2014 Earnings Distribution Table

Unit: NT\$1

Beginning retained earnings	614,424,071
2014 net profit after tax	507,914,341
10% legal reserve	(50,791,434)
2014 other income/loss	(12,074,948)
Distributable net profit	1,059,472,030
Distributable items:	
Cash dividend to shareholders (\$2.0/share)	(376,904,340)
Ending un-appropriated earnings	682,567,690
Remark:	
Employee cash bonus	NT\$25,000,000
Remunerations paid to directors and supervisors	NT\$12,000,000.

Note:

- 1、The year's earnings should be distributed firstly from the 2014 net profits after tax.
- 2、It is proposed to distribute employee bonuses of NT\$25,000,000, which is in line with the amount assessed for year 2014.
It is proposed to distribute remunerations of NT\$12,000,000 to directors and supervisors, which is in line with the amount assessed for year 2014.
- 3、According to the regulatory requirements in the Correspondence Jin-Guan-Zheng-Fa-Zi No. 1010012865, because the company chose to adopt the I.F.R.S. No.1 Exemption, a special reserve of \$48,991,656 was appropriated based on retained earnings transferred from accumulative equity adjustments. The special reserve in 2014 was not reversed.
- 4、The amount of cash dividend distribution is calculated based on the total outstanding shares of 188,452,170 on Dec. 31st, 2014.

Chairman: LIN, Jui-Chang

Manager: CHEN, Chien-Kun

Accounting Officer: LI, Kuo-Wei

【 Attachment XIV Amended Articles Table of The Ethical Operation Work Procedures and Behavior Guide 】

Amended articles	Current articles
<p>Article 1</p> <p>The company carries out its business based on the principles of fairness, honesty, faithfulness, and transparency. In order to carry out ethical operation strategy and actively prevent unfaithful behaviors, the company sets up this work procedure and behavior guide according to the Ethical Corporate Management Best Practice for TWSE/GTSM Listed Companies and <u>local regulations at where the company and the affiliated companies' operation base locate</u>. This Ethical Operation Work Procedures and Behavior Guide clearly define matters that should be cautious with by the company's employees while executing their works.</p>	<p>Article 1</p> <p>The company carries out its business based on the principles of fairness, honesty, faithfulness, and transparency. In order to carry out ethical operation strategy and actively prevent unfaithful behaviors, the company sets up this work procedure and behavior guide according to the Ethical Corporate Management Best Practice for TWSE/GTSM Listed Companies to clearly defines matters that should be cautious with by the company's employees while executing their works.</p>
<p>Article 2</p> <p>The company's employees mentioned in this Work Procedures and Behavior Guide refers to directors, supervisors, managers, employees, <u>appointees</u>, and any other person that has controlling power over the company, group companies and organizations.</p> <p>If the company's employee provides, promises, requests, or receives any of the <u>illegitimate</u> benefits through a third party, the company still considers such illegitimate behaviors are done by the company's employee.</p>	<p>Article 2</p> <p>The company's employees mentioned in this Work Procedures and Behavior Guide refers to directors, supervisors, managers, employees, and any other person that has controlling power over the company, group companies and organizations.</p> <p>If the company's employee provides, promises, requests, or receives <u>money, presents, gifts, commission, job position, service, discount, rebate, handling fee, hospitality, treat, or other similar kind of benefits in any form or with any excuses</u> through a third party, the company still considers such behaviors are done by the company's employee.</p>
<p>Article 5</p> <p>The company appoints its legal unit (hereinafter "the Dedicated Unit") to be responsible in handling the amendment, execution, explanation, consulting services, reporting and filing, and supervision of this work procedure and behavior guide. The Dedicated Unit <u>has the following main responsibilities</u> and shall be report to the Board of Directors regularly:</p> <ol style="list-style-type: none"> 1. <u>To help integrate the value of honesty and morality into the company's operation strategy and establish related prevention measures to ensure corporate ethical operation according to laws and regulations.</u> 2. <u>To establish plans to prevent unfaithfully behaviors and set up standard operation procedures and behavior guide relating to business contents in each plan.</u> 3. <u>To map out internal organizations, structure, and job responsibilities aiming at establishing</u> 	<p>Article 5</p> <p>The company appoints its legal unit (hereinafter "the Dedicated Unit") to be responsible in handling the amendment, execution, explanation, consulting services, reporting and filing, and supervision of this work procedure and behavior guide.</p>

<p><u>inter-supervision mechanism to operation activities that have higher unfaithfulness risks.</u></p> <p>4. <u>To promulgate and coordinate the promotion and training of the ethical operation strategies.</u></p> <p>5. <u>To plan the reporting system and ensure the efficacy of the execution.</u></p> <p>6. <u>To provide assistance to the Board and the Management in reviewing and assessing whether the prevention measures to carry out ethical operations is effectively operated and should regularly evaluate and write report about the compliance situation.</u></p>	
<p>Article 6</p> <p>Except for circumstances listed below, the company's employee shall follow the requirements stated in the Ethical Corporate Management Best Practice for TWSE/GTSM Listed Companies and rules in this Work Procedure and Behavior Guide to, directly or indirectly, provide, receive, promise, or request benefits defined in Article 4, and shall only do so after carrying out relevant procedures.</p> <p><u>Deletion of one sub-article</u></p> <ol style="list-style-type: none"> 1. On account of business needs, during interviews in Taiwan/overseas, while receiving foreign visitors, during business promotion or communication and coordination, and following local manners, usual practices, or customs. 2. On account of normal social etiquette, business purpose or normal social activities that are held to promote social relationship or are attended upon invitation. 3. On account of business activities or plant visits that are held or are attended upon invitation due to business needs, and such activities and plant visits should have been made clear about the fees allocation, numbers of participants, accommodation grade, and the activity/visit period. 4. While is participating in folks festivals that are publicly held and the general public can also participate. 5. Superintendent's rewards, relief fund, consolation money, or compensations. 6. Gifts that are given due to engagement, marriage, giving birth, moving, inauguration, promotion, retirement, resignation, leaving office, and sickness or death of the employee, employee's spouse or relatives, and such gifts shall follow the standards in the market. 7. Other situations that meet the company's regulations. 	<p>Article 6</p> <p>Except for circumstances listed below, the company's employee shall follow the requirements stated in the Ethical Corporate Management Best Practice for TWSE/GTSM Listed Companies and rules in this Work Procedure and Behavior Guide to, directly or indirectly, provide, receive, promise, or request <u>money, gifts, services, discount, hospitality, treats, or other kinds of benefits</u>, and shall only do so after carrying out relevant procedures.</p> <ol style="list-style-type: none"> 1. <u>While meets the requirements of local regulations.</u> 2. On account of business needs, during interviews in Taiwan/overseas, while receiving foreign visitors, during business promotion or communication and coordination, and following local manners, usual practices, or customs.<u>3.</u> 4. On account of business activities or plant visits that are held or are attended upon invitation due to business needs, and such activities and plant visits should have been made clear about the fees allocation, numbers of participants, accommodation grade, and the activity/visit period. 5. While is participating in folks festivals that are publicly held and the general public can also participate. 6. Superintendent's rewards, relief fund, consolation money, or compensations. 7. Gifts that are given due to engagement, marriage, giving birth, moving, inauguration, promotion, retirement, resignation, leaving office, and sickness or death of the employee, employee's spouse or relatives, and such gifts shall follow the standards in the market. 8. Other situations that meet the company's regulations.

