

Stock Code: 9934



成霖企業股份有限公司
Globe Union Industrial Corp.

2016 Annual Shareholders' Meeting

Meeting Agenda

MEETING TIME:

June 24th, 2016

PLACE:

3rdF., No.1, Chien-Kuo Rd., Taichung Export Processing
Zone, Tanzi Dist., Taichung City 42760, Taiwan (R.O.C.)
(Recreation Room of Taichung Export Processing Zone)

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Globe Union Industrial Corp.

Year 2016

Agenda of Annual Shareholders' Meeting

1. Time : 9:00 a.m., Friday, June 24th, 2016
2. Place : 3rdF., No.1, Chien-Kuo Rd., Taichung Export Processing Zone, Tanzi Dist., Taichung City 42760, Taiwan (R.O.C.)
3. Attendants : All shareholders or their proxy holders
4. Chairperson : Scott Ouyoung, Chairman of the Board of Directors
5. Chairperson's Address
6. Matters to be discussed and approved:
 - Amendment to certain articles of the Company's "Articles of Incorporation".
Submit for approval.
7. Status Report:
 - (1) Management Report on the Company's Business Performance.
 - (2) Supervisors' Review Report on the FY 2015 audited Financial Statements.
 - (3) 2015 employee' profit sharing compensation and Directors' and Supervisors' compensation Report.
 - (4) Issuance of "The First Employee Stock Option Plan 2015" and "The Second Employee Stock Option Plan 2015" Report.
 - (5) Revision to "Internal Control Systems" Report.
 - (6) Establish the Company's policy "Remuneration for Board Directors

and Supervisors” Report.

- (7) Establish the Company policy “Procedure for Applying for Temporary Stop Trading and Resuming Trading of Company Stocks” Report.

8. Matters to be recognized:

- (1) Recognition of FY 2015 Business Report and Financial Statement.
- (2) Recognition of FY 2015 Profit Distribution.

Submit for approval.

9. Matters to be discussed and approved:

- (1) Amendment to certain articles of “Procedure for the Acquisition and Disposal Assets”.
- (2) Issuance of Restrict Stock to employees.

Submit for approval.

10. Other Matters and Motion

11. Adjournment

I. Matters to be discussed and approved

Matter No. 1:

Amendment to certain articles of the Company's "Articles of Incorporation". (Proposed by the Board of Directors)

Explanatory Notes:

- (1) The R.O.C. Company Act was amended and Promulgated by the President on May 20th, 2015. Therefore, the Company's "Articles of Incorporation" needs to be revised to comply with such amendments.
- (2) The revised Articles 25-1 and 26 have been approved by the Remuneration Committee and also the Board of Directors on August 7th, 2015.
- (3) Comparisons for Amendments to the Articles of Incorporation.
(Please refer to p.11, Attachment 1)
- (4) Submit for approval.

Resolution:

II. Status Report

Report No. 1:

Management Report on the Company's Business Performance.

Explanatory Notes: Please refer to p.13, Attachment 2.

Report No. 2:

Supervisors' Review Report on the FY 2015 audited Financial Statements.

Explanatory Notes: Please refer to p.14, Attachment 3.

Report No. 3:

2015 employee' profit sharing compensation and Directors' and Supervisors' compensation Report.

Explanatory Notes:

- (1) According to the latest revised Article 25-1 of the Company's "Articles of Incorporation", the profit of the current year should be distributed as employee' profit sharing bonus which should be above 2%, besides, the allocated Directors' and Supervisors' compensation should be below 2%; however, the Company's accumulated losses shall have been covered.
- (2) According to the latest "Articles of Incorporation", the distributed (allocated) ratio of the profit of 2015 has been approved by the Remuneration Committee and also the Board of Directors, which are NTD17,901,687 as 2015 employee' total cash bonus and NTD4,475,422 as 2015 Directors' and Supervisors' cash compensation.

Report No. 4:

Issuance of “The First Employee Stock Option Plan 2015” and “The Second Employee Stock Option Plan 2015” Report.

