Lan Fa Textile Co., Ltd

Notice of 2016 Annual General meeting of the shareholders

I. Time: 9：00, Friday ,June 24, 2016

The Check-in Process for Shareholders will start at 8:30 a.m.,the same as the meeting one.

Place: NO.291. SU SHING RD.,ZU BAY CITY,SHIN ZU,TAIWAN.R.O.C. (6 Floor of the Administration Building of the ZU BAY factory.)

The Agenda of this meeting:

(1) Discussion Items1:Amendment part Articles of Incorporation.

(2) Matters to Report:

(1) Business Report for 2015.
(2) Supervisors Audited Report for 2015.
(3) Cash lending、 Endorsements and Guarantees Report for 2015.
(4) Employees profit sharing bonus and Directors Compensation for 2015.
(5) The Company Increasing investment to China Subsidiaries Report.
(6) The Company Prescribes Integrity Management and Corporate Social Responsibility and Corporate Governance Practices.

(3) Proposed Resolutions:

(1) To accept 2015 Business Report and Financial Statements
(2) To approve the Proposal for Distribution of 2015 earnings.

(4) Discussion Items2:

(1)The Company's Additional paid-in capital cash dividend for 2015.

(5)Extempore Motion.

II. 1.The Company's earnings distribution for year 2015 is as follows: (1) Capital Cash dividend: NT$71,725,781 to its shareholders based on the shareholding percentage shown in the shareholders' register on the record date at NT$0.2 per share; (2) After the Annual General Shareholders' Meeting approved, the chairman of Board of Directors will be authorized to establish the record dates for distribution of dividends and to arrange for the distribution matters.

2. As a result of amendmentsto the Act or the competent authority, the objective and subjective factors to environmental changes or the fact that the company buy back shares of the company, transfer or cancellation of treasury shares, convertible bonds conversion or exercise of employee stock option certificates, etc., when above factors affect the company's outstanding shares, in consideration of the total amounts of distribution earnings resolved for distribution by the shareholders' meeting to authorize the Board, will adjust thedistribution percentage based on the actual number of the outstanding shares on the dividend record dates and handle the dividend distribution matters accordingly.

III. Pursuant to Article 165 of the Company Act, April 26, 2016 to June 24, 2016 is the share register closed period.

IV. Enclosed please find one copy of the shareholder attendance notice for the Annual General Meeting of Shareholders and a proxy form. If you wish to attend the meeting in person, please sign or stamp your personal chop on thenotice and proceed with the check-in on the day of the meeting (please do not send the signed notice to the Company if you intend to attend in person). If you wish to delegate a proxy to attend the meeting, please sign or stamp your personal chop on the proxy form, properly fill in the name of your proxy and deliver (mail) the same (which must be delivered within five (5) days (June17, 2016)prior to the meeting) to the Company's designated Stock Agent, i.e. Fubon Securities, Stock Register Agency Department, at 2F., No. 17, Xuchang St., Zhongzheng District, Taipei.

V. In the event of a public solicitation of proxy for this Annual General Meeting of the Shareholders, the Company will upload a summary table of information from solicitors to the website of the Securities and Futures Institute at http://free.sfi.org.tw before May 24, 2016. Investors may directly enter the website and go to "system for free inquiry of relevant information on proxy announcement" then click to choose "please enter for inquiry on meeting information for proxy announcement" and type in any inquiries (company code:1459).

VI. According to Securities and Exchange Act, Article 26-2 : The notice of the shareholders meeting to be given by an issuer to shareholders who own less than 1,000 shares of nominal stocks may be given in the form of a public announcement; for a regular shareholders meeting, such public announcements shall be served with thirty days prior notice.

VII. Voting rights of the Meeting may be exercised via electronic means from May 25, 2016 to June 21, 2016. Please log in the "Electronic Voting Platform for Shareholders" of the website of Taiwan Depository and Clearing Corporation (http://www.stockvote.com.tw), and vote according to the relevant instructions.

VIII. No souvenirs will be provided at this Annual General Meeting of the Shareholders.

Respectfully,

The Board of Directors of
Lan Fa Textile Co., Ltd