

FORMOSA TAFFETA CO., LTD.

2015 ANNUAL SHAREHOLDERS' MEETING

MEETING HANDBOOK

(SUMMARY)

(This English translation is prepared in accordance with the Chinese version and is for reference purposes only. If there are any inconsistency between the Chinese original and this translation, the Chinese version shall prevail.)

JUNE 26, 2015

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FORMOSA TAFFETA CO., LTD.

2015 ANNUAL SHAREHOLDERS' MEETING PROCEDURE

- I. Call Meeting to Order
- II. Chairman's Speech
- III. Reporting Items
- IV. Ratification Items
- V. Discussion Items
- VI. Election
- VII. Extraordinary Motions
- VIII. Meeting Adjourned

FORMOSA TAFFETA CO., LTD.

2015 ANNUAL SHAREHOLDERS' MEETING AGENDA

Time: 10:00 a.m., Friday, June 26, 2015

Venue: 317, Shu Liu Rd., Douliu 640, Yunlin County, Taiwan

I. Report Items

1. Business report for 2014
2. Supervisors' review Report for 2014
3. Amendment to the Company's "Code of Ethical Conduct for Directors, Supervisors and Managers"
4. Report of Independent Director Jasper Lu's dismissal

II. Ratification Items

1. To ratify the 2014 business report and financial statements required by the Company Law.
2. To ratify the proposal for distribution of 2014 profits required by the Company Law.

III. Discussion Items

1. To approve the amendment to the Company's "Rules of Procedure for Shareholders' Meeting" in reference to the revisions of the Sample Template of "Rules of Procedure for Shareholders' Meetings" announced by the Taiwan Stock Exchange Corporation in the letter Tai-Cheng-Chih-Li-Tzu No. 1040001716 dated January 28, 2015
2. To approve the amendment to the Company's "Rules for Election of Directors and Supervisors" in reference to the revisions of the Sample Template of "Procedures for Election of Directors and Supervisors" announced by the Taiwan Stock Exchange Corporation in the letter Tai-Cheng-Chih-Li-Tzu No. 1040001716 dated January 28, 2015

IV. Election

To hold a fill-in vote of the Independent Director of the Company

Report Items

1. Business Report for 2014

Explanatory Notes:

Please refer to Page 5 for the Business Report for 2014.

2. Supervisors' Review Report for 2014

Explanatory Notes:

The Company's Supervisors reviewed the financial statements of 2014 and issued their review report according to the applicable laws. Please refer to Page 13 for the Supervisors' Review Report.

3. Amendment to the "Code of Ethical Conduct for Directors, Supervisors and Managers"

Explanatory Notes:

The Board of Directors, on March 20, 2015, approved the amendment to the "Code of Ethical Conduct for Directors, Supervisors and Managers" in reference to the revisions of the Sample Template of "TWSE/TPEX Listed Companies' stipulation of Codes of Ethical Conduct" announced by the Taiwan Stock Exchange Corporation in the letter Tai-Cheng-Chih-Li-Tzu No. 1040001716 dated January 28, 2015. Please refer to Page 14 through Page 16 for the "Code of Ethical Conduct for Directors, Supervisors and Managers".

4. Report of Independent Director Jasper Lu's dismissal

Explanatory Notes:

The Company's Independent Director Jasper Lu, with no shares, passes away on November 24, 2014. The registration of the aforesaid dismissal is approved by the Ministry of Economic Affairs in the letter Jin-Shou-Shang-Tzu No. 10301251110 on December 3, 2014.

FORMOSA TAFFETA CO., LTD

2014 Business Report

1. Overview of business operations in 2014

The company's revenue of the financial year of 2014 is \$ 1,519,362 thousand, which is \$ 22,991 thousand increased in comparison with \$ 1,496,371 thousand of the financial year of 2013, representing a 1.5% increased. The gross-profit before income tax is \$ 131,532 thousand which is \$ 47,670 thousand increased in comparison with \$ 83,862 thousand of the financial year of 2013 , standing as a 56.8% increased.

2. The business operation condition

In reviewing the entire business operation in 2014, we experienced greater changes in the external industrial environment than in the internal business environment. First of all , the USA is experiencing the more obvious growth in economics, whereas the related growth indexes of Europe, Japan and China fluctuate in the zone of high-level performance, which accompanies with a worry of potential risk of zero or negative growth. Secondly, the “Quantitative Easing Policy” and the consideration of avoiding risks turn up the rise of American dollars and the drop of Japanese ones both by a wide margin; meanwhile, currencies of Asian nations are facing either frequent up-and-down or severe depreciation one after another. Moreover, international oil price dramatically falls from June of 2014, which might bring up a big worry of deflation and the accompanied declination of prices. Difficulties in the financial year of 2014 are well managed; the gross-profit before income tax is 56.8% increased in comparison with the financial year of 2013.

3. Operation plans and perspective for 2015

The operation plans and perspective for the financial year of 2015 against 7 categories of products are as below:

(1) Synthetic Textile fabric:

There are 4 main categories of Synthetic Textile fabric: sportswear, outdoor performance clothing, casual fashion, and umbrella fabric. The on-going movements for all these products are focusing on the research and development into functionality and differentiation of products, such as goods of light micro-denier fabrics, spandex, waterproof, breathable, laminated and coated fabrics, etc., so as to raise up the ratio of volume to price, implement lean production processes, eliminate the defective ratio, and execute SOP to daily operation to meet the requisites of quality as well as on-time delivery.

In the aspect of production and sales, we continue reinforcing the collaboration with brand strategy partners of filament fabrics, strengthening the diversification, mobility, and flexibility in deployment of supply chains for the short lead time requirement, participating customers' manufacturing on design for seasonal new products, and transferring from manufacturing into customizing service industry. From the aspect of business operations, we integrate individual advantages of five factories in Taiwan, China, and Vietnam, through well leverage of the capacity against each plant to the best sales outcome. The number of brand strategy partners of sportswear and outdoor leisurewear in the domestic market of China is gradually increasing; remarkable transformation of products has been achieved. The growth of cooperative export sales and of the market demands of down fashion are also in the ascending status. Furthermore, wet-type, waterproof, moisture-permeable equipment and paper-transfer-printing equipment have been added in Vietnam plants to further differentiate production lines, which can enhance services ability for strategy customers; fabrics produced in Vietnam are already with preferential duties in ASEAN–China Free Trade Area (ACFTA), and Europe,

and what are exported to Japan are zero-tariff. The especial matter to be mentioned is the differentiated and functional products meet Japanese demand for cut-price sportswear and fashion brands. We believe the overall growth in both quantity and price of products made by synthetic fabrics is optimistic.

For the perspective for the financial year of 2015, the focus is on continuous expansion of strategic cooperation of the Apparel's supply chain, on innovation, research and development of products, and on diligent maintenance of reciprocal collaborative relationship with brand customers. Combining with the global trend of the growth in the market of functional fabrics, we estimate a better financial year of 2015 than 2014.

(2) Tyre cord fabric:

Equipment with an annual capacity of 12,000 tons is all ready in the new plants at Vietnam in 2014. Products are mainly made of coarse denier, in common use to meet low-and-middle price markets; 70% of outputs are sold to markets nearby Vietnam, in Association of Southeast Asian Nations (ASEAN), KOREA and China market. In recent years, the plants in Taiwan has encountered challenges, such as tariff barriers, horizontal competition, oversupply in Asia, etc., which results in loss of some orders, or production replaced by the Vietnam plants. Despite so many challenges, there is still a 22% increment of the profit in 2014 in comparison with the financial year of 2013, and the main contributing reasons are the rise of the US dollar, product mix of micro-denier, differentiated specifications, etc.

Regarding forecast on business of 2015, with the full capacity of plants in Vietnam and zero tariffs in markets of ASEAN, we have good chance to turn loss condition into profit condition, which is in favor of the second phase extensions of plants. Sales of tyre cord fabrics are also likely to continuously grow as long as the master plants in Taiwan further actively develop customers from the global top 30 brands of tire enterprises, improve product mix, and

promote orders of differentiated products. As for how much the profit will grow, the extent depends on the exchange rate between the US and Taiwanese dollars.

(3) Cotton yarn:

Existing channels, like 7-11 convenience stores, the CORPO website, etc., of well-sold Heat Generated by Moisture Absorption Serial Yarn are going to be maintained. In addition, purposes of functional yarn are about to be developed through cooperating with customers; the stably exploited types of materials for yarn include bamboo charcoal fiber, far-infrared-ray fiber, UV-cut fiber, anion fiber, hollow section fiber, bamboo fiber, and so on. Customers' overall purchasing quantity should thereby be enlarged.

