

CODE : 1476



ECLAT TEXTILE CO., LTD.

2016 ANNUAL SHAREHOLDERS' MEETING

MEETING AGENDA

(Translation)

June 21, 2016

Place: ECLAT's Hsichou Plant 3F meeting room.

(No.39, Sanhao Rd., Houlong Township, Miaoli County, Taiwan)

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Translation

This English version is a translation based on the original Chinese version.

Where any discrepancy arises between the two versions, the Chinese version shall prevail.

ECLAT TEXTILE CO., LTD.
2016 ANNUAL SHAREHOLDERS' MEETING PROCEDURE

I. Call Meeting to Order

II. Chairman's address

III. Discussion Items

IV. Report Items

V. Ratifications

VI. Special Motion

VII. Meeting Adjourned

ECLAT TEXTILE CO., LTD.
2016 ANNUAL SHAREHOLDERS' MEETING AGENDA
(Translation)

Time: 9:00 a.m., June 21, 2016

Place: ECLAT's Hsichou Plant 3F meeting room.

(No.39, Sanhao Rd., Houlong Township, Miaoli County , Taiwan)

1. Discussion Items:

- (1) Amendment to the "Articles of Incorporation" of the Company.
- (2) Amendment to the "Procedures for the Handling of Derivatives Trading" of the Company.

2. Report Items:

- (1) To report the business of 2015. (Refer to Supplement 1)
- (2) To report 2015 employees' profit sharing bonus.
- (3) 2015 Audit Committee's review report. (Refer to Supplement 3)
- (4) To establish the "Corporate Best Practice Principles" of the Company.

3. Ratifications

- (1) To ratify 2015 Business Report and Financial Statements. (Refer to Supplement 1 and 2)
- (2) To ratify 2015 profit distribution proposal. (Refer to Supplement 4)

4. Special Motion

5. Meeting Adjourned

I. Discussion Items

Item No. 1

submitted by the Board of Directors

Amendment to the “Articles of Incorporation” of the Company.

Explanation:

1. In order to conduct the related regulations of ROC Company Act, the Board of Directors proposed amendment to the “Articles of Incorporation”.
2. The details of the amendment to the “Articles of Incorporation” please refer to the Chinese version.

Resolution:

Item No. 2

submitted by the Board of Directors

Amendment to the “Procedures for the Handling of Derivatives Trading” of the Company.

Explanation:

In order to conduct the related regulations of ROC Laws, the Board of Directors proposed amendment to the “Procedures for the Handling of Derivatives Trading” of the Company.

The details of the amendment to the “Procedures for the Handling of Derivatives Trading” please refer to the Chinese version.

Resolution:

II. Report Items

Item No. 1

To report the business of 2015.

Explanation: Please refer to Supplement 1.

Item No. 2

To report 2015 employees' profit sharing bonus.

Explanation:

1. The appropriation of the Employee' profit sharing bonus for 2015 had been approved by the Board of Directors.
2. The Net income of the company for 2015 is NT\$4,173,780,297, and the Net income before Tax of the company is NT\$5,106,167,971. According to amended "Articles of Incorporation" of the Company by the Board of Directors, the appropriated amounts of the Employee' profit sharing bonus for 2015 amounted to NT\$6,000,000, which was the same as the accounting estimate expenses for the year end, 2015 and in accordance with the amended "Articles of Incorporation" of the Company.
3. The Employee' profit sharing bonus will all be paid by cash, and distribute to the full-time employees of the company only, the specific details of the Employee' profit sharing bonus' payment will authorize to the chairman of the company to handle it.
4. The payment of the Employee' profit sharing bonus should be conducted after the shareholders' meeting approve of the amendment to the "Articles of Incorporation" of the Company.

Item No. 3

2015 Audit Committee's review report.

Explanation: The 2015 Financial Statements of the Company have been approve by the Director and been Audit by independent auditors of KPMG Taiwan, and send to Audit Committee for Audit Committee's Review Report with Business Report, and proposal for distribution of profits, please refer to Supplement 3.

Item No. 4

To establish the “Corporate Best Practice Principles” of the Company.

Explanation:

1. In order to conduct the related regulations of ROC Laws, the Board of Directors had referred the “Corporate Best Practice Principles for TWSE/GTSM Listed Companies” which was set up by ROC authority to establish the “Corporate Best Practice Principles” of the Company.
2. The details of the regulations of the “Corporate Best Practice Principles” of the Company, please refer to the Chinese version.

III. Ratifications

Item No. 1

submitted by the Board of Directors

To ratify 2015 Business Report and Financial Statements

Explanation:

1. The 2015 Financial Statements (including Consolidated Financial Statements) of the Company have been audited and certified by independent auditors, Astor Kou and Sinney Kuo, of KPMG Taiwan, who have issued an unqualified opinion in their audit report.(Please refer to Supplement 2)
2. The aforementioned Financial Statements, Business Report and the profit distribution sheet had been approved by resolution of the Board of Directors and were forwarded to the Audit Committee for audit. The Audit Committee found no unconformities, and their audit report (Please refer to Supplement 3) is submitted for examination.

The proposal is hereby submitted for ratification.

Resolution:

To ratify 2015 profit distribution proposal.

