

**Ton Yi Industrial Corp.**  
**Minutes of 2016 Annual General Shareholders' Meeting**

Time: Thursday, June 23, 2016 at 9:00 am.

place: 7F Conference Hall, No. 837 Zhongzheng N. Road, Yongkang District, Tainan  
City Taiwan(R.O.C)

Attendants: Total Shares Represented by Shareholders and Proxies

Present:1,050,615,444 shares,1accounted for66.53% of the total  
shares issued (1,579,145,342 shares)

Chairperson: Chih - Hsien Lo                      Recorder: Shih - ying Wang

Directors Attendance: Shing-Chi Liang(Direct) 、 Chao-Kai Haung(Direct) 、  
Kuo-Keng Chen(Direct) 、  
Ming-Long Wang(IndependentDirect)  
Chin-Chen Chien(IndependentDirect) 、  
Bing-Eng Wu(IndependentDirect)

Sit-in Members: Chin-Chung Chen (President) 、 Feng-Fu Chen(CFO) 、  
Lin Tzu-Yu(CPA) 、 Yu Hsu-Hwa(Lawyer)

Chairman's Address: Omitted

Meeting Agenda

**I. Discussions**

Agenda 1 : Amendment of the Company's "Articles of Incorporation."

(Proposed by the board)

Description:

(1)This amendment has been proposed in response to new Article 235-1 and amended Articles 235 and 240 introduced to the Company Act under President's Order No. Hua-Zong-1-Yi-10400058161 dated May 20, 2015. Article 235 of the Company Act had previously specified the percentage of earnings to be distributed as employees' bonus. However, in light of international trends to expense employees' share of profit and exclude employees from earnings distribution, the corresponding clause was removed from the Company Act and replaced with Article 235-1 instead. Under this new Article, companies are required to specify in the Articles of Incorporation the amount or percentage of current profit to be paid out as employees' remuneration.

(2)This agenda was passed by the Remuneration Committee, the

Audit Committee and the 15th board of directors during the 16th board meeting.

(3) The proposed amendments to the Articles of Incorporation is attached as Appendix

Voting Result :

Shares represented at the time of voting 1,050,615,444 votes.

Voting results	% of the total represented share present
Votes in favor : 1,035,093,582 (including 797,310,017 exercised via electronic voting)	98.52%
Votes against : 152,133 (including 152,133 exercised via electronic voting)	0.0145%
Votes abstained/no votes : 15,369,729 (including 15,127,931 exercised via electronic voting)	1.46%
Votes invalid	0

RESOLVED, that the above proposal be and hereby was approved as proposed.

## II. Reports

Report 1 : Reporting of 2015 Business Reports.

Description: Reporting of the Company's 2015 Business Reports.

Report 2 : Reporting of Audit Committee's review over the 2015 year-end closure.

Description:

- (1) The Company's 2015 financial statements have been audited by PricewaterhouseCoopers Taiwan and reviewed by the Audit Committee. An independent auditor's report and a review report were issued separately by the above two parties.
- (2) This report was passed during the 17th meeting of the 15th board of directors.
- (3) Read out of the review report.

Report 3 : Reporting of proposed 2015 employees' and directors' remuneration.

Description:

- (1) Pursuant to the amended Articles of Incorporation, employees' remuneration totaling NT\$33,344,422 (or 4.49% of current profit) and directors' remuneration totaling NT\$10,640,030 (or 1.43% of current profit) have been proposed. Both amounts shall be distributed in cash.
- (2) The proposed amount of employees' and directors' remuneration was NT\$655,578 lesser than the amount estimated in 2015; this difference will be adjusted into the 2016 profit and loss account.
- (3) This agenda has been discussed by the Remuneration Committee and passed by the board of directors.

Report 4 : Reporting of total guarantees and endorsements made by the Company.

Description: As at December 31, 2015, guarantees and endorsements totaling NT\$2,997,472,000 had been made in accordance with the Company's Guarantee and Endorsement Procedures.

Unit: NTD thousands

The endorsed / guaranteed	Shareholding percentage	As at 2015.12.31
Zhangzhou Ton Yi Industrial Co., Ltd.	100%	300,382
Chengdu Ton Yi Industrial Packaging Co., Ltd.	100%	449,340
Sichuan Ton Yi Industrial Co., Ltd.	100%	1,248,750
Zhanjiang Ton Yi Industrial Co., Ltd.	100%	999,000
Total		2,997,472

Report 5 : Reporting of total loans granted to third parties.

Description: As of December 31, 2015, loans totaling NT\$0 had been granted to third parties.

Report 6 : Reporting of total financial instruments undertaken by the Company.

Description: All financial instruments undertaken by the Company were for hedging purpose. They were primarily intended to hedge against exchange rate risks arising from export debt entitlements and import debt obligations.

Unit: NTD thousands

Period	Amount of contract principal	Recognized gains (losses)
2015.01 ~ 2015.12	44,595	(528)

Report 7 : Reporting of the Company's indirect investments into Mainland China.

Description: Below is a list of indirect investments in Mainland China that the Company had held using 100%-owned subsidiaries registered in a third country in 2015:

Unit: USD/thousands

Subsidiary registered in a third country	Investees	Capital	Opening investment balance (as at 2014/12/31)	Current investments made (for period ended 2015/12/31)	Closing investment balance
Cayman Ton Yi Industrial (China) Holdings Co., Ltd.	Ton Yi (China) Investment Co., Ltd.	230,000	30,000	200,000 [Note]	230,000

[Note] The actual amount of cash invested into Mainland China through a third country totaled US\$20 million; the increase of investment balance was due to a restructuring arrangement, where six of the PET subsidiaries previously held by Cayman Ton Yi Industrial (China) Holdings Co., Ltd. was transferred to Ton Yi (China) Investment Co., Ltd. in exchange for shares.

Unit: USD/thousands

Mainland subsidiaries	Investees	Capital	Opening investment balance (as at 2014/12/31)	Current investments made (for period ended 2015/12/31)	Closing investment balance
Ton Yi (China) Investment Co., Ltd.	Zhanjiang Ton Yi Industrial Co., Ltd.	20,000	12,000	8,000	20,000
	Sichuan Ton Yi Industrial Co., Ltd.	30,000	18,000	12,000	30,000
	Zhangzhou Ton Yi Industrial Co., Ltd.	30,000	0	30,000	30,000

	Taizhou Ton Yi Industrial Co., Ltd.	30,000	0	30,000	30,000
	Huizhou Ton Yi Industrial Co., Ltd.	30,000	0	30,000	30,000
	Chengdu Ton Yi Industrial Packaging Co., Ltd.	30,000	0	30,000	30,000
	Beijing Ton Yi Industrial Co., Ltd.	30,000	0	30,000	30,000
	Kunshan Ton Yi Industrial Co., Ltd.	30,000	0	30,000	30,000
	<b>Total</b>	<b>230,000</b>	<b>30,000</b>	<b>200,000</b>	<b>230,000</b>

### III. Acknowledgments

Agenda 1 : Acknowledgment of the Company's 2015 Business Report and Financial Statements. (Proposed by the board)

Description: The Company's 2015 Business Report and Financial Statements have been audited by PricewaterhouseCoopers Taiwan and are available for acknowledgment.