Other applications of couple kinds of cotton yarn are as below:

- Formotex of Formorsa Chemicals & Fibre Corporation is already introduced in mass production of Home & Comfort Fabric and garments made of yarn that generates heat by absorbing moisture.
- Bamboo fiber and cooling down fiber with medium tenacity are likely to be introduced into markets of cooling down garments and bedding accessories.
- 0.9 denier micro-rayon has been used as a material for lady's trousers.

Applications of main products, made by the MVS machines, are as below:

- 100% rayon is used for lady's fashion and as a material for trousers.
- Yarn blended with 100% X-cross section polyester and rayon is used for T-shirts and sportswear.
- 100% circular/regular section polyester is used for bed sheets.

The profit of cotton yarn in 2014 grows to 16.6% of the profit in 2013, and there will be a high opportunity for a small margin of growth in 2015.

(4) Special finishing fabric:

It is efficacious to apply anti-static cloth to develop European market of fabrics with low resistance and for anti-bacterial clean room suits, and its sales are gradually increased. For low-end anti-static cloth, its production is shifted to the plants in Vietnam to supply nearby markets in ASEAN owing to price competition and tariff barriers; for high-end one with the function of water repellency, it is primarily promoted in Taiwanese and Chinese markets of edible, pharmaceutical, medical products, etc., and its sales are stable.

Applications of other special finishes fabrics are as below:

- Bulletproof fabric makes Taiwanese, Chinese, ASEAN, Russian markets of bulletproof and anti-puncture fabric developed.
- Both-side prepreg fabric becomes popular in that it is a part of a bulletproof helmet.
- Fireproof cloth facilitates the promotion of high-end fabrics for flame retardant, low-end or middle-end fabric, and anti-arc fabric so as to strive to render our products substitutions for foreign ones of the same kinds and dominate the market of finishing fireproof cotton cloth.
- Sales promotion of BLAZOUT fireproof cloth continues in markets in Europe, America, Japan, New Zealand, Austral Asia-Pacific, India, China, and so forth.

The profit of special finishes fabrics in 2014 increased by 75% comparison with the profit of 2013. Look into the future in 2015, the stable quantity of production subcontracted by DuPont, the small margin of growth of

anti-static cloth and fireproof cloth, and improved development of composite materials with diversified applications will further bring about the expected growth of sales in 2015.

(5) Carbon fiber composite material:

This material is mainly used for sports equipment in 3K, carbon fiber cloth for autos, stiffeners in 12K, case material for 3C, one-sided prepreg thicker than 12K, both-side prepreg in 3K, and pipeline reinforcement jackets. With the cooperation of downstream processing factories, multi-axial layered carbon fiber cloth has been promoted to end users. In addition, it is successful to have trial sales of one-sided prepreg in Japan in 2014; on the basis of present developments, the goal in 2015 is to further expand markets of multi-axial layered carbon fiber cloth, splitting fabrics, etc.

(6) PE bags

Sales of these products account for 76% of market shares in Japan, 16% in South America, 6% in Taiwan, and 2% in America. To maintain the main market in Japan, Japanese Green policy of reducing usage of plastics has to be taken into account; to avoid price competition, the Blue Ocean Strategy is employed. With the aforementioned considerations, slim roll bags are newly developed. Their sales of the fourth season take up 13.8% of annual sales in 2014 in Japanese market, and orders in 2015 are keeping going up. Moreover, T-shirt bags provided in Japanese convenience stores are also main commodities. Great depreciation in Japanese market caused by the Quantitative Easing policy make the overall profit in 2014 decline; whether such depreciation will go on remains an uncertain condition, and its impacts need to be cautiously dealt with. Roll bags and processed shopping bags made from recycled PE resins are the main products in the southern American markets; sales in 2014 grow by 39%, compared to sales in 2013. Based on the previous niche, the goal in 2015 is to pursue the growth in both quantity

and price of PE bags.

(7) Gas stations:

Formosa Petroleum Station owns 105 gas stations at the end of 2014, which renders it one of the top 5 sale channels of gas in Taiwan; it earns stable profits for many years through elimination of weak stations and reservation of strong ones according to business performance and rent duration of each station. Furthermore, it wins GSP, superior commercial service certificate awarded by Ministry of Economic Affairs, through the implementation of educational training in SOP, 5S, total productive management (TPM), etc. for the personnel, the intensification of superior services, and management of SOP. Since the trial of a self-service station in January, 2013, the count of self-service stations is 40 so far, and the number is continuously going up. Besides, to satisfy customers' diversified needs with omnibus services and retails, Formosa Petroleum Station shoots for bigger users who make payments on a monthly base and have a contractual relationship with Formosa Petroleum Station, like enterprises, users of agricultural machinery, users of engineering machinery, etc., strengthens the operation of car-washing machines with patent, and sells by-products of casual life via the business-to-customer consumer channel. The profit decreases due to huge declination of international gas price since June, 2014. It is hoped there is a small margin of growth of sold gas; the amount of earned profit will depend on the international gas price in the future.

4. Conclusion

For year of 2015, it had better not to be over-optimistic because of potential deflation resulting from the floating rate of exchange and up-and-down of gas price; operations will confront more challenges in view of competition with Korean and Chinese products, diversified dynamic variations of supply chains of international famous brands, and tariff disadvantages of

Taiwanese exported products. In accordance with the Company's funder of Wang's words "To pursue real problem and to stop in perfect result ", the Company makes efforts on the implementation of overall improvements and the achievement of standardization and rationalization; at the same time, it takes advantage of international and regional circumstances of Cross-Straits Economic Cooperation Framework Agreement (ECFA) and ACFTA to integrate overseas plants and take master plants in Taiwan as the fundamental platform to map out the division of regional work, distribution of global sales, professional branches, and centralized production, to pursue high value of products, consistency of standards, and optimization of quality of the brand, and finally to create integrated effects. The Company's "2015 Business Policy", namely, "renovation, invention, and pursuit of value", signifies that it will strive for the innovation of four aspects in thinking, work, organization and products so as to insist on the quality and ambitions. In 2015, the targets are to carry out the performance by overcoming challenges, create better investment rewards for shareholders, and gain the cooperation of the supply chain, sustainable relationship with customers and the social respect.

Chairman: Wen-Yuan Wong

President: Shih-Ming Hsie

In-charge Accountant: Hung-Ning Cheng

FORMOSA TAFFETA CO., LTD

Supervisors' Review Report

The Board of Directors has prepared and submitted the Company's 2014 Business Report, Proposal for Profits Distribution, and Consolidated and Parent Company Only Financial Statements audited by the CPAs of PricewaterhouseCoopers Taiwan (PwC). We as the Supervisors of the Company have reviewed the aforementioned documents and affirm their correctness. According to Article 219 of the Company Law, we hereby submit this report.

Submitted to
2015 Annual Shareholders' Meeting of the Company

Supervisor: Man-Chun Lee

Shen-Fu Lu

How-Jen Huang

March 20, 2015

FORMOSA TAFFETA CO., LTD

Code of Ethical Conduct for Directors, Supervisors and Managers

Amended by Board of Directors on March 20, 2015

Chapter 1 General Principles

Article 1: The Code of Ethical Conduct (the “Code”) of Formosa Taffeta Co., Ltd. (the “Company”) is established to stipulate rules for Directors, Supervisors, and managers (including President, Executive Vice Presidents, Senior Vice Presidents, Vice Presidents, Chief Financial Officer, Chief Accounting Officer, and other persons authorized to manage affairs and sign documents on behalf of the Company) to abide by in terms of ethical conduct when engaging in business activities within the scope of their authority, to prevent unethical conduct or any conduct that may damage the interest of the Company and its shareholders.

Chapter 2 Content of the Code

Article 2: Directors, Supervisors, and managers shall conduct corporate affairs on the basis of integrity, faithfulness, compliance with laws, fairness and righteousness and with an ethical, self-disciplined attitude.

Article 3: Directors, Supervisors, and managers shall avoid any conflicts of interest arising when their personal interest intervenes, or is likely to intervene in the overall interest of the Company, including but not limited to unable to perform their duties in an objective and efficient manner, or taking advantage of their position in the Company to obtain improper benefits for either themselves or their spouse, parents, children, or relatives within the second degree of kinship. To prevent conflicts of interest, any matters pertaining to lending funds, providing guarantees, and major asset transactions between the Company and the above-mentioned persons or their affiliated enterprise thereof shall be submitted to the Board of Directors for its approval in advance. The corresponding purchase (or sale) of goods shall be dealt with the best interest of the Company.

