Minutes of 2014 General Meeting of Shareholders Regular

Session on Record

Date and time: June 17 2014 (Tuesday), 10:00 am

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

Attendance: shareholders and proxy attending the meeting represented 50,173,321 shares, which accounted for 63.824% of the total of 78,612,392 outstanding shares of the company and qualified for a quorum.

Chairman of the meeting: Steve Chen, CEO Record keeper: Rose Jao, Manager

- I. Announcement of session
- II. Address of the Chairman: skipped.
- III. Points of Report (refer to the parliamentary procedure handbook at http://mops.tse.com.tw/) 1. 2013 Operation Review. (Appendix I) 2. 2013 Supervisors Review Report. (Appendix II)
- IV. Points of ratification

Motion No. 1

Proposed by the Board Cause of motion: propose for action in favor of the 2013 operation review and financial statements.

The content:

 (\mathbf{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 2013. The financial statements for fiscal year 2013 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. 9-24 of this handbook.

(II) This motion was passed by the Board of Directors in the 3^{rd} session of the Board in 2014. Resolution: resolved, action has been taken in favor of the motion under common consent of all shareholders.

Motion No. 2

Cause of motion: Propose for action in favor of the proposal of income distribution for fiscal year 2013.

The content:

- MPI Corporation had corporate earnings amounting to NT\$271,033,216 in fiscal year 2013. Enclosed therein is the proposal for the distribution of income. For further information, please refer to Appendix V on p. 25 of this report.
- (II) In consideration of subsequent business development of the future, MPI Corporation plans to attribute NT\$165,086,023 from distributable earnings as cash dividend for FY 2013 and NT\$0 for stock dividend on the basis of the quantity of 78,612,392 shares outstanding on the day of the Board session. The earnings per share is tentatively set at NT\$2.1.
- (III) We also propose the allocation of NT\$23,306,300 as employee bonuses and NT\$5,826,560 as remunerations to the Directors and the Supervisors in cash.
- (IV) In the event that MPI Corporation elects to repurchase outstanding shares or treasury stock for assignment to the employees, to the extent that the total quantity of outstanding shares and the dividends to shareholders are being affected, the Board shall be in session to discuss such matter for solution.
- (V) This proposal was passed by the 3^{rd} session of the Board in 2014.
- (VI) In the event of difference between the estimation for employee cash bonus, stock dividend, 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 V on p. 55 of Parliamentary Procedure Handbook.

Resolution: resolved, action has been taken in favor of the motion under common consent of all shareholders.

V. Points of discussion

Motion No.1:

Proposed by the Board

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

The content:

- Amendment to Article 12 and Article 22 of the "Articles of Incorporation" of MPI Corporation pursuant to Article 14-2 of the Securities and Exchange Act. Such action is taken in compliance with the requirement of the competent authority.
- (II) The mapping of the provisions of the "Articles of Incorporation" is attached for your information. Please refer to Appendix VI of this handbook.

(III) This motion was passed by the resolution of the Board in the 3rd session of 2014. Resolution: resolved, action has been taken in favor of the motion under common consent of all shareholders.

Motion No. 2:

Proposed by the Board

Cause of motion: the amendment to the "Procedure for the Acquisitions and Dispositions of Assets" of MPI Corporation is presented for discussion.

The content:

- Amendment to the "Procedure for the Acquisitions and Disposition of Assets" was made pursuant to the requirement of Financial Supervisory Commission Letter Jin-Guan-Zheng-Fa-Zi No. 1020053073 dated December 30 2013.
- (II) The mapping of the provisions in the "Procedure for the Acquisitions and Dispositions of Assets" of MPI is attached for your information. Please refer to Appendix VII of this handbook.

(III) This motion was passed by the resolution of the Board in the 3rd session of 2014. Resolution: resolved, action has been taken in favor of the motion under common consent of all shareholders.

- VI. Impromptu Motion: None.
- VII. Adjournment of meeting: June 17 2014, at 10:10 am.

Appendix I

MPI Corporation Operation Review

I. 2013 operation in review

(I) Business Plan and Result

In FY 2013, we had net sales amounting to NT\$3,035,778 thousand, which was an increase of 6% or NT\$2,865,212 thousand from the same period of 2012. Corporate earnings in FY 2013 amounted to NT\$271,033 thousand or an increase of 3% of NT\$261,931 thousand from the same period of 2012 with earnings per share at NT\$3.52.