<p>Article 7</p> <p>If the company’s employee encounters situation when others directly or indirectly provide or promise to give any benefits defined in Article IV, except for circumstances stated in the previous articles, the employee should handle the situation following the procedures below:</p> <ol style="list-style-type: none"> 1. If the provider or promiser has no conflict of interest in job contents, the employee shall report to his direct superintendent within 3 days upon the receipt. When it is necessary, he shall also notify the Dedicated Unit in the company. 2. If the provider or promiser has conflict of interest in job contents, the employee shall return or reject to receive the benefits, report to his direct superintendent and also notify the company’s Dedicated Unit. If there is no way to return the benefits, the employee shall hand over the benefits to the company’s Dedicated Unit within 3 days upon the acceptance. <p>The aforementioned conflict of interest in job content refers to having any one of the conditions listed below:</p> <ol style="list-style-type: none"> 1. Has business relationship, supervision, or expense subsidy (granting) relationship. 2. Is seeking, carrying out, or has already contracted for managing a task, sale project, or doing other contracts. 3. May be having any favorable or unfavorable influences due to a certain business decision, execution or cease of execution. <p>Depending on the value and nature of the benefits stated in (I), the Dedicated Unit should return, pay to accept, confiscate, donate to charities, or take other proper actions after receiving the Chairman’s approval.</p>	<p>Article 7</p> <p>If the company’s employee encounters situation when others directly or indirectly provide or promise to give <u>money, gifts, service, discount, treat, social engagement, or other kinds of benefits</u>, except for circumstances stated in the previous articles, the employee should handle the situation following the procedures below:</p> <ol style="list-style-type: none"> 1. If the provider or promiser has no conflict of interest in job contents, the employee shall report to his direct superintendent within 3 days upon the receipt. When it is necessary, he shall also notify the Dedicated Unit in the company. 2. If the provider or promiser has conflict of interest in job contents, the employee shall return or reject to receive the benefits, report to his direct superintendent and also notify the company’s Dedicated Unit. If there is no way to return the benefits, the employee shall hand over the benefits to the company’s Dedicated Unite within 3 days of receipt. <p>The aforementioned conflict of interest in job content refers to having any one of the conditions listed below:</p> <ol style="list-style-type: none"> 1. Has business relationship, supervision, or expense subsidy (granting) relationship. 2. Is seeking, carrying out, or has already contracted for managing a task, sale project, or doing other contracts. 3. May be having any favorable or unfavorable influences due to a certain business decision, execution or cease of execution. <p>Depending on the value and nature of the <u>property</u> stated in (I), the Dedicated Unit should return, pay to accept, confiscate, donate to charities, or take other proper actions after receiving the Chairman’s approval.</p>
<p>Article 11</p> <p>If any of the company’s director, <u>supervisor, manager, other presenting or sitting-in interest party of the Board</u>, personally or as a representative of a corporate, has conflict of interest on motions proposed in the Board of Director’s Meeting, the person shall explain the important content regarding <u>the conflict of interest upon the request of the Board of Directors</u>. If the conflict of interest may bring <u>unfavorable influence on the company’s profits, the involving party must not join into the discussion and</u></p>	<p>Article 11</p> <p>The company’s directors should be <u>highly self-disciplined</u>. For any motions that have conflict of interest with himself or his represented corporate and may be cause unfavorable influences on the company’s profits, the directors <u>must declare his opinion and answer questions</u> during the Board of Director’s Meeting. Also, he shall not execute voting right on behalf of other directors. Other directors shall be self-disciplined and must not improperly provide supports to the director.</p>