- Article 4: When the Company has an opportunity for profit, the Directors, Supervisors, and managers have the responsibility to conserve the reasonable and lawful benefits that can be obtained by the Company.
The Directors, Supervisors, and managers shall not obtain personal gain by using the Company property or information or taking advantage of their positions. Unless otherwise stipulated in the Company Act or Articles of Incorporation, they shall not engage in activities that compete with the business of the Company.
- Article 5: The Directors, Supervisors, and managers shall be bound by the obligation to maintain the confidentiality of any information regarding the Company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the Company or the suppliers and customers.
- Article 6: The Directors, Supervisors, and managers shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.
- Article 7: The Directors, Supervisors, and managers shall have the responsibility to safeguard the Company's assets, to use the assets for official business purpose properly, and to avoid any impact on the Company's profitability resulting from theft, negligence in care or waste of the assets.
- Article 8: The Directors, Supervisors, and managers shall comply with applicable laws and the Company's regulations.
- Article 9: When a director, supervisor, or manager is found by employee to have committed a violation of a law, regulation or the Code, the employee shall report to the Supervisors, their direct managers, president office personnel, chief internal auditor, or other appropriate personnel with sufficient evidence. Once the misconduct is confirmed, the Company will reward the above-mentioned employee in accordance with the Company's rules for employment management.

The Company shall handle the above-mentioned report properly and confidentially. The Company also shall use its best efforts to ensure the safety of the conscientious reporter and protect him/her from all kinds of reprisals.

Article 10: Where a director, supervisor, or manager is verified to have violated the Code, in addition to being subject to punishment under the Company's rules for employment management, the Company shall report the violation to the Board of Directors. The person involved in the violation shall be liable for civil, criminal or administrative responsibilities required by law and the Company shall disclose the violation on the Market Observation Post System (“MOPS”) immediately, including: the date of the violation, description of the violation, the provisions of the Code violated, and the disciplinary actions taken.

Chapter 3 Procedures for Exemption

Article 11: Where a Director, Supervisor, or manager is to be exempted from the Code due to special circumstances, such exemption shall be approved by an majority vote at a meeting of the Board of Directors attended by over two-third of the Directors in person or through representation. The Company shall immediately disclose on the MOPS, including: date of exemption granted by the Board of Directors, any opposing or qualified opinion expressed by the independent directors, and the period of, reasons for, and the provisions of the Code behind the application of the exemption for shareholders to evaluate the appropriateness and to safeguard the interests of the Company.

Chapter 4 Method of information disclosure

Article 12: The Company shall disclose the Code on the Company’s website, annual reports, prospectuses, and the MOPS. Any amendment is subject to the same procedure.

Chapter 5 Additional Provision

Article 13: The Code shall be implemented after approval by the Board of Directors and shall be reported to each supervisor and to a shareholders meeting. Any amendment is subject to the same procedure.

Ratification Items

Proposal 1

Proposal: To ratify the 2014 Business Report and Financial Statements required by the Company Law.

Proposed by the Board of Directors

Explanatory Notes:

1. The preparation of the Company's 2014 Consolidated and Individual Financial Statements were completed and the same were approved at the 1st meeting of the Board in 2015 and audited by independent auditors, CPA Mr. Han-Chi Wu and CPA Ms. Man-Yu Juanlu, of PwC. The aforesaid Financial Statements together with the Business Report were reviewed by the supervisors, which the Supervisors' Review Report is presented.
2. For the aforementioned Business Report, please refer to page 5 through page 12 of the Meeting Handbook. As for the Financial Statements, please refer to page 30 through page 44 of the Handbook. Please approve the Business Report and the Financial Statements.

Resolution:

Ratification Items**Proposal 2**

Proposal: To ratify the Proposal for Distribution of 2014 profits required by the Company Law.

Proposed by the Board of Directors

Attachment:

Please refer to page 45 of the Handbook for the Statement of Profits Distribution.

Resolution:

Discussion Items**Proposal 1**

Proposal: To approve the amendment to the Company’s “Rules of Procedure for Shareholders’ Meeting” in reference to the revisions of the Sample Template of “Rules of Procedure for Shareholders’ Meetings” announced by the Taiwan Stock Exchange Corporation in the letter Tai-Cheng-Chih-Li-Tzu No. 1040001716 dated January 28, 2015

Proposed by the Board of Directors

Article	Article before Amendment	Article after Amendment
Article 3	(above omitted) To convene a shareholders’ meeting, the Company shall prepare a meeting handbook. The Company shall prepare electronic versions of a shareholders’ meeting notice and proxy forms, and causes of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the MOPS no later than 30 days prior to the Scheduled Annual Shareholders’ Meeting date or no later than 15 days prior to the Scheduled Special Shareholders’ Meeting date. The Company shall prepare	(above omitted) To convene a shareholders’ meeting, the Company shall prepare a meeting handbook. The Company shall prepare electronic versions of a shareholders’ meeting notice and proxy forms, and causes of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the MOPS no later than 30 days prior to the Scheduled Annual Shareholders’ Meeting date or no later than 15 days prior to the Scheduled Special Shareholders’ Meeting date. The Company shall prepare

Article	Article before Amendment	Article after Amendment
	<p>electronic versions of a shareholders' meeting handbook and supplemental meeting materials and upload them to the MOPS no later than 21 days prior to the Scheduled Annual Shareholders' Meeting date or no later than 15 days prior to the Scheduled Special Shareholders' Meeting date. In addition, the Company shall also have prepared a shareholders' meeting handbook and supplemental meeting materials and made them available for review by shareholders at any time no later than 15 days prior to the scheduled shareholders' meeting date. The meeting agenda and supplemental materials shall also be displayed at company and <u>its</u> shareholder services agent as well as being distributed on-site at the meeting place.</p> <p>The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the</p>	<p>electronic versions of a shareholders' meeting handbook and supplemental meeting materials and upload them to the MOPS no later than 21 days prior to the Scheduled Annual Shareholders' Meeting date or no later than 15 days prior to the Scheduled Special Shareholders' Meeting date. In addition, the Company shall also have prepared a shareholders' meeting handbook and supplemental meeting materials and made them available for review by shareholders at any time no later than 15 days prior to the scheduled shareholders' meeting date. The meeting agenda and supplemental materials shall also be displayed at <u>the Company and at the professional shareholder services agent engaged by the Company</u> as well as being distributed on-site at the meeting place.</p> <p>The reasons for convening a shareholders' meeting shall be specified in the meeting notice</p>

Article	Article before Amendment	Article after Amendment
	<p>meeting notice may be given in electronic form. Election or dismissal of directors or supervisors, amendments to the Articles of Incorporation, the dissolution, merger, or demerger of the corporation, or any matter under paragraph 1 of Article 185 of the Company Law or Articles 26-1 and 43-6 of the Securities and Exchange Act shall be set out in the causes in the notice to convene the shareholders' meeting. None of the above matters may be raised by an extraordinary motion. (below omitted)</p>	<p>and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. Election or dismissal of directors or supervisors, amendments to the Articles of Incorporation, the dissolution, merger, or demerger of the corporation, or any matter under paragraph 1 of Article 185 of the Company Law or Articles 26-1 and 43-6 of the Securities and Exchange Act, <u>Articles 56-1 and 60-2 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers</u> shall be set out in the causes in the notice to convene the shareholders' meeting. None of the above matters may be raised by an extraordinary motion. (below omitted)</p>

Article	Article before Amendment	Article after Amendment
Article 6	<p>(above omitted)</p> <p>Shareholders and their proxies (collectively, "shareholders") shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance.</p> <p>Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>(below omitted)</p>	<p>(above omitted)</p> <p>Shareholders and their proxies (collectively, "shareholders") shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. <u>The Company shall not impose arbitrary requirements on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend.</u></p> <p>Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>(below omitted)</p>

Article	Article before Amendment	Article after Amendment
Article 7	<p>(above omitted)</p> <p>It is advisable that shareholders' meetings convened by the Board of Directors be <u>attended</u> by a majority of the Directors. If a shareholders' meeting is convened by a party having the convening right but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.</p> <p>(below omitted)</p>	<p>(above omitted)</p> <p>It is advisable that shareholders' meetings convened by the Board of Directors be <u>chaired</u> by <u>the Chairman</u>, <u>that</u> a majority of the Directors <u>and at least one supervisor attend in person,</u> <u>and that at least one member of each functional committee attend as representative.</u> <u>Attendance details should be recorded in the Shareholders Meeting minutes.</u> If a shareholders' meeting is convened by a party having the convening right but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.</p> <p>(below omitted)</p>