Explanation:

1. The Net income of the company for 2015 is NT\$4,173,780,297, add the undistributed earnings from the previous year NT\$2,265,440,935 and deduct the other comprehensive loss(Actuarial loss from defined benefit plans) NT\$6,731,000 shall amount to a total distributable earnings of NT\$6,432,490,232 for the year to distribute. In accordance with the Articles of Incorporation of the Company set aside the 10% legal reserve NT\$417,378,030, then according to the number of ordinary shares outstanding so far is the 268,987,364 shares for calculation, the Board of Directors proposes to distribute cash dividends in the amount of NT\$2,824,367,322 to the shareholders at NT\$10.5 per share. (Dividends will be paid out to the shareholders whose name are on the shareholder register as of the record date. Cash dividend to shareholder that are under NT\$1 shall be categorized as “other income” of the Company.) The remain cumulative undistributed earnings after distribution will be NT\$3,190,744,880 which will be kept for the following years’ distribution. (Please refer to Supplement 4)
2. After the profit distribution has been approved at the shareholders’ meeting, the Board of Directors will be authorized to set the ex-dividend date and handle the other related procedures.
3. In case of treasury shares plan, transferring treasury shares to employees, employee proceed employee stock option certificates or the Company proceed capital injection to issue common stocks, it is proposed that Board of Directors of the Company be authorized to adjust the cash dividend to be distributed to each common share based on the total amount of earnings resolved to be distributed and the number of actual common shares outstanding on the record date for distribution.

The proposal of the 2015 profit distribution is hereby submitted for ratification.

Resolution:

4. Special Motion

5. Meeting Adjourned

Appendix I

Shareholders' proposals for the 2016 Meeting of the Shareholders

Details of accepting shareholder proposals for the 2016 Annual General Meeting of the Shareholders.

Explanation:

1. According to Article 172-1 of the Company Act, a shareholder who holds more than 1% of the total issued and outstanding shares may submit one proposal in writing to the Company to be discussed at the shareholders' meeting; the proposal may only address one matter, and may not contain more than 300 Chinese characters.
2. Shareholder proposals must be submitted during the period from April 15, 2016 to April 25, 2016. As required by law, the Company has posted information regarding shareholder proposals on MOPS.
3. The Company has not received any written submission of shareholder proposals during the period of the submitted Shareholder proposals.

Appendix II

ECLAT TEXTILE CO., LTD. Shareholdings of All Directors

Record Date : April 22, 2016

Title	Name	Current Shareholding	
		Shares	%
Chairman	HUNG, CHENG-HAI	8,858,155	3.29%
Director	WANG, LI-CHEN	7,776,898	2.89%
Director	TSAI, HSIEN-CHIN	21,210,778	7.89%
Director	YEH, SOU-TSUN	527,187	0.20%
Director	CHEN, KUN-TANG	473,397	0.18%
Director	LO, JEN-CHIEH	358,553	0.13%
Director	WANG, SHU-WEN	34,459	0.01%
Director	Yih-Yuan Investment Corp. Representative : Hsieh, Kuo-Sung	25,284,643	9.40%
	total	64,524,070	23.99%
Independent Director	WANG, YEA-KANG	0	0.00%
Independent Director	YU, CHENG-PING	0	0.00%
Independent Director	LIU, NAI-MING	0	0.00%
	total	0	0.00%
Note 1: Total shares issued as of April 22, 2016: 268,987,364 Common Shares. Note 2: Minimum share ownership by all directors of the Company: 12,000,000 shares. The share ownership by all directors of April 22, 2016: 64,524,070 Common Shares.			

2015 Business Report

I. Introduction

In 2015, the economic conditions across the world have undergone significant fluctuation and transformation. The economy in the developed countries like Europe, USA, and Japan is now under slow but steady recovery. In contrast, the economic growth rate in China has dropped to a new low since 1990. The emerging markets and developing countries also show serious decline in their economic development as a result of global weak demand and excessive productivity.

Due to the serious recession in the global markets and the export trade, the economic growth rate in Taiwan has dropped from 3.74% of 2014 to 0.75% this year. The decline in export rate has continued for eleven-month long, and such decline suggests that Taiwan's industry is now facing serious challenges for its competitive capacity.

The total textile industry production value of textile industry in Taiwan was roughly NT\$4,280 billion in 2015, with a 5.4% drop than 2014. Compared to other Asian countries, the difficulty of getting preferential tariff treatment among various regional economic agreements has gradually weakened Taiwan's competitive role in the international trade.

However, under such adverse condition, ECLAT has yet continued to reap the benefits owing to its appropriate strategic choices, including investment in R&D and innovation, increasing product quality, and developing vertical integration. Consequently, the revenue of ECLAT has reached a new peak at NT\$250 billion in 2015, with sustainable growth of revenue and profits in six consecutive years.

II. Report of 2015 operation achievement

i. Summary of implementation of 2015 operation plan

(i) Continuing to improve capability structure

Export capability advantage has been improved through enhancing production efficiency by self-capacity and the transformation of international political economy circumstance, such as the Trans-Pacific Partnership (TPP). Furthermore, the second phases of factory expansion plan including one fabric mill and two garment factories have been completed and started to production. Besides, one of the garment factories in Cambodia named Miaw Shun has been closed because it was unable to achieve our expected return.

(ii) Continuing to explore new market

Based on the concept of long-term cooperation with customers, we highly value our relations with our customers and we believe that the growth of customers could promote our business development. Hence, we are committed to training potential business talents and expanding sales department in order to strengthen our current market. Moreover, we also actively develop further potential customers in order to advance the rate of operation growth.