<p>voting and shall avoid presenting in the discussion and voting. Also, the involving party shall not execute voting right on behalf of other directors. Other directors shall also be self-disciplined and must not improperly provide support to the involving party.</p>	
<p>Article 16</p> <p>Before establishing business relationship, the company should assess the potential agent, supplier, customer, other business parties' legality, ethical management policy, <u>record of good-faith behaviors to see if the party had past history of involving in unfaithful behaviors</u> in order to ensure the business management style is fair and transparent and will not request, provide or receive briberies.</p> <p>Before carrying out the aforementioned assessment, the company may adopt appropriate review procedures to understand the potential business party's ethical management status based on the following factors:</p> <ol style="list-style-type: none"> 1. The business's nationality, operation location, organizational structure, operation policy, and payment location. 2. Whether the business establishes ethical management policy and the execution situation of the policy. 3. If the operation location is located in a nation that is having relatively high corruption risk. 4. If the business is a high bribery risk business. 5. The business' long term operation situation and its business reputation. 6. Consult and ask for opinions in the business from other business partners. 7. Whether the enterprise had ever involved in unfaithful behaviors such as bribery or illegal political contributions. 	<p>Article 16</p> <p>Before establishing business relationship, the company should assess the potential agent, supplier, customer, other business parties' legality, ethical management policy, record of unfaithful behaviors in order to ensure the business management style is fair and transparent and will not request, provide or receive briberies.</p> <p>Before carrying out the aforementioned assessment, the company may adopt appropriate review procedures to understand the potential business party's ethical management status based on the following factors:</p> <ol style="list-style-type: none"> 1. The business's nationality, operation location, organizational structure, operation policy, and payment location. 2. Whether the business <u>has established</u> ethical management policy and the execution situation of the policy. 3. If the operation location is located in a nation that is having relatively high corruption risk. 4. If the business is a high bribery risk business. 5. The business' long term operation situation and its business reputation. 6. Consult and ask for opinions in the business from other business partners. 7. Whether the enterprise had ever involved in unfaithful behaviors such as bribery or illegal political contributions.
<p>Article 17</p> <p>During business activities, the company's employees should clearly explain Fu Hsing's ethical operation policy and related regulations to the corresponding party and explicitly reject to directly or indirectly provide, promise, request or receive any illegitimate benefits in any form or under any excuses.</p>	<p>Article 17</p> <p>During business activities, the company's employees should clearly explain Fu Hsing's ethical operation policy and related regulations to the corresponding party and explicitly reject to directly or indirectly provide, promise, request or receive any illegitimate benefits in any form or under any excuses, <u>including brokerage, commission, facilitation payment or any other illegitimate profits through any channels.</u></p>
<p>Article 18</p> <p>The company's employees shall avoid having commercial activities with any agent, supplier, client, or other business party that had once involved in unfaithful behaviors. Once the company's employee finds any of the unfaithful behaviors done by the</p>	<p>Article 18</p> <p>The company's employees shall avoid having commercial activities with any agent, supplier, client, or other business party that <u>have unfaithful operations</u>. Once the company's employee finds any of the unfaithful behaviors done by the business</p>

<p>business party or trading party, he should stop carrying out business activities with the party immediately and put the party on the refusal list in order to carry out the company's ethical operation policy.</p>	<p>party or trading party, he should stop carrying out business activities with the party immediately and put the party on the refusal list in order to carry out the company's ethical operation policy.</p>
<p>Article 19 <u>The company encourages internal and external personnel to report any of the unfaithful or improper behaviors. The reporting personnel will be rewarded according to the severity of the issue. If any internal personnel falsely report or malevolently accuse others, the personal shall be punished.</u></p>	<p>Article 19 <u>If the company discovers or receives report regarding any of the company's employee is involving in any unfaithful behaviors, the company should immediately investigate the truth. If the company finds proof of violations to related regulations or to the company's ethical operation policy, the company should request the perpetrator to stop the relating behaviors and give proper punishment. While it is necessary, the company should request for damage compensations through legal procedures to protect the company's reputation and rights.</u> <u>For already occurred unfaithful behaviors, the company shall request the corresponding department to discuss the related internal control system and work procedures and also make improvement measures in order to avoid reoccurrence of the same incident.</u> <u>The Dedicated Unit should report unfaithful behavior, its handling measure and follow-up reviews and improvement methods to the Board of Directors.</u></p>
<p>Article 22 This work procedure and behavior guide has been resolved in the Board of Director's Meeting for implementation and should be sent to all the supervisors and submitted to report in the Shareholders' Meeting. The same procedures should apply when modifications are made. <u>When this work procedure and behavior guide is brought up for discussion in the Board of Director's Meeting, opinions by all the directors should be fully considered. All the dissenting or qualified opinions should be recorded in the meeting minutes of the Board Meeting. If any director is unable to present in the meeting to express his opinions, besides having legitimate reason, he should also submit his opinion in written form.</u></p>	<p>Article 22 This work procedure and behavior guide has been resolved in the Board of Director's Meeting for implementation and should be sent to all the supervisors and submitted to report in the Shareholders' Meeting. The same procedures should apply when modifications are made. <u>Add other paragraph.</u></p>

【 Attachment XV Amended Articles Table of The Articles of Incorporation 】

Amended articles	Current articles
<p>Article 2: The business items are listed as below: A. CA04010 Metal Surface Treating B. CA02070 Lock Manufacturing C. CA02990 Other fabricated metal products manufacturing not elsewhere classified D. CD01030 Automobiles and parts manufacturing E. CD01040 Motor vehicles and parts manufacturing F. F214030 Retail sale of motor vehicle parts and supplies G. CQ01010 Die manufacturing H. F206030 Retail sale of die I. F401021 Restrained telecom radio frequency equipment and materials import J. CC01101 Restrained telecom radio frequency equipment and materials manufacturing K. CA02080 Metal forging industry L. CA01090 Aluminum casting manufacturing M. CA01990 Other non-ferrous metal basic industries N. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval</p>	<p>Article 2: The business items are listed as below: 1. Manufacturing and sale of metal furniture 2. Manufacturing and sale of door locks and metal parts for door (closers) 3. Manufacturing and sale of vehicle accessories and sports goods 4. Agency of vehicles and accessories thereof 5. Manufacturing and sale of molds and dies 6. CA04010 business of surface treatment 7. Agency of above-listed products for suppliers, domestic or foreign, in offering, bidding, distribution and export 8. ZZ99999 all business items that are not prohibited or restricted by law, except those that are subject to special approval</p>

【 Attachment XVI Amended Articles Table of The Rules of Procedures for Shareholders’ Meeting 】

