

MPI Corporation



General Shareholders' Meeting 2015

Parliamentary Procedure Handbook

Date and time: June 12, 2015 (Friday), 10:00 am

Place: 2F, No. 26, Taiyuan Street, Zhubei City, Hsinchu County (Conference Hall,
Tai Yuen Hi-Tech Industrial Park)

Table of contents

One.	Meeting of Agenda	1
Two.	Meeting of Procedure.....	2
	I. Reports.....	3
	II. Points of ratification	4
	III. Points of discussion	5
	IV. Election.....	5
	V. Extemporaneous Motions	6
Three.	Appendix	7
	I. Operation Review	7
	II. Supervisors' Audit Report	11
	III. Independent Auditor's Audit Report and Individual Financial Statements	12
	IV. Independent Auditor's Audit Report and Consolidated Financial Statements	18
	V. Disposition of Net Earnings	26
	VI. Mapping of the clauses of the "Articles of Incorporation" before and after amendment.....	27
	VII. Mapping of the provisions of the "Parliamentary Procedure for General Shareholders' Meeting" before and after the amendment.....	29
Four.	Appendix	34
	I. MPI Corporation Articles of Incorporation	34
	II. Parliamentary Procedure for General Meeting of Shareholders	39
	III. Regulations for Election of Directors and Supervisors.....	46
	IV. Shareholding of all Directors and Supervisors and the minimum requirement of shareholding.....	48
	V. The effect of Free-Gratis Dividends as proposed in this General Meeting on the operation performance and earnings per share of the Company.....	49
	VI. Information on employee bonus and remunerations to the Directors and Shareholders proposed by the Board of Directors	50

MPI Corporation

2015 General Meeting of Shareholders Agenda

I. Announcement of session

II. Address of Chairman

III. Report

IV. Points of ratification

V. Points of discussion

VI. Election

VII. Extemporaneous Motions

VIII. Dissolution

MPI Corporation

Agenda of 2015 General Shareholders' Meeting

Date and time: June 12, 2015 (Friday), 10:00 am

Address: 2F, No. 26, Taiyuan Street, Zhubei City, Hsinchu County (Conference Hall, Tai Yuen Hi-Tech Industrial Park)

Address of the Chairman

I. Reports:

1. 2014 Business report
2. 2014 Supervisors Review Report.
3. Reasons for 3rd domestic unsecured convertible corporate bonds offered by the Company, and the report related thereto
4. The Company's report on acquisition or disposition of assets to related parties

II. Points of ratification

1. 2014 Motion for business report and financial statements.
2. 2014 Motion for allocation of earnings

III. Points of discussion

1. Amendment to the "Articles of Incorporation" of MPI Corporation.
2. Discussion about the motion for the amendment to the Parliamentary Procedure for General Shareholders' Meeting

VI. Election

1. The motion for reelection of directors & supervisors

V. Extemporaneous Motions

VI. Dissolution

I. Reports

1. 2014 Business report

Note: refer to Appendix I on P7-10 and of this handbook for information on 2014 business report, financial report, and prospect of operation.

2. 2014 Supervisors Review Report.

Note: refer to Appendix II on P11 of this handbook for information on 2014 Supervisors Review Report.

3. Cause of domestic 3rd unsecured convertible corporate bonds offered by the Company, and the report related thereto

Note: (I) In order to purchase plant, machine and equipment and repayment of bank loan, the Company proposed the motion for offering the 3rd domestic unsecured convertible corporate bonds. The motion was ratified by the Board of Directors on October 16, 2014 and approved by FSC via its approval letter under Ching-Kuan-Cheng-Fa-Tze No. 1030042656 dated November 4, 2014. Each of the bonds was issued at the par value of NT\$100,000 with the duration of 3 years. The total face value thereof was NT\$700 million.

(II) Until the deadline for acceptance of conversion of convertible corporate bonds (April 10, 2015), there were a total of 993 convertible corporate bonds, including those at the total face value of NT\$99,300,000 converted to common shares upon request, and the remainder at the total face value of NT\$600,700,000 which has not yet been converted.

4. The Company's report on acquisition or disposition of assets to related parties.

Note: The assets acquired from or disposed of to related parties by the Company according to the "Procedure for the Acquisitions and Dispositions of Assets" were required to be reported and published. The following report thereon was submitted to the shareholders' meeting:

(I) In order to expand the production capacity, the Company purchased the plant premises and land from the related party, Lumitek Co., Ltd., at the total trading value after tax, NT\$316,800,000.

(II) The Company has invested US\$11,500,000 in Lumitek (Changchou) Co., Ltd. until the end of March 2015. Meanwhile, Lumitek (Changchou) Co., Ltd. and the Company purchased one batch of the processing equipment for business use at the total price of NT\$237,254,523.

II. Points of ratification

Motion No. 1: Proposed by the Board of Directors

Cause of motion: Propose for action in favor of the 2014 business report and financial statements.

Note: (I) The Board of Directors has prepared and passed the operation review and financial statements of individual entities (including the consolidated financial statements) for fiscal year 2014. The financial statements for fiscal year 2014 have been audited by Chang, Yu-Ming and Chen, Shih-Yuan, CPAs of Nexia Sun Rise CPAs & Co., with the issuance of unqualified opinions, subject to the final review of the supervisors. For details, please refer to Appendix III and Appendix IV on p. 12-25 of this handbook.

(II) This motion was passed by the Board of Directors in the 2nd session of the Board in 2015.

Resolution:

Motion No. 2 Proposed by the Board of Directors

Cause of motion: Propose for action in favor of the allocation of earnings for fiscal year 2014.

Note: (1) MPI Corporation had corporate earnings after tax amounting to NT\$517,635,706 in fiscal year 2014. Enclosed therein is the motion for allocation of earnings. For further information, please refer to Appendix V on p. 26 of this handbook.

(2) In consideration of subsequent business development of the future, MPI Corporation plans to attribute NT\$318,421,568 from distributable earnings as cash dividend for FY 2014 and NT\$0 for stock dividend on the basis of the quantity of 79,605,392 shares outstanding on the day of the Board session. The earnings per share is tentatively set at NT\$4.

(3) We also propose the allocation of NT\$49,168,000 as employee bonuses and NT\$11,240,000 as remunerations to the Directors and Supervisors in cash.

(4) If the number of outstanding shares, and shareholders' dividend-paying and placing rate and dividend payout ratio are affected due to the Company's conversion of corporate bonds into common shares or repurchase of the Company's shares, or transfer, conversion and cancellation of treasury stock, the Chairman of Board is authorized to deal with the situation with full power.

(5) This motion was passed by the Board of Directors in the 2nd session of the Board in 2015.

(6) In the event of difference between the estimation for employee cash bonuses, stock dividends, remunerations to the Directors and the Supervisors, and recognized expenses of the year, we shall disclose the differences, the causes of the differences and solution. Please refer to Appendix VI on p. 50 of this handbook.

Resolution:

III. Points of discussion

Motion No. 1:

Proposed by the Board of Directors

Cause of motion: The amendment to the “Articles of Incorporation” of MPI Corporation is presented for discussion.

Note: (1) In order to increase business lines and purchase liability insurance for the whole directors and supervisors, and to be in line with the amendments to laws, the Company plans to amend Article 2 and Article 12 of the Company's “Articles of Incorporation” to meet the competent authority's requirement.

(2) The mapping of the provisions of the “Articles of Incorporation” is attached for your information. Please refer to Appendix VI on p. 27-28 of this handbook.

(3) This motion was passed by the resolution of the Board in the 2nd session of 2015.

Resolution:

Motion No. 2:

Proposed by the Board of Directors

Cause of motion: Discussion about the motion for the amendment to the “Parliamentary Procedure for General Shareholders’ Meeting

Note: (1) Amendment to the “Parliamentary Procedure for General Shareholders' Meeting” was made pursuant to the requirement of Financial Supervisory Commission Letter Ching-Kuan-Cheng-Fa-Tze No. 1030051379 dated January 27, 2015.

(2) The mapping of the provisions of the “Parliamentary Procedure for General Shareholders’ Meeting” is attached for your information. Please refer to Appendix VII on p. 29 of this handbook.

(3) This motion was passed by the resolution of the Board in the 2nd session of 2015.

Resolution:

IV. Election

Cause of motion: The motion for reelection of directors & supervisors

Proposed by the Board of Directors

Note: (1) The term of office of the Company's directors and supervisors will expire on July 31, 2015. Reelection of the directors and supervisors is scheduled to be held at this general shareholders' meeting. 5 directors (including independent 2 directors) and 3 supervisors shall be reelected at this meeting. The original term of office of directors (including independent directors) and supervisors commences from August 1, 2012 until July 31, 2015.

(2) The term of office of new directors (including independent directors) and supervisors commences from June 12, 2015 until June 11, 2018.

(3) According to Article 18 of the Company's Articles of Incorporation, the Company's directors shall include two independent directors and the nomination system shall be adopted. The Company has called a directors' meeting on April 15, 2015 to

review the candidacy for independent directors and passed the motion for candidacy of Hsu, Mei-Fang and Kao, Chin-Cheng. The related information is stated as following:

Name of candidate	Educational background	Work experience	Shares held
Hsu, Mei-Fang	Ming Chuan University, Accounting Department	GREAT ASIA CAPS AND COMPANY Responsible person	244,441 (shares)
Kao, Chin-Cheng	National Chung Hsing University Department of Law	Attorney-at-Law of Lian Cheng Law Office	162,414 (shares)

Election result:

V. Extemporaneous Motions

VI. Dissolution

MPI Corporation Operation Review

I. 2014 operation in review

(I) Business Plan and Result

The Group's net operating revenue was NT\$4,156,132 thousand in 2014, i.e. an increase by 37% from NT\$3,035,778 thousand in 2013. The Group's earnings were NT\$517,636 thousand in 2014, i.e. an increase by 91% from NT\$271,033 thousand in 2013. The Group's EPS after tax was NT\$6.62 in 2014.

Following the U.S.A., Japan and European countries have successively turned to execute a QE policy in 2014. The global funding was plentiful and foreign exchange rate brought about a positive effect to consumption. The growth rate of the semiconductor industry transcended the average value, given the increase in discretionary spending and consistently low interest rate. In particular, the growth rate of OEM production of wafer foundries amounted to 14%, which is still unlikely to become sluggish under the circumstance that capital expenditure of the OEM production of wafer foundries competes more and more intensively. Meanwhile, purchase orders from Northeast Asia with Taiwan add to the momentum of further growth without doubt. As such, the growth in the demand for wafer prober cards could be anticipated. LED was the primary energy saving policy boosted by the countries in the world in 2014. Meanwhile, the declination of the entire bulb price by more than 40% resulted in the increase of penetration rate by 7% last year. It is expected that the penetration rate will be more than 60% in next five years. The Company will continue to invest R&D resources to keep innovating and maintaining the Company's competitiveness. For R&D of new technology, new products have successfully been extended to the fields of signal testing and temperature testing in 2014. We will also continue to develop different testing equipment and devices to deal with the needs of the customers and to enhance the function of product. Further to our upgrade in favor of the testing capacity of our customers, we also contribute to the competitiveness of the customers. This product line will be essential for our growth in the future.

(II) Revenue and profitability analysis

Currency unit: in NTD 1,000

Item		Year	2013	2014	Change (%)	
Revenue	Net Sales		3,035,778	4,156,132	36.91%	
	Gross profit		1,401,426	1,934,993	38.07%	
	Post-tax profit or loss		271,033	517,636	90.99%	
Profitability	ROA (%)		5.70	9.37	64.39%	
	ROE (%)		8.96	15.19	69.53%	
	Operating Income to Paid-in capital ratio(%)		42.43	70.11	65.24%	
	EBT to Paid-in capital ratio (%)		41.56	75.36	81.33%	
	Profit margin (%)		8.93	12.45	39.42%	
	EPS (NTD)	Before retroactive adjustment		3.52	6.62	88.07%
		After retroactive adjustment		3.52	6.62	88.07%

(III) Research and development

Research and development findings in 2014:

1. Precision automated equipment:
 - A. Fully automatic LED Flip Chip Package testing and sorting equipment
 - B. Invisible LED testing equipment
 - C. Fully automated LED encapsulation package equipment series
2. Probe Card:
 - A. Integrated probe card applicable to micro-distance high stress measurement
 - B. Micro-distance vertical type probe card responding to light, slim and small-sized mobile communication devices
3. Establish temperature control technology applicable to semiconductor component temperature testing equipment
4. Tester for semiconductor engineering

II. Summary of 2015 Business Plan

(I) Business Policy

Technology is the core foundation to maintain competitiveness. In light of the development of the microelectronics industry and the technology requirements in the future, MPI Corporation undertakes the following strategic planning and commits its effort to sustain its competitive advantage:

- A. The increasing demand of portable smart devices and wearable applications dictated the continuous development of wafer grade micro-distance testing

technology for meeting the technological needs of the future.