(iii) Continuing to sustain operational capital

The board of directors of Eclat approved to issue 8,000,000 new common shares in 2015, which aimed to recapitalize subsidiary and to boost working capital and to strengthen

financial structure.

ii. Report of achievement of 2015 operation plan and budget implementation

In accordance with the 2015 financial report, our consolidated revenue had totaled to NT\$25.51 billion, with an increase of NT\$4.69 billion and 22.52% compared with 2014. Precisely, total consolidated revenue can be divided in two main divisions. On the one hand, the fabrics division occupied 34.87% roughly over NT\$8.89 billion. On the other hand, the garment division occupied 65.13% approximately over NT\$16.61 billion. Moreover, operating profit was NT\$4.81 billion and net income was NT\$4.17 billion. Both of operating profit and net income had respectively increase of 32.11% and 38.95% from the 2014 level of NT\$3.63 billion and NT\$3.00 billion. The diluted earnings per share in 2015 were NT\$15.99.

iii. Financial revenue and expenditure and profitability analysis

Unit: NT\$ thousands dollars

ITEMS		YEAR	
		2015	2014
Financial results	Net Operating revenues	25,508,528	20,821,193
	Operating profit	6,679,228	5,234,627
	Operating income	4,804,733	3,637,153
	Net income	4,173,780	3,003,519
Profitability analysis	Return on assets (%)	30.39	25.84
	Return on shareholders' equity (%)	39.28	34.16
	Operating income to common stock ratio (%)	184.10	139.36
	Net income before Tax to common stock ratio (%)	195.65	143.03
	Net income to Operating revenues ratio (%)	16.36	14.43
	Basic Earnings per share(in dollars)	15.99	11.51

III. Summary of 2016 operation strategy

i. Strategy of 2016 operation

(i) Expansion of capability efficiency

The plans of expansion of Colltex Vietnam 3rd and E-Top Vietnam 2nd have been prepared. In addition, IT supervision tools will become the main methods in order to improve production timeline. LEAN production has been created to advance internal producing process, increase yields on production, and reduce costs of abnormal production. The expansion plans can help to improve our competitive advantage as well as to provide better service to our customers.

(ii) Exploration of new market

To avoid operation risks caused by the limitation on certain markets or customers and to reduce decrease in productivity due to seasonal changes, ECLAT keeps exploring new markets, new customers, and keeps providing new series of products. Exploration of new markets can also strengthen our operation structure and balance the manufacturing planning.

(iii) Steady strategy of raw materials purchase

Although the accommodative monetary policy has been implemented over the global economy system, weak demand as well as oversupply for raw materials caused the price of textile fall sharply in 2015. To deal with the severe fluctuation in the price of raw materials, ECLAT will adopt a special purchasing strategy that is based on the orders. The purchase will depend on the necessity of the materials according to the orders so as to reduce the risks caused by the unstable price of raw materials.

ii. Scheme of 2016 research and development

(i) Continuing research and develop functional fabrics

Functional fabrics are the core products of our company. We plan to use new materials and equipment to develop better manufacturing procedure and to improve the quality of our products. We also plan to enhance the scale and the technology of our lab to ensure highest quality control system. Moreover, many new manufacturing procedures will be incorporated in our knitting and dyeing processes, which seek to explore new technology in order to lead textile industry into next era.

(ii) Cooperation research and development with customer to create new values

In accordance with the vision of vertical integration and one stop shopping service in ECLAT, we will create a niche market through cooperating with raw material vendors and customers. On the one hand, the cooperation model might not only be able to develop niche products, but also could avoid price competition among industry. On the other hand, we will train our designers to be collaborative with our customers, and assist customers to develop new garment brand and market. This change will increase the percentage of ODM and raise profit sharing. Furthermore, we plan to combine academic research with industrial development, and expect that more competitive products will be created through the integration between industry and academic, resulting in a win-win situation between Eclat and customers.

In this coming year, our productivity and sales will continue to expand and grow. ECLAT team is sure to keep the steady progress ongoing, and by implementing strategic plans mentioned above, we hope to create maximum values and profits for customers, employees, and shareholders.

Finally, wish all the shareholders great success and a prosperous year!

ECLAT TEXTILE CO., LTD

Chairman :

General Managers:

Head of Accounting:

2015 Independent Auditors' Report and Financial Statements

Independent Auditors' Report

To the Board of Directors
Eclat Textile Co., Ltd.

We have audited the accompanying balance sheets of Eclat Textile Co., Ltd. (the "Company") as of December 31, 2015 and 2014, and the related statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the years ended December 31, 2015 and 2014. 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 conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and the auditing standards generally accepted in the Republic of China. Those regulations and standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 audits, the financial statements referred to in the first paragraph present fairly in all material respects; the financial position of Eclat Textile Co., Ltd. as of December 31, 2015 and 2014 and the results of its operations and its cash flows for the years ended December 31, 2015 and 2014, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers.

Taipei, Taiwan (the Republic of China)
March 17, 2016

ECLAT TEXTILE CO., LTD.