Article	Article before Amendment	Article after Amendment
Article 13	<p>(above omitted)</p> <p>Except as otherwise provided in the Company Law and in the Company's Articles of Incorporation, the adoption of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the Chair or a person designated by the Chair shall announce the total number of voting rights represented by the attending shareholders.</p> <p><u>Resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced by any of the attending shareholders after solicitation by the Chair. If objection is voiced after solicitation by the Chair, such resolution shall be voted in accordance with the provisions of the preceding paragraph.</u></p> <p><u>Except for the proposals enumerated on the Meeting Agenda, other motions or amendments/alternatives to original proposals posed by</u></p>	<p>(above omitted)</p> <p>Except as otherwise provided in the Company Law and in the Company's Articles of Incorporation, the adoption of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the Chair or a person designated by the Chair shall announce the total number of voting rights represented by the attending shareholders, <u>followed by a poll of the shareholders.</u></p> <p><u>After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.</u></p> <p>When there is an amendment or an alternative to a proposal, the Chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the</p>

Article	Article before Amendment	Article after Amendment
	<p><u>shareholders shall be seconded by other shareholders. Total number of shares represented by the proposing shareholders and the seconding shareholders shall be one percent or more of the issued voting shares of the Company.</u></p> <p>When there is an amendment or an alternative to a proposal, the Chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</p> <p>(below omitted)</p>	<p>other proposals will then be deemed rejected, and no further voting shall be required.</p> <p>(below omitted)</p>

Article	Article before Amendment	Article after Amendment
Article 15	<p>(above omitted)</p> <p>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the Chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the duration of the existence of the Company.</p> <p><u>If the resolution of the meeting has been adopted in the manner that no objection is voiced by any of the attending shareholders after solicitation by the Chair, the meeting minutes shall describe that</u></p> <p><u>“Upon solicitation of comments by the Chair, this Proposal was adopted unanimously without objections by the shareholders present.”</u> However, if objection is voiced after solicitation by the Chair, the resolution has been adopted by casting ballots and its voting rights adopted as well as the percentage of voting rights shall be record clearly.</p>	<p>(above omitted)</p> <p>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the Chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the duration of the existence of the Company.</p>

Resolution:

Discussion Items

Proposal 2

Proposal: To approve the amendment to the Company’s “Rules for Election of Directors and Supervisors” in reference to the revisions of the Sample Template of “Procedures for Election of Directors and Supervisors” announced by the Taiwan Stock Exchange Corporation in the letter Tai-Cheng-Chih-Li-Tzu No. 1040001716 dated January 28, 2015

Proposed by the Board of Directors

Article	Article before Amendment	Article after Amendment
Article 2	The <u>single open-ballot, cumulative election method</u> will be used for election of the directors and supervisors at the Company. Each share will have voting rights in number equal to the directors or supervisors to be elected, and may be cast for a single candidate or split among multiple candidates. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.	The <u>cumulative voting system shall</u> be used for election of the directors and supervisors at the Company. Each share will have voting rights in number equal to the directors or supervisors to be elected, and may be cast for a single candidate or split among multiple candidates. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
Article 9	The voting rights shall be calculated on site immediately after the end of the poll and the Chair shall announce the voting results on site immediately.	The voting rights shall be calculated on site immediately after the end of the poll and the Chair shall announce the voting results on site immediately,

		<p><u>including the names of those elected as directors and supervisors and the numbers of votes with which they were elected.</u></p> <p><u>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Law, the ballots shall be retained until the conclusion of the litigation.</u></p>
Article 10	<u>The Board of directors shall issue notifications separately to the persons elected as directors or supervisors.</u>	(Current Article 10 was deleted)
<u>Article 10</u>	The Rules, and any amendments hereto, shall be implemented after approval by a shareholders meeting.	The Rules, and any amendments hereto, shall be implemented after approval by a shareholders meeting. (Current Article order adjusted)

Resolution:

Election

Proposal: To hold a fill-in vote of the Independent Director of the Company.

Proposed by the Board of Directors

Explanatory Notes:

1. The Company's 3 Independent Directors were elected on June 26, 2014; among them, one Independent Director Jasper Lu passed away on November 24, 2014 due to illness. To conform to Article 14-2 of Securities Act., it is proposed to elect 1 independent director in accordance with "Rules for Election of Directors and Supervisors" of the Company, and his/her term of office shall start from June 26, 2015 to June 25, 2017.
2. According to Article 192-1 of the Company Law and Article 18 of the Company's Articles of Incorporation, this election of 1 seat of Independent Directors shall be conducted by adopting the candidate nomination system. The Company has examined and approved the qualification of 1 candidate in the Board of Directors Meeting on May 5, 2015. The name of the Independent Director Candidate is listed below:

Name	Education	Major Experience	Shareholding (Share)
Chia-Chi Kuo	Bachelor's degree in Accounting from National Taiwan University	1. Auditors of Jhong-yang CO., CPAs and of Yi-sin CO. & CPAs before 2. CPA of Gloria J.C. Kuo CO., & CPAS now	3,000

Resolution:

FORMOSA TAFFETA CO., LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Items	Notes	2014		2013	
		AMOUNT	%	AMOUNT	%
Sales revenue	6(21) and 7	\$ 48,191,112	100	\$ 47,461,892	100
Operating costs	6(24)(25) and 7	(42,451,350)	(88)	(42,892,654)	(91)
Net operating margin		5,739,762	12	4,569,238	9
Operating expenses	6(24)(25) and 7				
Selling expenses		(1,893,970)	(4)	(1,735,661)	(4)
General and administrative expenses		(898,922)	(2)	(766,888)	(1)
Research and development expenses		(50,326)	-	(48,399)	-
Total operating expenses		(2,843,218)	(6)	(2,550,948)	(5)
Operating profit		2,896,544	6	2,018,290	4
Non-operating income and expenses					
Other income	6(22)	1,197,173	3	319,315	1
Other gains and losses	6(23)	59,883	-	259,046	-
Finance costs	6(26)	(211,869)	-	(215,881)	-
Share of profit/(loss) of associates and joint ventures accounted for under equity method		230,208	-	279,162	1
Total non-operating income and expenses		1,275,395	3	641,642	2
Profit before income tax		4,171,939	9	2,659,932	6
Income tax expense	6(27)	(352,290)	(1)	(482,956)	(1)
Profit for the year		\$ 3,819,649	8	\$ 2,176,976	5

(Continued)

FORMOSA TAFFETA CO., LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31

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

Items	Notes	2014		2013	
		AMOUNT	%	AMOUNT	%
Other comprehensive income	6(20)				
Financial statements translation differences of foreign operations		\$ 464,689	1	\$ 164,919	-
Unrealized loss on valuation of available-for-sale financial assets		(4,268,475)	(9)	(1,101,495)	(2)
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method		13,513	-	(10,963)	-
Total other comprehensive loss for the year		<u>(\$ 3,790,273)</u>	<u>(8)</u>	<u>(\$ 947,539)</u>	<u>(2)</u>
Total comprehensive income for the year		<u>\$ 29,376</u>	<u>-</u>	<u>\$ 1,229,437</u>	<u>3</u>
Profit attributable to:					
Owners of the parent		\$ 3,518,374	7	\$ 2,129,053	5
Non-controlling interest		301,275	1	47,923	-
		<u>\$ 3,819,649</u>	<u>8</u>	<u>\$ 2,176,976</u>	<u>5</u>
Comprehensive (loss) income attributable to:					
Owners of the parent		(\$ 283,212)	(1)	\$ 1,181,234	3
Non-controlling interest		312,588	1	48,203	-
		<u>\$ 29,376</u>	<u>-</u>	<u>\$ 1,229,437</u>	<u>3</u>
Basic and diluted earnings per share	6(28)	<u>Before Tax</u>	<u>After Tax</u>	<u>Before Tax</u>	<u>After Tax</u>
Profit for year form continuing operations		\$ 2.48	\$ 2.27	\$ 1.58	\$ 1.29
Non-controlling interest		(0.35)	(0.18)	(0.13)	(0.02)
Profit attributable to common shareholders of the parent		<u>\$ 2.13</u>	<u>\$ 2.09</u>	<u>\$ 1.45</u>	<u>\$ 1.27</u>
Assuming shares held by subsidiary are not deemed as treasury stock :					
Profit for year form continuing operations		\$ 2.48	\$ 2.27	\$ 1.58	\$ 1.29
Non-controlling interest		(0.36)	(0.18)	(0.14)	(0.03)
Profit attributable to common shareholders of the parent		<u>\$ 2.12</u>	<u>\$ 2.09</u>	<u>\$ 1.44</u>	<u>\$ 1.26</u>

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 20, 2015.

