

FU BURG INDUSTRIAL CO., LTD.
2017 Regular Shareholder's Meeting Notice

- 2017 Annual General Meeting Will be held at 9:00 AM on Thursday, June 23rd, 2017 at 3rd Floor, No.14, Ln. 205, Sec. 2, Nanshan Rd., Luzhu Dist., Taoyuan City, Taiwan.
- 1. Status Reports
 - (1) 2016 business operation
 - (2) Supervisor's review report on 2016 audited financial reports
 - (3) 2016 distributable compensation for employees and directors
 - (4) The status of 2016 endorsement and guarantee
- 2. Approval Items
 - (1) 2016 Annual Business Report and financial statements
 - (2) 2016 Surplus Earnings Distribution Chart
- 3. Discussion Items
 - (1) To propose the issuance plan for private placement of common shares
 - (2) Amendment to the Operational procedures for Acquisition and Disposal of Assets
 - (3) Amendment to the Rules of Procedure for Shareholder Meetings
 - (4) 2016 capital increase out of retained earnings
 - (5) Amendment to the Operational Procedures for Endorsements and Guarantees
- 4. Election Item : To elect director and Supervisor for 15th term
- 5. Other Matters : Release new director from non-competition restrictions.
- 6. Extraordinary Motions
 - The 2016 Surplus Earning Distribution Chart has been approved by the Board of Directors and distribution is proposed as
 - 1. Cash dividend of NTD \$55,218,477, approximately NTD \$1.5 per share
 - 2. Issue stock dividend of 5,889,971 shares from Surplus Earning of NTD \$58,899,710, approximately 160.000003 shares per 1,000 shares
 - 3. The determination of record date will authorized to the Board after shareholders and administration approve the increasing capital.
 - 4. The newly shares be issued this time, its rights and obligations will be same as shares which has issued.
 - 5. If dividend payout ratio change later due to capital increase out of retained earnings or share repurchase etc, shareholders will authorize the Board to process it.
 - The instructions of private placement for common shares should be reported under item 6, Article

43-6, Security and Exchange Act are

1. The basis and rationale for the setting of the price:

The strategic investors have the priority to be considered as specific parties for private placement if they can expand markets and diversification. The issue price will not lower than 80% of below items which is higher before price determination date.

- (1) The simple average closing price of the common shares of the company for either the one, three, or five business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.
- (2) The simple average closing price of the common shares of the company for the thirty business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.

The determination of issuance price will be authorized to the Board, considering the specific parties and market status and will not under denomination. Considering that Security and Exchange Act, the price determination above shall be reasonable.

2. The method to determine specific parties:

- (1) The method and purpose to determine specific parties: In order to increase sales, the specific parties should be select from direct or indirect customers, and if they can expand markets and diversification.
- (2) Necessity: Due to there was a clear preference for mergers among peers and supply chain conformity nowadays, in order to increase company competitiveness, so selecting the strategic investors if they can increase company sales is necessary strategy of company long term development.
- (3) Expected synergy: Use business network of specific parties to increase sales, expand markets, and increase company profit.

3. The necessity of private placement

- (1) The reasons for not taking a public offering: Considering the effectiveness, convenience, and costs to raise capital, the Company proposed to raise capital through private placement, rather than public offering.
- (2) The amount of shares issued is proposed to be no more than NTD \$200,000,000.
- (3) The capital usage plan and projected benefits of private placement: The capital raised will be used as operation capital and develop diversification, the company plan to issue private placement in one time. The private placement shall provide the benefits to raise operating efficiency, and strengthen operation, and also improve the Company's shareholders' equity.
- (4) The details of private placement proposal, please refer to the MOPS website



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<http://www.fuburg.com>

(<http://mops.twse.com.tw>). Company code: 8929. The company profile, please refer website

(<http://www.fuburg.com.tw>)

4. In order to conform to the needs, release new director from non-competition restrictions.

Board of Directors

FU BURG INDUSTRIES CO., LTD.