Balance Sheets

DECEMBER 31, 2015, and 2014
(Expressed in thousands of New Taiwan Dollars)

Assets	2015.12.31		2014.12.31		Liabilities and Equity	2015.12.31		2014.12.31	
	Amount	%	Amount	%		Amount	%	Amount	%
Current Assets:					Current Liabilities:				
Cash and cash equivalents (note 6(a)(o))	\$ 3,324,646	22	1,510,214	12	Financial liabilities reported at fair value through profit or loss—current (note 6(o))	\$ -	-	14,650	-
Notes receivable, net (note 6(b)(o))	2,023	-	3,859	-	Notes payable (note 6(o))	324,391	2	254,568	2
Accounts receivable, net (note 6(b)(o))	3,056,031	20	2,771,158	23	Accounts payable (note 6(o))	1,015,374	7	973,925	8
Accounts receivable-related parties (note 6(b)(o) and 7)	53	-	-	-	Accounts payable-related parties (note 6(o) and 7)	320,274	2	177,184	2
Other receivables (note 6(b))	88,806	1	7,350	-	Other payables (note 6(g))	768,239	5	610,742	5
Inventories, net (note 6(c))	3,043,975	20	2,448,842	20	Current income tax liabilities	602,447	4	444,225	4
Other current assets (note 6(f))	149,214	1	153,216	1	Other current liabilities-others	37,485	-	60,029	-
Total current assets	9,664,748	64	6,894,639	56	Total current liabilities	3,068,210	20	2,535,323	21
Non-current assets:					Non-current liabilities:				
Investment under equity method (note 6(d))	2,790,302	18	2,704,211	22	Deferred income tax liabilities(note 6(h))	50,499	-	36,619	-
Property, plant and equipment (note 6(e) 、7 and 8)	2,546,506	17	2,647,642	22	Net defined benefit liability (note 6(g))	189,026	1	211,311	2
Intangible assets	9,081	-	10,921	-	Guarantee deposits received	84,101	1	42,418	-
Deferred income tax assets (note 6(h))	35,851	-	41,888	-	Total non-current liabilities	323,626	2	290,348	2
Other non-current assets (note 6(f))	119,677	1	4,061	-	Total liabilities	3,391,836	22	2,825,671	23
Total non-current assets	5,501,417	36	5,408,723	44	Equity Attributable to Owners of Parent (Note 6(i))				
					Common Stock	2,609,874	17	2,609,874	21
					Capital surplus	1,289,437	9	1,152,238	9
					Retained earnings (note 6(j))				
					Legal reserve	1,230,078	8	929,726	8
					Special reserve	-	-	-	-
					Unappropriated retained earnings (note 6(h))	6,432,490	43	4,653,692	38
					Total retained earnings	7,662,568	51	5,583,418	46
					Other Stockholders' equity-others	212,450	1	132,161	1
					Total stockholders' equity	11,774,329	78	9,477,691	77
Total Assets	\$ 15,166,165	100	12,303,362	100	Total Liabilities and Equity	\$ 15,166,165	100	12,303,362	100

ECLAT TEXTILE CO., LTD.

Statements of Comprehensive Income

For the year ended December 31, 2015 and 2014

(Expressed in thousands of New Taiwan Dollars, except for earnings per share)

	2015		2014	
	Amount	%	Amount	%
Net Operating revenues(note 6(l) and 7)	\$ 25,508,528	100	20,821,193	100
Operating costs (note 6(e)(g)(i)(j)(m) and 7)	<u>18,829,300</u>	<u>74</u>	<u>15,586,566</u>	<u>75</u>
Operating profit	<u>6,679,228</u>	<u>26</u>	<u>5,234,627</u>	<u>25</u>
Operating expenses (notes 6(e)(g)(i)(j)(m) and 7)				
Selling expenses	1,189,951	5	1,098,763	5
Administrative and general expenses	556,151	2	391,712	2
Research and development expenses	<u>128,393</u>	<u>-</u>	<u>106,999</u>	<u>1</u>
Total operating expenses	<u>1,874,495</u>	<u>7</u>	<u>1,597,474</u>	<u>8</u>
Operating income	<u>4,804,733</u>	<u>19</u>	<u>3,637,153</u>	<u>17</u>
Non-operating income and expenses(note 6(b)(n)):				
Other income	9,399	-	5,785	-
Other gains and losses	308,490	1	256,217	1
Financial costs	(602)	-	(1,400)	-
Recognized share of profit of associates accounted for using equity method, net	<u>(15,852)</u>	<u>-</u>	<u>(164,840)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>301,435</u>	<u>1</u>	<u>95,762</u>	<u>-</u>
Income before income tax	5,106,168	20	3,732,915	17
Less: Income tax (note 6(h))	<u>932,388</u>	<u>4</u>	<u>729,396</u>	<u>3</u>
Net income	<u>4,173,780</u>	<u>16</u>	<u>3,003,519</u>	<u>14</u>
Other comprehensive income :				
Items that will not subsequently be reclassified to profit or loss (note 6(g))				
Remeasurement of defined benefit plans	<u>(6,731)</u>	<u>-</u>	<u>(3,518)</u>	<u>-</u>
Items that will subsequently be reclassified to profit or loss (note 6(i))				
Exchange difference on translation for foreign financial statements of foreign operation	96,734	1	153,092	1
Income tax expense related to items that may be reclassified subsequently (note 6(h))	<u>(16,445)</u>	<u>-</u>	<u>(26,025)</u>	<u>-</u>
	<u>80,289</u>	<u>1</u>	<u>127,067</u>	<u>1</u>
Total other comprehensive income , net of income tax	<u>73,558</u>	<u>1</u>	<u>123,549</u>	<u>1</u>
Total comprehensive income for the period	<u>\$ 4,247,338</u>	<u>17</u>	<u>3,127,068</u>	<u>15</u>
Basic earnings per share(in dollars) (note 6(k))	<u>\$ 15.99</u>		<u>11.51</u>	

ECLAT TEXTILE CO., LTD.