- B. Develop high-speed wafer probe cards to meet the technical requirement for rapid transmission.
- C. Continue the development and optimization of high-performance automatic testing and inspection equipment to meet the testing needs of LED customers in the future, and continue to provide customers viable solutions.
- D. Extension of core automatic technology to market:
Development of engineering use inspection and testing product series for the semiconductor industry with the core technology of automation on hand.
- E. Develop the temperature control system for semiconductor component tester

(II) Vital production and sales policies

MPI Corporation will not only further develop its technology and upgrade investment in R&D but also strengthen its capacity in overseas service in order to further develop its business and fortify its competitiveness, as well as extend its business territories overseas. This will help to provide fast and complete technology services to the customers and hence to increase the market share the extent to which risk can be diversified. MPI Corporation will maintain its corporate philosophy of assisting its customers to upgrade their competitive power thereby positions the customers as its technology joint venture partners. MPI Corporation will provide customers with good quality products and timely technology service, which remains its vital production and sales policy, in hopes of providing customers with the optimal solutions.

III. The development strategy of the future

- (I) In response to the gradual introduction of the 4"~8" process of the LED customers, MPI Corporation will continue its effort in further vitalizing the functions of the prober and sorting devices to satisfy the needs of customers for testing, sorting and packaging.
- (II) Development of the semiconductor market with its core technology in automation and develop different new products.
- (III) In responding to the needs of the end consumers for slim, light, and small size and more rapid and power-saving products, MPI Corporation develops micro-distance probe cards and high-frequency probe cards to upgrade the frequency in testing and efficiency for customer needs and competitiveness.

IV. The effect of the external competitive, legal and macroeconomic environment

The macroeconomy at the global level, though influenced by the QE policy of the USA, Japan and EU markets, appears to be optimistic for the time being. For business development, considering that various governments in the world started to value the development of industries for energy saving, Internet of things and big data analysis, MPI Corporation keeps sparing no effort in research and development, and never ceases to provide customers fast, efficient, and energy saving solutions. Indeed, this is the unchanged policy line and principle of the Company. With continued improvement, MPI Corporation not only just seeks to withstand the competition in the external environment, but rather to satisfy to needs of its customers and create value of long-term investment in favor of the shareholders.

I wish

You all joy and the best of luck.

CEO: Steve Chen

President: Scott Kuo

Chief Accounting Officer: Rose Jao

Appendix II

MPI Corporation
Supervisors' Audit Report

The Company's individual financial statement and consolidated financial statements 2014 submitted by the Board of Directors have been audited by Chang, Yu-Ming and Chen, Shih-Yuan, CPAs of Nexia Sun Rise CPAs & Co. and held presenting fairly, in all material respects, the financial status, operating result and cash flow of the Company for the same year. We also reviewed the business report and motion for earnings allocation submitted together with the financial statements. We hereby recognize said report and statements after conducting the audit on them pursuant to Article 219 of the Company Act and Article 36 of Securities and Exchange Act.

To:

General Shareholders' Meeting 2015 of MPI Corporation

MPI Corporation

Supervisor: Li, Tu-Cheng

Liu, Fang-Sheng

Tsai, Chang-Shou

March 24, 2015

Appendix III

Independent Auditor's Audit Report

To MPI Corporation:

We have audited the individual balance sheets of **MPI Corporation** as of December 31, 2014 and 2013, and the individual comprehensive income statements, individual statements of changes in shareholders' equity and individual cash flow statements for the period from January 1 to December 31, 2013 and 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on said individual financial statements based on our audits. As stated in Note 6(6) to the financial statements, the information about the **MPI Corporation** investment under the equity method 2014 and 2013, and the information about some investment disclosed in Note 13 were valued and disclosed based on the financial reports audited by other independent auditors appointed by the investees. We did not audit those financial reports. The incomes under the equity method recognized based on the financial reports audited by other external auditors from January 1 to December 31, 2014 and 2013 were NT\$506 thousand and NT\$150 thousand. Until December 31, 2014 and 2013, the balances of investment under the equity method were NT\$25,463 thousand, NT\$25,188 thousand respectively.

We conducted the audit in accordance with the "Standards on the Audit of Financial Statements" and the accounting principle generally accepted in the Republic of China. These principle and standards required the undersigned to plan and perform the audit to obtain reasonable assurance about whether the individual financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in individual financial statements of in consolidation. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall individual financial statements presentation. We believe that our audits and the other auditors' report provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of the other auditors, the individual financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of **MPI Corporation** as of December 31, 2014 and 2013, and the individual financial performance and cash flows from January 1 to December 31, 2014 and 2013 in conformity with the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers".

Nexia Sun Rise CPAs & Co.

CPA: _____

Chang, Yu-Ming

Chen, Shih-Yuan

Securities and Futures Bureau Approval No.: (86)

Tai-Tsai-Cheng-6-Tze No. 088087

Securities and Futures Bureau Approval No.: (92)

Tai-Tsai-Cheng-6-Tze No. 101109

March 24, 2015

MPI Corporation
Individual Balance Sheet (assets)
December 31 2014 and 2013

Currency unit: in NTD 1,000

Code	Assets	Note	December 31, 2014		December 31, 2013	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalent	VI (I)	\$ 719,334	12	\$ 417,949	9
1150	Receivable notes, net	VI (II)	9,930	-	4,432	-
1160	Note receivables –related parties-net	VI (II) and VII	5,299	-	5,365	-
1170	Receivable accounts, net	VI(III)	459,377	7	429,643	9
1180	Account receivables -related parties-net	VI (III) and VII	370,671	6	61,278	1
1200	Other receivable accounts		20,440	-	5,570	-
1210	Other receivable accounts-related party	VII	4,008	-	4,007	-
130X	Inventory, net	VI (IV)	1,633,217	26	1,424,116	31
1410	Prepayment		60,623	1	63,648	1
1470	Other current assets	VIII	9,028	1	17,589	1
11XX	Total current assets		<u>3,291,927</u>	<u>53</u>	<u>2,433,597</u>	<u>52</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss-noncurrent	VI(XI)	608	-	-	-
1543	Financial assets measured at cost-noncurrent	VI (V)	20,231	-	20,231	1
1550	Investment under the equity method	VI(VI)	624,026	10	449,137	10
1600	Property, plant and equipment	VI(VII), VII and VIII	1,930,339	31	1,545,879	34
1780	Intangible assets	VI(VIII)	23,490	-	17,971	-
1840	Deferred income tax assets		40,715	1	32,707	1
1900	Other non-current assets		306,207	5	106,166	2
15XX	Total non-current assets		<u>2,945,616</u>	<u>47</u>	<u>2,172,091</u>	<u>48</u>
1XXX	Total assets		<u>\$ 6,237,543</u>	<u>100</u>	<u>\$ 4,605,688</u>	<u>100</u>

(The notes to this statement and the Auditors' Report by Chang, Yu-Ming, and Chen, Shih-Yuan, CPAs of Nexia Sun Rise CPAs & Co. constitute an integral part of this report)

CEO: Steve Chen

President: Scott Kuo

Chief Accounting Officer: Rose Jao

MPI Corporation
Individual balance sheet(liabilities and equities)
December 31, 2014, and January 1 to December 31, 2013

Currency unit: in NTD 1,000

Code	Liabilities and Shareholders' Equity	Note	December 31, 2014		December 31, 2013	
			Amount	%	Amount	%
Current liabilities						
2170	Account payables		\$ 456,934	7	\$ 371,888	8
2180	Account payables-related parties	VII	7,805	-	2,648	-
2213	Payables for equipment		134,676	2	16,983	1
2219	Other payable accounts	VI (IX)	516,524	9	345,844	9
2220	Other payables –related parties	VII	40,536	1	36,963	1
2230	Income tax liabilities in the current period		56,524	1	43,588	1
2250	Provision for liabilities –current	VI (X)	4,856	-	9,645	-
2310	Cash on receipt	VII	608,144	10	606,969	13
2320	Current portion of long-term debts	VI (XII)	9,329	-	9,329	-
2399	Other current liabilities		12,046	-	12,956	-
21XX	Total current liabilities		<u>1,847,374</u>	<u>30</u>	<u>1,456,813</u>	<u>33</u>
Non-current liabilities						
2530	Corporate bonds payable	VI (XI)	574,962	9		
2540	Long-term loan	VI (XII)	58,295	1	67,624	1
2570	Deferred income tax liabilities		11,607	-	7,513	-
2640	Accrued pension liabilities	VI (XIII)	18,344	-	18,029	-
2670	Other non-current assets- others		1,257	-	98	-
25XX	Total non-current liabilities		<u>664,465</u>	<u>10</u>	<u>93,264</u>	<u>1</u>
2XXX	Total liabilities		<u>2,511,839</u>	<u>40</u>	<u>1,550,077</u>	<u>34</u>
Equity						
31XX	Total equity attributable to the parent company	VI (XIV)				
3110	Common shares		795,364	13	786,124	17
3200	Capital surplus		885,012	14	740,781	16
Retained earnings						
3310	Legal Reserve		410,942	6	383,839	8
3320	Special Reserve		-	-	17,571	-
3350	Undistributed Earnings		1,593,614	26	1,254,511	27
3300	Total retained earnings		<u>2,004,556</u>	<u>32</u>	<u>1,655,921</u>	<u>35</u>
Other equities						
3410	Exchange difference arising from translation of the financial statement of foreign operations		40,772	1	25,391	1
3400	Total other equities		<u>40,772</u>	<u>1</u>	<u>25,391</u>	<u>1</u>
3500	Treasury stock		-	-	(152,606)	(3)
31XX	Total equity attributable to the parent company		<u>3,725,704</u>	<u>60</u>	<u>3,055,611</u>	<u>66</u>
3XXX	Total equities		<u>3,725,704</u>	<u>60</u>	<u>3,055,611</u>	<u>66</u>
1XXX	Total liabilities and equities		<u>\$ 6,237,543</u>	<u>100</u>	<u>\$ 4,605,688</u>	<u>100</u>

(The notes to this statement and the Auditors' Report by Chang, Yu-Ming, and Chen, Shih-Yuan, CPAs of Nexia Sun Rise CPAs & Co. constitute an integral part of this report)

CEO: Steve Chen

President: Scott Kuo

Chief Accounting Officer: Rose Jao

MPI Corporation

Individual Consolidated Income Statement

January 1 to December 31, 2014 and 2013

Currency unit: in NTD 1,000

Code	Item	Note	2014		2013	
			Amount	%	Amount	%
	Net Sales	VII				
4110	Sale revenue		\$ 3,949,133	100	\$ 2,751,416	99
4170	Less: sales return		(15,858)	(1)	(480)	-
4190	Less: sales discount		(3,891)	-	(579)	-
4614	Revenue from commission		39,268	1	36,770	1
4000	Subtotal of net sales		3,968,652	100	2,787,127	100
5000	Operating cost	VI(IV) and VII	(2,167,101)	(55)	(1,494,459)	(54)
5900	Gross profit		1,801,551	45	1,292,668	46
5910	Unrealized income(loss) from sales		(29,076)	-	(864)	-
5920	Realized income (loss) from sales		4,116	-	2,937	-
5950	Net gross profit		1,776,591	45	1,294,741	46
	Operating expense	VII				
6100	Selling expenses		(317,698)	(9)	(286,963)	(10)
6200	Management expenses		(213,817)	(5)	(143,594)	(5)
6300	R&D expenses	VI (VIII)	(729,242)	(18)	(550,451)	(20)
6000	Subtotal operating expenses		(1,260,757)	(32)	(981,008)	(35)
6900	Operating profit		515,834	13	313,733	11
	Non-operating revenue and expense					
7020	Other gains and losses, net	VI(XVI)	29,255	1	8,445	1
7050	Financial cost	VI(XVI)	(3,007)	-	(546)	-
7070	Net portions of incomes/loss of subsidiaries, affiliated and joint ventures accounted for under the equity method	VI (VI)	26,738	1	(11,723)	-
7100	Interest revenue	VII	1,027	-	912	-
7110	Rent revenue	VII	13,160	-	7,568	-
7190	Other revenue-others	VII	8,953	-	2,857	-
7000	Subtotal non-operating income and expenses		76,126	2	7,513	1
7900	Net profit (loss) before tax		591,960	15	321,246	12
7950	Income tax expenses	VI(XVII)	(74,324)	(2)	(50,213)	(2)
8200	Net profit in current period		517,636	13	271,033	10
	Other consolidated income/loss					
8310	Exchange difference arising from translation of the financial statement of foreign operations		3,270	-	1,925	-
8360	Actuarial gain/loss on defined benefits		(3,915)	-	(672)	-
8371	Share of other comprehensive income of affiliates and joint ventures under the equity method		12,111	-	11,759	-
8300	Other net consolidated incomes		11,466	-	13,012	-
8500	Comprehensive income in current period (total)		\$ 529,102	13	\$ 284,045	10
	Earnings per common share: (Unit: NTD)	VI(XVIII)	After taxation		After taxation	
9750	Basic EPS		\$ 6.62		\$ 3.54	
9850	Diluted EPS		\$ 6.11		\$ 3.52	