FORMOSA TAFFETA CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2014 and 2013
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items	Notes	Year ended December 31			
		2014		2013	
		AMOUNT	%	AMOUNT	%
Sales revenue	6(18) and 7	\$ 32,842,284	100	\$ 33,133,715	100
Operating costs	6(6)(21)(22) and 7	(29,244,095)	(89)	(29,630,568)	(89)
Net operating margin		<u>3,598,189</u>	<u>11</u>	<u>3,503,147</u>	<u>11</u>
Operating expenses	6(21)(22) and 7				
Selling expenses		(1,596,514)	(5)	(1,498,871)	(5)
General and administrative expenses		(525,757)	(1)	(458,059)	(1)
Total operating expenses		<u>(2,122,271)</u>	<u>(6)</u>	<u>(1,956,930)</u>	<u>(6)</u>
Operating profit		<u>1,475,918</u>	<u>5</u>	<u>1,546,217</u>	<u>5</u>
Non-operating income and expenses					
Other income	6(19) and 7	1,137,082	3	314,339	1
Other gains and losses	6(8)(20)	116,094	-	9,432	-
Finance costs	6(23)	(136,054)	-	(116,070)	-
Share of profit of associates and joint ventures accounted for using equity method, net	6(8)	<u>981,755</u>	<u>3</u>	<u>676,394</u>	<u>2</u>
Total non-operating income and expenses		<u>2,098,877</u>	<u>6</u>	<u>884,095</u>	<u>3</u>
Profit before income tax		<u>3,574,795</u>	<u>11</u>	<u>2,430,312</u>	<u>8</u>
Income tax expense	6(24)	(56,421)	-	(301,259)	(1)
Profit for the year		<u>\$ 3,518,374</u>	<u>11</u>	<u>\$ 2,129,053</u>	<u>7</u>
Other comprehensive (loss) income	6(17)				
Financial statements translation differences of foreign operations		\$ 481,015	1	\$ 150,596	-
Unrealized loss on valuation of available-for-sale financial assets		(4,282,601)	(13)	(1,098,415)	(3)
Total comprehensive (loss) income for the year		<u>(\$ 283,212)</u>	<u>(1)</u>	<u>\$ 1,181,234</u>	<u>4</u>
Basic and diluted earnings per share		<u>\$ 2.13</u>	<u>\$ 2.09</u>	<u>\$ 1.45</u>	<u>\$ 1.27</u>
Assuming shares held by subsidiary are not deemed as treasury stock:					
Basic earnings per share		<u>\$ 2.12</u>	<u>\$ 2.09</u>	<u>\$ 1.44</u>	<u>\$ 1.26</u>

The accompanying notes are an integral part of these non-consolidated financial statements.
See report of independent accountants dated March 20, 2015.

FORMOSA TAFFETA CO., LTD.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2014 and 2013
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	2014		, 2013	
		AMOUNT	%	AMOUNT	%
Current assets					
Cash and cash equivalents	6(1)	\$ 3,796,868	5	\$ 3,064,945	4
Financial assets at fair value through profit or loss - current	6(2)	654,499	1	1,352	-
Available-for-sale financial assets - current	6(3)	1,709,615	2	1,422,657	2
Notes receivable, net	6(4)	93,100	-	101,000	-
Notes receivable - related parties	7	2,743	-	6,963	-
Accounts receivable, net	6(5)	4,154,561	6	3,760,435	5
Accounts receivable - related parties	7	1,321,930	2	1,036,415	1
Other receivables	7	354,982	-	266,519	-
Inventory	6(6) and 8	7,950,289	11	7,362,831	10
Prepayments		393,671	1	197,527	-
Other current assets		384,755	-	660,737	1
Total current assets		<u>20,817,013</u>	<u>28</u>	<u>17,881,381</u>	<u>23</u>
Non-current assets					
Available-for-sale financial assets - non-current	6(3)	26,322,249	35	30,486,495	40
Financial assets carried at cost - non-current	6(7)	5,442,727	7	353,144	-
Investments accounted for under equity method	6(8)	2,909,436	4	7,551,755	10
Property, plant and equipment	6(9) and 8	17,846,148	24	19,014,371	25
Deferred income tax assets	6(27)	500,772	1	639,217	1
Other non-current assets	6(10) and 8	1,051,206	1	692,017	1
Total non-current assets		<u>54,072,538</u>	<u>72</u>	<u>58,736,999</u>	<u>77</u>
Total assets		<u>\$ 74,889,551</u>	<u>100</u>	<u>\$ 76,618,380</u>	<u>100</u>

(Continued)

FORMOSA TAFFETA CO., LTD.
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					
Short-term borrowings	6(11) and 8	\$ 2,761,686	4	\$ 3,706,477	5
Short-term notes and bills payable	6(12)	2,349,524	3	1,249,862	2
Financial liabilities at fair value through profit or loss - current	6(13)	5,843	-	704	-
Notes payable		205,567	-	172,069	-
Notes payable - related parties	7	288,160	-	218,650	-
Accounts payable		1,169,886	2	1,032,409	1
Accounts payable - related parties	7	1,186,014	2	1,491,693	2
Other payables	6(14) and 7	2,047,240	3	1,309,490	2
Current income tax liabilities	6(27)	154,960	-	307,292	1
Other current liabilities	6(15)	354,132	-	240,159	-
Total current liabilities		<u>10,523,012</u>	<u>14</u>	<u>9,728,805</u>	<u>13</u>
Non-current liabilities					
Long-term borrowings	6(15)	9,218,895	12	10,085,653	13
Deferred income tax liabilities	6(27)	95,730	-	55,383	-
Other non-current liabilities	6(16)	2,617,670	4	2,538,454	3
Total non-current liabilities		<u>11,932,295</u>	<u>16</u>	<u>12,679,490</u>	<u>16</u>
Total liabilities		<u>22,455,307</u>	<u>30</u>	<u>22,408,295</u>	<u>29</u>
Equity attributable to owners of parent					
Share capital	6(17)				
Share capital - common stock		16,846,646	23	16,846,646	22
Capital surplus	6(18)				
Capital surplus		38,348	-	98,898	-
Retained earnings	6(19)				
Legal reserve		6,156,773	8	5,943,868	8
Special reserve		644,262	1	326,534	-
Unappropriated retained earnings		4,838,841	6	3,535,764	5
Other equity interest	6(20)				
Other equity interest		20,717,519	28	24,519,105	32
Treasury stocks	6(17)	(22,723)	-	(23,423)	-
Equity attributable to owners of the parent		<u>49,219,666</u>	<u>66</u>	<u>51,247,392</u>	<u>67</u>
Non-controlling interest		<u>3,214,578</u>	<u>4</u>	<u>2,962,693</u>	<u>4</u>
Total equity		<u>52,434,244</u>	<u>70</u>	<u>54,210,085</u>	<u>71</u>
Significant contingent liabilities and unrecognized contract commitments	9				
Significant events after the balance sheet date	11				
Total liabilities and equity		<u>\$ 74,889,551</u>	<u>100</u>	<u>\$ 76,618,380</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 20, 2015.