Voting Result :

Shares represented at the time of voting 1,050,615,444 votes.

Voting results	% of the total represented share present
Votes in favor : 1,035,096,621 (including 797,313,110 exercised via electronic voting)	98.52%
Votes against : 164,565 (including 164,565 exercised via electronic voting)	0.0157%

Votes abstained/no votes : 15,354,258 (including 15,112,460 exercised via electronic voting)	1.46%
Votes invalid	0

RESOLVED, that 2015 Business Report and Financial Statements be and hereby were accepted as submitted.

Agenda 2 : Acknowledgment of the Company's 2015 Earnings  
Appropriation. (Proposed by the board)

Description:

- (1) The Company has completed the preparation of its 2015 standalone financial statements. After-tax profits amounted to NT\$590,018,253 for the year, for which a statutory reserve totaling NT\$59,967,583 was bound to be provided in accordance with law (10% of current profit plus a shortfall of NT\$1,085,138 required on 2014 profits). The remainder plus NT\$24,836,542 of undistributed earnings carried from the previous year less a NT\$24,945,206 revaluation of defined benefit plan concludes a balance of NT\$529,942,006, which is available for distribution in the current year.
- (2) For the Company's 2015 Earnings Appropriation, a proposal has been made to pay a cash dividend of NT\$505,326,509 (NT\$320 per thousand shares) from available earnings. Please refer to P30 of the Conference Manual. The amount of cash dividends shall be calculated and truncated to the nearest NT\$1. Fractions that do not amount to a full NT\$1 shall be summed and recognized by the Company as other income.
- (3) Proposal to request shareholders' permission to authorize the board of directors for decisions such as the ex-dividend date and details concerning the cash dividend, which are to be announced in accordance with law.
- (4) This agenda has been discussed by the Audit Committee and passed by the board of directors.

Voting Result :

Shares represented at the time of voting 1,050,615,444 votes.

Voting results	% of the total represented share present
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Votes in favor : 1,035,084,621 (including 797,301,110 exercised via electronic voting)	98.522%
Votes against : 176,565 (including 176,565 exercised via electronic voting)	0.017%
Votes abstained/no votes : 15,354,258 (including 15,112,460 exercised via electronic voting)	1.461%
Votes invalid	0

RESOLVED, that the above proposal be and hereby was approved as proposed.

#### IV. Election

Agenda 1 : Election of the Company's 16th board of directors (10 seats in total; including 3 independent directors). (Proposed by the board)

##### Description:

- (1)The term of service of the Company's 15th board will end on June 19, 2016.
- (2)According to the Articles of Incorporation, a total of 10 directors (including 3 independent directors) shall be elected for the 16th board. All directors shall be elected using the nomination system, and existing directors will have their services extended until new directors are onboard for duty. New directors shall begin service immediately after being elected during the annual general meeting, and serve a term of three years from June 23, 2016 until June 22, 2019.
- (3)For sound corporate governance, the Company plans to follow the Articles of Incorporation and Article 14-4 of the Securities and Exchange Act, and assemble an Audit Committee comprising entirely of independent directors. The second and subsequent Audit Committees shall be established as soon as new independent directors are elected onboard.
- (4)Pursuant to the Articles of Incorporation, the director election shall proceed using the nomination system, where shareholders

will elect from the list of director candidates. Ordinary directors and independent directors are to be elected at the same time, with votes counted separately.

#### Election Result

##### List of Directors Elected :

Act.No	Name	Numbers of Votes received
84	Representative of Uni-President Enterprises Corp. : Chih-Hsien Lo	1, 018, 822, 285
84	Representative of Uni-President Enterprises Corp. : Jui-Sheng Wang	1, 013, 914, 840
84	Representative of Uni-President Enterprises Corp. : Chao Kai Huang	1, 013, 609, 102
84	Representative of Uni-President Enterprises Corp. : Chih-Chung Chen	1, 011, 410, 853
218	Representative of Kao Chyuan Investment Co., Ltd. : Xiu-Ling Kao	1, 013, 425, 906
95	Shing-Chi Liang	1, 012, 629, 904
32	Kuo-Keng Chen	1, 011, 659, 946

##### List of Independent Directors Elected :

Name	Numbers of Votes received
Ming-Long wang	1, 011, 399, 509
Chin-Chen Chien	1, 011, 101, 005
Bing-Eng Wu	1, 011, 089, 008



## V. Other agendas

Agenda1 : Discussion to remove restrictions against involvements in competing business activities for the newly elected board.  
(Proposed by the board)

Description:

- (1) Pursuant to Article 209 of the Company Act, "Directors may obtain permission for engaging in business activities that coincide with those of the company's for directors' own benefits, or for the benefits of others, by disclosing material details during shareholder meeting."
- (2) Some of the newly elected directors are found to have simultaneously assumed directorship or managerial roles in other companies that engage in business activities similar to those of the Company's. Their activities should present no threat to the Company, and a proposal has been raised to remove restrictions against their involvements in competing businesses, provided that doing so would not compromise the Company's interests.
- (3) Details of the duties subject to directors and independent directors from non-competition that are to be posted are attached as Appendix.

Voting Result :

Shares represented at the time of voting 1,050,615,444 votes.

Voting results	% of the total represented share present
Votes in favor : 980,134,467 (including 742,350,956 exercised via electronic voting)	93.29%
Votes against : 46,438,174 (including 46,438,174 exercised via electronic voting)	4.4201%
Votes abstained/no votes : 24,042,174 (including 23,801,005 exercised via electronic voting)	2.29%
Votes invalid	0

RESOLVED, that the above proposal be and hereby was approved as proposed

Question and Motions : none

Adjournment : June 23, 2016 at 9:38 am.

Ton Yi Industrial Corp.  
Comparison of Existing and Revised Articles of Incorporation

Revised terms	Existing terms	Explanation
<p>Article 30: <u>Annual profits concluded by the Company shall be subject to employee remuneration of no lesser than 2% and director remuneration of no higher than 2%. However, profits must first be taken to offset against cumulative losses if any.</u> <u>The annual profit mentioned in Paragraph 1 shall refer to pre-tax profit before employees' and directors' remuneration.</u> <u>Employees' remuneration can be paid to employees of affiliated companies that satisfy certain criteria.</u></p>	<p>Article 30: (This Article is added anew)</p>	<p>The original article was renumbered to Article 31. Details regarding the percentage of employees' and directors' remuneration have been added to this article.</p>
<p>Article 31: The Company operates in a rapidly changing environment and is currently in the growing stage of its life cycle. Distribution of earnings should depend on the Company's future budgeted capital spending and capital requirements, and weighed against the source of capital in order decide the amount of earnings to be retained or distributed in cash to shareholders. Annual surpluses concluded by the Company are first subject to taxation and reimbursement of previous losses; any balances remaining will then be subject to a 10% provision for statutory reserves followed by a provision <u>or reversal</u> of special reserves. <u>The residual balance plus undistributed earnings carried from the previous year will be available for distribution. 50% to 100% of distributable earnings shall be distributed as shareholders' dividends, with cash dividends amounting to no lesser than 30% of total dividends proposed for the year. Earnings appropriation plans shall be proposed by the board of directors and</u> are subject to shareholdersing to no lesser than 30% of to</p>	<p>Article 30: The Company operates in a rapidly changing environment and is currently in the growing stage of its life cycle. Distribution of earnings should depend on the Company's future budgeted capital spending and capital requirements, and weighed against the source of capital in order decide the amount of earnings to be retained or distributed in cash to shareholders. Annual surpluses concluded by the Company are first subject to taxation and reimbursement of previous losses; any balances remaining will then be subject to a 10% provision for statutory reserves followed by a provision of special reserves. <u>The amount of distributable after-tax earnings plus undistributed earnings carried from the previous year will be available for distribution. Earnings appropriation plans shall be proposed by the board of directors based on factors such as future business or investment requirements. 50% to 100% of distributable earnings shall be distributed as shareholdersssedfor distriwith cash and stock dividends each comprising 50% of the total, but adjustable where necessary, and are subject to shareholdersch comprising 50% of the totng. Directorssubject to shareholdersch comprising 50% of the totng. but adjustable where necessearnings, whereas employees shareholdersch comprising 50% of the totng. but adjustable where necessary, viearnings. Apart from the compensations mentioned in Article 18, independent directors are not entitled to directors' remuneration described in this Article.</u></p>	<p>Removed percentages of employees' bonus and directors' remuneration, and adjusted article numbering.</p>