(The notes to this statement and the Auditors' Report by Chang, Yu-Ming, and Chen, Shih-Yuan, CPAs of Nexia Sun Rise CPAs & Co. constitute an integral part of this report)

CEO: Steve Chen

President: Scott Kuo

Chief Accounting Officer: Rose Jao

MPI Corporation

Individual Statement of Changes in Shareholders' Equity January 1 to December 31, 2014 and 2013

Currency unit: in NTD 1,000

Item	Code	Capital stock		Retained earnings			Other Equities	Treasury stock	Total equities
		Common shares	Capital surplus	Legal Reserve	Special Reserve	Undistributed Earnings	Exchange difference arising from translation of the financial statement of foreign operations		
		3110	3,200	3310	3320	3350	3420	3500	31xx
Balance on January 1, 2013	A1	\$ 786,104	\$ 740,657	\$ 355,530	\$ -	\$ 1,221,556	\$ 11,707	\$ (152,606)	\$ 2,962,948
Allocation and distribution of earnings:									
Legal reserve	B1			28,309		(28,309)			-
Special reserve	B3				17,571	(17,571)			-
Cash dividend for common shares	B5					(191,526)			(191,526)
Changes in other capital surplus:									
From gift and derivatives	C3		1					(1)	-
Net profit in Jan 1 –Dec 31, 2013	D1					271,033			271,033
Other consolidated incomes in Jan 1 -Dec 31, 2013	D3					(672)	13,684		13,012
Total comprehensive income	D5	-	-	-	-	270,361	13,684	-	284,045
Cancellation of treasury stock	L3	-	-					1	1
Payment transactions on the basis of shares	N1	20	123						143
Balance on December 31, 2013	Z1	<u>\$ 786,124</u>	<u>\$ 740,781</u>	<u>\$ 383,839</u>	<u>\$ 17,571</u>	<u>\$ 1,254,511</u>	<u>\$ 25,391</u>	<u>\$ (152,606)</u>	<u>\$ 3,055,611</u>
Balance on January 1, 2014	A1	\$ 786,124	\$ 740,781	\$ 383,839	\$ 17,571	\$ 1,254,511	\$ 25,391	\$ (152,606)	\$ 3,055,611
Allocation and distribution of earnings:									
Legal reserve	B1			27,103		(27,103)			-
Cash dividend for common shares	B5					(165,086)			(165,086)
Reversal of special reserve	B17				(17,571)	17,571			-
Changes in other capital surplus:									
Generated from recognition of convertible corporate bonds (preferred stock)	C5		28,585						28,585
Net profit in Jan 1 –Dec 31, 2014	D1					517,636			517,636
Other comprehensive incomes from Jan 1 -Dec 31, 2014	D3					(3,915)	15,381		11,466
Total comprehensive income	D5	-	-	-	-	513,721	15,381	-	529,102
Share-based payment	N1		33,296					152,606	185,902
Convertible corporate bond conversion	I1	9,240	82,350						91,590
Balance on December 31, 2014	Z1	<u>\$ 795,364</u>	<u>\$ 885,012</u>	<u>\$ 410,942</u>	<u>\$ -</u>	<u>\$ 1,593,614</u>	<u>\$ 40,772</u>	<u>\$ -</u>	<u>\$ 3,725,704</u>

(The notes to this statement and the Auditors' Report by Chang, Yu-Ming, and Chen, Shih-Yuan, CPAs of Nexia Sun Rise CPAs & Co. constitute an integral part of this report)

CEO: Steve Chen

President: Scott Kuo

Chief Accounting Officer: Rose Jao

MPI Corporation
Individual Statement of Cash Flows
January 1 to December 31, 2014 and 2013

Currency unit: in NTD 1,000

Code	Item	2014	2013
AAAA	Cash flows from operation – indirect approach		
A10000	Net profit before tax in current period	\$ 591,960	\$ 321,246
A20000	Adjustments		
A20010	Income/expenses unaffffecting cash flows		
A20100	Depreciation expenses	120,897	104,491
A20200	Amortization expenses	30,801	31,835
A20300	Provisions (reversal) of doubtful accounts	3,557	4,206
A20400	Net loss from financial assets & liabilities at fair value through profit or loss	(1,782)	-
A20900	Interest expenses	3,007	546
A21200	Interest revenue	(1,027)	(912)
A21900	Remuneration cost paid from share-based payment	30,862	-
A22400	Portions of gain/loss from subsidiaries, affiliates, and joint ventures accounted for under the equity method	(26,738)	11,723
A22500	Gains/loss from dispositions and scrap of real properties, plants and equipment	70	(120)
A22600	Real properties, plant, and equipment recognized as expenses	-	116
A23900	Unrealized gain/loss from sales	29,076	864
A24000	Realized gain/loss from sales	(4,116)	(2,937)
A29900	Others – exchange gain/loss from prepayment for purchase of equipment	(454)	737
A30000	Changes in assets/liabilities related to operations		
A31000	Net changes in assets related to operations		
A31130	Decrease (increase) of note receivables	(5,498)	392
A31140	Decrease (increase) of note receivables - related parties	65	(3,644)
A31150	Decrease (increase) of account receivables	(32,603)	140,771
A31160	Decrease (increase) of account receivables -related parties	(310,081)	20,574
A31180	Decrease (increase) of other receivables	(14,730)	(4,958)
A31190	Decrease (increase) of other receivables - related parties	(1)	(2,979)
A31200	Decrease (increase) of inventory	(209,101)	34,914
A31230	Decrease (increase) of prepayments	3,026	5,957
A31240	Decrease (increase) of other current assets	8,589	(909)
A32000	Net changes in liabilities related to operations		
A32130	Decrease (increase) of note payables	-	(1,110)
A32150	Decrease (increase) of account payables	85,047	(5,202)
A32160	Decrease (increase) of account payables -related parties	5,157	(3,722)
A32180	Decrease (increase) of other payables	170,691	37,236
A32190	Decrease (increase) of other payables - related parties	3,573	(1,510)
A32200	Increase (decrease) of provisions for debts	(4,788)	(7,734)
A32210	Increase (decrease) of cash on receipt	1,175	(215,805)
A32230	Increase (decrease) of other current liabilities	(910)	3,173
A32240	Increase (decrease) of accrued pensions	(2,853)	(2,945)
A33000	Cash inflows (outflows) from operation	472,871	464,294
A33100	Collected interest	887	967
A33300	Paid interest	(1,503)	(558)
A33400	Paid stock dividend	(165,086)	(191,526)
A33500	Paid income tax	(65,304)	(41,667)
AAAA	Net cash inflows (outflows) from operations	241,865	231,510
BBBB	Cash flows from investments		
B01800	Investment accounted for under the equity method	(170,500)	(14,942)
B02700	Acquisition of real properties, plants, and equipment	(387,973)	(206,418)
B02800	Disposition of real properties, plants, and equipment	195	16,054
B04500	Acquisition of intangible assets	(16,519)	(9,656)
B06500	Increase of other financial assets	(28)	(1,021)
B06600	Decrease of other financial assets	(219,344)	(21,507)
B07600	Collected stock dividend	15,000	-
BBBB	Net cash inflows (outflows) from investments	(779,169)	(237,490)

(To be continued)

MPI Corporation
Individual statement of cash flow (continued from previous page)
January 1 to December 31, 2014 and 2013

Currency unit: in NTD 1,000

Code	Item	2014	2013
CCCC	Cash flow from financing		
C01200	Offering of corporate bonds	694,797	-
C01700	Retirement of long-term loans	(9,329)	(9,328)
C04400	Decrease of other non-current liabilities	1,159	(53)
C04800	Exercise of Employee Stock Options	-	143
C05800	Purchase of treasury stock by employees	152,062	-
CCCC	Net cash inflows (outflows) from financing	<u>838,689</u>	<u>(9,238)</u>
EEEE	Increase (decrease) of cash and cash equivalents in current period	301,385	(15,218)
E00100	Balance of cash and cash equivalents at beginning of period	417,949	433,167
E00200	Balance of cash and cash equivalents at ending of period	<u>\$ 719,334</u>	<u>\$ 417,949</u>

(The notes to this statement and the Auditors' Report by Chang, Yu-Ming, and Chen, Shih-Yuan, CPAs of Nexia Sun Rise CPAs & Co. constitute an integral part of this report)

CEO: Steve Chen

President: Scott Kuo

Chief Accounting Officer: Rose Jao

Appendix IV

Independent Auditor's Audit Report

To MPI Corporation :

We have audited the consolidated balance sheets of **MPI Corporation and its subsidiaries** prepared on December 31 2014 and 2013, and the consolidated income statements, consolidated statement of changes in shareholders' equity and consolidated statements of cash flows covering FY 2014 and January 1 to December 31, 2013. The financial statements are the responsibility of the management. Our responsibility is to express an opinion on the financial statements based on our audits. Information on the subsidiaries of MPI Corporation included in the aforementioned statements covering the period of 2014 and 2013, and the subsidiaries' total assets were NT\$54,580 thousand, NT\$52,125 thousand, accounting for 0.85% and 1.11% of the consolidated total assets, as of December 31, 2014 and 2013 respectively. As of January 1 to December 31, 2014 and 2013, MPI Corporation had net sales amounted to NT\$53,336 thousand and NT\$52,221 thousand, or accounted for 1.28% and 1.72% of the consolidated net sales, respectively.

We conducted the audit in accordance with the "Standards on the Audit of Financial Statements" and the accounting principle generally accepted in the Republic of China. These principle and standards required the undersigned to 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 disclosure in financial statements in consolidation. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audits and the other auditors' report provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements as referred to, on the basis of our audits and the audit reports of other public accountants, as stated in the first paragraph, are present fairly, in all material aspects of the financial of **MPI Corporation and its subsidiaries** as of December 31 2014 and 2013, and the results of January 1 to December 31, 2014 and 2013 operation and cash flows of all entities in consolidation for the periods then ended in conformity with the "Criteria for the Compilation of Financial Statements by Issuers of Securities", and the IFRS, international accounting standards, interpretation and the statements of interpretation recognized by Financial Supervisory Commission.

We hereby express an unqualified opinion in favor of **MPI Corporation** on the financial statements of the parent company only so prepared for 2014 and 2013.

Nexia Sun Rise CPAs & Co.