Amended articles	Current Articles
<p>Article 2</p> <p>Unless otherwise provided by relevant laws, the Company’s Shareholders’ Meeting shall be convened by the Board of Directors.</p> <p>The Company shall prepare, in electronic form, a notice of Shareholders’ Meeting, power of attorney form, relevant approvals, agenda, reasons and explanations of issues such as election or dismissal of directors and supervisors and post on the website of open data 30 days prior to a general meeting or 15 days prior to a special meeting. The Company shall also post the manual of procedures of Shareholders’ Meeting and supplementary materials on the meeting in electronic form on the same website 21 days prior to a general meeting or 15 days prior to a special meeting. Said manual and supplementary materials shall be made available 15 days prior to a Shareholders’ Meeting to shareholders at request at any time and be displayed at <u>the Company and at the site of its entrusted stock agency</u> and handed out at the venue of the meeting.</p> <p>This paragraph omitted.</p> <p>Election or dismissal of directors and supervisors, modifications to the articles of incorporation, corporate disbandment, merger, division or the matters specified in Paragraph 1, Article 185 of the Company Act and Article 26-1 and Article 43-6 of the Securities and Exchange Act, <u>and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers</u> shall be itemized in the reasons of convention and may not be proposed as extempore motions.</p>	<p>Article 2</p> <p>Unless otherwise provided by relevant laws, the Company’s Shareholders’ Meeting shall be convened by the Board of Directors.</p> <p>The Company shall prepare, in electronic form, a notice of Shareholders’ Meeting, power of attorney form, relevant approvals, agenda, reasons and explanations of issues such as election or dismissal of directors and supervisors and post on the website of open data 30 days prior to a general meeting or 15 days prior to a special meeting. The Company shall also post the manual of procedures of Shareholders’ Meeting and supplementary materials on the meeting in electronic form on the same website 21 days prior to a general meeting or 15 days prior to a special meeting. Said manual and supplementary materials shall be made available 15 days prior to a Shareholders’ Meeting to shareholders at request at any time and be displayed at the company and its stock agency and handed out at the venue of the meeting.</p> <p>Notices and announcements shall expressly contain the reason of convention; a notice may be made electronically with the consent from the recipients.</p> <p>Election or dismissal of directors and supervisors, modifications to the articles of incorporation, corporate disbandment, merger, division or the matters specified in Paragraph 1, Article 185 of the Company Act and Article 26-1 and Article 43-6 of the Securities and Exchange Act shall be itemized in the reasons of convention and may not be proposed as extempore motions.</p>
<p>Article 5</p> <p>A shareholder in person or his proxy (hereinafter called the “Shareholder”) shall attend the Shareholders’ Meeting by producing his attendance card, sign-in card or other certificate of attendance. <u>The company shall not arbitrarily request for other identification document, besides the identification document used to present in the meeting.</u> A solicitor of power of attorney shall also carry his I.D. document for checking.</p>	<p>Article 5</p> <p>A shareholder in person or his proxy (hereinafter called the “Shareholder”) shall attend the Shareholders’ Meeting by producing his attendance card, sign-in card or other certificate of attendance. A solicitor of power of attorney shall also carry his I.D. document for checking.</p>

<p>Article 6</p> <p>It is advisable that a Shareholders' Meeting convened by the Board of Directors is attended by more than half of the total number of the directors, <u>at least one supervisor, and directed by the Chairman in person. The attendance status should also be recorded in the Shareholders' Meeting's meeting minutes.</u></p>	<p>Article 6</p> <p>It is advisable that a Shareholders' Meeting convened by the Board of Directors is <u>attended</u> by more than half of the total number of the directors.</p>
<p>Article 12</p> <p>Except otherwise provided by the Company Act or the Company's Articles of Incorporation, a resolution shall be passed by a majority of the votes represented by the attending shareholders. In voting, the chairman or his designated person shall announce the total number of voting rights of the attending shareholders before they cast their ballots. The number of the votes <u>in favor of and against</u> that resolution shall be inputted in the website of Market Observation Post System on the same day of the Meeting.</p>	<p>Article 12</p> <p>Except otherwise provided by the Company Act or the Company's Articles of Incorporation, a resolution shall be passed by a majority of the votes represented by the attending shareholders. In voting, the chairman or his designated person shall announce the total number of voting rights of the attending shareholders before they cast their ballots. The number of the votes in favor of, or against, that resolution shall be inputted in the website of Market Observation Post System on the same day of the Meeting.</p>

III. Appendix

Appendix I Articles of Incorporation (before amendment)

Taiwan Fu Hsing Industrial Co., Ltd. Articles of Incorporation

Chapter 1 General Principles

Article 1: The Company is incorporated in accordance with the Company Act and shall have the name of Taiwan Fu Hsing Industrial Co., Ltd.

Article 2: The Company shall conduct business in the following areas:

A. Manufacturing and sale of metal furniture

B. Manufacturing and sale of door locks and metal parts for door (closers)

C. Manufacturing and sale of vehicle accessories and sports goods

D. Agency of vehicles and accessories thereof

E. Manufacturing and sale of molds and dies

F. CA04010 business of surface treatment

G. Agency of above-listed products for suppliers, domestic or foreign, in offering, bidding, distribution and export

H. ZZ99999 all business items that are not prohibited or restricted by law, except those that are subject to special approval

Article 3: The Company has its head-office in Kaohsiung City. Subject to the resolution of the Board of Directors, the Company may, if necessary, set up subsidiaries in any other places.

Article 3-1: The Company may make any investment in other businesses in a total amount not restricted by the Company Act, provided that any long-term equity investment shall be made with the resolution of the Board of Directors.

Article 3-2: The Company may make guarantees to other companies to meet business needs.

Article 4: aborted

Chapter 2 Shares

Article 5: The total capital of the Company is two billion four hundred twenty four million New Taiwan Dollars divided into two hundred forty two million shares, at ten New Taiwan Dollars per share, issued in installments by the Board of Directors under authorization. Of the total capital, one hundred million dollars, divided into ten million shares, at ten dollars per share, is reserved for issuance of stock warrants,

preferred shares with warrants or equity warrant bonds, and may be issued in installments by resolution of the Board of Directors.

Article 5-1: The Company may, at the request by Taiwan Depository & Clearing Corporation, change to issue all securities of greater par value to meet the requirement of stock process.

Article 6: Shares certificates of the Company shall be in registered form, affixed with signatures or seals of three or more directors, and shall be issued after certification by the laws. The Company may elect not to have share certificate printed on the shares issued.

Shares issued by the previous passage shall be registered with the institution for securities depository.

Article 7: The Company shall register the names and addresses of its shareholders in the list of shareholders and keep their seal specimens at the Company for record. Share dividend collection or exercise of other rights shall all be processed with such seal, which, if damaged, lost or changed, shall be processed by the “Regulations Governing the Administration of Shareholder Services of Public Companies” set out by the authority concerned.

Article 8: Application for transfer or pledge of shares shall be filed by the transfer and the transferee, or the pledger and pledgee, both signing their names, with the Company to change account names or register the rights pledged. Where a shareholder obtains the stock via inheritance, gift or other legal reasons, shall further attach legal documents. No transfer, inheritance or gift of the shares may be asserted against the Company without having been recorded in the shareholders’ register, with the name of the receiver put and the Company’s seal affixed on the stocks.