Revised terms	Existing terms	Explanation
<p><u>Article 32:</u> The Company's organizational rules and administrative principles shall be established by the board of directors in separate policies.</p>	<p>Article 31: The Company's organizational rules and administrative principles shall be established by the board of directors in separate policies.</p>	<p>Article renumbered.</p>
<p><u>Article 33:</u> Any matters that are not addressed in the Articles of Incorporation shall be governed by the Company Act and related laws.</p>	<p>Article 32: Any matters that are not addressed in the Articles of Incorporation shall be governed by the Company Act and related laws.</p>	<p>Article renumbered.</p>
<p><u>Article 34:</u> The Articles of Incorporation were created on March 20, 1969, and had since been amended on the following dates: 1st amendment: October 7, 1970..... 41st amendment: June 20, 2013 <u>42nd amendment: June 23, 2016</u> The Articles of Incorporation shall be effected immediately following shareholdersmended on the following dates:ated laws.e policies.this Arti</p>	<p>Article 33: The Articles of Incorporation were created on March 20, 1969, and had since been amended on the following dates: 1st amendment: October 7, 1970..... 41st amendment: June 20, 2013 The Articles of Incorporation shall be effected immediately following shareholdersmended on the following dates:ated laws.e policies.this Arti</p>	<p>1. Article renumbered. 2. Specified the date of amendment.</p>

## 2015 Business Report

In 2015, prices of commodities such as iron ore fines and oil had plummeted, whereas Mainland China, the main growth driver behind the global economy in recent years, seems to be slowing down as well. The world economy is currently in the state of adjustment, waiting and searching for a new break. Judging by the macroeconomic environment and trends of the industry we are in, the Company is still presented with opportunities to last through the difficult environment or even achieve growth amidst the slowed down, stagnant, or declining economy. In 2015, Ton Yi Industrial Corp. delivered full-year revenues totaling NT\$17.153 billion, pre-tax profits totaling NT\$698 million, after-tax profits totaling NT\$590 million, and an after-tax EPS of NT\$0.37.

Slowdown of the Chinese economy coupled with excess supply of steel and falling price of iron ore fines have undermined the selling prices of tin plates and tin mill back plates, which are two of the Company's main products. As a result, total revenues had fallen by 18.5% compared to the previous year. Shipment of tin plates, tin mill back plates and cold rolled coils totaled 781,834 tons in 2015, which was 30,855 tons lesser compared to the 812,689 tons a year ago. Sales of cold rolled coils and tin mill back plates amounted to 536,970 tons and NT\$9.548 billion, down 4.0% and 22.6%, respectively, from the previous year. Sales of tin plates amounted to 244,864 and NT\$6.853 billion, down 3.3% and 12.9%, respectively, from the previous year. Sales of tin cans amounted to 130 million pieces and NT\$746 million, down 14.7% and 10.4%, respectively, from the previous year.

The Company prides itself for producing safe, healthy, and appealing tin cans for various food and beverages. It adds value to the food supply chain by making consumers feel safe about the food they purchase, and contributes to the society by refining its production procedures in ways that minimize impacts on the environment. Through after-sale service and R&D, we continue to refine the quality of products offered and take step towards sustainability. To ensure food safety, the Company has constructed a national grade laboratory and passed international certifications including JIS G 3303, ISO9001, ISO14001, OHSAS 18001& TOSHMS. In 2014, the Company adopted ISO 22000, CNS12681 and CNS labeling to assure customers of the things we make and reach the goal of purchasing the products of Ton Yi comfortably.

In terms of overseas investments, the Company generated RMB 4.931 billion in revenues from Mainland China in 2015, which represented a 3.9% growth from the previous year. This growth was

mainly attributed to the sale of PET drinks, which amounted to RMB 3.15 billion in revenues and represented a growth of 30.5%. Meanwhile, tin plates and tin cans amounted to RMB 1.781 billion in revenues, down 23.6% mainly because of a cut in selling price to reflect the falling price of steel. Volume-wise, tin plates totaled 306,221 tons while tin cans totaled 516 million pieces in sales; this represented a decline of 7.8% and 12.5%, respectively.

In light of the growing beverage market in Mainland China, the Company has actively been working with Uni-President Enterprises for the construction of streamlined production sites that handle everything from the manufacturing of PET caps and bottles to the bottling process, and thereby offer customers a more complete range of products and services. The Company currently has 8 streamlined production sites located in Taizhou City (Jiangsu Province), Kunshan City (Jiangsu Province), Zhangzhou City (Fujian Province), Chengdu City (Sichuan Province), Huizhou City (Guangdong Province), Zhanjiang City (Guangdong Province), and Beijing City; together, they produce 300 million cartons of PET bottles and TP drinks a year. Apart from metal packaging, Ton Yi Industrial has also involved itself in the production of PET materials and beverages. With 16 production and sales locations throughout the world, Ton Yi Industrial has become an all-round packaging company dedicated to providing consumers with the utmost assurance on food safety.

We have developed advanced production facilities and technologies to meet whatever challenges that lie ahead in 2016, and our solid presence in China will allow us to capture the enormous potentials of the local beverage market. In the future, Ton Yi Industrial will continue to devote attention towards corporate social responsibilities in areas such as technology improvements, talent training, environmental protection, food safety and corporate governance, and thereby create a three-win between employees, shareholders, and the society/environment.

Chairman: Chih-Hsien Lo    Manager: Chih-Chung Chen    Head of Accounting: Feng-Fu Chen

# **Ton Yi Industrial Corp.**

## **Audit Committeal Corp.**

We have reviewed the Company's 2015 Business Report, Financial Statements, and Earnings Appropriation prepared by the Board of Directors. The standalone and consolidated financial statements were audited by CPA Zi-Yu Lin and CPA Ming-Hsien Li of PricewaterhouseCoopers Taiwan, to which they issued an unqualified opinion. The Audit Committee has reviewed the abovementioned reports and found no misstatements. We hereby issue this report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

For

The 2016 Annual General Meeting

Ton Yi Industrial Corp.