The pursuit of QE policy in USA and obvious global economic recovery, coupled with the positive growth in GDP in the development countries, contributed to the increase in demand for the consumption of consumer eletronics. Accordingly, capital expenditure in the semiconductor sector sustained growth, to the extent that such growth in the semiconductor sector in 2014 to 2015 will be much better than before at the global level. In the quest for global energy saving, LEDs emerged as the policy guideline for most countries. It is expected that the LED industry will move towards another cycle of capital spending. We will continue to commit our resource in research and development and maintain the competitive power of the company through ceaseless innovation. In the area of the research and development of advanced technologies, our new products have successfully penetrated into the supply chain of a world-class company in 2013. The OEM production of wafer foundries in Taiwan and the world will have sizable capital spending in 2014-2015. This will be improved by the increase in purchase orders from Northeast Asia with Taiwan, which adds to the momentum of further growth. As such, the growth in the demand for wafer prober cards could be anticipated. In the testing application of LED, we have successfully developed the fully automated high-speed integrated wafer testing device. This device is in conformity to the requirement of the customers in flip-chip encapsulation and high-precision optometric testing. At the same time, we will also continue to develop different testing equipment and devices in LED pinnacle test, sorting, and encapsulation to the needs of the customers. 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.

2013 was clouded by the slow GDP growth worldwide and the decline of consumption power in Europe. In 2012, the slow pace of global economic recovery

was coupled with the proactive expansion of production capacity of LEDs in China. This resulted in excessive supply and development was not as expected. Accordingly, our profitability was hampered too. Yet, we continued our effort in committing our resources to research and development and fortified our competitive power through innovation. In the research and development of new technologies, we have successfully developed the single card 20000 pins multiple simultaneous wafer prober card in 2012 to satisfy the sophisticated needs in IC signals, power source, and functions.

The OEM production foundries of Taiwan had sizable growth in capital expenditure in 2013-2014. The increase orders from overseas to the encapsulation and testing industry provides a platform of highly anticipated growth in the future. Likewise, the growth in the demand for wafer prober in the future can be anticipated. In the testing of LEDs, we have successfully developed the fully automated die prober and will continue to improve the function of the die sorting devices. In the encapsulation of LEDs, the company will continue to develop different test equipment and devices. In addition to upgrading the function of testing for the customers, the company can also assist the customer to find out solution for encapsulation and testing. With the growth in the demand for LED application, this product line will be the prime force driving corporate development of the company.

Currency unit: in NTD 1,000								
Tit	tle	Fiscal year	FY 2012	FY 2013	Change (%)			
R	Nets sales		2,865,212	3,035,778	5.95%			
Revenue	Gross profit		1,313,125	1,401,426	6.72%			
nue	Post-tax profi	t or loss	261,931	271,033	3.47%			
	ROA (%)		5.46	5.70	4.40%			
	ROE (%)		8.65	8.96	3.58%			
Profitability	Operating Inc capital ratio (come to Paid-in %)	37.37	42.43	13.54%			
abili	EBT to Paid-	in capital ratio (%)	37.88	41.56	9.71%			
ty	Net profit rati	o (%)	9.14	8.93	-2.30%			
	EDS (NTD)	Cum right	3.40	3.52	3.53%			
	EPS (NTD)	Ex right	3.40	3.52	3.53%			

(II) Revenue and profitability analysis

(III) Research and development

Research and development findings in 2013:

- 1. Precision automated equipment:
 - A. White LED chip probing test equipment
 - B. Fully automated LED die testing equipment
 - C. Fully automated LED encapsulation and testing products
- 2. Probe Card:
 - A. Integrated probe card applicable to CIS
 - B. High-frequency and high-speed probe card

II. Summary of 2014 Business Plan

(I) Business Policy

In light of the development of the semiconductor industry and the LED industry, and the technology requirements in the future, MPI Corporation undertakes the following strategic planning and commits its effort to sustain its competitive advantage:

- 1. Further investment in research and development:
 - A. The increasing demand of portable smart devices and the wearable applications dictated for the development of wafer grade micro-distance testing technology for meeting the technological needs of the future.
 - B. Development of low resistance probe card to meet the demand for the testing of low power products.
 - C. Continue the development of multiple functions and performance testing and inspection equipment to meet the testing needs of LED customers in the future, and continue to provide customers viable solutions.
- Extension of the product market: Development of engineering use inspection and testing products for the semiconductor industry with the core technology of automation on hand.
- (II) Vital production and sales policies

MPI Corporation will continue to 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. MPI Corporation expects to optimize return on investment to the shareholders and creates the best business opportunity and work environment for all employees.