CPA: _____
Chang, Yu-Ming

Chen, Shih-Yuan

Securities and Futures Bureau Approval No.:

(86) Tai-Tsai-Cheng-6-Tze No. 088087

Securities and Futures Bureau Approval No.:

(92) Tai-Tsai-Cheng-6-Tze No. 101109

March 24, 2015

MPI Corporation and its subsidiaries
Consolidated Balance Sheet (Assets)
December 31 2014 and 2013

Currency unit: in NTD 1,000

Code	Assets	Note	December 31, 2014		December 31, 2013	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalent	VI (I)	\$ 975,612	15	\$ 623,796	13
1150	Receivable notes, net	VI (II)	44,848	1	17,555	1
1170	Receivable accounts, net	VI(III)	588,924	9	510,531	11
1180	Account receivables -related parties-net	VI (III) and VII	102,922	2	41,113	1
1200	Other receivable accounts		22,383	-	7,468	-
1220	Income tax assets in the current period		134	-	10	-
130X	Inventory, net	VI (IV)	1,711,592	27	1,498,928	32
1410	Prepayment		139,902	2	97,783	2
1470	Other current assets	VIII	11,732	-	12,027	-
11XX	Total current assets		<u>3,598,049</u>	<u>56</u>	<u>2,809,211</u>	<u>60</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss-noncurrent	VI(XII)	608	-	-	-
1543	Financial assets measured at cost-noncurrent	VI (V)	20,231	-	20,231	-
1550	Investment under the equity method	VI(VI)	123,852	2	126,332	3
1600	Property, plant and equipment	VI(VII), VII and VIII	2,167,777	34	1,590,963	34
1780	Intangible assets	VI(VIII)	69,274	1	17,977	-
1840	Deferred income tax assets		41,753	1	33,324	1
1900	Other non-current assets		365,873	6	117,537	2
15XX	Total non-current assets		<u>2,789,368</u>	<u>44</u>	<u>1,906,364</u>	<u>40</u>
1XXX	Total assets		<u>\$ 6,387,417</u>	<u>100</u>	<u>\$ 4,715,575</u>	<u>100</u>

(The notes to this statement and the Auditors' Report by Chang, Yu-Ming, and Chen, Shih-Yuan, CPAs of Nexia Sun Rise CPAs & Co., constitute an integral part of this report)

CEO: Steve Chen

President: Scott Kuo

Chief Accounting Officer: Rose Jao

MPI Corporation and its subsidiaries
Consolidated Balance Sheet (Liabilities and Shareholders' Equity)
December 31, 2014 and 2013

Currency unit: in NTD 1,000

Code	Liabilities and Shareholders' Equity	Note	December 31, 2014		December 31, 2013	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term loan	VI (IX)	\$ 4,384	-	\$ 4,265	-
2150	Note payables		2,260	-	2,052	-
2170	Account payables		500,805	8	392,844	9
2180	Account payables-related parties	VII	8,024	-	2,107	-
2213	Payables for equipment		141,920	2	16,983	-
2219	Other payable accounts	VI (X)	539,627	9	356,945	8
2220	Other payables –related parties	VII	13,856	-	7,551	-
2230	Income tax liabilities in the current period		66,279	1	44,238	1
2250	Provision for liabilities –current	VI (XI)	4,856	-	9,645	-
2310	Cash on receipt	VII	663,286	10	673,907	14
2320	Current portion of long-term debts	VI (XIII)	9,329	-	9,329	-
2399	Other current liabilities		19,047	1	20,013	1
21XX	Total current liabilities		<u>1,973,673</u>	<u>31</u>	<u>1,539,879</u>	<u>33</u>
Non-current liabilities						
2530	Corporate bonds payable	VI (XII)	574,962	9	-	-
2540	Long-term loan	VI (XIII)	58,295	1	67,624	1
2570	Deferred income tax liabilities		15,307	-	15,254	-
2640	Accrued pension liabilities	VI (XIV)	20,934	-	19,959	1
2670	Other non-current assets- others		1,383	-	220	-
25XX	Total non-current liabilities		<u>670,881</u>	<u>10</u>	<u>103,057</u>	<u>2</u>
2XXX	Total liabilities		<u>2,644,554</u>	<u>41</u>	<u>1,642,936</u>	<u>35</u>
Equity						
31XX	Equity attributable to the parent company	VI(XV)				
3110	Common shares		795,364	12	786,124	17
3200	Capital surplus		885,012	14	740,781	16
	Retained earnings					
3310	Legal Reserve		410,942	6	383,839	8
3320	Special Reserve		-	-	17,571	-
3350	Undistributed Earnings		1,593,614	25	1,254,511	27
3300	Total retained earnings		<u>2,004,556</u>	<u>31</u>	<u>1,655,921</u>	<u>35</u>
	Other equities					
3410	Exchange difference arising from translation of the financial statement of foreign operations		40,772	2	25,391	-
3400	Total other equities		<u>40,772</u>	<u>2</u>	<u>25,391</u>	<u>-</u>
3500	Treasury stock		-	-	(152,606)	(3)
31XX	Total equity attributable to the parent company		<u>3,725,704</u>	<u>59</u>	<u>3,055,611</u>	<u>65</u>
36XX	Non-controlling equity		17,159	-	17,028	-
3XXX	Total equities		<u>3,742,863</u>	<u>59</u>	<u>3,072,639</u>	<u>65</u>
1XXX	Total liabilities and equities		<u>\$ 6,387,417</u>	<u>100</u>	<u>\$ 4,715,575</u>	<u>100</u>

(The notes to this statement and the Auditors' Report by Chang, Yu-Ming, and Chen, Shih-Yuan, CPAs of Nexia Sun Rise CPAs & Co. constitute an integral part of this report)

CEO: Steve Chen

President: Scott Kuo

Chief Accounting Officer: Rose Jao

MPI Corporation and its subsidiaries

Consolidated Income Statement

January 1 to December 31, 2014 and 2013

Code	Item	Note	Currency unit: in NTD 1,000			
			2014		2013	
			Amount	%	Amount	%
	Net Sales	VII				
4110	Sales revenue		\$ 4,063,300	98	\$ 2,987,419	98
4170	Less: sales return		(15,321)	-	(774)	-
4190	Less: sales discount		(3,907)	-	(579)	-
4614	Revenue from commissions		53,149	1	49,712	2
4660	Revenue from processing		58,911	1	-	-
4000	Subtotal of net sales		4,156,132	100	3,035,778	100
5000	Operating costs	VI(IV) and VII	(2,221,139)	(53)	(1,634,352)	(54)
5900	Gross profit		1,934,993	47	1,401,426	46
5910	Unrealized income(loss) from sales		(1,248)	-	-	-
5920	Realized income (loss) from sales		2,774	-	2,895	-
5950	Net gross profit		1,936,519	47	1,404,321	46
	Operating expenses	VII				
6100	Selling expenses		(367,544)	(9)	(337,705)	(11)
6200	Management expenses		(282,312)	(7)	(182,865)	(6)
6300	R&D expenses	VI (VIII)	(728,996)	(18)	(550,203)	(18)
6000	Subtotal operating expenses		(1,378,852)	(34)	(1,070,773)	(35)
6900	Net Operating Income		557,667	13	333,548	11
	Non-operating revenue and expenses					
7020	Other gains and losses, net	VI(XVII)	31,232	1	11,160	-
7050	Financial cost	VI(XVII)	(3,238)	-	(750)	-
7060	Net portions of incomes/loss of subsidiaries, affiliated and joint ventures accounted for under the equity method		(7,433)	-	(27,099)	-
7100	Interest revenue	VII	2,532	-	2,462	-
7110	Rent revenue	VII	9,598	-	3,906	-
7190	Other revenue-others	VII	9,025	-	3,372	-
7000	Subtotal non-operating incomes and expenses		41,716	1	(6,949)	-
7900	Net profit (loss) before tax		599,383	14	326,599	11
7950	Income tax expenses	VI(XVIII)	(82,085)	(2)	(55,666)	(2)
8200	Net profit in current period		517,298	12	270,933	9
	Other consolidated income/loss					
8310	Exchange difference arising from translation of the financial statement of foreign operations		15,850	1	14,593	-
8360	Actuarial gain/loss on defined benefits		(3,915)	-	(672)	-
8371	Share of other comprehensive income of affiliates and joint ventures under the equity method		-	-	(246)	-
8300	Other net consolidated incomes		11,935	1	13,675	-
8500	Comprehensive income in current period (total)		\$ 529,233	13	\$ 284,608	9
	Net gain/loss attributable to					
8610	Parent company shareholders		\$ 517,636	12	\$ 271,033	9
8620	Uncontrolled equity		(338)	-	(100)	-
	Net profit in current period		\$ 517,298	12	\$ 270,933	9
	Consolidated income attributable to					
8710	Parent company shareholders		\$ 529,102	13	\$ 284,045	9
8720	Uncontrolled equity		131	-	563	-
	Total consolidated income in current period		\$ 529,233	13	\$ 284,608	9
	Earnings per common share: (Unit: NTD)	VI(XIX)				
9750	Basic EPS		\$ 6.62		\$ 3.54	
9850	Diluted EPS		\$ 6.11		\$ 3.52	

(The notes to this statement and the Auditors' Report by Chang, Yu-Ming, and Chen, Shih-Yuan, CPAs of Nexia Sun Rise CPAs & Co., constitute an integral part of this report)

CEO: Steve Chen

President: Scott Kuo

Chief Accounting Officer: Rose Jao

MPI Corporation and its subsidiaries
 Consolidated Statement of Changes in Shareholders' Equity
 January 1 to December 31, 2014 and 2013

Currency unit: in NTD 1,000

Item	Code	Capital stock		Retained earnings			Other Equities		Total equity attributable to owners of the parent	Non-controlling equity	Total equities
		Common shares	Capital surplus	Legal Reserve	Special Reserve	Undistributed Earnings	Exchange difference arising from translation of the financial statement of foreign operations	Treasury stock			
		3110	3200	3310	3320	3350	3410	3500			
Balance on January 1, 2013	A1	\$ 786,104	\$ 740,657	\$ 355,530	\$ -	\$ 1,221,556	\$ 11,707	\$ (152,606)	\$ 2,962,948	\$ 16,465	\$ 2,979,413
Allocation and distribution of earnings:											
Legal reserve	B1			28,309		(28,309)			-		-
Special reserve	B3				17,571	(17,571)			-		-
Cash dividend for common shares	B5					(191,526)			(191,526)		(191,526)
Changes in other capital surplus:											
From gift and derivatives	C3		1					(1)	-		-
Net profit in Jan 1 –Dec 31, 2013	D1					271,033			271,033	(100)	270,933
Other consolidated incomes in Jan 1 –Dec 31, 2013	D3					(672)	13,684		13,012	663	13,675
Total comprehensive income	D5	-	-	-	-	270,361	13,684	-	284,045	563	284,608
Cancellation of treasury stock	L3	-	-					1	1		1
Payment transactions on the basis of shares	N1	20	123						143		143
Balance on December 31 2013	Z1	\$ 786,124	\$ 740,781	\$ 383,839	\$ 17,571	\$ 1,254,511	\$ 25,391	\$ (152,606)	\$ 3,055,611	\$ 17,028	\$ 3,072,639
Balance on January 1, 2014	A1	\$ 786,124	\$ 740,781	\$ 383,839	\$ 17,571	\$ 1,254,511	\$ 25,391	\$ (152,606)	\$ 3,055,611	\$ 17,028	\$ 3,072,639
Allocation and distribution of earnings:											
Legal reserve	B1			27,103		(27,103)			-		-
Cash dividend for common shares	B5					(165,086)			(165,086)		(165,086)
Reversal of special reserve	B17				(17,571)	17,571			-		-
Changes in other capital surplus:											
Generated from recognition of convertible corporate bonds (preferred stock)	C5		28,585						28,585		28,585
Net profit in Jan 1 –Dec 31, 2014	D1					517,636			517,636	(338)	517,298
Other comprehensive incomes from Jan 1 –Dec 31, 2014	D3					(3,915)	15,381		11,466	469	11,935
Total comprehensive income	D5	-	-	-	-	513,721	15,381	-	529,102	131	529,233
Share-based payment	N1		33,296					152,606	185,902		185,902
Convertible corporate bond conversion		9,240	82,350						91,590		91,590
Balance on December 31, 2014	Z1	\$ 795,364	\$ 885,012	\$ 410,942	\$ -	\$ 1,593,614	\$ 40,772	\$ -	\$ 3,725,704	\$ 17,159	\$ 3,742,863

(The notes to this statement and the Auditors' Report by Chang, Yu-Ming, and Chen, Shih-Yuan, CPAs of Nexia Sun Rise CPAs & Co. constitute an integral part of this report)

CEO: Steve Chen

President: Scott Kuo

Chief Accounting Officer: Rose Jao

MPI Corporation and its subsidiaries
Consolidated Statement of Cash Flows
January 1 to December 31, 2014 and 2013