FORMOSA TAFFETA CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2014 and 2013
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	2014		2013	
		AMOUNT	%	AMOUNT	%
Current assets					
Cash and cash equivalents	6(1)	\$ 1,051,513	2	\$ 1,226,867	2
Financial assets at fair value through profit or loss - current	6(2)	2,394	-	904	-
Available-for-sale financial assets - current	6(3)	1,315,682	2	1,401,093	2
Notes receivable, net	6(4)	70,043	-	76,796	-
Notes receivable - related parties	7	2,743	-	6,963	-
Accounts receivable, net	6(5)	2,396,584	4	2,344,288	4
Accounts receivable - related parties	7	287,865	-	228,931	-
Other receivables	7	126,526	-	237,920	1
Inventory	6(6)	4,324,890	7	4,250,515	6
Prepayments		142,496	-	75,623	-
Other current assets		193,867	-	179,731	-
Total current assets		<u>9,914,603</u>	<u>15</u>	<u>10,029,631</u>	<u>15</u>
Non-current assets					
Available-for-sale financial assets - non-current	6(3)	26,223,870	39	30,437,832	44
Financial assets carried at cost - non-current	6(7)	5,343,196	8	253,621	-
Investments accounted for under equity method	6(8)	16,016,457	24	18,770,110	27
Property, plant and equipment	6(9)	7,787,140	12	7,891,096	12
Investment property - net	7	425,616	1	445,037	1
Deferred income tax assets	6(24)	464,171	1	477,551	1
Other non-current assets		388,992	-	110,299	-
Total non-current assets		<u>56,649,442</u>	<u>85</u>	<u>58,385,546</u>	<u>85</u>
Total assets		<u>\$ 66,564,045</u>	<u>100</u>	<u>\$ 68,415,177</u>	<u>100</u>

(Continued)

FORMOSA TAFFETA CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2014 and 2013
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	2014		2013	
		AMOUNT	%	AMOUNT	%
Current liabilities					
Short-term borrowings	6(10)	\$ 290,000	1	\$ 290,000	1
Short-term notes and bills payable	6(11)	2,349,524	4	1,249,863	2
Notes payable		157,549	-	149,525	-
Notes payable - related parties	7	288,160	-	218,650	-
Accounts payable		494,702	1	436,944	1
Accounts payable - related parties	7	1,131,306	2	1,388,975	2
Other payables	7	890,522	1	790,869	1
Current income tax liabilities	6(24)	-	-	215,466	-
Other current liabilities		172,063	-	89,871	-
Total current liabilities		<u>5,773,826</u>	<u>9</u>	<u>4,830,163</u>	<u>7</u>
Non-current liabilities					
Long-term borrowings	6(12)	8,900,000	13	9,800,000	14
Deferred income tax liabilities	6(24)	93,401	-	54,451	-
Other non-current liabilities	6(13)	2,577,152	4	2,483,171	4
Total non-current liabilities		<u>11,570,553</u>	<u>17</u>	<u>12,337,622</u>	<u>18</u>
Total liabilities		<u>17,344,379</u>	<u>26</u>	<u>17,167,785</u>	<u>25</u>
Equity					
Share capital					
Share capital - common stock	6(14)	16,846,646	25	16,846,646	25
Capital surplus					
Capital surplus	6(15)	38,348	-	98,898	-
Retained earnings					
Legal reserve	6(16)	6,156,773	9	5,943,868	9
Special reserve		644,262	1	326,534	-
Unappropriated retained earnings		4,838,841	7	3,535,764	5
Other equity interest					
Other equity interest	6(17)	20,717,519	32	24,519,105	36
Treasury stocks	6(14)	(22,723)	-	(23,423)	-
Total equity		<u>49,219,666</u>	<u>74</u>	<u>51,247,392</u>	<u>75</u>
Commitments and contingent liabilities					
Commitments and contingent liabilities	9				
Subsequent event					
Subsequent event	11				
Total liabilities and equity		<u>\$ 66,564,045</u>	<u>100</u>	<u>\$ 68,415,177</u>	<u>100</u>

The accompanying notes are an integral part of these non-consolidated financial statements.
See report of independent accountants dated March 20, 2015.

FORMOSA TAFFETA CO., LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Equity attributable to owners of the parent											Total	Non-controlling interest	Total equity	
		Capital Reserves			Retained Earnings			Other equity interest								
	Share capital - common stock	Capital surplus - Treasury stock transactions	Difference between the price for acquisition or disposal of subsidiaries and carrying amount	Donated assets received	Change in net equity of associates and joint ventures accounted for under equity method	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets	Treasury stocks					
2013																
Balance at January 1, 2013	\$ 16,846,646	\$ -	\$ -	\$ 2,032	\$ -	\$ 5,702,892	\$ 279,088	\$ 3,379,798	(\$245,890)	\$ 25,712,814	(\$26,488)	\$ 51,650,892	\$3,065,985	\$ 54,716,877		
Appropriations of 2012 earnings :	6(19)															
Legal reserve	-	-	-	-	-	240,976	-	(240,976)	-	-	-	-	-	-		
Special reserve	-	-	-	-	-	-	492,390	(492,390)	-	-	-	-	-	-		
Reversal of special reserve	-	-	-	-	-	-	(444,944)	444,944	-	-	-	-	-	-		
Cash dividends	-	-	-	-	-	-	-	(1,684,665)	-	-	-	(1,684,665)	-	(1,684,665)		
Profit for the year	-	-	-	-	-	-	-	2,129,053	-	-	-	2,129,053	47,923	2,176,976		
Changes in the net interest of associates recognised under the equity method					89,847							89,847		89,847		
Disposal of treasury stock	6(17)	-	7,019	-	-	-	-	-	-	-	3,065	10,084	-	10,084		
Other comprehensive loss for the year	6(20)	-	-	-	-	-	-	-	150,596	(1,098,415)	-	(947,819)	280	(947,539)		
Cash dividends paid by consolidated subsidiaries		-	-	-	-	-	-	-	-	-	-	-	(151,495)	(151,495)		
Balance at December 31, 2013	<u>\$ 16,846,646</u>	<u>\$ 7,019</u>	<u>\$ -</u>	<u>\$ 2,032</u>	<u>\$ 89,847</u>	<u>\$ 5,943,868</u>	<u>\$ 326,534</u>	<u>\$ 3,535,764</u>	<u>(\$95,294)</u>	<u>\$ 24,614,399</u>	<u>(\$23,423)</u>	<u>\$ 51,247,392</u>	<u>\$ 2,962,693</u>	<u>\$ 54,210,085</u>		

(Continued)

FORMOSA TAFFETA CO., LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Equity attributable to owners of the parent											Non-controlling interest	Total equity	
		Capital Reserves			Retained Earnings			Other equity interest							
		Share capital - common stock	Capital surplus - Treasury stock transactions	Difference between the price for acquisition or disposal of subsidiaries and carrying amount	Donated assets received	Change in net equity of associates and joint ventures accounted for under equity method	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets	Treasury stocks			Total
2014															
Balance at January 1, 2014		\$ 16,846,646	\$7,019	\$ -	\$2,032	\$89,847	\$ 5,943,868	\$326,534	\$ 3,535,764	(\$95,294)	\$ 24,614,399	(\$23,423)	\$ 51,247,392	\$2,962,693	\$ 54,210,085
Appropriations of 2013 earnings :	6(19)														
Legal reserve		-	-	-	-	-	212,905	-	(212,905)	-	-	-	-	-	-
Special reserve		-	-	-	-	-	-	608,754	(608,754)	-	-	-	-	-	-
Reversal of special reserve		-	-	-	-	-	-	(291,026)	291,026	-	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	-	(1,684,664)	-	-	-	(1,684,664)	-	(1,684,664)
Profit for the year		-	-	-	-	-	-	-	3,518,374	-	-	-	3,518,374	301,275	3,819,649
Changes in the net interest of associates recognised under the equity method		-	-	-	-	(65,153)	-	-	-	-	-	-	(65,153)	-	(65,153)
Difference between proceeds on acquisition of or disposal of equity interest in a subsidiary and its carrying amount		-	-	545	-	-	-	-	-	-	-	-	545	-	545
Stocks of the parent company bought by the subsidiary and recognised as treasury stock		-	2,613	-	-	-	-	-	-	-	-	-	2,613	-	2,613
Disposal of treasury stock	6(17)	-	1,445	-	-	-	-	-	-	-	-	700	2,145	-	2,145
Other comprehensive loss for the year	6(20)	-	-	-	-	-	-	-	-	481,015	(4,282,601)	-	(3,801,586)	11,313	(3,790,273)
Cash dividends paid by consolidated subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	(60,703)	(60,703)
Balance at December 31, 2014		<u>\$ 16,846,646</u>	<u>\$11,077</u>	<u>\$ 545</u>	<u>\$2,032</u>	<u>\$24,694</u>	<u>\$ 6,156,773</u>	<u>\$644,262</u>	<u>\$ 4,838,841</u>	<u>\$385,721</u>	<u>\$ 20,331,798</u>	<u>(\$22,723)</u>	<u>\$ 49,219,666</u>	<u>\$3,214,578</u>	<u>\$ 52,434,244</u>

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 20, 2015.

