

Letter to Shareholders

Dear Shareholders:

Thanks to our shareholders' full support over the past year, the Company was able to adopt a steadfast management approach and continue converting the brand power of "Pili" into revenue growth. In 2015, the Group's consolidated gross profits amounted to NT\$364,550K, up 422.87% on the same period from last year. The Company owes its continued success to the commitment of all employees as well as the support of our shareholders.

I. 2015 performance report

For 2015, consolidated revenue was NT\$643,915K, down 1.64% from NT\$654,664K last year; gross profit was NT\$364,550K, up 422.87% from NT\$69,721K last year; net profit after tax was NT\$126,121K, up 217.04% from the net loss after tax of NT\$107,760K last year. Net earnings per share was NT\$3.40. The highlights of the Company's 2015 consolidated results are outlined below:

(I) Business plan outcomes

Unit: NT\$1,000

Item	2015		2014		Difference	Percentage of Increase (Decrease)
	Amount	%	Amount	%		
Net Operating Revenue	643,915	100	654,664	100	(10,749)	(1.64)
Operating Cost	279,365	43	584,943	89	(305,578)	(52.24)
Gross Profit	364,550	57	69,721	11	294,829	422.87
Operating Expenses	247,702	39	180,457	28	67,245	37.26
Operating Profit	116,848	18	(110,736)	(17)	227,584	205.52
Non-Operating Incomes & Expenses	27,822	5	24,535	4	3,287	13.40
Net Profit Before Tax	144,670	23	(86,201)	(13)	230,871	267.83
Net Profit After Tax	126,121	20	(107,760)	(16)	233,881	217.04
Net Earnings Per Share(in dollars)	3.40		0.48			

(II) Analysis of Revenues, Expenses and Profitability

Item		2015	2014
Financial Structure	Debt-Asset Ratio (%)	34.34	15.77
	Ratio of Long-Term Capital to Property, Plant and Equipment (%)	680.62	528.57
Solvency	Current Ratio (%)	1,307.93	683.53
	Quick Ratio (%)	1,200.38	626.65
	Interest Coverage Ratio (Multiple)	25.22	(124.66)
Profitability	Return on Assets (%)	6.59	(7.25)
	Return on Equity (%)	9.12	(10.03)
	Ratio of Income Before Tax to Paid-In Capital (%)	32.97	(19.64)
	Profit Margin (%)	19.59	(16.46)
	Earnings per Share (NTD)	3.40	0.48

II. Summary of 2016 Business Plan

After Pili became the first cultural & creativity enterprise to go public and formally enter the capital market, we have continued to strengthen the quality of corporate governance, expand our business and enhance the rights and interests of shareholders. Unconventional marketing techniques were also aggressively used to boost the international visibility of Pili to facilitate the introduction of international talent and expertise (such as professional foreign voice actors, audio-mixing techniques, and animators). This will translate into even more international exposure for Pili, boost the popularity of original Eastern fantasy, and build a dream kingdom that will be the “Disney of the East.”

III. Future Development Strategy

Pili plans to work with a Japanese partner to create a new fantasy martial arts puppet show titled “Thunderbolt Fantasy” this year. In this international production team, Pili will be responsible for the filming and production, “Urobuchi Gen” will be responsible for character design, while the figurine maker “GOODSMILE COMPANY” has been invited to consult on puppet design. Pili is also planning to develop new IP and re-produce existing IP for the Japanese market. This unique joint production between Taiwanese and Japanese companies will represent a new milestone in the multimedia

industry and create new sources of foreign revenue.

IV. Impact from external competition, regulatory environment, and the overall economic climate

The Company has established a solid and positive relationship with consumers and fans through our rich content and extensive channel services. The volatile global economic climate means even more intensive competition within the industry. In response, we will not only continue to follow market trends and consumer demand even more closely but also continue to invest in the creation and development of new products. The Company will continue to uphold our philosophy of ethical management by implementing corporate governance best practices. We will also continue to innovative and leverage the competitive advantages of differentiation to create even more value for shareholders.

Best

regards

Pili International Multimedia Co., Ltd.

Chairman: Wen-Chang Huang