Currency unit: in NTD 1,000

Code	Item	2014	2013
AAAA	Cash flows from operation – indirect approach		
A10000	Net profit before tax in the current period	\$ 599,383	\$ 326,599
A20000	Adjustments		
A20010	Income/expenses unaffffecting cash flows		
A20100	Depreciation expenses	140,413	112,482
A20200	Amortization expenses	33,880	31,843
A20300	Provisions (reversal) of doubtful accounts	8,695	7,452
A20400	Net loss from financial assets & liabilities at fair value through profit or loss	(1,782)	-
A20900	Interest expenses	3,238	750
A21200	Interest revenue	(2,532)	(2,462)
A21900	Remuneration cost paid from share-based payment	33,840	-
A22300	Portions of gain/loss from subsidiaries, affiliates, and joint ventures accounted for under the equity method	7,433	27,099
A22500	Gains/loss from dispositions and scrap of property, plant and equipment	1,920	(92)
A22600	Property, plant, and equipment recognized as expenses	-	117
A23900	Unrealized gain/loss from sales	1,248	-
A24000	Realized gain/loss from sales	(2,774)	(2,895)
A29900	Others – exchange gain/loss from prepayment for purchase of equipment	(454)	737
A30000	Changes in assets/liabilities related to operations		
A31000	Net changes in assets related to operations		
A31130	Decrease (increase) of note receivables	(27,293)	(11,915)
A31150	Decrease (increase) of account receivables	(86,029)	118,500
A31160	Decrease (increase) of account receivables -related parties	(62,510)	35,632
A31180	Decrease (increase) of other receivables	(14,764)	(4,374)
A31200	Decrease (increase) of inventory	(211,400)	39,911
A31230	Decrease (increase) of prepayments	(42,707)	(27,020)
A31240	Decrease (increase) of other current assets	644	7,398
A32000	Net changes in liabilities related to operations		
A32130	Increase (decrease) of note payables	208	(1,604)
A32150	Increase (decrease) of account payables	107,659	(12,236)
A32160	Increase (decrease) of account payables - related parties	5,917	390
A32180	Increase (decrease) of other payables	179,605	33,451
A32190	Increase (decrease) of other payables - related parties	6,306	(3,934)
A32200	Increase (decrease) of provisions for debts	(4,788)	(7,734)
A32210	Increase (decrease) of advance receipt	(10,620)	(183,322)
A32230	Increase (decrease) of other current liabilities	(972)	4,022
A32240	Increase (decrease) of accrued pensions	(2,941)	(3,611)
A33000	Cash inflows (outflows) from operation	658,823	485,184
A33100	Collected interest	2,393	2,517
A33300	Paid interest	(1,735)	(695)
A33400	Paid stock dividend	(165,086)	(191,526)
A33500	Paid income tax	(68,544)	(46,559)
AAAA	Net cash inflows (outflows) from operations	<u>425,851</u>	<u>248,921</u>
BBBB	Cash flows from investments		
B01800	Investment accounted for under the equity method	-	(14,942)
B02200	Acquisition of subsidiaries (less earned cash)	(45,632)	-
B02700	Acquisition of property, plant, and equipment	(620,119)	(207,569)
B02800	Disposition of property, plant, and equipment	1,405	16,292
B04500	Acquisition of intangible assets	(16,773)	(9,656)
B06500	Increase of other financial assets	-	(1,093)
B06600	Decrease of other financial assets	239	-
B06700	Decrease of other non-current assets	(270,568)	(20,915)
B07600	Collected stock dividends	-	6,953
BBBB	Net cash inflows (outflows) from investments	<u>(951,448)</u>	<u>(230,930)</u>

(To be continued)

MPI Corporation and its subsidiaries
Consolidated Statement of Cash Flows (continued from previous page)
January 1 to December 31, 2014 and 2013

Currency unit: in NTD 1,000

Item	2014	2013
CCCC Cash flow from financing		
C01200 Offering of corporate bonds	694,797	-
C00100 Increase of short-term loans	119	4,265
C01700 Repayment of long-term loans	(9,329)	(9,328)
C04400 Decrease of other non-current liabilities	1,163	70
C04800 Exercise of Employee Stock Options	-	143
C05100 Purchase of treasury stock by employees	152,062	-
C05800 Uncontrolled equity	469	663
CCCC Net cash inflows (outflows) from financing	<u>839,281</u>	<u>(4,187)</u>
DDDD Effect of exchange rate fluctuation on cash and cash equivalents	<u>38,132</u>	<u>7,088</u>
EEEE Increase (decrease) of cash and cash equivalents in current period	351,816	20,892
E00100 Balance of cash and cash equivalents at beginning of period	623,796	602,904
E00200 Balance of cash and cash equivalents at ending of period	<u>\$ 975,612</u>	<u>\$ 623,796</u>

(The notes to this statement and the Auditors' Report by Chang, Yu-Ming, and Chen, Shih-Yuan, CPAs of Nexia Sun Rise CPAs & Co., constitute an integral part of this report)

CEO: Steve Chen

President: Scott Kuo

Chief Accounting Officer: Rose Jao

Appendix V

MPI Corporation
Disposition of Net Earnings
 2014

Unit: NTD

Item	Amount	
	Subtotal	Total
Unallocated earnings at the ending		\$ 1,079,893,469
Less: Other comprehensive income (actuarial income under defined benefit plan 2014)		(3,915,560)
Add: Net profit after tax this year		517,635,706
Subtotal:		1,593,613,615
Provision:		
Less: Provision of 10% legal reserve	(51,763,571)	
Add: Reversal (provision) of special reserve	0	(51,763,571)
Subtotal of allocable earnings:		1,541,850,044
Item of distribution:		
Shareholder bonus - cash	(318,421,568)	
Shareholder bonus - stock	(0)	(318,421,568)
Unallocated earnings at the ending		\$ 1,223,428,476
Notes:		
Distribution of remuneration to directors/supervisors	(11,240,000)	
Distribution of employee bonus - cash	(49,168,000)	
Distribution of employee bonus - stock	(0)	

CEO: Steve Chen

President: Scott Kuo

Chief Accounting Officer: Rose Jao

Appendix VI

MPI Corporation

Mapping of the clauses of the Articles of Incorporation before and after amendment

Clause	Before amendment	After amendment	Cause of amendment
Article 2	<p>The Company is engaged in the principal business specified below:</p> <p>I. CB01010 Machinery and Equipment Manufacturing.</p> <p>II. CC01080 Electronic Parts and Components Manufacturing.</p> <p>III. F119010 Wholesale of Electronic Materials.</p> <p>IV. F113050 Wholesale of Computing and Business Machinery Equipment.</p> <p>V. E605010 Computing Equipments Installation Construction.</p> <p>VI. F113010 Wholesal of Machinery.</p> <p>VII. F213080 Retail Sale of Machinery and Equipment.</p> <p>VIII.F401010 International Trade.</p> <p>IX. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</p>	<p>The Company is engaged in the principal business specified below:</p> <p>I. CB01010 Machinery and Equipment Manufacturing.</p> <p>II. CC01080 Electronic Parts and Components Manufacturing.</p> <p>III. F119010 Wholesale of Electronic Materials.</p> <p>IV. F113050 Wholesale of Computing and Business Machinery Equipment.</p> <p>V. E605010 Computing Equipments Installation Construction.</p> <p>VI. F113010 Wholesal of Machinery.</p> <p>VII. F213080 Retail Sale of Machinery and Equipment.</p> <p>VIII.F401010 International Trade.</p> <p>IX. <u>JE01010 Lease</u></p> <p>X. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</p>	Additional business lines
Article 12	<p>The Company shall establish 5 seats of directors and 3 seats of supervisors, who shall be persons of legal competent and elected by the General Meeting of Shareholders. Directors and supervisors shall have tenure of 3 years and may be assume a second term of office if reelected.</p> <p>Of all the seats of directors as mentioned, there shall be at least 2 seats of independent directors who shall be elected from a nomination of candidates system and the number of seats for independent directors shall constitute at least 1/5 of the total seats of directors. The professional qualification, quantity of shareholding, limitation of job position, methods of nomination and election and other issues for</p>	<p>The Company shall establish 5 seats of directors and 3 seats of supervisors, who shall be persons of legal competent and elected by the General Meeting of Shareholders. Directors and supervisors shall have tenure of 3 years and may be assume a second term of office if reelected.</p> <p>Of all the seats of directors as mentioned, there shall be at least 2 seats of independent directors who shall be elected from a nomination of candidates system and the number of seats for independent directors shall constitute at least 1/5 of the total seats of directors. The professional qualification, quantity of shareholding, limitation of job position, methods of nomination and election and other issues for</p>	Keep abreast with the changes in applicable legal rules

Clause	Before amendment	After amendment	Cause of amendment
	compliance shall be handled in accordance with the requirements of the competent authority of securities.	compliance shall be handled in accordance with the requirements of the competent authority of securities. <u>The Company may purchase liability insurance for the whole directors and supervisors to cover the claims to be borne by them for performance of their duties pursuant to laws during their terms of office. The enrollment into insurance shall be handled by the Board of Directors with full power.</u>	
Article 22	The Articles of Incorporation were instituted on July 20 1995. Amendment was made for the 1st instance on September 20, 1996. (skipped)	The Articles of Incorporation were instituted on July 20 1995. Amendment was made for the 1st instance on September 20, 1996. (skipped) <u>Amendment for the 18th instance was made on June 12, 2015.</u>	Addition of the date of the last amendment

Appendix VII

MPI Corporation

Mapping of the provisions of the “Parliamentary Procedure for General Shareholders’ Meeting”
before and after the amendment

Clause	Before amendment	After amendment	Cause of amendment
Article 1-1	<p>The Board of Directors shall call for the sessions of the General Meeting of Shareholders unless the law otherwise specified.</p> <p>The Company shall prepare the electronic version of the notice of meeting, appointment of agent form, information on motions for ratification, discussion, the election or discharge of Directors and Supervisors, and the motions and causes of motions and upload the aforementioned information to MOPS at least 30 days before a regular session or at least 15 days before a special session of the General Meeting. In addition, the Company shall also prepare the parliamentary procedure handbook and supplementary materials for the meeting in electronic version and upload the information to MOPS at least 21 days before a regular session or 15 days before a special session is scheduled, 15 days before a special session is scheduled, and prepare the hard copies of parliamentary procedure handbook and supplementary materials for the meeting and make these materials available at the offices of the Company and share registration agents for the shareholders, or release the materials on the site of the meeting.</p>	<p>The Board of Directors shall call for the sessions of the General Meeting of Shareholders unless the law otherwise specified.</p> <p>The Company shall prepare the electronic version of the notice of meeting, appointment of agent form, information on motions for ratification, discussion, the election or discharge of Directors and Supervisors, and the motions and causes of motions and upload the aforementioned information to MOPS at least 30 days before a regular session or at least 15 days before a special session of the General Meeting. In addition, the Company shall also prepare the parliamentary procedure handbook and supplementary materials for the meeting in electronic version and upload the information to MOPS at least 21 days before a regular session or 15 days before a special session is scheduled, 15 days before a special session is scheduled, and prepare the hard copies of parliamentary procedure handbook and supplementary materials for the meeting and make these materials available at the offices of the Company and share registration agents <u>appointed by the Company for the shareholders</u>, or release the materials on the site of the</p>	<p>In compliance with the requirement of Financial Supervisory Commission Letter Ching-Kuan-Cheng-Fa-Tze. No. 1030051379.</p>