FORMOSA TAFFETA CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Capital Reserves				Retained Earnings				Other equity interest			Total equity
		Share capital - common stock	Treasury stock transactions	Capital Surplus, changes in ownership interests in subsidiaries	Undistributed earnings	Change in net equity of associates and joint ventures accounted for under equity method	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets	Treasury stocks	
2013													
Balance at January 1, 2013		\$ 16,846,646	\$ -	\$ -	\$ 2,032	\$ -	\$ 5,702,892	\$ 279,088	\$ 3,379,798	(\$ 245,890)	\$ 25,712,814	(\$ 26,488)	\$ 51,650,892
Appropriations of 2012 net income (Note 1):	6(16)												
Legal reserve		-	-	-	-	-	240,976	-	(240,976)	-	-	-	-
Special reserve		-	-	-	-	-	-	492,390	(492,390)	-	-	-	-
Reversal of special reserve		-	-	-	-	-	(444,944)	444,944	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	(1,684,665)	-	-	-	(1,684,665)	-
Profit for the year		-	-	-	-	-	-	2,129,053	-	-	-	-	2,129,053
Change of equity from not acquiring new shares proportionately to ownership		-	-	-	-	89,847	-	-	-	-	-	-	89,847
Disposal of treasury stock	6(14)	-	7,019	-	-	-	-	-	-	-	-	3,065	10,084
Other comprehensive loss for the year	6(17)	-	-	-	-	-	-	-	-	150,596	(1,098,415)	-	(947,819)
Balance at December 31, 2013		<u>\$ 16,846,646</u>	<u>\$ 7,019</u>	<u>\$ -</u>	<u>\$ 2,032</u>	<u>\$ 89,847</u>	<u>\$ 5,943,868</u>	<u>\$ 326,534</u>	<u>\$ 3,535,764</u>	<u>(\$ 95,294)</u>	<u>\$ 24,614,399</u>	<u>(\$ 23,423)</u>	<u>\$ 51,247,392</u>

(Continued)

FORMOSA TAFFETA CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Capital Reserves				Retained Earnings			Other equity interest			Treasury stocks	Total equity
		Share capital - common stock	Treasury stock transactions	Capital Surplus, changes in ownership interests in subsidiaries	Undistributed earnings	Change in net equity of associates and joint ventures accounted for under equity method	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gain or loss on available-for-sale financial assets		
<u>2014</u>													
Balance at January 1, 2014		\$ 16,846,646	\$ 7,019	\$ -	\$ 2,032	\$ 89,847	\$ 5,943,868	\$ 326,534	\$ 3,535,764	(\$ 95,294)	\$ 24,614,399	(\$ 23,423)	\$ 51,247,392
Appropriations of 2013 net income (Note 2):	6(16)												
Legal reserve		-	-	-	-	-	212,905	-	(212,905)	-	-	-	-
Special reserve		-	-	-	-	-	-	608,754	(608,754)	-	-	-	-
Reversal of special reserve		-	-	-	-	-	-	(291,026)	291,026	-	-	-	-
Cash dividends		-	-	-	-	-	-	-	(1,684,664)	-	-	-	(1,684,664)
Profit for the year		-	-	-	-	-	-	-	3,518,374	-	-	-	3,518,374
Change of equity from not acquiring new shares proportionately to ownership		-	-	-	-	(65,153)	-	-	-	-	-	-	(65,153)
Difference between proceeds on acquisition of or disposal of equity interest in a subsidiary and its carrying amount		-	-	545	-	-	-	-	-	-	-	-	545
Stocks of the parent company bought by the subsidiary and recognised as treasury stock		-	2,613	-	-	-	-	-	-	-	-	-	2,613
Disposal of treasury stock	6(14)	-	1,445	-	-	-	-	-	-	-	-	700	2,145
Other comprehensive loss for the year	6(17)	-	-	-	-	-	-	-	-	481,015	(4,282,601)	-	(3,801,586)
Balance at December 31, 2014		<u>\$ 16,846,646</u>	<u>\$ 11,077</u>	<u>\$ 545</u>	<u>\$ 2,032</u>	<u>\$ 24,694</u>	<u>\$ 6,156,773</u>	<u>\$ 644,262</u>	<u>\$ 4,838,841</u>	<u>\$ 385,721</u>	<u>\$ 20,331,798</u>	<u>(\$ 22,723)</u>	<u>\$ 49,219,666</u>

Note 1: Directors' and supervisors' remuneration amounting to \$2,896 and employees' bonus amounting to \$5,791 had been deducted from the Statement of Comprehensive Income in 2012.

Note 2: Directors' and supervisors' remuneration amounting to \$1,157 and employees' bonus amounting to \$2,315 had been deducted from the Statement of Comprehensive Income in 2013.

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

See report of independent accountants dated March 20, 2015.

FORMOSA TAFFETA CO., LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Expressed in thousands of New Taiwan dollars)

	Notes	2014	2013
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Consolidated profit before tax for the year		\$ 4,171,939	\$ 2,659,932
Adjustments to reconcile net income to net cash provided by operating activities			
Income and expenses having no effect on cash flows			
Provision for bad debts		5,724	5,020
Depreciation	6(24)	3,367,232	3,981,235
Interest expense	6(26)	211,869	215,881
Interest income	6(22)	(20,777)	(16,661)
Dividend income	6(22)	(967,716)	(129,404)
(Gain) loss on valuation of financial assets	6(23)	(3,610)	12,212
Loss (gain) on valuation of financial liabilities	6(13)(23)	5,379	(449)
Share of profit of associates and joint ventures accounted for under equity method		(230,208)	(279,161)
Cash dividends from investments accounted for under equity method		46,056	32,898
Gain on disposal of investments	6(23)	(36,476)	(93,104)
Gain on disposal and scrap of property, plant and equipment	6(23)	38,231	(93,687)
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		(649,537)	3,675
Notes receivable, net		7,900	155,547
Notes receivable - related parties		4,220	7,661
Accounts receivable, net		(399,850)	272,426
Accounts receivable - related parties		(285,515)	309,439
Other receivables		(88,463)	(47,511)
Inventory		(587,458)	(248,822)
Prepayments		(196,144)	158,985
Other current assets		275,982	(162,157)
Net changes in liabilities relating to operating activities			
Financial liabilities at fair value through profit or loss		(240)	(3,674)
Notes payable		33,498	14,925
Notes payable - related parties		69,510	(300,850)
Accounts payable		137,477	(211,680)
Accounts payable - related parties		(305,679)	(56,534)
Other payables		668,553	(325,068)
Other current liabilities		102,561	(46,893)
Cash generated from operations		5,374,458	5,814,181
Interest received		20,777	16,661
Dividend received		967,716	129,404
Interest paid		(216,324)	(216,579)
Income tax paid		(325,832)	(258,134)
Net cash provided by operating activities		<u>5,820,795</u>	<u>5,485,533</u>

(Continued)

FORMOSA TAFFETA CO., LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013
(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of available-for-sale financial assets		(\$ 390,435)	\$ -
Proceeds from disposal of available -for-sale financial assets		-	655,552
Acquisition of investment accounted for using equity method		(119,154)	(3,528,714)
Acquisition of property, plant and equipment	6(29)	(1,893,163)	(1,579,873)
Proceeds from disposal of property, plant and equipment		49,157	127,236
(Decrease) increase in other non-current assets		(422,244)	138,619
Net cash used in investing activities		(2,775,839)	(4,187,180)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) increase in short-term borrowings		(1,101,334)	868,351
Increase in short-term notes and bills payable		1,099,662	849,922
Payment of long-term borrowings		(8,107,115)	(12,451,758)
Increase in long-term borrowings		7,200,000	11,510,000
Cash dividends paid - non-controlling interest		(60,703)	(151,495)
Cash dividends paid	6(19)	(1,684,664)	(1,684,665)
Increase in other non-current liabilities		79,216	57,595
Net cash used in financing activities		(2,574,938)	(1,002,050)
Effect of foreign exchange rate		261,905	53,886
Increase in cash and cash equivalents		731,923	350,189
Cash and cash equivalents at beginning of year	6(1)	3,064,945	2,714,756
Cash and cash equivalents at end of year	6(1)	\$ 3,796,868	\$ 3,064,945

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated March 20, 2015.