Statements of Changes in Equity

For the year ended December 31, 2015 and December 31, 2014
(Expressed in thousands of New Taiwan dollars)

	Common stock	Capital surplus	Retained earnings			Total	Other adjustments to equity	Total equity
			Legal reserve	Special reserve	Unappropriated retained earnings		Exchange difference on Translation of Foreign financial Statements	
Balance, January 1, 2014	\$ 2,509,494	1,152,238	655,917	61,709	3,722,817	4,440,443	5,094	8,107,269
Net income for 2014	-	-	-	-	3,003,519	3,003,519	-	3,003,519
Other comprehensive income for the period	-	-	-	-	(3,518)	(3,518)	127,067	123,549
Total comprehensive income for the period	-	-	-	-	3,000,001	3,000,001	127,067	3,127,068
Appropriation and distribution of retained earnings (Note1)								
Appropriation of legal reserve	-	-	273,809	-	(273,809)	-	-	-
Cash dividends to shareholders	-	-	-	-	(1,756,646)	(1,756,646)	-	(1,756,646)
Stock dividends to shareholders	100,380	-	-	-	(100,380)	(100,380)	-	-
Reversal of special reserves	-	-	-	(61,709)	61,709	-	-	-
Balance, January 1, 2015	2,609,874	1,152,238	929,726	-	4,653,692	5,583,418	132,161	9,477,691
Net income for 2015	-	-	-	-	4,173,780	4,173,780	-	4,173,780
Other comprehensive income for the period	-	-	-	-	(6,731)	(6,731)	80,289	73,558
Total comprehensive income for the period	-	-	-	-	4,167,049	4,167,049	80,289	4,247,338
Appropriation and distribution of retained earnings (Note2)								
Appropriation of legal reserve	-	-	300,352	-	(300,352)	-	-	-
Cash dividends to shareholders	-	-	-	-	(2,087,899)	(2,087,899)	-	(2,087,899)
Changes in other capital surplus								
Recognized compensation costs on employee stock options	-	137,199	-	-	-	-	-	137,199
Balance, December 31, 2015	\$ 2,609,874	1,289,437	1,230,078	-	6,432,490	7,662,568	212,450	11,774,329

Note 1: The employees' bonus of \$1,859 thousand is expensed in the Statements of Comprehensive Income.

Note 2: The employees' bonus of \$2,090 thousand is expensed in the Statements of Comprehensive Income.

ECLAT TEXTILE CO., LTD.

Statements of Cash Flows

For the year ended December 31, 2015 and 2014
(Expressed in thousands of New Taiwan Dollars)

	2015	2014
Cash flows from operating activities:		
Net income before tax	\$ 5,106,168	3,732,915
Adjustments:		
Income(loss) not impact cash flow		
Depreciation and amortization	218,021	192,086
Reversal of bad debts	(23,250)	(16,203)
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(3,023)	8,551
Interest expense	602	1,400
Interest revenue	(6,759)	(3,339)
Share-based payment awards	137,199	-
Shares of income or loss from subsidiaries, affiliates and joint ventures under equity method	15,852	164,840
Gain on disposal of property, plant and equipment	(374)	(1,024)
Loss on disposal of investments	-	345
Total Income not impact cash flow	338,268	346,656
Changes in assets or liabilities relating to operating activities		
Net changes in assets relating to operating activities		
Increase in notes and accounts receivable	(268,090)	(572,245)
(Increase) decrease in inventories	(595,133)	202,159
(Increase) decrease in other current assets	(69,205)	45,121
Total net changes in assets relating to operating activities	(932,428)	(324,965)
Net changes in liabilities relating to operating activities		
Increase (decrease) in notes and accounts payable	254,362	(38,509)
Increase (decrease) in other payables	144,524	(67,791)
Decrease in other current liabilities	(22,544)	(30,748)
(Decrease) increase in net defined liabilities	(29,016)	3,502
Total net changes in liabilities relating to operating activities	347,326	(133,546)
Total net changes in assets or liabilities relating to operating activities	(585,102)	(458,511)
Total adjustments	(246,834)	(111,855)
Cash inflows from operating activities:	4,859,334	3,621,060
Interest received	6,759	3,339
Interest paid	(602)	(1,400)
Income taxes paid	(757,721)	(639,033)
Net Cash inflows from operating activities	4,107,770	2,983,966
Cash flows from investing activities		
Disposal of financial assets reported at fair value through profit or loss	-	6,099
Acquisition of investments under equity method	(7,098)	(353,237)
Proceeds from disposal of investments under equity method	-	3,210
Acquisition of property, plant and equipment	(60,276)	(115,403)
Proceeds from sales of property, plant and equipment	4,326	5,646
Increase in refundable deposits	(3,430)	(134)
Acquisition of intangible assets	(5,667)	(5,206)
Increase in prepayments for equipment	(165,239)	(163,881)
Dividends received	1,889	1,608
Net cash outflow from investing activities	(235,495)	(621,298)
Cash flows from financing activities		
Decrease in financial liabilities reported at fair value through profit or loss	(11,627)	-
Increase (decrease) in guaranteed deposits received	41,683	(11,900)
Cash dividends	(2,087,899)	(1,756,646)
Net cash outflow from financing activities	(2,057,843)	(1,768,546)
Increase in cash and cash equivalents	1,814,432	594,122
Cash and cash equivalents, beginning of period	1,510,214	916,092
Cash and cash equivalents, end of period	\$ 3,324,646	1,510,214

Independent Auditors' Report

To the Board of Directors of
Eclat Textile Co., Ltd.