Clause	Before amendment	After amendment	Cause of amendment
	<p>The aforementioned notice and announcement shall contain information on the cause of the session, and may be made in electronic form at the consent of the respondents.</p> <p>Motions of election or discharge of Directors, Supervisors, alteration of the Articles of Incorporation, dissolution, merger, split up of the Company, or anything as stated in Article 185-1, Article 26-1, Article 43-6 of the Securities and Exchange Act, shall be explicitly stated in the cause of calling for the session and cannot be proposed as Extemporaneous Motions.</p> <p>Shareholders holding 1% or more of the total outstanding shares of the Company propose motions in a regular session in writing, but each shareholder is permitted to propose one motion only. Any more motions will not be included into the agenda of the meeting.</p> <p>For proposal of motions pertinent to any conditions as specified in Article 172-1-(4) of the Company Act may be declined by the Board for including into the agenda.</p> <p>The Company shall announce the motions proposed by the shareholders, the place and time for handling the motions before the date on which shares are stopped for transactions before a regular session is scheduled. At least 10 days shall be allowed for handling the motions.</p> <p>Each motion is limited to 300 words or it will not be</p>	<p>meeting.</p> <p>The aforementioned notice and announcement shall contain information on the cause of the session, and may be made in electronic form at the consent of the respondents.</p> <p>Motions of election or discharge of Directors or Supervisors, alteration of the Articles of Incorporation, dissolution, merger, or split up of the Company, or anything as stated in Article 185-1, Article 26-1, Article 43-6 of the Securities and Exchange Act, <u>and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers</u> shall be explicitly stated in the cause of calling for the session and cannot be proposed as Extemporaneous Motions.</p> <p>Shareholders holding 1% or more of the total outstanding shares of the Company propose motions in a regular session in writing, but each shareholder is permitted to propose one motion only. Any more motions will not be included into the agenda of the meeting.</p> <p>For proposal of motions pertinent to any conditions as specified in Article 172-1-(4) of the Company Act may be declined by the Board for including into the agenda.</p> <p>The Company shall announce the motions proposed by the shareholders, the place and time for handling the motions before the date on which shares are stopped for</p>	

Clause	Before amendment	After amendment	Cause of amendment
	<p>included into the agenda. Shareholders shall attend the regular session in period or appointing a proxy to attend and engaged in the discussion of the motion being proposed. The Company shall inform the shareholders of the motions being proposed and handled before the date of notice of the General Meeting and list the motions meeting the requirements of this clause into the meeting notice. For motions proposed by shareholders not being listed into the agenda, the Board shall explain the reasons for noting including such motions as a part of the agenda.</p>	<p>transactions before a regular session is scheduled. At least 10 days shall be allowed for handling the motions. Each motion is limited to 300 words or it will not be included into the agenda. Shareholders shall attend the regular session in period or appointing a proxy to attend and engaged in the discussion of the motion being proposed. The Company shall inform the shareholders of the motions being proposed and handled before the date of notice of the General Meeting and list the motions meeting the requirements of this clause into the meeting notice. For motions proposed by shareholders not being listed into the agenda, the Board shall explain the reasons for noting including such motions as a part of the agenda.</p>	
Article 2	<p>A sign-in book shall be prepared at the General Meeting of Shareholders for tracking the attendance of the shareholders, or, the shareholders who attend the meeting shall surrender the sign-in card in lieu of signing in the book for record. The quantity of shares represented by the shareholders attending the meeting shall be based on the information of the sign-in books and the sign-in cards being surrendered. The Company shall present the parliamentary handbook, annual report, attendance card, speech memo, ballots, and other materials for the</p>	<p>A sign-in book shall be prepared at the General Meeting of Shareholders for tracking the attendance of the shareholders, or, the shareholders who attend the meeting shall surrender the sign-in card in lieu of signing in the book for record. The quantity of shares represented by the shareholders attending the meeting shall be based on the information of the sign-in books and the sign-in cards being surrendered. The Company shall present the parliamentary handbook, annual report, attendance card, speech memo, ballots, and other materials for the</p>	<p>In compliance with the requirement of Financial Supervisory Commission Letter Ching-Kuan-Cheng-Fa-Tze. No. 1030051379.</p>

Clause	Before amendment	After amendment	Cause of amendment
	<p>meeting to shareholders attending the meeting. If there is an election of Directors and Supervisors to be held, attach a ballot for such purpose. The shareholders shall bring with them the attendance card, sign-in card, or other documents for attending the meeting. Persons requesting for authorization of agent instrument shall bring their ID documents for confirmation. Where the shareholders may be the government or institutions, more than one representative may be assigned to attend the meeting.</p>	<p>meeting to shareholders attending the meeting. If there is an election of Directors and Supervisors to be held, attach a ballot for such purpose. The shareholders shall bring with them the attendance card, sign-in card, or other documents for attending the meeting. <u>The Company shall not add the requirement for additional identification documents for a shareholder's attendance to the meeting.</u> Persons requesting for authorization of agent instrument shall bring their ID documents for confirmation. Where the shareholders may be the government or institutions, more than one representative may be assigned to attend the meeting.</p>	
<p>Article 20</p>	<p>This Procedure was instituted on March 5, 2001 under the resolution of the Board of Directors and ratification of the General Meeting of Shareholders for coming into full force. The same procedure shall be applicable to any amendment thereto. Amendment for the 2nd instance was made on March 20, 2006 under the resolution of the Board of Directors and presented to the General Meeting for ratification on June 20, 2006. Amendment for the 3rd instance was made on March 28, 2011 under the resolution of the Board of Directors and presented to the General Meeting for ratification on</p>	<p>This Procedure was instituted on March 5, 2001 under the resolution of the Board of Directors and ratification of the General Meeting of Shareholders for coming into full force. The same procedure shall be applicable to any amendment thereto. Amendment for the 2nd instance was made on March 20, 2006 under the resolution of the Board of Directors and presented to the General Meeting for ratification on June 20, 2006. Amendment for the 3rd instance was made on March 28, 2011 under the resolution of the Board of Directors and presented to the General Meeting for ratification on</p>	<p>Addition of the date of the last amendment</p>

Clause	Before amendment	After amendment	Cause of amendment
	<p>June 17, 2011. Amendment for the 4th instance was made on March 13, 2012 under the resolution of the Board of Directors and presented to the General Meeting for ratification on June 15, 2012.</p>	<p>June 17, 2011. Amendment for the 4th instance was made on March 13, 2012 under the resolution of the Board of Directors and presented to the General Meeting for ratification on June 15, 2012. <u>Amendment for the 5th instance was made on March 24, 2015 under the resolution of the Board of Directors and presented to the General Meeting for ratification on June 12, 2015.</u></p>	

Appendix I

MPI Corporation Articles of Incorporation

Chapter I General Provision

- Article I: The Company has been duly incorporated in accordance with the Company Act and titled MPI Corporation.
- Article II: The Company is engaged in the principal business specified below:
- I. CB01010 Machinery and Equipment Manufacturing.
 - II. CC01080 Electronic Parts and Components Manufacturing.
 - III. F119010 Wholesale of Electronic Materials.
 - IV. F113050 Wholesale of Computing and Business Machinery Equipment.
 - V. E605010 Computing Equipments Installation Construction.
 - VI. F113010 Wholesale of Machinery.
 - VII. F213080 Retail Sale of Machinery and Equipment.
 - VIII. F401010 International Trade.
 - IX. JE01010 Lease
 - X. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article III: The Company may make direct investment up to 40% of the paid-in capital and may act as a guarantor in favor of a third party outside the Company for business purpose.
- Article IV: The Company is headquartered in Zhubei City, Hsinchu County, and may establish branches at home and abroad under the resolution of the Board of Directors, where necessary.

Chapter II Shares of Stock

- Article V: The Company has stated capital of NTD 1 billion (NT\$1,000,000,000) equally divided into 100 million shares (100,000,000) at face value of NTD 10 per share. The Board of Directors has been authorized to issue the shares in tranches.
- The amount of NTD 50 million (NT\$50,000,000) will be retained and this amount is equally split up into 5 million shares (5,000,000) at face value of NTD 10 per share for the issuance of stock options. The Board of Directors has been authorized to issue the stock options in tranches.
- Article V-1: In the event the Company shall repurchase its outstanding shares as dictated by law, the Board of Directors shall be authorized for the repurchase.
- Article VI: The Company issues registered shares with the authorized signatures/specimen seals of at least 3 Directors affixed to each stock certificate subject to certification as required by law before issuance. The Company may also issue shares without printing physical stock certificate, or consolidated all the outstanding shares for printing stock certificates for the issuance of the aforementioned shares, and register

with the central depository of securities.

Article VII: Any change of the content contained in the shareholders registry shall be prohibited within 60 days prior to a regular session of the General Meeting of Shareholders, or within 30 days prior to a special session of the General Meeting of Shareholders, or within 5 days prior to the dividend or bonus announcement day or the day on which other benefits are released.

Chapter III General Meeting of Shareholders

Article VIII: The General Meeting of Shareholders may convene in regular sessions or special sessions. Regular session will usually be convened once a year within 6 months after the end of a fiscal year. Special session may be convened at any time as needed. The Company may adopt the system of voting by correspondence or electronic means in a session of the General Meeting and the procedure shall be instituted in accordance with applicable laws.

Article IX: If specific shareholder cannot attend the General Meeting of Shareholders in person, such shareholder may use the authorization of agent printed by the Company and specify the scope of authorization for appointing a proxy to attend the meeting.

Article X: Shareholders are entitled to one vote for each share of holding except for holding the shares as specified in Article 179 of the Company Act or unless otherwise the law requires.

Article XI: Unless applicable laws specified otherwise, resolutions of the General Meeting of Shareholders shall be made by a simple majority of the shareholders representing more than half of the total outstanding shares in the meeting, or at the unanimous consent of the shareholders who are present in the meeting.

Chapter IV Directors and Supervisors

Article XII: The Company shall establish 5 seats of Directors, 3 seats of Supervisors, and each shall have tenure of 3 years in office. Directors and Supervisors shall be elected by the General Meeting of Shareholders from persons of legal competence, and who shall assume a second term of office if reelected.

Of all the seats of directors as mentioned, there shall be at least 2 seats of independent directors who shall be elected from a nomination of candidates system and the number of seats for independent directors shall constitute at least 1/5 of the total seats of directors. The professional qualification, quantity of shareholding, limitation of job position, methods of nomination and election and other issues for compliance shall be handled in accordance with the requirements of the competent authority of securities.

The Company may purchase liability insurance for the whole directors and supervisors to cover the claims to be borne by them for performance of their duties pursuant to laws during their terms of office. The enrollment into insurance shall be

handled by the Board of Directors with full power

Article XIII: The Board of Directors shall be organized by the Directors one of whom shall be elected as the Chairman in a session with the presence of at least two-thirds of the Directors and the consent under a simple majority. A vice chairman shall also be elected likewise. The Chairman shall preside over the sessions of the General Meeting and the Board internally and represents the Company externally.

Article XIV: In the absence of the Chairman or the Chairman is unable to perform its duties, proceed to Article 208 of the Company Act.

The Directors shall attend the sessions of the Board in person, or appoint another Director to attend the meeting with the authorization of agent and specify the scope of authorization. Each Director may appoint one Director to act as proxy in the meeting.

The Board shall convene with the cause of the session specified in the notice 7 days in advance to the acknowledgement of all Directors and Supervisors. In case of emergency, The Board may call for special session with notice in writing, fax, or e-mail.

The Board may convene via teleconferencing and the Directors participating in the teleconference shall be deemed attending the Board session in person.

Article XV: Unless the Company Act specifies otherwise, resolutions of the Board may be made by a session with the presence of at least half of the seats of Directors and by a simple majority of these Directors.

Article XV-1: The remunerations to the Chairman, Vice Chairman, Directors, and Supervisors shall commensurate with their level of participation and contribution to the operation of the Company with reference to industry standard, and shall be determined by the Board under authorization.

Article XVI: The Board of Directors shall perform the following functions:

- I. Review and approval of the corporate policy and the development plan in the mid to long run.
- II. Review and supervision of the execution of annual business plan.
- III. Review and approval of budget and account settlement.
- IV. Review and approval of the plan of capitalization and decapitalization of the Company.
- V. Review and approval of the proposal for income distribution or covering loss carried forward.
- VI. Review and approval essential contracts with external parties.
- VII. Review and approval of the Articles of Incorporation and amendment thereto.
- VIII. Review and approval of the organizational code and important rules and regulations of the Company.
- IX. Approval of the establishment, reorganization, and revocation of branches.
- X. Approval of major capital spending plans.
- XI. Planning for the acquisition and disposition of vital assets of the Company.

- XII. The appointment and dismissal of the general manger and deputy general managers.
- XIII. Execution of the resolutions of the General Meeting of Shareholders.
- XIV. Review and approval of the proposals from the general manager.
- XV. Convention of the General Meeting of Shareholders and report on operation.
- XVI. Any other duties to be performed under law.

Article XVII: The Supervisors shall perform the following functions:

- I. Review of the account settlement.
- II. Supervision of the operation and financial position of the Company, and may request the Board or the managers to report.
- III. Review and audit of the journal books and documents of the Company.
- IV. Calling for special sessions of the General Meeting of Shareholders in accordance with applicable laws where necessary.
- V. Supervision on any other issues as required by law.