Audit  
Committee

Convener: Chin-Cheng Chien

Member: Ming-Long Wang

Member: Bing-Eng Wu

March 24, 2016

## REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

We have audited the accompanying parent company only balance sheets of Ton Yi Industrial Corp. as of December 31, 2015 and 2014, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended. These parent company only financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these parent company only 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 generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the financial position of Ton Yi Industrial Corp. as of December 31, 2015 and 2014, and its financial performance and cash flows for the years then ended in conformity with the "Regulations Governing the Preparations of Financial Reports by Securities Issuers".

Lin, Tzu-Yu

Independent Accountants

Lee, Ming-Hsien

PricewaterhouseCoopers, Taiwan

Republic of China

March 24, 2016

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The accompanying 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 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.



TON YI INDUSTRIAL CORP.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2015 AND 2014  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2015 AMOUNT	December 31, 2014 AMOUNT
<b>Current assets</b>			
1100	Cash and cash equivalents	\$ 4,801	\$ 9,993
1150	Notes receivable, net	160,650	145,407
1170	Accounts receivable, net	352,615	367,426
1180	Accounts receivable - related parties	709,492	1,070,357
1200	Other receivables	63,097	114,228
1210	Other receivables - related parties	7,627	-
130X	Inventories	1,571,397	2,358,375
1410	Prepayments	163,699	172,366
11XX	<b>Total current assets</b>	<u>3,033,378</u>	<u>4,238,152</u>
<b>Non-current assets</b>			
1523	Available-for-sale financial assets - non-current	130,896	178,340
1543	Financial assets carried at cost - non-current	501,050	501,050
1550	Investments accounted for under equity method	9,997,345	10,231,178
1600	Property, plant and equipment - net	12,864,316	13,794,579
1760	Investment property - net	10,099	10,099
1780	Intangible assets	35,319	70,638
1840	Deferred income tax assets	112,618	106,499
1915	Prepayments for business facilities	2,915	-
1920	Guarantee deposits paid	1,406	6,182
1985	Long-term prepaid rent	43,842	48,852
1990	Other non-current assets	9,407	7,439
15XX	<b>Total non-current assets</b>	<u>23,709,213</u>	<u>24,954,856</u>
1XXX	<b>Total assets</b>	<u>\$ 26,742,591</u>	<u>\$ 29,193,008</u>

(Continued)

TON YI INDUSTRIAL CORP.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2015 AND 2014  
(Expressed in thousands of New Taiwan dollars)

<u>Liabilities and Equity</u>		<u>Notes</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>
			<u>AMOUNT</u>	<u>AMOUNT</u>
<b>Current liabilities</b>				
2100	Short-term borrowings	6(12)	\$ 18,405	\$ 197,887
2110	Short-term notes and bills payable	6(13)	-	99,942
2150	Notes payable		24,074	19,571
2170	Accounts payable		221,537	109,045
2200	Other payables		593,578	670,917
2230	Current income tax liabilities	6(25)	45,657	49,597
2310	Advance receipts		49,456	40,546
2320	Long-term liabilities, current portion	6(14) and 9	1,800,000	1,800,000
21XX	<b>Total current liabilities</b>		<u>2,752,707</u>	<u>2,987,505</u>
<b>Non-current liabilities</b>				
2540	Long-term borrowings	6(14) and 9	4,592,538	6,093,721
2550	Provisions for liabilities - non-current	6(15)(22)	74,001	72,639
2570	Deferred income tax liabilities	6(25)	204,508	209,116
2640	Accrued pension liabilities - non-current	5(2) and 6(16)	365,767	390,035
2645	Guarantee deposits received		5,500	5,500
25XX	<b>Total non-current liabilities</b>		<u>5,242,314</u>	<u>6,771,011</u>
2XXX	<b>Total liabilities</b>		<u>7,995,021</u>	<u>9,758,516</u>
<b>Equity</b>				
<b>Share capital</b>				
3110	Share capital - common stock	6(17)	15,791,453	15,791,453
3200	Capital surplus	6(18)	228,178	228,178
<b>Retained earnings</b>				
3310	Legal reserve	6(19)(24)(25)	1,379,732	1,303,221
3320	Special reserve		826,453	826,453
3350	Unappropriated retained earnings		589,910	811,964
3400	<b>Other equity interest</b>	6(5)	( 68,156)	473,223
3XXX	<b>Total equity</b>		<u>18,747,570</u>	<u>19,434,492</u>
<b>Contingent liabilities and commitments</b>				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 26,742,591</u>	<u>\$ 29,193,008</u>

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

**TON YI INDUSTRIAL CORP.**  
**PARENT COMPANY ONLY STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Items	Notes	Year ended December 31	
		2015 AMOUNT	2014 AMOUNT
4000			
4000	7	\$ 17,152,577	\$ 21,042,118
5000	6(4)(10)(11)(16)(23)(24), 7 and 9	( 15,572,801)	( 18,960,334)
5900		1,579,776	2,081,784
5910	6(7) and 7	( 44,739)	( 127,611)
5920	6(7)	127,436	126,654
5950		1,662,473	2,080,827
	6(16)(23)(24), 7 and 9		
6100		( 739,211)	( 906,343)
6200		( 357,923)	( 397,264)
6000		( 1,097,134)	( 1,303,607)
6900		565,339	777,220
7010	6(20) and 7	41,796	57,383
7020	6(21), 7 and 12	24,457	111,500
7050	6(8)(22)	( 115,395)	( 118,418)
7070	6(7)		
		181,839	102,026
7000		132,697	152,491
7900		698,036	929,711
7950	6(25)	( 108,018)	( 153,751)
8200		\$ 590,018	\$ 775,960
8311	6(16)	( \$ 30,055)	( \$ 13,074)
8349	6(25)	5,109	2,222
8361	6(7)	( 494,736)	247,348
8362	6(5)	( 47,444)	761
8399	6(25)	801	( 898)
8300		( \$ 566,325)	\$ 236,359
8500		\$ 23,693	\$ 1,012,319
9750	6(26)	\$ 0.37	\$ 0.49
9850	6(26)	\$ 0.37	\$ 0.49

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

TON YI INDUSTRIAL CORP.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014  
(Expressed in thousands of New Taiwan dollars)