Article 9: Where a stock certificate is lost, the applicant shall notify the Company of the same and apply, within five days, to the courts under the Code of Civil Procedure for public announcement of the event. When the court ruling of the stock certificates being void is made, the applicant shall apply to the Company for issuance of replacement stocks by attaching documents evidencing such court judgment.

The Company may commission a stock transfer agency to process the registration, change, transfer, pledge and declaration of loss of the shareholders and share certificates referred to in the previous passage.

Article 10: The Company may charge for the cost as appropriate on the transfer of stocks or replacement issuance for a loss, or reissuance for reason

of consolidation, division, destruction, etc.

Article 11: All transfers of the shares of the Company will be suspended within sixty days prior to the meeting date of the general shareholders meeting, thirty days prior to the meeting date of the special shareholders meeting, or five days prior to the date of distribution of dividend, bonus or other benefits

Chapter 3 Shareholders' Meetings

Article 12: Shareholders' meetings shall be of two types, general meetings and special meetings. General meetings shall be convened at least once a year, within six months from the end of each fiscal year. Special meetings shall be convened in accordance with the law, whenever necessary.

Article 13: Shareholders may designate a proxy to attend a shareholders' meeting with a power of attorney printed and released by the Company, signed and affixed with the seal specimen kept at the Company by the shareholders in accordance with "Regulations regarding the use of proxy in shareholders' meetings of public firms".

Article 14: The shareholders' meeting is presided by the president of the Board of Directors or proceeds by Article 208 of the Company Act in the case that the president is on leave or is absent for any reason.

Article 15: Except those shares being restricted or excluded under the Company Act, each share of the Company has one voting right.

Article 16: Except otherwise provided by relevant laws, a resolution of the shareholders' meeting shall be adopted by the majority of the votes represented by the attending shareholders who hold the majority of the Company's issued shares.

Article 17: The resolution adopted by the shareholders meeting shall be recorded as minutes, signed by or affixed with the seal of the chairperson and distributed to shareholders within twenty (20) days after the meetings.

The preparation and distribution of the meeting's minutes referred to in the preceding paragraph may be made electronically.

The distribution of the meeting's minutes referred to in the first paragraph may be made by public pronouncement.

Chapter 4 Directors and supervisors

- Article 18: The Company shall have five directors and two supervisors in the Board of Directors, who will be elected from among the able members by the Board of Directors. The term of office for director and supervisor is three years, which may be re-elected. If election is not completed when the term of office expires, the term may be extended till directors- and supervisors-elect take office. However, the directors and supervisors are naturally dismissed when their term expires if re-election does not take place within the time frame prescribed by the authority concerned. The total number of registered shares of the Company held by all directors and supervisors shall be subject to the regulations of the securities supervisory body.
- Article 19: When the number of vacancies in the Board of Directors equals to one-third of the total number of directors, or when all the supervisors are dismissed, the Board of Directors shall call, within sixty days, a special meeting of shareholders to elect succeeding directors or supervisors to fill the vacancies. The term of office of the directors- or supervisors-elect shall be limited to the original term.
- Article 20: The Board of Directors shall be formed by directors. The President of the Company shall be elected from among the directors by a majority vote at the meeting attended by two-third of the directors to execute all the Company's affairs by the laws, Articles of Incorporation and resolutions of the shareholders' meeting and the Board of Directors.
- Article 20-1: The meeting of Board of Directors shall be convened by given notice in writing and by mail, by e-mail or via fax to the directors and the supervisors seven days in advance, or, in case of urgency, may be convened at any time.
- Article 21: The Board of Directors decides in the guidance for the Company's operation and other major matters. The very first meeting of Board of Directors in its term shall be convened and presided by the director who had the most votes; any other meeting of Board of Directors shall be convened and presided by the president of the Board, who, when unable to exercise his duties, will appoint a director to convene and preside a meeting; if such appointment is not made, one is elected from among the directors to take the place.
- Article 22: Unless otherwise provided by relevant laws, a resolution of the Board of Directors shall be made with the approval by a majority at the

meeting attended by more than half of the directors. When a director is unable to attend a meeting, he may produce the power of attorney printed and issued by the Company, stating the scope of authorization regarding the reason of convention to appoint one attending director on his behalf, provided that a director shall be on behalf of only one person.

A resolution shall be recorded in the minutes of meeting, signed by the President or affixed with his seal to be permanently preserved during the existence of the Company.

Article 23: Supervisors perform their duties by the laws and may attend the meeting of Board of Directors without voting right.

Article 23-1: The Board of Directors is authorized to decide the remuneration for directors and supervisors based on the extent to which they are involved in the Company's operation and the value of their contribution, to be paid for by reference of those common in similar industries.

Chapter 5 Management

Article 24: The Company may have managers, whose appointment, removal, and remuneration shall be made subject to the provisions in Article 29 of the Company Act.

Chapter 6 Accounting and distribution of surplus

Article 25: The fiscal year of the Company is a calendar year; the end of each year is the closing period. After the end of each fiscal year, the Board of Directors shall prepare by the law the following documents and have the same audited by the supervisors thirty days prior to the shareholders' meeting before submitting to the shareholders' meeting for acknowledgment.

1. business report;
2. Financial statements;
3. Proposal for allocation of surplus profits or making up loss.

Article 26: Aborted.

Article 27: The Company is in an industry where situations are changeable and is in the stage of its corporate life cycle at stable growth. The Company adopts the policy of surplus dividends in consideration of funding

needs in future and long-term financial planning and to meet the shareholders' needs for cash inflow. Each year, if there is surplus after closing, the Company shall, after paying income tax and covering all losses till then, set aside 10 percent of the surplus profits as legal reserve, except when such legal reserve amounts to the total capital, and set aside or reverse special reserve under the laws or the prescriptions of the competent authority. The remainder surplus profits, if any, may be distributed. If there is further surplus, the Board of Directors shall propose a distribution for approval by the shareholders' meeting, provided that of such distribution, the remuneration for directors and supervisors shall not be below one percent and the employee bonus shall not be below three percent. The Company's bonus for shareholders and bonus for employees may be distributed in cash or with stocks; of the dividends of the same year, the bonus distributed in cash shall not be below ten percent.