We have audited the accompanying consolidated balance sheets of Eclat Textile Co., Ltd. (the "Company") and its subsidiaries as of December 31, 2015, and 2014, and the related consolidated statements of comprehensive income, the consolidated statements of changes in shareholders' equity and the consolidated statements of cash flows for the years ended December 31, 2015 and 2014. 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 conducted our audits in accordance with the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and the auditing standards generally accepted in the Republic of China. Those regulations and standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based on our audits, the consolidated financial statements referred to in the first paragraph present fairly in all material respects; the consolidated financial position of Eclat Textile Co., Ltd. and its subsidiaries as of December 31, 2015 and 2014, and the results of its consolidated operations and its consolidated cash flows for the years ended December 31, 2015 and 2014, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards, International Accounting Standards, interpretation and the preparation of interpretation announcement, all confirmed by Financial Supervisory Commission, R.O.C..

We have audited the parent company only financial statements of Eclat Textile Co., Ltd. as of and for the years ended December 31, 2015 and 2014, and expressed an unqualified opinion thereon.

Taipei, Taiwan (the Republic of China)
March 17, 2016

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

DECEMBER 31, 2015 and 2014
(Expressed in thousands of New Taiwan Dollars)

Assets	<u>2015.12.31</u>		<u>2014.12.31</u>		Liabilities and Equity	<u>2015.12.31</u>		<u>2014.12.31</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Current Assets:					Current Liabilities:				
Cash and cash equivalents (note 6(a)(p))	\$ 3,661,074	21	1,849,871	12	Short-term borrowings (note 6(f) and 8)	\$ 2,227,209	13	2,228,864	15
Notes receivable, net (note 6(b) (p))	2,023	-	3,859	-	Financial liabilities reported at fair value through profit or loss— current (note 6(p))	-	-	14,650	-
Accounts receivable, net (note 6(b) (p))	3,056,073	17	2,771,241	19	Notes payable (note 6(p))	324,391	2	254,568	2
Other receivables (note 6(b))	50,672	-	13,135	-	Accounts payable (note 6(p))	1,213,573	7	1,213,888	8
Inventories, net (note 6(c))	3,563,259	20	3,099,275	21	Other payables (note 6(h))	994,641	6	790,174	5
Other current assets (note 6(e))	<u>338,593</u>	<u>2</u>	<u>327,602</u>	<u>2</u>	Current income tax liabilities	604,167	3	445,818	3
Total current assets	<u>10,671,694</u>	<u>60</u>	<u>8,064,983</u>	<u>54</u>	Current portion of long-term liabilities (due in 1 year) (note 6(g))	46,940	-	20,232	-
Non-current assets:					Other current liabilities-others	<u>83,276</u>	<u>-</u>	<u>104,729</u>	<u>1</u>
Investments accounted for using equity method	13,861	-	13,056	-	Total current liabilities	<u>5,494,197</u>	<u>31</u>	<u>5,072,923</u>	<u>34</u>
Property, plant and equipment (notes 6(d) 、 7 and 8)	6,591,047	38	6,563,445	44	Non-current liabilities:				
Intangible assets	22,084	-	22,525	-	Long-term loans (note 6(g))	88,824	1	74,085	-
Deferred income tax assets (note 6(i))	35,851	-	41,888	-	Deferred income tax liabilities (note 6(i))	50,499	-	36,619	-
Other non-current assets (note 6(e))	<u>347,631</u>	<u>2</u>	<u>218,785</u>	<u>2</u>	Net defined benefit liability (note 6(h))	189,026	1	211,311	2
Total non-current assets	<u>7,010,474</u>	<u>40</u>	<u>6,859,699</u>	<u>46</u>	Guarantee deposits received	<u>85,293</u>	<u>-</u>	<u>52,053</u>	<u>-</u>
					Total non-current liabilities	<u>413,642</u>	<u>2</u>	<u>374,068</u>	<u>2</u>
					Total liabilities	<u>5,907,839</u>	<u>33</u>	<u>5,446,991</u>	<u>36</u>
					Equity Attributable to Owners of Parent (Note 6(j))				
					Common Stock	<u>2,609,874</u>	<u>15</u>	<u>2,609,874</u>	<u>18</u>
					Capital surplus (note 6(k))	<u>1,289,437</u>	<u>7</u>	<u>1,152,238</u>	<u>8</u>
					Retained earnings				
					Legal reserve	1,230,078	7	929,726	6
					Unappropriated retained earnings (note 6(i))	<u>6,432,490</u>	<u>37</u>	<u>4,653,692</u>	<u>31</u>
					Total retained earnings	<u>7,662,568</u>	<u>44</u>	<u>5,583,418</u>	<u>37</u>
					Other Stockholders' equity-others (note 6(j))	<u>212,450</u>	<u>1</u>	<u>132,161</u>	<u>1</u>
					Total Equity attributable to owners of parent	<u>11,774,329</u>	<u>67</u>	<u>9,477,691</u>	<u>64</u>
					Total stockholders' equity	<u>11,774,329</u>	<u>67</u>	<u>9,477,691</u>	<u>64</u>
Total Assets	<u>\$ 17,682,168</u>	<u>100</u>	<u>14,924,682</u>	<u>100</u>	Total Liabilities and Equity	<u>\$ 17,682,168</u>	<u>100</u>	<u>14,924,682</u>	<u>100</u>