III. The development strategy of the future

- (I) In response to the gradual introduction of the 4"~6" 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 testing and sorting needs of the customers.
- (II) Development of the semiconductor market with its core technology in automation and develop different extensions of products.
- (III) In responding to the needs of the consumers for slim, light, and small size products, MPI Corporation develops micro-distance probe card and high-frequency probers 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 was influenced by the QE policy of the USA and Europe and regional economic recovery was obvious. Although the GDP growth in China fell below average, and political instability clouded Eastern Europe and Northeast Asia, the macroeconomic situation worldwide is still promising. Under the efforts of almost all governments of the world, carbon reduction and energy efficiency is an irreversible course of industrial development at the global level. MPI Corporation spares 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.

Steve Chen, CEO

Scott Kuo, President

Rose Jao, Chief Accounting Officer

MPI Corporation Supervisors Review Report

To: MPI Corporation 2014 General Meeting of Shareholders

Date: March 28 2014

The Board of Directors prepared the financial statements of the parent company only and the consolidated financial statements of the parent company only for FY 2013. These statements were audited by Chang, Yu-Ming and Chen, Shih-Yuan, CPAs of Nexia Sun Rise CPAs & Co., and can fairly present the financial position, operation result and cash flows of the company. We have reviewed the operation report and the proposal of income distribution, and found such reports and proposal fully justifiable. Pursuant to Article 219 of the Company Act and Article 36 of the Securities and Exchange Act, we hereby report as stated.

Supervisors: Li, Tu-Cheng;

Liu, Fang-Sheng; Tsai, Chang-Shou;

Appendix III

Auditors' Report

To: MPI Corporation

We have audited the balance sheets of **MPI Corporation** prepared on December 31 2013, December 31 2012, and January 1 2012 on the parent company only, and the consolidated income statements, statement of changes in shareholders' equity and statements of cash flows of the parent company only covering FY 2013 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. As stated in note VI (VI) to the financial statements, information on the long-term investments of **MPI Corporation** accounted for under the equity method covering the period of 2013 and 2012, and the information on direct investment as disclosed in note XIII are valuated under the equity method as audited by other public accountants. We have not audited on those financial statements, which indicated recognized loss of NT\$150 thousand and NT\$11,314 thousand, respectively. As of December 31 2013, December 31 2012 and January 1 2012, MPI Corporation had the balance in long-term investments accounted for under the equity method amounted to NT\$25,188 thousand, NT\$24,697 thousand and NT\$26,973 thousand.

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 financial statements of individual entities and 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 believed that our audits provide a reasonable basis for our opinion.

In our opinion, the individual financial statements as referred to, on the basis of our audits and the audit reports of other public accountants, and present fairly, in all material aspects of the financial of **MPI Corporation** as of December 31 2013, December 31 2012, and January 1 2012, and the results of its operation and cash flows of all entities for the periods then ended in conformity with the "Criteria for the Compilation of Financial Statements by Issuers of Securities".

Auditor: _____

Chang, Yu-Ming, CPA

Chen, Shih-Yuan, CPA

Nexia Sun Rise CPAs & Co.