Chapter V Managers

Article XVIII: The Company shall employ several managers and the appointment and dismissal of whom shall be carried out pursuant to Article 29 of the Company Act.

Chapter VI Accounting Policy

Article XIX: At the end of the fiscal year, the Board shall prepare (I) Operation in review; (II) Financial Statements; (III) proposals of income distribution or covering loss carried forward and related document, and forward these materials to the Supervisors for review 30 days prior to the scheduled date of the regular session of the General Meeting for ratification.

Article XX: Where the Company may have a surplus after the account settlement and such surplus shall be distributed in the priority specified below:

- (I) Payment of tax.
- (II) Covering of loss.
- (III) 10% set aside as legal reserve.
- (IV) Provision of special reserve pursuant to laws.
- (V) The remainder, if any, plus allocable earnings at the end of the year may be subject to the motion for distribution of allocable earnings prepared by the board of directors and submitted to a shareholders' meeting for resolution. Where the earnings are resolved to be allocated, they shall be allocated in the following manners:
 - 1. Employee bonus: at least 12% of the allocable earnings;
 - 2. Remuneration to directors/supervisors: no more than 3% of the allocable earnings;
 - 3. Shareholders bonus: the remainder less the allocated amount referred to in the preceding two sub-paragraphs.

The counterparts whom the stock dividends may be allocated to shall include the employees of affiliated companies.

Article XX-1: The Company is now in the growth stage of industrial development. As such, the dividend policy shall be conditioned by the investment environment, capital needs, domestic and international competition, and capital budgeting of the Company at present moment and in the futures. Shareholders interest, balance of dividend payment and long-term financial planning shall also be considered with the Board of Directors to design the plans for income distribution annually as required by law, and present before the General Meeting of Shareholders for ratification.

The earnings will be allocated in the form of cash dividend or stock dividend, subject to the funding demand and level of dilution of EPS. The cash dividend to be allocated, if any, shall be no less than 10% of the total stock dividend.

Chapter VII Miscellaneous

Article XXI: Anything not covered in the Articles of Incorporation shall be governed by the Company Act and other applicable legal rules.

Article XXII: Instituted on July 20 1995.

Amendment was made for the 1st instance on September 20, 1996.

Amendment was made for the 2nd instance on January 9 1998.

Amendment was made for the 3rd instance on September 11 1998.

Amendment was made for the 4th instance on January 4 1999.

Amendment was made for the 5th instance on June 1 2000.

Amendment was made for the 6th instance on April 16 2001.

Amendment was made for the 7th instance on December 12 2001.

Amendment was made for the 8th instance on April 18 2002.

Amendment was made for the 9th instance on June 3 2004.

Amendment was made for the 10th instance on June 3 2005.

Amendment was made for the 11th instance on June 23 2006.

Amendment was made for the 12th instance on December 28 2006.

Amendment was made for the 13th instance on June 15, 2007.

Amendment was made for the 14th instance on June 6 2008.

Amendment was made for the 15th instance on June 15 2010.

Amendment was made for the 16th instance on June 17 2011.

Amendment was made for the 17th instance on June 17 2014.

MPI Corporation
CEO: Steve Chen

Appendix II

MPI Corporation

Parliamentary Procedure for General Meeting of Shareholders

Article 1: The General Meeting of Shareholders shall be governed by this procedure unless the law otherwise specified.

Article 1-1: The Board of Directors shall call for the sessions of the General Meeting of Shareholders unless the law otherwise specified.

The Company shall prepare the electronic version of the notice of meeting, appointment of agent form, information on motions for ratification, discussion, the election or discharge of Directors and Supervisors, and the motions and causes of motions and upload the aforementioned information to MOPS at least 30 days before a regular session or at least 15 days before a special session of the General Meeting. In addition, the Company shall also prepare the parliamentary procedure handbook and supplementary materials for the meeting in electronic version and upload the information to MOPS at least 21 days before a regular session or 15 days before a special session is scheduled, 15 days before a special session is scheduled, and prepare the hard copies of parliamentary procedure handbook and supplementary materials for the meeting and make these materials available at the offices of the Company and share registration agents appointed by the Company for the shareholders, or release the materials on the site of the meeting. The aforementioned notice and announcement shall contain information on the cause of the session, and may be made in electronic form at the consent of the respondents. Motions of election or discharge of Directors or Supervisors, alteration of the Articles of Incorporation, dissolution, merger, or split up of the Company, or anything as stated in Article 185-1, Article 26-1, Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be explicitly stated in the cause of calling for the session and cannot be proposed as Extemporaneous Motions. Shareholders holding 1% or more of the total outstanding shares of the Company propose motions in a regular session in writing but each shareholder is permitted to propose one motion only. Any more motions will not be included into the agenda of the meeting. For proposal of motions pertinent to any conditions as specified in Article 172-1-(4) of the Company Act may be declined by the Board for including into the agenda. The Company shall announce the motions proposed by the shareholders, the place and time for handling the motions before the date on which shares are stopped for transactions before a regular session is scheduled. At least 10 days shall be allowed for handling the motions. Each motion is limited to 300 words or it will not be included into the agenda. Shareholders shall attend the regular session in period or appointing a proxy to attend and engaged in the discussion of the motion being proposed. The Company shall inform the shareholders of the motions being proposed and handled before the date of notice of the General Meeting and list the motions meeting the requirements of this clause into the meeting notice. For

motions proposed by shareholders not being listed into the agenda, the Board shall explain the reasons for noting including such motions as a part of the agenda.

- Article 1-2: Each shareholder may present the authorization of agent document prepared by the Company with the scope of authorization defined to appoint a proxy to attend each session of the General Meeting. One shareholder may appoint one proxy and present one authorization of agent only and such document shall be delivered to the Company no later than 5 days prior to the scheduled date of the General Meeting. For repeated authorization of agent, the initial authorization shall prevail unless otherwise the previous authorization has been declared for revocation. After the delivery of the authorization of agent to the Company and that the shareholder desire to attend the meeting in person, or cast the vote in correspondence or electronic form, such shareholder may inform the Company for the revocation of the authorization previous made in writing no later than 2 days prior to the scheduled date of the meeting. Any late arrival of the petition for revocation of the authorization agent will not be accepted. Accordingly, the proxy shall attend the meeting and cast the vote. Notice to the Company for revocation of the authorization of agent must be made in writing. For the expression of such intent beyond the deadline, the vote cast by the proxy in the meeting under the authorization of agent shall stand.
- Article 2: A sign-in book shall be prepared at the General Meeting of Shareholders for tracking the attendance of the shareholders, or, the shareholders who attend the meeting shall surrender the sign-in card in lieu of signing in the book for record. The quantity of shares represented by the shareholders attending the meeting shall be based on the information of the sign-in books and the sign-in cards being surrendered. The Company shall present the parliamentary handbook, annual report, attendance card, speech memo, ballots, and other materials for the meeting to shareholders attending the meeting. If there is an election of Directors and Supervisors to be held, attach a ballot for such purpose. The shareholders shall bring with them the attendance card, sign-in card, or other documents for attending the meeting. The Company shall not add the requirement for additional identification documents for a shareholder's attendance to the meeting. Persons requesting for authorization of agent instrument shall bring their ID documents for confirmation. Where the shareholders may be the government or institutions, more than one representative may be assigned to attend the meeting.
- Article 3: The attendance of shareholders in the General Meeting and the votes shall be based on the quantity of shares being represented in the calculation. The quantity of shares represented by the shareholders attending the meeting shall be based on the information of the sign-in book or the sign-in cards being surrendered, plus the votes representing the shares cast by correspondence or electronic mean.
- Article 4: The place for the General Meeting of Shareholders shall be at the locality of the Company or a place convenient for the shareholders to attend. The time for the meeting shall not be earlier than 9:00 am or later than 3:00 pm of the day.
- Article 5: Where the Board of Directors may call for the General Meeting, the Chairman shall

preside over the meeting. In the absence of the Chairman or the Chairman cannot perform its duties, the Vice Chairman shall act on behalf of and in the name of the Chairman to preside over the meeting. Where there is no seat of a vice chairman, in the absence of the Vice Chairman or where the Vice Chairman cannot perform his duties, the Chairman shall appoint an agent to preside over the meeting, or, the Directors shall nominate one among themselves to preside over the meeting.

Where an entitled third party other than the Board of Directors may call for the General Meeting, such party shall preside over the meeting. In case there are two entitled parties calling for the General Meeting, one of them shall be nominated to preside over the meeting.

Article 6: The Company may appoint its retained lawyers, certified public accountants or related personnel to attend the General Meeting as observers.

Personnel administering the General Meeting shall wear ID badge or arm badge at the venue of the meeting.

Article 7: The minutes of the General Meeting shall be kept on record by voice recording or videotaping. Such minutes of General Meeting on record shall be retained for at least 1 year, If legal action is instituted by shareholders pursuant to Article 189 of the Company Act, the ballots shall be retained until the final ruling of the action.

Article 8: The Chairman of the General Meeting shall announce for the session on the exact time scheduled for the meeting. If however the presence of shareholders at that point of time represent less than one-half of the total outstanding shares, the Chairman may announce to postpone the meeting up to two instances and the total time lapsed cannot exceed one hour. If postponement has been made for twice and the shareholders present in the meeting cannot represent one-half but represent more than one-third of the total outstanding shares, the Chairman shall call off the meeting. In the event of that postponement has been made twice and the shareholders present in the meeting cannot represent one-half but represent more than one-third of the total outstanding shares, Article 175-1 of the Company Act shall be applicable whereby provisional resolution could be made.

If the session is still in progress with the eventual presence of shareholders representing more than half of the total outstanding shares, the Chairman shall refer the provisional resolution to the General Meeting for finalization pursuant to Article 174 of the Company Act.

Article 9: For General Meeting being called for by the Board of Directors, the Board of Directors shall prepare the agenda and the meeting shall proceed in accordance with the agenda unless otherwise the General Meeting of Shareholders resolved to make change.

If only the rearrangement of the orders of the meeting is required, the Chairman shall make such arrangement.

The same principle shall be applicable to General Meeting being called for by parties other than the Board of Directors.

Before the parliamentary procedure is accomplished in accordance with the agenda

(including the Extemporaneous Motions) as stated in the preceding 2 paragraphs, the Chairman cannot announce for the adjournment of the meeting unless at the resolution of the shareholders in session. However, the Chairman may announce for the adjournment of the meeting for maintaining order of the session, or there is something that cannot allow for the smooth progress of the meeting.

After the meeting is adjourned, shareholders cannot nominate another chairman or seek another venue for continuation of the meeting.

Article 10: Before a shareholder who is present in the meeting may take the floor, he or she shall prepare the speech memo by specify the summary and the shareholder account number (or attendance card number) and account title. The Chairman shall then arrange for the priority of the shareholders to deliver their speeches. Shareholders who have just prepared the speech memo without taking the floor for delivery of speech shall be deemed no delivery of speech. In case the content of the speech delivered on the floor is irrelevant with the content in the speech memo, the latter shall stand. When a shareholder is having the floor, all other shareholders shall not interfere unless at the consent of the Chairman or the shareholder who is taking the floor. Any unrestrained action shall be discouraged by the Chairman.

Article 11: Each shareholder may express their opinion on a particular motion twice only, unless otherwise approved by the Chairman and the duration of each instance of expression of opinion shall be up to 5 minutes.

The Chairman shall prevent further speech of a particular shareholder who violates the aforementioned requirements or where the content of the speech is irrelevant to the motion in point.

Article 12: Where an institutional shareholder may be appointed as a proxy to attend the General Meeting, such institutional shareholder may appoint only one representative to the meeting.

For institutional shareholders appointing 2 or more representatives to the General Meeting, only one representative may expression opinion on particular motion.

Article 13: After specific shareholder in the meeting has expressed an opinion, the Chairman may respond to the issue personally or appoint specific personnel to respond to the issue.

Article 13-1: The votes cast by the shareholders shall be calculated in terms of the quantity of shares being represented. For resolution of the General Meeting, the quantity of shares held by shareholders without voting rights is excluded as a part of the total outstanding shares. For motions where specific shareholders have a conflict of interest with the Company, these shareholder shall be excused from voting and cannot acting as the proxy of another shareholder to exercise the voting right.