The recipients of employee bonus distributed with stocks referred to in the preceding paragraph may include certain employees of the subsidiary companies under the condition set out by the President.

Article 28: Aborted.

Chapter 7 Supplementary Regulations

Article 29: Matters not provided in these Articles of Incorporation shall be in accordance with the Company Act.

Article 30: The Company's organic regulations and procedures are set out separately by the resolution of the Board of Directors.

Article 31: These Articles of Incorporation were enacted on October 20, 1957; First amendment on February 9, 1964; Second amendment on December 20, 1970; Third amendment on April 20, 1975; Fourth amendment on April 26, 1975; Fifth amendment on January 17, 1981; Sixth amendment on March, 1, 1981; Seventh amendment on October 8, 1983; Eighth amendment on April 6, 1984; Ninth amendment on June 23, 1984; Tenth amendment on April 6, 1986; 11th amendment on June 3, 1986; 12th amendment on July 24, 1989; 13th amendment on May 10, 1990; 14th amendment on June 25, 1991; 15th amendment on December 30, 1991; 16th amendment on June 16, 1991; 17th amendment on December 17, 1992; 18th amendment on June 17, 1993; 19th amendment on April 27, 1994; 20th amendment

on October 26, 1994; 21st amendment on April 22, 1995; 22nd amendment on May 22, 1996; 23rd amendment on April 19, 1997; 24th amendment on April 16, 1999; 25th amendment on May 19, 2000; 26th amendment on May 22, 2001; 27th amendment on May 31, 2002; 28th amendment on May 31, 2005; 29th amendment on May 30, 2006; 30th amendment on May 30, 2008; 31st amendment on May 27, 2009; 32nd amendment on May 27, 2010; 33rd amendment on June 15, 2011; 34th amendment on June 15, 2012.

Taiwan Fu Hsing Industrial Co., Ltd.

LIN, Jui-Chang
Chairman

Appendix 2 Rules and Procedures of Shareholders Meeting (before amendment)

Taiwan Fu Hsing Industrial Co., Ltd.

Rules and Procedures of Shareholders Meeting

Article 1 (Basis)

In order to establish a sound governance system of the Company's shareholders' meeting, fulfill monitoring and reinforce managerial function, these rules are set forth in accordance with Article 5 of the "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies" for observance.

Unless otherwise provided by laws or articles, the Company's shareholders' meeting shall be conducted in accordance with these rules and procedures.

Article 2 (Convention and notice of Shareholders' Meeting)

Unless otherwise provided by relevant laws, the Company's Shareholders' Meeting shall be convened by the Board of Directors.

The Company shall prepare, in electronic form, a notice of Shareholders' Meeting, power of attorney form, relevant approvals, agenda, reasons and explanations of issues such as election or dismissal of directors and supervisors and post on the website of open data 30 days prior to a general meeting or 15 days prior to a special meeting. The Company shall also post the manual of procedures of Shareholders' Meeting and supplementary materials on the meeting in electronic form on the same website 21 days prior to a general meeting or 15 days prior to a special meeting. Said manual and supplementary materials shall be made available 15 days prior to a Shareholders' Meeting to shareholders at request at any time and be displayed at the Company and its stock agency and handed out at the venue of the meeting.

Notices and announcements shall expressly contain the reason of convention; a notice may be made electronically with the consent from the recipients.

Election or dismissal of directors and supervisors, modifications to the articles of incorporation, corporate disbandment, merger, division or the matters specified in Paragraph 1, Article 185 of the

Company Act and Article 16-1 and Article 43-6 of the Securities and Exchange Act shall be itemized in the reasons of convention and may not be proposed as ad hoc motions.

Shareholders holding one percent or more of the total issued shares may propose in writing to the Company a proposal for discussion at a general meeting, provided that only one matter shall be allowed in each single proposal.

The Board of Directors may dismiss any proposal by the shareholder(s) that is in any of the cases provided in Paragraph 4, Article 172-1 of the Company Act.

Prior to the date on which share transfer registration is suspended before the convention of a regular shareholders' meeting, the company shall give a public notice announcing the place and the period for shareholders to submit proposals to be discussed at the meeting; and the period for accepting such proposals shall not be less than ten days.

The number of words of a proposal submitted by a shareholder shall be limited to not more than three hundred (300) words, and any proposal containing more than 300 words shall not be included in the agenda of the shareholders' meeting. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the regular shareholders' meeting and take part in the discussion of such proposal.

The company shall, prior to the date of giving the shareholders' meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposal screening results, and list in the notice of shareholders' meeting the proposals conforming to the requirements set out in this Article. With regard to the shareholder proposals that are dismissed, the cause of such dismissal and explanation shall be presented by the Board of Directors at the shareholders' meeting.

Article 3 (Proxy)

A shareholder may appoint a proxy to attend a general meeting on his behalf by producing a power of attorney prepared by the

Company expressly stating the scope of power authorized to the proxy.

A shareholder may produce only one power of attorney and appoint only one proxy for each general meeting, and shall serve such power of attorney to the Company no later than five days prior to the meeting date. In case the Company receives two or more power of attorney forms from one shareholder, the first one arriving at the Company shall prevail unless it is revoked by an explicit statement. After the service of his power of attorney of a proxy to the Company, in case the shareholder intends to attend the shareholders' meeting in person or to exercise his voting right in written or electronic form, a proxy rescission notice shall be filed with the Company at least two days prior to the date of the shareholders' meeting; otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 4 (Place and time of the meeting)

The Shareholders' Meeting shall be held where the Company is or at any other appropriate place that is convenient for the shareholders to attend. The Meeting shall commence not earlier than 9:00 a.m. no later than 3:00 p.m.

Article 5 (Preparation for sign-in)

The Company shall expressly specify on the notice of meeting the sign-in time and place and other important matters for shareholders. The sign-in time referred to in the preceding paragraph shall open at least thirty minutes prior to the commencement of the meeting. The place of sign-in shall be marked clearly and have adequate number of competent persons to receive the shareholders.