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the year ended December 31, 2015 and December 31, 2014
(Expressed in thousands of New Taiwan Dollars, except for earnings per share)

	2015		2014	
	Amount	%	Amount	%
Net Operating revenues (note 6(m) and 14)	\$ 25,520,749	100	20,842,752	100
Operating costs (note 6(c)(d)(h)(k)(n) and 12)	<u>18,367,196</u>	<u>72</u>	<u>15,371,616</u>	<u>74</u>
Operating profit	<u>7,153,553</u>	<u>28</u>	<u>5,471,136</u>	<u>26</u>
Operating expenses (note 6(d)(h)(k)(n) and 12)				
Selling expenses	1,298,361	5	1,176,395	6
Administrative and general expenses	888,328	3	680,615	3
Research and development expenses	<u>128,393</u>	<u>1</u>	<u>106,999</u>	<u>-</u>
Total operating expenses	<u>2,315,082</u>	<u>9</u>	<u>1,964,009</u>	<u>9</u>
Operating income	<u>4,838,471</u>	<u>19</u>	<u>3,507,127</u>	<u>17</u>
Non-operating income and expenses (note 6(b)(o)):				
Other income	10,133	-	6,389	-
Other gains and losses	306,005	1	251,184	1
Financial costs	(36,268)	-	(28,799)	-
Recognized share of profit of associates accounted for using equity method, net	<u>2,694</u>	<u>-</u>	<u>2,505</u>	<u>-</u>
Total non-operating income and expenses	<u>282,564</u>	<u>1</u>	<u>231,279</u>	<u>1</u>
Income before income tax	5,121,035	20	3,738,406	18
Less: Income tax (note 6(i))	<u>947,255</u>	<u>4</u>	<u>734,185</u>	<u>4</u>
Net income	<u>4,173,780</u>	<u>16</u>	<u>3,004,221</u>	<u>14</u>
Other comprehensive income :				
Items that will not subsequently be reclassified to profit or loss				
Remeasurement of defined benefit plans (note 6(h))	<u>(6,731)</u>	<u>-</u>	<u>(3,518)</u>	<u>-</u>
Items that will subsequently be reclassified to profit or loss (note 6(j))				
Exchange difference on translation for foreign financial statements of foreign operation	96,734	1	142,278	1
Income tax expense related to items that may be reclassified subsequently (note 6(i))	<u>(16,445)</u>	<u>-</u>	<u>(26,025)</u>	<u>-</u>
	<u>80,289</u>	<u>1</u>	<u>116,253</u>	<u>1</u>
Total other comprehensive income, net of income tax	<u>73,558</u>	<u>1</u>	<u>112,735</u>	<u>1</u>
Total comprehensive income for the period	<u>\$ 4,247,338</u>	<u>17</u>	<u>3,116,956</u>	<u>15</u>
Net income attributable to :				
Parent	\$ 4,173,780	16	3,003,519	14
Non-controlling interest	<u>-</u>	<u>-</u>	<u>702</u>	<u>-</u>
	<u>\$ 4,173,780</u>	<u>16</u>	<u>3,004,221</u>	<u>14</u>
Comprehensive income attributable to :				
Parent	\$ 4,247,338	17	3,127,068	15
Non-controlling interest	<u>-</u>	<u>-</u>	<u>(10,112)</u>	<u>-</u>
	<u>\$ 4,247,338</u>	<u>17</u>	<u>3,116,956</u>	<u>15</u>
Basic earnings per share (in dollars) (note 6(l))	<u>\$ 15.99</u>		<u>11.51</u>	

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the year ended December 31, 2015 and December 31, 2014
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to shareholders of the parent						Other adjustments to equity	Total equity attributable to parent	Non-controlling interest	Total equity
	Retained earnings					Total				
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings					
							Exchange difference on Translation of Foreign financial Statements			
Balance, January 1, 2014	\$ 2,509,494	1,152,238	655,917	61,709	3,722,817	4,440,443	5,094	8,107,269	10,112	8,117,381
Net income for 2014	-	-	-	-	3,003,519	3,003,519	-	3,003,519	702	3,004,221
Other comprehensive income for the period	-	-	-	-	(3,518)	(3,518)	127,067	123,549	(10,814)	112,735
Total comprehensive income for the period	-	-	-	-	3,000,001	3,000,001	127,067	3,127,068	(10,112)	3,116,956
Appropriation and distribution of retained earnings:										
Appropriation of legal reserve	-	-	273,809	-	(273,809)	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(1,756,646)	(1,756,646)	-	(1,756,646)	-	(1,756,646)
Stock dividends to shareholders	100,380	-	-	-	(100,380)	(100,380)	-	-	-	-
Reversal of special reserves	-	-	-	(61,709)	61,709	-	-	-	-	-
Balance, January 1, 2015	2,609,874	1,152,238	929,726	-	4,653,692	5,583,418	132,161	9,477,691	-	9,477,691
Net income for 2015	-	-	-	-	4,173,780	4,173,780	-	4,173,780	-	4,173,780
Other comprehensive income for the period	-	-	-	-	(6,731)	(6,731)	80,289	73,558	-	73,558
Total comprehensive income for the period	-	-	-	-	4,167,049	4,167,049	80,289	4,247,338	-	4,247,338
Appropriation and distribution of retained earnings:										
Appropriation of legal reserve	-	-	300,352	-	(300,352)	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(2,087,899)	(2,087,899)	-	(2,087,899)	-	(2,087,899)
Changes in other capital surplus	-	-	-	-	-	-	-	-	-	-
Recognized compensation costs on employee stock options	-	137,199	-	-	-	-	-	137,199	-	137,199
Balance, December 31, 2015	\$ 2,609,874	1,289,437	1,230,078	-	6,432,490	7,662,568	212,450	11,774,329	-	11,774,329