	Notes	Capital Reserves			Retained Earnings			Other Equity Interest		Total equity	
		Share capital - common stock	Capital surplus, additional paid-in capital	Treasury stock transactions	Donated assets received	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange difference arising on translation of foreign operations		Unrealized gain or loss on available-for-sale financial assets
<u>2014</u>											
Balance at January 1, 2014		\$ 15,791,453	\$ 58,271	\$ 169,088	\$ 819	\$ 1,183,966	\$ 826,453	\$ 1,192,555	\$ 427,350	(\$ 201,338)	\$ 19,448,617
Distribution of 2013 net income (Note) :											
Legal reserve		-	-	-	-	119,255	-	( 119,255 )	-	-	-
Cash dividends	6(19)	-	-	-	-	-	-	( 1,026,444 )	-	-	( 1,026,444 )
Profit for the year		-	-	-	-	-	-	775,960	-	-	775,960
Other comprehensive income for the year	6(5)	-	-	-	-	-	-	( 10,852 )	246,450	761	236,359
Balance at December 31, 2014		<u>\$ 15,791,453</u>	<u>\$ 58,271</u>	<u>\$ 169,088</u>	<u>\$ 819</u>	<u>\$ 1,303,221</u>	<u>\$ 826,453</u>	<u>\$ 811,964</u>	<u>\$ 673,800</u>	<u>(\$ 200,577)</u>	<u>\$ 19,434,492</u>
<u>2015</u>											
Balance at January 1, 2015		\$ 15,791,453	\$ 58,271	\$ 169,088	\$ 819	\$ 1,303,221	\$ 826,453	\$ 811,964	\$ 673,800	(\$ 200,577)	\$ 19,434,492
Distribution of 2014 net income (Note) :											
Legal reserve		-	-	-	-	76,511	-	( 76,511 )	-	-	-
Cash dividends	6(19)	-	-	-	-	-	-	( 710,615 )	-	-	( 710,615 )
Profit for the year		-	-	-	-	-	-	590,018	-	-	590,018
Other comprehensive loss for the year	6(5)	-	-	-	-	-	-	( 24,946 )	( 493,935 )	( 47,444 )	( 566,325 )
Balance at December 31, 2015		<u>\$ 15,791,453</u>	<u>\$ 58,271</u>	<u>\$ 169,088</u>	<u>\$ 819</u>	<u>\$ 1,379,732</u>	<u>\$ 826,453</u>	<u>\$ 589,910</u>	<u>\$ 179,865</u>	<u>(\$ 248,021)</u>	<u>\$ 18,747,570</u>

(Note) The employees' bonuses and directors' and supervisors' remuneration were \$91,157 and \$58,920 in 2013 and 2014, respectively, which had been deducted from net income for the year.

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

TON YI INDUSTRIAL CORP.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014  
(Expressed in thousands of New Taiwan dollars)

	Notes	2015	2014
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 698,036	\$ 929,711
Adjustments			
Adjustments to reconcile profit (loss)			
Loss on financial assets at fair value through profit or loss		-	43
Provision for doubtful accounts	6(3)	347	-
Reversal of allowance for doubtful accounts	6(3)	-	( 6,280 )
Provision (reversal of allowance) for inventory market price decline	6(4)	139,000	( 8,000 )
Share of profit of associates and joint ventures accounted for under equity method	6(7)	( 181,839 )	( 102,026 )
Unrealized profit from sales	6(7)	44,739	127,611
Realized profit from sales	6(7)	( 127,436 )	( 126,654 )
Depreciation on property, plant and equipment	6(8)(23)	1,052,307	1,071,922
Loss on disposal of property, plant and equipment	6(21)	25,031	13,236
Gain on disposal of investment property	6(21)	-	( 632 )
Amortization	6(10)(23)	35,319	35,319
Amortization of long-term prepaid rent	6(11)	2,505	2,495
Dividend income	6(20)	( 3,458 )	( 2,380 )
Interest income	6(20)	( 90 )	( 4,138 )
Interest expense	6(22)	115,395	118,418
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		( 15,397 )	13,358
Accounts receivable		14,618	106,434
Accounts receivable - related parties		360,865	( 331,609 )
Other receivables		51,131	( 3,948 )
Other receivables - related parties		( 7,627 )	-
Inventories		647,978	128,363
Prepayments		11,172	( 8,010 )
Changes in operating liabilities			
Notes payable		4,503	( 3,403 )
Accounts payable		112,492	( 348,419 )
Other payables		( 76,137 )	( 31,035 )
Advance receipts		8,910	1,632
Accrued pension liabilities - non-current		( 54,323 )	( 58,817 )
Cash inflow generated from operations		2,858,041	1,513,191
Cash dividends received form investments accounted for under equity method	6(7)	3,808	3,499
Dividends received		3,458	2,380
Interest received		90	4,138
Interest paid		( 114,931 )	( 116,870 )
Income tax paid		( 116,775 )	( 263,689 )
Net cash flows from operating activities		<u>2,633,691</u>	<u>1,142,649</u>

(Continued)

TON YI INDUSTRIAL CORP.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014  
(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>2015</u>	<u>2014</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Cash paid for acquisition of investments accounted for	6(7)		
under equity method		\$ -	(\$ 2,394,859 )
Acquisition of property, plant and equipment	6(8)	( 30,814 )	( 16,050 )
Proceeds from disposal of property, plant and equipment		38	850
Proceeds from disposal of investment property		-	1,094
Increase in prepayments for equipment		( 118,916 )	( 63,220 )
Interest paid for prepayments for equipment	6(8)(22)	( 473 )	( 882 )
Decrease (increase) in guarantee deposits paid		4,776	( 796 )
(Increase) decrease in other non-current assets		( 1,968 )	2,964
Net cash flows used in investing activities		( 147,357 )	( 2,470,899 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
(Decrease) increase in short-term borrowings		( 179,482 )	195,064
(Decrease) increase in notes and bills payable		( 100,000 )	99,942
Increase in long-term borrowings		19,900,535	6,117,695
Decrease in long-term borrowings		( 21,401,964 )	( 4,073,303 )
Decrease in guarantee deposits received		-	( 20 )
Cash dividends paid	6(19)	( 710,615 )	( 1,026,444 )
Net cash flows (used in) from financing activities		( 2,491,526 )	1,312,934
Net decrease in cash and cash equivalents		( 5,192 )	( 15,316 )
Cash and cash equivalents at beginning of year	6(1)	9,993	25,309
Cash and cash equivalents at end of year	6(1)	\$ 4,801	\$ 9,993

## REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

We have audited the accompanying consolidated balance sheets of Ton Yi Industrial Corp. and its subsidiaries as of December 31, 2015 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 the Company's management. Our responsibility is to express an opinion on these consolidated 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 generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Ton Yi Industrial Corp. and its subsidiaries as of December 31, 2015 and 2014, and their financial performance and cash flows for the years then ended in conformity with the "Regulations Governing the Preparations of Financial Reports 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 separate financial statements of Ton Yi Industrial Corp. as of and for the years ended December 31, 2015 and 2014, and have expressed an unqualified opinion on those financial statements.

Lin, Tzu-yu

Independent Accountants

Lee, Ming-Hsien

PricewaterhouseCoopers, Taiwan

Republic of China

March 24, 2016

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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.