A shareholder in person or his proxy (hereinafter called the "Shareholder") shall attend the Shareholders' Meeting by producing his attendance card, sign-in card or other certificate of attendance. A solicitor of power of attorney shall also carry his I.D. document for checking.

The Company shall have sign-in book for the attending shareholders to sign on, or, otherwise, they will turn in their sign-in cards instead.

The Company shall hand the agenda handbook, annual report, attendance certificate, speech notes, resolution ballots and other meeting materials to the attending shareholders, and, additionally, voting ballots if election of directors and supervisors is to be held.

Where the government or a corporation is a shareholder, more than one person as the proxy may attend the Shareholders' Meeting. Where a corporation attends the Meeting on behalf, only one person may attend.

Article 6 (Chairman of Shareholders' Meeting and other attendance)

Where a Shareholders' Meeting is convened by the Board of Directors, the meeting is presided by the President of the Board, or, when the President is on leave or unable to perform his duty for any reason, by the Deputy President, or, when there is no Deputy President or the Deputy President is on leave or unable to perform his duty for any reason, by an executive director designated by the President, or, if there are no executive directors, any person designated by the President, or, if the President designates none, by anyone elected from among the executive directors or the directors.

Where an executive director or a director presides the Meeting as provided in the preceding paragraph, he shall have taken the office for more than six months and be comprehensive of the Company's financial and business status. The same applies when the Meeting is presided by a person who represents a corporate director.

It is advisable that a Shareholders' Meeting convened by the Board of Directors is attended by more than half of the total number of the directors. A Shareholders' Meeting convened by any other person outside the Board of Directors that has the right to convene is presided by such person; when the Meeting is convened by two or more such persons, it shall be presided by one person elected from among these persons.

The Company may designate attorneys at law, accounts or related persons to attend the Shareholders' meeting.

Article 7 (Audio/video recording of the session)

The Company shall make uninterrupted audio and video recording of the process of shareholders signing in, the complete meeting

session and the process of voting and ballot counting, commencing from the time of shareholders signing in.

The recording materials referred to in the preceding paragraph shall be preserved for at least one year, or, if a legal proceeding is filed by a shareholder under Article 189 of the Company Act, till such legal proceeding ends.

Article 8 (Number of attendance)

The number of shares represented by shareholders attending the Meeting shall be calculated in accordance with the signatures on the sign-in book or the attendance cards submitted plus the number of shares exercising the voting right in writing or electronically. The chairman of the Meeting shall pronounce the commencement of the meeting when it is time scheduled for meeting, but may pronounce procrastination of the commencement up to twice, if the Meeting is not attended by the shareholders representing more than half of the issued shares; and such procrastination all together shall not exceed one hour.

When the Meeting is not attended by the shareholders representing more than one third of the issued shares after procrastination twice, the chairman will pronounce a failed convention.

When a lack of a quorum exists after procrastination for twice referred to in the preceding paragraph, but those present represent one-third or more of the total number of issued shares, a tentative resolution may be passed by a majority of those present and a notice of such tentative resolution shall be given to each of the shareholders, and reconvene a Shareholders' meeting within one month, pursuant to Article 175 of the Company Act. If bearer share certificates have been issued, such tentative resolution shall also be publicly announced.

If the shares represented by the shareholders present reach a majority of all the issued shares while the Meeting is not ended, the chairman may re-bring the tentative resolutions up for voting at the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 9 (meeting process)

The agenda of a Shareholders' Meeting shall be set by the Board of Directors and may not be changed without a resolution of the Meeting, if the meeting is convened by the Board of Directors.

Where a Shareholders' Meeting is convened by any person outside the Board of Directors with the right to convene, the provisions of the preceding paragraph apply *mutatis mutandis*.

Unless otherwise resolved at the Meeting, the chairman may not announce adjournment of the Meeting before all the discussion items (including special motions) listed in the agenda are resolved. In the event that the chairman adjourns the Meeting in violation of these Rules and Procedures, the other members of Board of Directors shall promptly assist by attending the Meeting and elect, by a majority of votes represented by shareholders attending the Meeting, one person as chairman to continue the Meeting.

The proposed resolutions should have sufficient description and discussion, and the chairman may announce to end the discussion of any resolution and go into voting if he deems it appropriate.

Article 10 (Shareholders' speech)

When a shareholder wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder's account number (or the number of Attendance card) and the name of the shareholder for the chairman to decide the sequence of speech.

If any shareholder present at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail.

Unless otherwise permitted by the chairman, each shareholder shall not, for each discussion item, speak more than twice (each time not exceeding three minutes). The chairman may stop a shareholder's speech if it violates the above provision or exceeds the scope of the discussion item.

Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder may interrupt the speeches of the other shareholders, otherwise the chairman shall stop such interruption.

If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.

After the speech of a shareholder, the chairman may respond himself or appoint an appropriate person to respond.

Article 11 (Voting right; Conflict of interest)

Voting at the Shareholders' meeting is according to count of shares.

In resolutions of the Meeting, the number of shares of the shareholders without voting right shall not be counted in the total number of issued shares.

In respect of an item at the Meeting, if a shareholder being stakeholder such that he might be against the interest of the Company, he may not take part in the voting, nor may he exercise the voting right on behalf any other shareholder.

The number of shares being denied of voting right referred to in the preceding paragraph shall not be counted in the number of voting rights by the attending shareholders.

Except for trust enterprises or shareholders' service agencies approved by competent authorities, when a person who acts as the proxy for two or more shareholders, the number of votes represented by him shall not exceed three percent of the total number of votes of the issued shares and, if in excess, the portion of excessive votes represented by such proxy shall not be counted.

Article 12 (Voting method)

Unless restricted or without voting right prescribed in Paragraph 2, Article 179 of the Company Act, each share of the shareholder has a voting right.

The voting power at a shareholders' meeting of the Company may be exercised in writing or by way of electronic transmission (pursuant to the Exception of Paragraph 1, Article 177-1 of the Company Act regarding a company required to adopt the electronic transmission as one of the methods for exercising the voting power:

at a shareholders' meeting, the Company shall adopt electronic method and may adopt also method in writing as the methods for exercising the voting power). When voting power is to be exercise in writing or electronically, such methods of exercise shall be expressly specified in the notice of a shareholders' meeting. A shareholder, who exercises his voting power in writing or electronically is deemed to attend the Meeting in person, but deemed to waive high right in respect of special motions and amendments to previous discussion items at the same Meeting. It is therefore advisable that the Company avoids bringing up special motions and amendments to previous discussion items

A shareholder who is to exercise his voting power in writing or electronically referred to in the preceding paragraph shall serve his intention in writing to the Company two days prior to the Shareholders' meeting. In case the Company receives two or more such intentions from one shareholder, the first one arriving at the Company shall prevail unless it is revoked by an explicit statement.