FORMOSA TAFFETA CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 and 2013
(Expressed in thousands of New Taiwan dollars)

	Notes	2014	2013
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax for the year		\$ 3,574,795	\$ 2,430,312
Adjustments to reconcile net income to net cash provided by operating activities			
Income and expenses having no effect on cash flows			
Depreciation (including depreciation on investment property)	6(9)(21) and 7	894,419	926,942
Interest expense	6(23)	136,054	116,070
Interest income	6(19)	(1,804)	(2,382)
Dividend income	6(3)(7)(19)	(965,996)	(124,580)
(Gain) loss on valuation of financial assets	6(2)(20)	(1,730)	12,212
Loss (gain) on valuation of financial liabilities	6(20)	240	(2,655)
Receipt of cash dividends from investment accounted for under the equity method	6(8)	162,242	323,362
Share of profit of subsidiaries and associates accounted for under the equity method	6(8)	(981,755)	(676,394)
Gain on disposal of investments	6(20)	(36,476)	-
Gain on disposal and scrap of property, plant and equipment	6(20)	(6,842)	(9,671)
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Notes receivable, net		6,753	101,448
Notes receivable - related parties		4,220	7,661
Accounts receivable, net		(52,296)	251,984
Accounts receivable - related parties		(58,934)	41,640
Other receivables		111,580	147,992
Inventories		(74,375)	41,120
Prepayments		(66,873)	65,604
Other current assets		(14,136)	105,815
Net changes in liabilities relating to operating activities			
Notes payable		8,024	12,458
Notes payable - related parties		69,510	(300,850)
Accounts payable		57,758	(169,415)
Accounts payable - related parties		(257,669)	14,589
Other payables		100,533	(93,704)
Other current liabilities		82,192	(51,139)
Other non-current liabilities		93,981	62,577
Cash generated from operations		2,783,415	3,230,996
Interest received		1,804	2,382
Dividend received		965,996	124,580
Interest paid		(136,934)	(115,022)
Income tax paid		(219,744)	(140,467)
Net cash provided by operating activities		<u>3,394,537</u>	<u>3,102,469</u>

(Continued)

FORMOSA TAFFETA CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 and 2013
(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of investments accounted for under the equity method		(\$ 1,041,995)	(\$ 3,618,579)
Acquisition of property, plant, and equipment	6(26)	(691,226)	(726,762)
Proceeds from disposal of property, plant and equipment		7,784	40,965
Increase in other non-current assets		(359,451)	(33,721)
Net cash used in investing activities		(2,084,888)	(4,338,097)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		-	180,260
Increase in short-term notes and bills payable		1,099,661	999,917
Increase in long-term borrowings		7,200,000	11,510,000
Payment of long-term borrowings		(8,100,000)	(10,110,000)
Payment of cash dividends	6(16)	(1,684,664)	(1,684,665)
Net cash (used in) provided by financing activities		(1,485,003)	895,512
Decrease in cash and cash equivalents		(175,354)	(340,116)
Cash and cash equivalents at beginning of year	6(1)	<u>1,226,867</u>	<u>1,566,983</u>
Cash and cash equivalents at end of year	6(1)	<u>\$ 1,051,513</u>	<u>\$ 1,226,867</u>

FORMOSA TAFFETA CO., LTD
Statement of Profits Distribution
For the year of 2014

Unit : NT\$

Items	Amount	Items	Amount	Explanation
Available for Distribution: (1) Unappropriated retained earnings of previous years (2) Net profit after tax of current year	 1,320,467,275 3,518,374,074	Distribution Items: (1) Appropriation of legal reserve (10% of the after-tax profit) (2) Appropriation of special reserve (3) Distribution of dividends and bonus in cash (\$1.4 per share) (4) Unappropriated retained earnings carried forward to next year	 351,837,407 737,561,511 2,358,530,492 1,390,911,939	1. The Company's registered capital is \$16,846,646,370, and shares for distribution are 1,684,664,637. 2. The Company plans to distribute dividends of \$1.4 per share for current year (among which, \$1.06 will be distributed as dividends and \$0.34 will be distributed as bonus); all of which are cash dividends. 3. The distribution of dividends for this time is based on the pattern of profits distribution of 1998 afterwards. 4. Bonus for employees amounted to \$8,080,062. Remuneration of directors and supervisors amounted to \$4,040,031. 5. While the distribution of cash dividends to each individual shareholder is less than 1 dollar, the distribution will be rounded to the nearest dollar.
Total	4,838,841,349	Total	4,838,841,349	

Independent Auditor's Report

To the Board of Directors and Stockholders of Formosa Taffeta Co., Ltd.

We have audited the accompanying consolidated balance sheets of Formosa Taffeta Co., Ltd. and its subsidiaries as of December 31, 2013 and 2014, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended. These consolidated financial statements are the responsibility of Formosa Taffeta Co., Ltd. management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit financial statements of certain consolidated subsidiaries, which statements reflect total assets of NT\$6,042,605 thousand and NT\$4,976,433 thousand, all constituting 8% and 6% of the consolidated total assets as of December 31, 2014 and 2013, respectively, and total operating revenues of NT\$4,327,699 thousand and NT\$3,260,701 thousand, constituting 9% and 7% of the consolidated total operating revenues for the years then ended, respectively. We also did not audit certain investments accounted for under equity method. the balance of related investment accounted for using equity method amounted to NT\$2,909,436 thousand and NT\$7,551,755 thousand at December 31, 2014 and 2013. The comprehensive income (including share of profit (loss) of associates accounted for using equity method and share of profit (loss) and other comprehensive income of associates) amounted to NT\$230,305 thousand and NT\$279,193 thousand for the year then ended. Those financial statements and the information disclosed in Note 13 were audited by other independent accountants whose reports thereon have been furnished to us, and our opinion expressed herein is based on the audit reports of the other independent accountants.

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation 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 and the reports of other independent accountants provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material

respects, the financial position of Formosa Taffeta Co., Ltd. and its subsidiaries as of December 31, 2014 and 2013, and their financial performance and cash flows for the years then ended in conformity with the “Rules Governing the Preparations of Financial Statements by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

We have also audited the non-consolidated financial statements of Formosa Taffeta Co., Ltd. (not presented herein) as of and for the years ended December 31, 2014 and 2013, on which we have expressed a modified unqualified opinion on such financial statements.

PricewaterhouseCoopers, Taiwan

March 20, 2015

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Independent Auditor's Report

To the Board of Directors and Stockholders of Formosa Taffeta Co., Ltd.

We have audited the accompanying non-consolidated balance sheets of Formosa Taffeta Co., Ltd. as of December 31, 2014 and 2013, and the related non-consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended. These non-consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these non-consolidated financial statements based on our audits. We did not audit the financial statements of certain investee companies accounted for under the equity method. These investments accounted for under the equity method amounted to \$6,818,570 thousand and \$10,691,986 thousand as of December 31, 2014 and 2013, respectively, and the comprehensive income (including share of profit/(loss) of subsidiaries, associates and joint ventures accounted for under equity method and share of other comprehensive income of subsidiaries, associates and joint ventures accounted for under equity method) was \$384,331 thousand and \$526,640 thousand for the years then ended, respectively. The financial statements of these investee companies were audited by other auditors, whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for these investee companies, is based solely on the reports of the other independent accountants.

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

In our opinion, based on our audits and the reports of other independent accountants, the non-consolidated financial statements referred to above present fairly, in all material respects, the financial position of Formosa Taffeta Co., Ltd. as of December 31, 2014 and 2013, and their financial performance and cash flows for the years then ended in conformity with the "Rules Governing the Preparations of Financial Statements by Securities Issuers".

PricewaterhouseCoopers, Taiwan

March 20, 2015

The accompanying non-consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying non-consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Information regarding the Proposed Employees' Bonus and Remuneration to Directors and Supervisors Adopted by the Board of Directors of the Company:

1. Proposed amounts of employees' cash bonus, stock bonus, and remuneration to Directors and Supervisors:	
Employees' cash bonus	NT\$ 8,080,062
Employees' stock bonus	NT\$ 0
Remuneration to Directors and Supervisors	NT\$ 4,040,031
2. Share amount of the proposed employees' stock bonus and the percentage of the share amount to that of all stock dividend:	
Share amount of employees' stock bonus	0 share
Percentage of the share amount to that of all stock dividend	0%
3. Imputed earnings per share of the proposed employees' bonus and remuneration to Directors and Supervisors:	
Imputed earnings per share	NT\$2.09

Effect upon Business Performance and Earnings Per Share of the Company by the Stock Dividend Distribution Proposed at the 2015 Annual Shareholders' Meeting:

Not applicable since the Company does not disclose financial forecast information.