SFB Certificate No.: (86) Tai-Chi-Zheng (VI) No. 088087 SFB Certificate No.: (92) Tai-Chi-Zheng (VI) No. 101109

Date: March 28 2014

Parent Company Only Balance Sheet (assets)

December 31 2013, December 31 2012, and January 1 2012

Currency unit: in NTD 1,000

			December 31 2	013	December 31 2	012	January 1 2012		
Code	Assets	Note	Amount	%	 Amount	%		Amount	%
	Current assets		 		 				
1100	Cash and cash equivalents	VI (I)	\$ 417,949	9	\$ 433,167	9	\$	776,311	16
1150	Net note receivables	VI (II)	4,432	-	4,770	-		17,208	-
1160	Note receivables -related parties-net	VI (III) and VII	5,365	-	1,721	-		5,120	-
1170	Net account receivables	VI(III)	429,643	9	575,071	12		475,215	10
1180	Account receivables -related parties-net	VI (III) and VII	61,278	1	81,455	2		64,411	1
1200	Other receivables		5,570	-	667	-		5,055	-
1210	Other receivables-related parties	VII	4,007	-	1,028	-		700	-
130X	Net inventory	VI (IV)	1,424,116	31	1,459,030	31		1,488,581	31
1410	Prepayments		63,648	1	69,605	1		71,537	2
1470	Other current assets	VIII	17,589	1	15,659	1		136,289	3
11XX	Total current assets		 2,433,597	52	 2,642,173	56		3,040,427	63
	Non-current assets								
1543	Financial assets on the basis of cost-non-current	VI (V)	20,231	1	20,231	1		20,231	-
1550	Investment accounted for under the equity method	VI (VI)	449,137	10	430,416	9		482,946	10
1600	Real properties, plants and equipment	VI (VII), VII, and VIII	1,545,879	34	1,481,668	31		1,141,255	24
1780	Intangible assets	VI (VIII)	17,971	-	20,609	-		13,170	-
1840	Deferred income tax assets		32,707	1	35,581	1		30,377	1
1900	Other non-current assets		106,166	2	104,201	2		87,978	2
15XX	Total non-current assets		2,172,091	48	 2,092,706	44		1,775,957	37
1XXX	Total assets		\$ 4,605,688	100	\$ 4,734,879	100	\$	4,816,384	100

(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

		December 31 2013	5, December 31 2012,		•		Currency unit: in N	
Code	Liabilities and Shareholders' Equity	Note	December 31 2 Amount	<u>%</u>	December 31 20 Amount	<u>%</u>	January 1 20 Amount	%
couc	Current Liabilities	Note	Amount	70	Amount	70	Amount	70
2100	Short-term loans	VI (IX)	\$ -		\$ -		\$ -	-
2150	Note payables	(1(11)	Ψ -		÷ 1,110		پ 1,119	
2170	Account payables		371,888	8	377,089	8	433,868	9
2180	Account payables-related parties	VII	2,648	-	6,370	-	1,497	-
2213	Payables for equipment		16,983	1	37,913	1	13,408	-
2219	Other payables	VI (X)	345,844	9	308,620	7	320,829	7
2220	Other payables –related parties	VII	36,963	í	38,473	í	146,534	3
2230	Current income tax liabilities	11	43,588	1	38,426	1	52,938	1
2250	Provision for liabilities –current	VI (XI)	9,645		17,379		13,491	
2310	Cash on receipt	VI	606,969	13	822,774	17	645.685	14
2320	Current portion of long-term debts	VI (XII)	9,329	-	9,329	- 17	9,329	-
2399	Other current liabilities	(1(111))	12,956	-	9,782		7,713	-
21XX	Total current liabilities		1,456,813	33	1,667,265	35	1,646,411	34
21/1/1	Total current habilities		1,450,015	55	1,007,205	35	1,040,411	54
	Non-current liabilities							
2540	Long-term loans	VI (XII)	67,624	1	76,953	2	86,282	2
2570	Deferred income tax liabilities	()	7,513		7,005		10,852	
2640	Accruable pension liabilities	VI (XIII)	18,029	-	20,558	-	15,767	-
2670	Other non-current assets- others	()	98	-	150	-	122	1
25XX	Total non-current liabilities		93,264	1	104,666	2	113,023	3
20111			,,,201	<u>·</u>	101,000		110,020	
2XXX	Total liabilities		1,550,077	34	1,771,931	37	1,759,434	37
					<i></i>		,,	
	Shareholders' equity	VI (XIV)						
3110	Common stock equity		786,124	17	786,104	17	786,024	16
3200	Capital Surplus		740,781	16	740,657	16	740,116	15
	Retained earnings							
3310	Legal reserve		383,839	8	355,530	7	292,154	6
3320	Special reserve		17,571	-	-	-	-	-
3350	Undistributed earnings		1,254,511	27	1,221,556	26	1,374,452	29
3300	Total retained earnings		1,655,921	35	1,577,086	33	1,666,606	35
	Other equities				· · · · · · · · · · · · · · · · · · ·		· · · · · · · · · · · · · · · · · · ·	
3410	Exchange gain/loss from financial sta	atements of overseas	25,391	1	11,707	-	16,810	-
	operations through conversion		,		,		,	
3400	Total other equities		25,391	1	11,707		16,810	_
3500	Treasury stocks		(152,606)	(3)	(152,606)	(3)	(152,606)	(3)
			(,)	(-)	()	(-)	(,)	(-)
3XXX	Total shareholders' equity		3,055,611	66	2,962,948	63	3,056,950	63
			- , , •	<u> </u>	, ,. · ·		.,,	
1XXX	Total liabilities and shareholders' equity		\$ 4,605,688	100	\$ 4,734,879	100	\$ 4,816,384	100
	- 1 2							