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the year ended December 31, 2015 and December 31, 2014
(Expressed in thousands of New Taiwan Dollars)

	2015	2014
Cash flows from operating activities:		
Net income before tax	\$ 5,121,035	3,738,406
Adjustments		
Income(loss) not impact cash flow:		
Depreciation and amortization	755,908	552,267
Reversal of bad debts	(23,250)	(16,203)
Net (gain) loss of financial assets or liabilities reported at fair value through profit or loss	(3,023)	8,551
Interest expense	36,268	28,799
Interest revenue	(7,493)	(3,902)
Share-based payment awards	137,199	-
Shares of income from subsidiaries, affiliates and joint ventures under equity method	(2,694)	(2,505)
Loss on disposal of property, plant and equipment	9,052	9,554
Loss on disposal of investments	-	345
Total Income not impact cash flow:	901,967	576,906
Changes in assets or liabilities relating to operating activities		
Net changes in assets relating to operating activities		
Increase in notes and accounts receivable	(259,746)	(524,662)
(Increase) decrease in inventories	(464,284)	133,719
Increase in other current assets	(10,991)	(88,615)
(Increase) decrease in other financial assets	(37,537)	46,944
(Increase) decrease in other operating assets	(12,869)	8,741
Total net changes in assets relating to operating activities	(785,427)	(423,873)
Net changes in liabilities relating to operating activities		
Increase (decrease) in notes and accounts payable	69,508	(2,554)
Increase in other payables	202,875	38,503
Decrease in other current liabilities	(21,453)	(104,961)
(Decrease) increase in net defined benefit liabilities	(29,016)	3,502
Total net changes in liabilities relating to operating activities	221,914	(65,510)
Total net changes in assets or liabilities relating to operating activities	(563,513)	(489,383)
Total adjustments	338,454	87,523
Cash inflows from operating activities:	5,459,489	3,825,929
Interest received	7,493	3,902
Interest paid	(36,268)	(28,799)
Income taxes paid	(767,397)	(657,104)
Net Cash inflows from operating activities:	4,663,317	3,143,928
Cash flows from investing activities		
Disposal of financial assets reported at fair value through profit or loss	-	7,209
Disposal of investments under equity method	-	3,210
Acquisition of property, plant and equipment	(611,435)	(1,486,445)
Proceeds from sales of property, plant and equipment	21,448	8,208
(Increase) decrease in refundable deposits	(3,791)	1,616
Acquisition of intangible assets	(10,202)	(8,299)
Increase in prepayments for equipment	(180,645)	(164,186)
Dividends received	1,889	1,608
Impact on loss control	-	(14,736)
Net cash outflow from investing activities	(782,736)	(1,651,815)
Cash flows from financing activities		
(Decrease) increase in short-term borrowings	(1,655)	898,964
Increase in long-term borrowings	83,769	74,085
Decrease in long-term borrowings	(42,322)	(3,910)
Decrease in financial liabilities reported at fair value through profit or loss	(11,627)	-
Increase (decrease) in guaranteed deposits received	33,239	(2,264)
Cash dividends	(2,087,899)	(1,756,646)
Decrease in non-controlling interests	-	(10,814)
Net cash outflow from financing activities	(2,026,495)	(800,585)
Impact of changes of exchange rates on cash and cash equivalents	(42,883)	(52,144)
Increase in cash and cash equivalents	1,811,203	639,384
Cash and cash equivalents, beginning of period	1,849,871	1,210,487
Cash and cash equivalents, end of period	\$ 3,661,074	1,849,871

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2015 Business Report, Financial Statements, and proposal for distribution of profits. The 2015 Financial Statements (including Consolidated Financial Statements) of the Company have been audited and certified by independent auditors, Astor Kou and Sinney Kuo, of KPMG Taiwan. The Business Report, Financial Statements, and profit distribution proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of ECLAT TEXTILE CO., LTD. According to Article 219 of the Company Law, we hereby submit this report.

ECLAT TEXTILE CO., LTD.

Chairman of the Audit Committee:

Sir WANG, YEA-KANG

March 17, 2016

Supplement 4

ECLAT TEXTILE CO., LTD.	
Profit Distribution Proposal	
Year 2015	Unit: NT\$
Unappropriated Retained Earnings of Previous Years	2,265,440,935
Add : Net Income of 2015	4,173,780,297
Less : Other comprehensive loss	
Actuarial loss from defined benefit plans of 2015	(6,731,000)
	6,432,490,232
Earnings in 2015 Available for Distribution	6,432,490,232
Distribution Item:	
Less: - 10% Legal Reserve	(417,378,030)
- Cash Dividends to Common Share Holders (NT\$10.5 per share)	(2,824,367,322)
	3,190,744,880
Unappropriated Retained Earnings	3,190,744,880

Note : Distribute the retained earnings of 2015 first.