Explanatory Notes:

In order to encourage cooperation and teamwork among the management team and to enhance team morale, the Company hereby formulated “The First Employee Stock Option Plan 2015” and “The Second Employee Stock Option Plan 2015”, the details are as follow:

Type of Subscribed Shares	“The First Employee Stock Option Plan 2015” and “The Second Employee Stock Option Plan 2015”
Date of Effective Registration from the Competent Authority	October 2 nd , 2015
Issue Date	October 29 th , 2015
Number of Issued Shares	10,500,000 Shares
Ratio of Subscribed Shares to Total Issued Shares	2.96%
Subscription Period	5 Years
Exercise Method	New Shares
Period and Ratio in which Subscription is Restricted (%)	The total share amount of the First ESOP is 1.8 million shares. 50% can be exercised two years upon issuing date, and 100% may be exercised three years upon issuing date.
Subscription Price Per Share of the Unsubscribed Shares	NTD 15.75
Impact on Shareholders' Equity	In general, there is only limited impact of dilution to EPS and shall not have material affection to shareholders.

Report No. 5:

Revision to “Internal Control Systems” Report.

Explanatory Notes:

- (1) In accordance with the Instructional Order No. 1041801666 from Taiwan Stock Exchange dated on April 30th, 2015 and in compliance with the certain contents about “the deputy to the principal accounting officer and the declaration of accounting personnel handling the preparation of financial reports” based on Items 1-3 of Article 29 of “Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies”, amended relevant articles of the Company’s “Internal Control Systems”.
- (2) Please refer to p.15, Attachment 4.

Report No. 6:

Establish the Company’s policy “Remuneration for Board Directors and Supervisors” Report.

Explanatory Notes:

- (1) The revision to Article 23-1 of Company’s Article of Incorporation has been approved by 2015 Annual Shareholders Meeting, according to which the remuneration for Board Directors and Supervisors shall be approved by this Board. The Company’s policy “Remuneration for Board Directors and Supervisors” has been approved by the Remuneration Committee on August 7th, 2015.
- (2) Please refer to p.16, Attachment 5.

Report No. 7:

Establish the Company policy “Procedure for Applying for Temporary Stop Trading and Resuming Trading of Company Stocks” Report.

Explanatory Notes:

- (1) In accordance with the Instructional Order No. 1041804292 from Taiwan Stock Exchange dated on September 18th, 2015. TWSE implemented a temporary stop trading and resuming trading mechanism due to information effects by January 15th, 2016. The Company was requested to establish the Company policy “Procedure for Applying for Temporary Stop Trading and for Resuming Trading of Company Stocks”.
- (2) Please refer to p.18, Attachment 6.

III. Matters to be recognized

Matter No. 1:

Recognition of FY 2015 Business Report and Financial Statement.

(Proposed by the Board of Directors)

Explanatory Notes:

- (1) The Company’s FY 2015 Business Report (please refer to p.13, Attachment 2) and Financial Statements (as for the Consolidated and Parent Company Only Financial Statements, please refer to p.20, Attachment 7) have been approved by the Board of Directors and reviewed by the Supervisors.
- (2) Submit for approval.

Matter No. 2:

Recognition of FY 2015 Profit Distribution. (Proposed by the Board of Directors)

Explanatory Notes:

- (1) The distributable profit of FY 2015 shall be NTD 1,708,972,739. In consideration of the development of the Company, the distributed amount is NTD 425,165,069 for shareholders dividend. The Company shall distribute cash dividends to common shareholders in the amount of NTD 425,165,069 with NTD 1200 for each of 1,000 shares. The Board of Directors shall be authorized to fix the Cash Dividends Date after the proposal of cash dividends distribution is approved by the Meeting. The fractional shares from cash dividend distribution shall transfer to employee welfare committee. (Please refer to p.32, attachment 8)
- (2) The Board of Directors shall be authorized to amend the proportion for capital surplus distributed to shareholders, if the company buys back the shares, converts or cancel treasury stock, convertible bond is converted, or employee option is exercised, to affect the number of outstanding shares of the company.
- (3) Submit for approval.

IV. Matters to be discussed and approved:

Matter No. 1:

Amendment to certain articles of “Procedure for the Acquisition and Disposal Assets”.

Explanatory Notes:

- (1) Since January in 2016, the payment for transactions between the Company and GUSY & Milim will be made by RMB, which

caused the need for hedging a risk of foreign exchange rate.