**TON YI INDUSTRIAL CORP. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2015 AND 2014**  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2015 AMOUNT	December 31, 2014 AMOUNT
<b>Current assets</b>			
1100	Cash and cash equivalents	\$ 704,759	\$ 1,571,903
1150	Notes receivable, net	923,390	1,255,436
1170	Accounts receivable, net	1,447,523	2,041,830
1180	Accounts receivable - related parties	886,015	689,692
1200	Other receivables	85,058	143,211
1220	Current income tax assets	55,355	35,848
130X	Inventories	3,800,625	5,053,426
1410	Prepayments	1,165,797	1,778,101
1460	Non-current assets held for sale - net	-	39,928
1476	Other current financial assets	6,622	53,979
11XX	<b>Total current assets</b>	<b>9,075,144</b>	<b>12,663,354</b>
<b>Non-current assets</b>			
1523	Available-for-sale financial assets - non-current	130,896	178,340
1543	Financial assets carried at cost - non-current	501,050	501,050
1600	Property, plant and equipment - net	32,623,697	35,344,195
1760	Investment property - net	158,012	167,463
1780	Intangible assets	453,510	488,186
1840	Deferred income tax assets	590,677	356,162
1915	Prepayments for business facilities	43,769	907
1920	Guarantee deposits paid	90,730	53,530
1985	Long-term prepaid rent	525,685	499,142
1990	Other non-current assets	60,192	76,490
15XX	<b>Total non-current assets</b>	<b>35,178,218</b>	<b>37,665,465</b>
1XXX	<b>Total assets</b>	<b>\$ 44,253,362</b>	<b>\$ 50,328,819</b>

(Continued)



**TON YI INDUSTRIAL CORP. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2015 AND 2014**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2015 AMOUNT	December 31, 2014 AMOUNT
<b>Current liabilities</b>				
2100	Short-term borrowings	6(12) and 8	\$ 2,898,530	\$ 4,102,556
2110	Short-term notes and bills payable	6(13)	-	99,942
2150	Notes payable		24,074	19,571
2170	Accounts payable		960,547	601,615
2180	Accounts payable - related parties	7	108,918	172,561
2200	Other payables	6(28)	1,429,725	1,637,040
2220	Other payables - related parties	6(28) and 7	73,766	1,282,736
2230	Current income tax liabilities	6(26)	53,369	71,440
2305	Other current financial liabilities		21,631	16,437
2310	Advance receipts	6(28)	57,972	157,810
2320	Long-term liabilities, current portion	6(15) and 9	4,947,555	4,737,529
21XX	<b>Total current liabilities</b>		<u>10,576,087</u>	<u>12,899,237</u>
<b>Non-current liabilities</b>				
2530	Corporate bonds payable	6(14)	711,756	-
2540	Long-term borrowings	6(15) and 9	12,347,156	16,026,489
2550	Provisions for liabilities - non-current	6(16)(23)	74,001	72,639
2570	Deferred income tax liabilities	6(26)	324,455	272,344
2630	Long-term deferred revenue		47,917	48,848
2640	Accrued pension liabilities - non-current	5(2) and 6(17)	365,767	390,035
2645	Guarantee deposits received		10,295	10,180
25XX	<b>Total non-current liabilities</b>		<u>13,881,347</u>	<u>16,820,535</u>
2XXX	<b>Total liabilities</b>		<u>24,457,434</u>	<u>29,719,772</u>
<b>Equity attributable to owners of parent</b>				
<b>Share capital</b>				
3110	Share capital - common stock	6(18)	15,791,453	15,791,453
3200	Capital surplus	6(19)	228,178	228,178
<b>Retained earnings</b>				
3310	Legal reserve	6(20)(25)(26)	1,379,732	1,303,221
3320	Special reserve		826,453	826,453
3350	Unappropriated retained earnings		589,910	811,964
3400	Other equity interest	6(6)	(68,156)	473,223
31XX	<b>Equity attributable to owners of the parent</b>		<u>18,747,570</u>	<u>19,434,492</u>
36XX	<b>Non-controlling interest</b>	4(3)	<u>1,048,358</u>	<u>1,174,555</u>
3XXX	<b>Total equity</b>		<u>19,795,928</u>	<u>20,609,047</u>
<b>Contingent liabilities and commitments</b>				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 44,253,362</u>	<u>\$ 50,328,819</u>

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

**TON YI INDUSTRIAL CORP. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items	Notes	Year ended December 31	
		2015 AMOUNT	2014 AMOUNT
4000			
4000			
5000			
5950			
6100			
6200			
6000			
6900			
7010			
7020			
7050			
7000			
7900			
7950			
8200			
8311			
8349			
8361			
8362			
8399			
8300			
8500			
8610			
8620			
8710			
8720			
9750			
9850			

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

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014  
(Expressed in thousands of New Taiwan dollars)

Notes	Equity attributable to owners of the parent											Non-controlling interest	Total equity
	Share capital - common stock	Capital Reserves			Retained Earnings			Other Equity Interest			Total		
		Total capital surplus, additional paid-in capital	Treasury stock transactions	Donated assets received	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange difference arising on translation of foreign operations	Unrealized gain or loss on available-for-sale financial assets				
<b>2014</b>													
Balance at January 1, 2014	\$ 15,791,453	\$ 58,271	\$ 169,088	\$ 819	\$ 1,183,966	\$ 826,453	\$ 1,192,555	\$ 427,350	(\$ 201,338 )	\$ 19,448,617	\$ 1,149,194	\$ 20,597,811	
Distribution of 2013 net income :													
Legal reserve	-	-	-	-	119,255	-	( 119,255 )	-	-	-	-	-	
Cash dividends	6(20)	-	-	-	-	-	( 1,026,444 )	-	-	( 1,026,444 )	( 3,362 )	( 1,029,806 )	
Profit for the year		-	-	-	-	-	775,960	-	-	775,960	( 13,252 )	762,708	
Other comprehensive income for the year	6(6)	-	-	-	-	-	( 10,852 )	246,450	761	236,359	41,975	278,334	
Balance at December 31, 2014	<u>\$ 15,791,453</u>	<u>\$ 58,271</u>	<u>\$ 169,088</u>	<u>\$ 819</u>	<u>\$ 1,303,221</u>	<u>\$ 826,453</u>	<u>\$ 811,964</u>	<u>\$ 673,800</u>	<u>(\$ 200,577 )</u>	<u>\$ 19,434,492</u>	<u>\$ 1,174,555</u>	<u>\$ 20,609,047</u>	
<b>2015</b>													
Balance at January 1, 2015	\$ 15,791,453	\$ 58,271	\$ 169,088	\$ 819	\$ 1,303,221	\$ 826,453	\$ 811,964	\$ 673,800	(\$ 200,577 )	\$ 19,434,492	\$ 1,174,555	\$ 20,609,047	
Distribution of 2014 net income :													
Legal reserve		-	-	-	76,511	-	( 76,511 )	-	-	-	-	-	
Cash dividends	6(20)	-	-	-	-	-	( 710,615 )	-	-	( 710,615 )	( 3,659 )	( 714,274 )	
Profit for the year		-	-	-	-	-	590,018	-	-	590,018	( 98,061 )	491,957	
Other comprehensive loss for the year	6(6)	-	-	-	-	-	( 24,946 )	( 493,935 )	( 47,444 )	( 566,325 )	( 24,477 )	( 590,802 )	
Balance at December 31, 2015	<u>\$ 15,791,453</u>	<u>\$ 58,271</u>	<u>\$ 169,088</u>	<u>\$ 819</u>	<u>\$ 1,379,732</u>	<u>\$ 826,453</u>	<u>\$ 589,910</u>	<u>\$ 179,865</u>	<u>(\$ 248,021 )</u>	<u>\$ 18,747,570</u>	<u>\$ 1,048,358</u>	<u>\$ 19,795,928</u>	

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

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014  
(Expressed in thousands of New Taiwan dollars)