The quantity of shares bearing no voting right is excluded from the quantity of shares represented by shareholders attending the meeting in the calculation. If particular person who has been appointed by 2 or more shareholders as proxy to attend the meeting, the voting right being represented under the authorization of agent shall not exceed 3% of the total quantity of outstanding shares bearing voting rights or the

voting right in excess of relevant quantity shall not be counted.

Article 13-2: Shareholders are entitled to one voting right for the holding of each share except those who are under restriction or having no voting right as stated in Article 179-2 of the Company Act. When the General Meeting is in session, votes can be cast by correspondence or electronic means. Where the Company may adopt an electronic means of voting pursuant to Article 177-1-(1) of the Company Act in exception, it shall adopt both voting by correspondence or electronic means. In so doing, the Company shall specify the detail of voting by correspondence or electronic means in the notice of General Meeting. Shareholders casting their votes by correspondence or electronic means shall be deemed attending the meeting in person but votes on Extemporaneous Motions or amendment to original motions shall be deemed their abstention from voting of these motions. Shareholders who elect to cast their votes by correspondence or electronic means shall express their intents to the Company at least 5 days before the scheduled date of the meeting. In case of repeated expression of intent, the initial intent so expressed shall stand unless declaration for the revocation of the previous expression of intent is made. Where specific shareholder may decide to attend the meeting in person after expressing the intent of casting votes by correspondence or electronic means, such shareholder shall express the intent of revoking the intent previous expressed in the same manner one day before the scheduled date of the meeting. For shareholders who cannot revoke the intents previously made, the votes cast by correspondence or electronic means shall stand. If an expression of intent to vote by correspondence or electronic means has been made and at the same time, a proxy has been appointed to attend the meeting, the votes cast by the proxy in the meeting shall stand.

Article 14: Where the discussion on specific motion has been deemed accomplished, the Chairman shall call the discussion to an end and proceed to voting. If there is no adverse opinion upon the inquiry of the Chairman on the scene, it shall be deemed the motion in point is passed. Where the Chairman may announce to make decision by voting, motions may be referred to voting in the same procedure but votes shall be cast on separate motions.

Article 15: The Chairman shall appoint the staff to supervise the casting of votes and the counting of votes on condition that such staff is shareholders. The result of voting shall be announced on the scene immediately and tracked on record.

Article 16: The Chairman may announce a recess during the session.

Article 17: Resolution shall be made by a simple majority of the shareholders with voting right in session unless the Company Act or the Articles of Incorporation otherwise specified.

At the point of voting, the Chairman or designated personnel shall announce the total quantity of voting rights represented by the shareholders before proceeding to voting. For motions that have no adverse opinions from the shareholders in session as announced, it shall be deemed action in favor of the motions has been taken and the effect shall be the same as casting votes for resolution. For motions that triggered

adverse opinions, decision shall be made by voting as stated in preceding paragraphs.

Article 18: Where specific motion may have amendment or a substitute, the Chairman shall refer the amendment or substitute to voting in the same priority as the original motion. If one of these motion, amendment or substitute is being passed, all other options shall be deemed vetoed and no further voting is necessary.

Article 18-1: In the event that an election of Directors and Supervisors is held in a session, follow the procedure and regulation of the Company for election and term of office and announce the election result on the scene. The ballots for the aforementioned election shall be kept in the box, sealed and signed by the witness, and retained for at least one year. If legal action is instituted by shareholders pursuant to Article 189 of the Company Act, the ballots shall be retained until the final ruling of the action.

Article 18-2: All resolutions of the General Meeting of Shareholders shall be kept as minutes of the meeting on record, signed or sealed by the Chairman, and release to all shareholders within 20 days after the meeting. The preparation and the circulation of the meeting minutes on record may be made electronically.

The minutes of meeting on record as mentioned may be uploaded to MOPS for announcement.

The content of the minutes of meeting on record shall contain information on the date, month, year, venue, name of chairman, method of resolution, the process of discussion, the summary and result, and shall be kept during the entire perpetuity of the Company.

Where the method of resolution as mentioned is the inquiry by the chairman for opinions from the shareholders and that the shareholders expressed no adverse opinions, specify as “passed at unanimous consent of the shareholders upon the inquiry of the chairman”. In case of adverse opinion from the shareholders, specify the method of voting and the number of votes in favor of the motion and the proportion to the voting rights.

Article 18-3: The Company shall prepare relevant table in designated format for compilation of the statistical data on the quantity of shares represented by proxies or parties requesting for representation to the meeting on the day of the General Meeting and release the data at the venue of the meeting. Where the motions for resolutions may involve materiality under law or Taiwan Stock Exchange Corporation (Taipei Exchange, TPEX (Gre Tai Securities Market, GTSM)), the Company shall upload the information to MOPS within stipulated time.

Article 19: Administrative personnel of General Meeting shall wear ID badge or arm badge at the venue of the meeting. The Chairman may instruct a prefect team (or security personnel) to maintain order of the meeting. In maintaining order at the venue of the meeting, the prefect team (or security personnel) shall wear arm badge marking the word “prefect”. Where the meeting place may be equipped with sound amplifier equipment, the Chairman shall stop any speech delivered by shareholders not using the equipment installed by the Company. In the event of insubordination to the correction of the Chairman, obstruction of the progress of the meeting and failure to

take corrective action upon persuasion, the respective shareholder shall be escorted by the prefect or security personnel to leave the venue on the order of the Chairman.

Article 20: This Procedure was instituted on March 5, 2001 under the resolution of the Board of Directors and ratification of the General Meeting of Shareholders for coming into full force.

The same procedure shall be applicable to any amendment thereto.

Amendment for the 2nd instance was made on March 20 2006 under the resolution of the Board of Directors and presented to the General Meeting for ratification on June 23 2006.

Amendment for the 3rd instance was made on March 28 2011 under the resolution of the Board of Directors and presented to the General Meeting for ratification on June 17 2011.

Amendment for the 4th instance was made on March 13 2012 under the resolution of the Board of Directors and presented to the General Meeting for ratification on June 15 2012.

Amendment for the 5th instance was made on March 24, 2015 under the resolution of the Board of Directors and presented to the General Meeting for ratification on June 12, 2015.

Appendix III

MPI Corporation Regulations for Election of Directors and Supervisors

- Article 1: Unless otherwise provided in the Company Act, Securities and Exchange Act and the Company's Articles of Incorporation, the Company's directors (including independent directors) and supervisors shall be elected in accordance with the Regulations.
- Article 2: The election of the Company's directors (including independent directors) and supervisors shall be performed by a shareholders' meeting. The Company shall prepare and identify the ballots for election of directors (including independent directors) and supervisors, and count the number of votes.
- Article 3: The open-ballot and cumulative voting method will be used for election of the Company's directors (including independent directors) and supervisors. Each share will have voting rights in number equal to the directors or supervisors to be elected, and may be cast for a single candidate or split among multiple candidates.
- Article 4: The Company's candidates for directors (including independent directors) and supervisors who receive ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance. Any shareholder who is elected as director (including independent director) and supervisor concurrently may determine whether to hold the position as director (including independent director) or supervisor to his/her sole discretion. The vacancy caused therefor shall be filled by the one who wins the second most of votes.
- Article 4-1: The Company's independent directors shall be elected from a nomination of candidates system. Shareholders shall elect the independent directors from the list of candidates. The Company shall announce the time limit in which the motions for nomination of candidates for independent director will be accepted, quota of the elected, the place for handling the motions and other requirements before the date on which shares are stopped for transactions before a shareholders' meeting is scheduled. At least 10 days shall be allowed for handling the motions.
The Company's Board of Directors or shareholders, holding 1% of issued shares or above, may provide the name list of nominated independent directors of the next term for reference for election of independent directors. Notwithstanding, the number of nominees thereof shall be no more than the number of independent directors to be elected. The same shall apply to the number of candidates for independent directors nominated by the Board of Directors.

The other issues for compliance shall be handled in accordance with the Company law and requirements of the competent authority of securities.

Article 5: Before the election begins, the chairperson of the meeting shall assign scrutinizers, tellers and vote-counters to implement relevant matters. The scrutinizers shall be appointed from the present shareholders.

Article 6: The ballot boxes shall be prepared by the Company and publicly checked by the scrutinizers before voting commences.

Article 7: Voters shall fill in the account name and account number of the nominees and number of cast votes in the “nominee” column, provided that where nominees are not corporate shareholders, voters shall fill in the full account name or name of the corporation and name of the representative of the corporation.

Article 7-1: Independent directors and non-independent directors shall be elected together, but their election lists shall be calculated separately.

Article 8: In case of following situations, the ballots shall be regarded void:

- (I) Ballots not cash into the ballot cabinets (boxes);
- (II) Failure to use the ballots prepared by the Company;
- (III) Blank ballots cast in the ballot box;
- (IV) Account name or number of the nominees not identical with those identified in the roster of shareholders;
- (V) Account name, account number and number of votes of the nominees mixed with other characters or symbols;
- (VI) Ballots that are illegible and unrecognizable;
- (VII) Account name, account number or number of cast votes of the nominees altered;
- (VIII) Account name of the nominee identical with that of another shareholder, without being identified by account number of shareholder.

Article 9: The voting rights shall be calculated on site immediately after the end of the poll, and the chair shall announce the voting result on the site,

Article 10: These Regulations were instituted on March 5, 2001 under the resolution of the Board of Directors and ratification of the General Meeting of Shareholders for coming into full force.

The same procedure shall be applicable to any amendment thereto.

Amendment was made for the 1st instance on June 15, 2007.

Appendix IV

MPI Corporation Shareholding of all Directors and Supervisors and the minimum requirement of shareholding

- I. The mandatory requirement of shareholding by the Directors and the Supervisors of MPI Corporation current in office is shown below:

Outstanding shares of common stocks issued	79,605,392 (shares)
Minimum quantity of shareholding required for all Directors under law	6,368,431 (shares)
Minimum quantity of shareholding required for all Supervisors	636,843 (shares)

- II. As of April 14, 2015, the day on which transactions of shares were stopped, all the Directors and Supervisors of MPI Corporation had the following quantity of shares in holding:

Job title	Name	Quantity of shareholding (share)	Proportion of shareholding
Chairman of Board	MPI Investment Co., Ltd. Representative: Steve Chen	8,334,626	10.47 %
Director	MPI Investment Co., Ltd. Representative: Scott Kuo	8,334,626	10.47 %
Director	MJC Representative: Shinji Nomura	6,548,576	8.23 %
Independent director	Hsu, Mei-Fang	244,441	0.31 %
Independent director	Kao, Chin-Cheng	162,414	0.20 %
Supervisor	Liu, Fang-Sheng	255,471	0.32 %
Supervisor	Li, Tu-Cheng	629,349	0.79 %
Supervisor	Tsai, Chang-Shou	21,630	0.03 %
Quantity (shares) and proportion of shareholding by all Directors		15,290,057	19.21 %
Quantity (shares) and proportion of shareholding by all Supervisors		906,450	1.14 %

Appendix V

The effect of Free-Gratis Dividends as proposed in this General Meeting on the operation performance and earnings per share of the Company: N/A, as no Free-Gratis Dividends were proposed at this general shareholders' meeting.

Appendix VI

Information on employee bonus and remunerations to the Directors and Shareholders proposed by the Board of Directors:

The Company's motion for allocation of earnings 2014 has been resolved by the directors' meeting on March 24, 2015. The allocation of earnings approved by the directors' meeting is stated as following:

- I. Employees will be paid NTD 49,168,000 in cash dividend and NTD 0 in stock dividend while NTD 11,240,000 will be paid to the Directors and Supervisors as remuneration.
- II. The aforementioned amount planned for distribution and cash dividend to employees recognized as expenses totaled NTD 48,242,482 and remuneration to the Directors and the Supervisors amounted to NTD 12,060,622 with discrepancy of NTD 104,896.
- III. Reason for the discrepancy: The Board of Directors has taken into consideration shareholders' equity and the welfare of the employees with reference to industry standard and operation in the future, and thereby desires to revise the amount of employee bonus and remuneration to the Directors and the Supervisors.
- IV. Accounting of the amount difference: primarily the adjustment in the estimates in accounting. The amount difference will be recognized as the income in FY 2015 after passing by the General Meeting for adjustment.