- (2) Amendments to the Procedure for the Acquisition and Disposal Assets Make-up and Clean Revisions. (Please refer to p.33, attachment 9)
- (3) Submit for approval.

Resolution:

Matter No. 2:

Issuance of Restrict Stock to employees.

Explanatory Notes:

- (1) Proposes the First Issuance of Restrict Stock to employees 2016 according Article 267 (VIII) of the R.O.C. Company Act and Regulations Governing the Offering and Issuance of Securities by Securities Issuers by the R.O.C. Commercial Supervisory Committee.
- (2) Major factors regarding Issuance of Restrict Stock to employees.
 - i. The total to be issued shares is 1 million common shares with each par value of NTD 10 and that the total value amount is NTD 10 millions, which will be issued in one time within one year upon approval in the shareholders' meeting.
 - ii. Terms and Conditions:
 - (i) Price: Zero NTD, so to be issued to employees for free.
 - (ii) Vesting requirements:
 - (a) Employed for the following three years without material violation to the employment agreement and company policies and the average ROE for FY 2016 to FY 2018 is greater than 8% → 50%.
 - (b) Employed for the following three years without material

violation to the employment agreement and company policies and the average ROE for FY 2016 to FY 2018 is greater than 10% → 100%.

(iii) Type of issued shares: common shares of the Company.

Please refer to the regulations regarding 2016 Issuance of Restrict Stock for more details.

(3) Submit for approval.

Resolution:

V. Other Matters and Motion

VI. Adjournment

Attachment 8**Globe Union Industrial Corp.
FY 2015 Profit Distribution Table**

Unit: NTD

Items	Total
Beginning retained earnings	1,285,591,819
Less : Other Comprehensive Income - Remeasurements of defined benefit plans	(29,241,096)
Add : Net Profit After Tax of 2015	502,913,351
Subtotal	1,759,264,074
Less : 10% Legal Reserve	(50,291,335)
Distributable net profit of December 31 th , 2015	1,708,972,739
Less : Distributable Item	
Cash Dividends to Common Shareholders (NTD 1.20 per share)	(425,165,069)
Unappropriated Retained Earnings	1,283,807,670

Ps. The FY 2015 Earnings should be distributed first.

Chairman: Scott Ouyoung Manager: Scott Ouyoung Accounting Supervisor: Anthony Chou

Appendix 4

Globe Union Industrial Corp.

Shareholdings of All Directors and Supervisors

1. The Minimum Shareholding of All Directors and Supervisors

(1) All Directors

Record Date : April 26th, 2016

Director(s)	The Actual Number of Shares	The Minimum Shareholding (5%)
7 persons of Ming-Ling Co., Ltd.	23,367,233	14,172,168

(2) All Supervisors

Record Date : April 26th, 2016

Supervisor(s)	The Actual Number of Shares	The Minimum Shareholding (5%)
3 persons of Rui-Fu International Investment Co., Ltd.	3,075,234	1,417,216

2. The Current Shareholding of All Directors and Supervisors

Record Date : April 26th, 2016

Title	Name	Current Shareholding (Shares)		Remark
		Shares	Shareholding Ratio(%)	
Chairman	Ming-Ling Co., Ltd. Representative : Scott Ouyoung	23,366,692	6.60	
Director	Ming-Ling Co., Ltd. Representative : Su-Hsiang Ouyoung Chang			
Director	Ming-Ling Co., Ltd. Representative : Shei-Saint Chen			
Director	Ming-Ling Co., Ltd. Representative : Yuli Chou			
Director	Ming-Ling Co., Ltd. Representative : -			
Independent Director	Ching-Shan Huang	541	0.00	
Independent Director	Yong-Sheng Hsu	-	-	

Title	Name	Current Shareholding (Shares)		Remark
		Shares	Shareholding Ratio(%)	
Supervisor	Rui-Fu International Investment Co., Ltd. Representative : Qi-Chuan Zhong	3,075,234	0.87	
Supervisor	Rui-Fu International Investment Co., Ltd. Representative : Mei-Hui Gao			
Supervisor	Rui-Fu International Investment Co., Ltd. Representative : Max Lin			