	Notes	2015	2014
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 702,747	\$ 988,361
Adjustments			
Adjustments to reconcile profit (loss)			
Loss on financial assets at fair value through profit or loss		-	43
Reversal of allowance for doubtful accounts	6(3)	( 10,366 )	( 17,319 )
Provision for inventory market price decline	6(4)	169,676	30,683
Gain on disposal of non-current assets held for sale	6(5)(22)	( 452,780 )	-
Property, plant and equipment transferred to expenses	6(8)	356	-
Depreciation on property, plant and equipment	6(8)(9)	2,843,877	2,488,351
Loss on disposal of property, plant and equipment	6(22)	30,623	15,819
Gain on disposal of investment property	6(22)	-	( 632 )
Amortization	6(10)(24)	45,702	46,275
Amortization of long-term prepaid rent	6(11)	12,963	11,792
Dividend income	6(21)	( 3,458 )	( 2,380 )
Interest income	6(21)	( 25,432 )	( 26,625 )
Interest expense	6(23)	655,188	516,436
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		331,892	( 185,818 )
Accounts receivable		606,141	52,429
Accounts receivable - related parties		( 196,323 )	192,263
Other receivables		58,153	35,103
Inventories		1,084,919	( 161,671 )
Prepayments		620,468	( 161,392 )
Changes in operating liabilities			
Notes payable		4,503	( 3,403 )
Accounts payable		358,932	( 685,009 )
Accounts payable - related parties		( 63,643 )	( 36,722 )
Other payables		( 30,886 )	2,166
Other payables - related parties		22,653	51,113
Advance receipts		4,953	( 106,893 )
Long-term deferred revenue		( 931 )	48,848
Accrued pension liabilities - non-current		( 54,323 )	( 58,817 )
Cash inflow generated from operations		6,715,604	3,033,001
Dividends received		3,458	2,380
Interest received		25,432	26,625
Interest paid		( 622,493 )	( 515,293 )
Income tax refund		4,438	12,676
Income tax paid		( 434,783 )	( 459,739 )
Net cash flows from operating activities		<u>5,691,656</u>	<u>2,099,650</u>

(Continued)

TON YI INDUSTRIAL CORP. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014  
(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>2015</u>	<u>2014</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Proceeds from disposal of disposal groups held for sale	6(28)	\$ 387,937	\$ 119,215
Decrease (increase) in other current assets - other financial assets		47,357	( 48,008 )
Acquisition of property, plant and equipment	6(28)	( 1,803,425 )	( 2,870,694 )
Proceeds from disposal of property, plant and equipment		12,576	21,093
Acquisition of investment property	6(9)	( 758 )	( 7,409 )
Proceeds from disposal of investment property		-	1,094
Acquisition of intangible assets	6(10)	( 346 )	( 14,489 )
Increase in prepayments for equipment		( 243,327 )	( 343,314 )
Interest paid for prepayments for equipment	6(8)(23)	( 773 )	( 42,456 )
(Increase) decrease in guarantee deposits paid		( 37,200 )	63,673
Increase in long-term prepaid rent		( 50,436 )	( 166,757 )
Decrease in other non-current assets		<u>16,298</u>	<u>6,490</u>
Net cash flows used in investing activities		<u>( 1,672,097 )</u>	<u>( 3,281,562 )</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Decrease in short-term borrowings		( 1,204,026 )	( 97,091 )
(Decrease) increase in notes and bills payable		( 100,000 )	99,942
Increase in other current liabilities - other financial liabilities		5,194	11,675
Proceeds from issuance of corporate bonds	6(14)	717,242	-
Increase in long-term borrowings		42,117,420	20,173,162
Decrease in long-term borrowings		( 45,747,361 )	( 17,666,534 )
Increase (decrease) in guarantee deposits received		115	( 5,607 )
Cash dividends paid	6(20)	( 710,615 )	( 1,026,444 )
Payment of cash dividends to non-controlling interests		<u>( 3,659 )</u>	<u>( 3,362 )</u>
Net cash flows (used in) from financing activities		<u>( 4,925,690 )</u>	<u>1,485,741</u>
Effect of foreign exchange rate changes on cash and cash equivalents		<u>38,987</u>	<u>199,838</u>
Non-current assets held for sale - cash	6(28)	<u>-</u>	<u>263,411</u>
Net (decrease) increase in cash and cash equivalents		( 867,144 )	767,078
Cash and cash equivalents at beginning of year	6(1)	<u>1,571,903</u>	<u>804,825</u>
Cash and cash equivalents at end of year	6(1)	<u>\$ 704,759</u>	<u>\$ 1,571,903</u>

Ton Yi Industrial Corp.

2015 Earnings Appropriation

	<b>Unit: NTD</b>
Item	Amount
Opening undistributed earnings	\$ 24,836,542
Less: Additional provision for 2014 statutory reserve	(1,085,138)
Retained earnings adjustment for 2015	(24,945,206)
Adjusted undistributed earnings	(1,193,802)
Plus: 2015 after-tax profit	590,018,253
Less: Provision for statutory reserve	(58,882,445)
Total distributable earnings	529,942,006
2015 earnings appropriation:	
Cash dividend (NT\$320 per thousand shares)	(505,326,509)
Closing undistributed earnings	\$ 24,615,497

Chairman: Chih-Hsien Lo    Manager: Chih-Chung Chen    Head of Accounting: Feng-Fu Chen

Ton Yi Industrial Corp.

Details of the Duties Subject to Releasing Directors and Independent Directors from Non-competition

Name	Current Position in Other Companies
<p>Representative of Uni-President Enterprises Corp., Chih-Hsien Lo</p>	<p><b>Chairman</b> : Uni-President Enterprises Corp., President chaun Store Corp., President Natural Industrial Corp., Ton Yi Industrial Corp., TTET Union Corp., Kai Yu Investment Co., Ltd., President Packaging Corp., President International Development Corp., Uni-President Cold-Chain Corp., Presco Netmarketing Inc., Uni-President Dream Parks Corp., Uni-OAO Travel Service Corp., Kai Nan Investment Co., Ltd., President Century Corp., Tong Yu Investment Corp., President Property Corporation, Uni-President (Vietnam) Co., Ltd., Uni-President (Thailand) Ltd., Uni-President (Philippines) Corp., Changjiagang President Nisshin Food Co., Ltd., Foshan Sanshui Jianlibao Commerce Co., Ltd., Uni-President China Holdings Ltd., Uni-President Enterprises (China) Investment Co., Ltd., Tong Ren Corp. Limited, Beijing President Enterprises Food Co., Ltd.</p> <p><b>Vice Chairman</b> : President Nisshin Corp., Prince Housing &amp; Development Corp., Time Square International Co., Ltd., Jinmailang Beverage Co., Ltd.</p> <p><b>Director</b> : President Baseball Team Corp., Nanlien International Corp., President Entertainment Corp., Tone Sang Construction Corp., Retail Support International Corp., Presicarre Corp., Tung Ho Development Corp., President Fair Development Corp., Tainan Spinning Retail &amp; Distribution Co., Ltd., ScinoPharm Taiwan, Ltd., President Starbucks Coffee Corp., Uni-President Organics Corp., PK Venture Capital Corp., Uni-President Glass Industrial Co., Ltd., Kuang Chuan Dairy Co., Ltd., Kuang Chuan Foods Co., Ltd., Uni-President Development Corp., Tait Marketing &amp; Distribution Co., Ltd., Weilih Food Corp., Ming Da Enterprises Co., Ltd., Keng Ting Enterprises Co., Ltd., Cheng-Shi Investment Holding Co., Prince Property Management Consulting Co., Prince Corp., Prince Real Estate Co., Ltd., Uni-Splendor Corp., Uni-President Dream Parks Corp (Shanghai), Kao Chyuan Investment Co., Ltd., President Chain Store (BVI) Holdings Ltd., President Chain Store (Labuan) Holdings Ltd., President Coffee(Cayman) Holdings Ltd., Shanghai President</p>