In case a shareholder wishes to attend the Shareholders' meeting in person after he has exercised his voting power in writing or electronically, he shall revoke his intention to exercise the voting power referred to in the preceding paragraph by the same method two days prior to the Shareholders' meeting; if he fails to revoke within the time given, his voting power exercised in writing or electronically shall prevail. In case a shareholder both exercise his voting power in writing or electronically and designates a proxy by producing power of attorney to attend the Shareholders' meeting, the voting power exercised by such proxy shall prevail.

Except otherwise provided by the Company Act or the Company's Articles of Incorporation, a resolution shall be passed by a majority of the votes represented by the attending shareholders. In voting, the chairman or his designated person shall announce the total number of voting rights of the attending shareholders before they cast their ballots. The number of the votes in favor of, or against, that resolution shall be inputted in the website of open data on the same day of the Meeting.

A discussion item is deemed passed when none of attending shareholders expressed otherwise after the chairman enquired the entire body of attendance, and has the equal effect to one decided by voting. But, if there is any voice against such resolution, a voting by the method prescribed in the preceding paragraph shall be adopted.

If there is amendment to or substitute for a discussion item, the chairman shall decide the sequence of voting for the amendment or the substitute such discussion together with the original discussion item. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.

The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the chairman. The person(s) checking the ballots shall be a shareholder(s).

At a shareholders' meeting, the voting or ballot counting at an election shall be made in a public place within the venue of the meeting; the voting results, including the statistics of rights, shall be announced on the spot after the counting is complete, and taken into records.

Article 13 (Election)

Election of directors and supervisors, if any, at the Shareholders' meeting shall be held by the Company's regulations on relevant election and appointment; the election results, including the list of the directors- and supervisors-elect and the numbers of their gained voting rights, shall be announced on the spot.

The ballots cast in election referred to in the preceding paragraph shall be sealed in envelopes, signed by the checking persons, and preserved for at least one year, or, if a legal proceeding is filed under Article 189 of the Company Act, till such legal proceeding ends.

Article 14 (Meeting minutes and signatures)

The resolutions of the shareholders' meeting shall be recorded in the meeting minutes. Meeting minutes shall be signed or chopped by the chairman of the meeting and distributed to all shareholders within twenty days after the meeting. They may be prepared and distributed electronically.

The distribution referred to in the preceding paragraph may be performed by the Company by publishing on the website of open data.

The meeting minutes shall accurately record the place, day, month and year of the meeting; the name of the chairman; the voting method, outlines of discussion process and the results thereof, and shall be preserved permanently throughout the existence of the Company.

Article 15 (Public notices)

The Company shall prepare, in the specified format, the statistic tables of the number of shares obtained by solicitors and that of proxies, and show the tables clearly in the venue of the shareholders' meeting on the meeting day.

The Company shall upload to the website of open data, within the time specified, the contents of the resolutions of the shareholders' meeting, if any, that contain important messages prescribed by the laws and Taiwan Stock Exchange Corporation.

Article 16 (Meeting order)

The staff members holding the shareholders' meeting shall wear a badge or armband.

The chairman may conduct the security guard to assist in keeping order of the meeting place.

Where microphones are provided in the meeting place, the chairman may refrain any shareholder that speaks by using other devices from speaking.

Shareholders who violate the rules of the meeting and refuse to obey the chairman's correction, and still obstructs the session after having been inhibited, the chairman may order the security guards to remove them from the venue.

Article 17 (Intermission)

During the meeting, the chairman may, at his discretion, announce time for intermission.

In case of incident of force majeure, the chairman may decide to temporarily suspend the meeting and announce, depending on the situation, when the meeting will resume. If the venue will not be

used again prior to the end of the prescheduled agenda (including special motions), the shareholders' meeting may resolve in another venue to resume the meeting.

The shareholders' meeting may resolve within five days to suspend or to resume the meeting according to Article 182 of the Company Act.

Article 18 These Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision.

Appendix III Shareholding status of directors and supervisors

Date Drawn on: Apr. 20, 2015

Title	Name	Past Beginning Date	Term of Office	Shareholding at Date Elected		Shareholding at Book Closure Date	
				Shares	%	Shares	%
Chairman	LIN, Jui-Chang	Jun.18, 2014	3 years	1,624,978	0.86%	1,624,978	0.86%
Director	CHEN, Chien-Kun	Jun.18, 2014	3 years	675,132	0.36%	675,132	0.36%
Director	CHU, Jung-Ho (Representative of Hong He Investment Co., Ltd.)	Jun.18, 2014	3 years	1,827,000	0.97%	1,827,000	0.97%
Director	LIU, Ju-Shan (Representative of Fu Zhi Investment Development Co., Ltd.)	Jun.18, 2014	3 years	10,091,307	5.35%	10,091,307	5.35%
Director	Michael A.Hoer (Representative of Fu Zhi Investment Development Co., Ltd.)	Jun.18, 2014	3 years	10,091,307	5.35%	10,091,307	5.35%
Total				14,218,417	7.54%	14,218,417	7.54%
Supervisor	LIN, Wen-Hsing (Representative of Fu Yuan Investment Co., Ltd.)	Jun.18, 2014	3 years	2,697,185	1.43%	2,697,185	1.43%
Supervisor	HUANG, Fu-Ti (Representative of Fu Yuan Investment Co., Ltd.)	Jun.18, 2014	3 years	2,697,185	1.43%	2,697,185	1.43%
Total				2,697,185	1.43%	2,697,185	1.43%

Note:

Statutory minimum numbers of shares should be held by all directors:
(7.5% of the issued shares, minimum 14,133,913 shares)

Statutory minimum numbers of shares should be held by all supervisors:
(0.75% of the issued shares, minimum 1,413,391 shares)