	<p>Starbucks Coffee Corp., Cayman President Holdings Ltd., Kai Yu (BVI) Investment Co., Ltd., President Packing Holdings Ltd., Uni-President Southeast Asia Holdings Ltd., PT. ABC President Indonesia, President Energy Development (Cayman Islands) Ltd., Uni-President Asia Holdings Ltd., Uni-President Hong Kong Holdings Limited, Champ Green Capital Co., Limited, Champ Green (Shanghai) Consulting Co., Ltd., Yantai Tongli Beverage Industries Co., Ltd., Beijing President Enterprises Drinks Co., Ltd., Zixi President Enterprises Drinks Co., Ltd., Wuhan President Enterprises Food Co., Ltd., Kunshan President Enterprises Food Co., Ltd., Kunming President Enterprises Food Co., Ltd., Chengdu President Enterprises Food Co., Ltd., Xinjiang President Enterprises Food Co., Ltd., President Enterprise (Kunshan) Food Technology Co., Ltd., Beijing President Enterprise Drink &amp; Food Co., Ltd., Uni-President Enterprises (Shanghai) Drink &amp; Food Co., Ltd., Guangzhou President Enterprises Co., Ltd., Shenyang President Enterprises Co., Ltd., Harbin President Enterprises Co., Ltd., Hefei President Enterprises Co., Ltd., Fuzhou President Enterprises Co., Ltd., Nanchang President Enterprises Co., Ltd., Zhenzhou President Enterprises Co., Ltd., Changsha President Enterprises Co., Ltd., Zhanjiang President Enterprises Co., Ltd., Nanning President Enterprises Co., Ltd., Taizhou President Enterprises Co., Ltd., Chongqing President Enterprises Co., Ltd., Changchun President Enterprises Co., Ltd., Shijiazhuang President Enterprises Co., Ltd., Hainan President Enterprises Co., Ltd., Jinan President Enterprises Co., Ltd., Baiyin President Enterprises Co., Ltd., Xuzhou President Enterprises Co., Ltd., Guiyang President Enterprises Co., Ltd., Akesu President Enterprises Co., Ltd., Hangzhou President Enterprises Co., Ltd., Henan President Enterprises Co., Ltd., Shaanxi President Enterprises Co., Ltd., President Enterprises (Shanghai) Co., Ltd., Ningxia President Enterprises Co., Ltd., President Enterprises (Inner Mongolia) Co., Ltd., Shanxi President Enterprises Co., Ltd., Uni-President Enterprises (Tianjin) Co., Ltd., Jiangsu President Enterprises Co., Ltd., Uni-President Enterprises (Hunan) Co., Ltd., President (Kunshan) Trading Co., Ltd., Uni-President Trading (Hubei) Co., Ltd., President (Shanghai) Trading Co., Ltd., Changbaishan Mountain President Enterprises (Jilin) Mineral Water Co., Ltd., Wuyuan</p>
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	<p>President Enterprises Mineral Water Co., Ltd., Bama President Mineral Water Co., Ltd., Wuxue President Mineral Water Co., Ltd., Uni-President Enterprise (Hutubi) Tomato Products Technology Co., Ltd., Uni-President (Shanghai) Pearly Century Co., Ltd., Uni-President Shanghai Management Consulting Co., Ltd., Uni-President Enterprises(China) Research &amp; Development Center Co., Ltd.</p> <p><b>President</b> : Uni-President Enterprises Corp., Presco Netmarketing Inc.</p>
<p>Representative of Uni-President Enterprises Corp., Chao-Kai Haung</p>	<p><b>Chairman</b> : Tung Ang Enterprises Corp.</p> <p><b>Director</b> : Uni-President Cold-Chain Corp., Ton Yi Industrial Corp. Mech-President Corp., Uni-President cold Chain Corp. Tung-You International Corp., Uni-President (Vietnam) Co., Ltd.</p>
<p>Representative of Uni-President Enterprises Corp., Jui-Sheng Wang</p>	<p><b>Vice Chairman</b> : President Kikkoman Inc.</p> <p>Kunshan President Kikkoman Biotechnology Co., Ltd.</p> <p><b>Director</b> : President Kikkoman Zhenji Foods Co., Ltd.</p>
<p>Representative of Uni-President Enterprises Corp., Chin-Chung Chen</p>	<p><b>President</b> : Ton Yi Industrial Corp.,</p> <p><b>Director</b> : Cayman Ton Yi Industrial Corp. Cayman Jiangsu Ton Yi Holdings Ltd. Cayman Fujian Ton Yi Holdings Ltd.</p> <p>Chengdu Ton Yi Industrial Packing Co., Ltd.</p> <p>Wuxi Ton Yi Industrial Packaging Co., Ltd.</p>
<p>Representative of Kao Chyuan Inv. Co., Xiu-Ling Kao</p>	<p><b>Chairman</b> : Kao Chyuan Investment Co., Ltd., President Being Corp., Uni-President Department Store Corp, President Pharmaceutical Corp., President Fair Development Corp., President Drugstore Business Corp., Afternoon Tea Taiwan Co., Ltd.</p> <p><b>President</b> : Kao Chyuan Investment Co., Ltd.,</p> <p><b>Director</b> : Uni-President Enterprises Corp., President chaun Store Corp., Ton Yi Industrial Corp., ScinoPharm Taiwan Ltd., President International Development Corp., Prince Housing &amp; Development Corp., President Securities Corp., Uni-President Development Corp., Time Square International Co., Ltd., President Starbucks Coffee Corporation, Tainan Spinning Retail &amp; Distribution Co., Ltd., President (Shanghai) Health Product Trading Co., Ltd.</p>

Shing-Chi Liang	<p><b>Chairman :</b> Tovecan Corporation Ltd. Cayman Ton Yi Industrial Corp. Cayman Jiangsu Ton Yi Holdings Ltd. Cayman Fujian Ton Yi Holdings Ltd. Chengdu Ton Yi Industrial Packing Co., Ltd. Wuxi Ton Yi Industrial Packaging Co., Ltd. Jiangsu Ton Yi Tinsplate Co., Ltd. Fujian Ton Yi Tinsplate Co., Ltd. Changsha Ton Yi Industrial Packing Co., Ltd.</p> <p><b>Director :</b> Ton Yi Industrial Corp.</p>
Kuo-Keng Chen	<p><b>Supervisor :</b> Tainan Spinning Corp.</p> <p><b>Director :</b> Ton Yi Industrial Corp.</p>
Ming-Long Wang	<p><b>Director :</b> Catcher Technology CORP.</p> <p><b>Independent Director :</b> Ton Yi Industrial Corp.</p>
Chin-Chen Chien	<p><b>Independent Director :</b> Kui Meng International Inc.</p> <p>Ton Yi Industrial Corp.</p>
Bing-Eng Wu	<p><b>Independent Director :</b> Ton Yi Industrial Corp.,</p>