MPI Corporation Parent Company Only Balance Sheet (Liabilities and Shareholders' Equity) December 31 2013, December 31 2012, and January 1 2012

(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

MPI Corporation Parent Company Only Consolidated Income Statement January 1 to December 31, 2013 and 2012

			FY 2013		Currency unit: in N FY 2012	TD 1,000
Code	Title	Note	Amount	%	Amount	%
	Net Sales	VII				
4110	Sales revenue		\$ 2,751,416	99	\$ 2,650,211	99
4170	Less: sales return		(480)	-	(11,102)	(1)
4190	Less: sales discount		(579)	-	(5,706)	-
4614	Commission income		36,770	1	45,080	2
4000	Subtotal of net sales		2,787,127	100	2,678,483	100
5000	Cost of operation	VI(IV) and VII	(1,494,459)	(54)	(1,441,213)	(54)
	Gross profit		1,292,668	46	1,237,270	46
	Unrealized income(loss) from sales		(864)	-	(2,961)	-
	Realized income (loss) from sales		2,937	-	3,931	-
5950	Net gross profit		1,294,741	46	1,238,240	46
	Operating expenses	VII				
6100	Marketing expenses		(286,963)	(10)	(267,992)	(10)
6200	Management expenses		(143,594)	(5)	(116,944)	(4)
6300	R&D expenses	VI (VIII)	(550,451)	(20)	(544,180)	(20)
6000	Subtotal operating expenses		(981,008)	(35)	(929,116)	(34)
6900	Operating income		313,733	11	309,124	12
	Non-operating incomes and expenses					
7020	Other net incomes and loss	VI(XVI)	8,445	1	(9,268)	-
7050	Cost of financing	VI(XVI)	(546)	-	(440)	-
7070	Net portions of incomes/loss of subsidiaries, affiliated and joint	VI(VI)	(11,723)	-	(43,771)	(2)
	ventures accounted for under the equity method					
7100	Interest income		912	-	3,522	-
7110	Rental income		7,568	-	8,051	-
7175	Income from reversal of doubtful accounts		-	-	19,825	1
7190	Other incomes – others	VII	2,857	-	4,609	-
7000	Subtotal non-operating incomes and expenses		7,513	1	(17,472)	(1)
	Earnings before taxation		321,246	12	291,652	11
	Income tax expense	VI(XVII)	(50,213)	(2)	(29,721)	(1)
8200	Earnings in current period		271,033	10	261,931	10
	Other consolidated income/loss				(10-	
8310	Exchange gain/loss from financial statements of overseas operations through conversion		1,925	-	(197)	-
8360	Confirmed actuarial gain/loss of welfare		(672)	-	(6,727)	(1)
8371	Net portions of incomes/loss of affiliates and joint ventures accounted for under the equity method		11,759	-	(4,906)	-
8300	Other net consolidated incomes		13,012	-	(11,830)	(1)
	Consolidated income in current period (total)		\$ 284,045	10	\$ 250,101	9
	Formings per common shares (Unit: NTD)		Pefera taration		After texetic-	
0750	Earnings per common share: (Unit: NTD)	VI(XVIII)	Before taxation \$ 3.54		After taxation	
9750	Basic earnings per share				\$ 3.42	
9850	Diluted earnings per share		\$ 3.52		\$ 3.40	

(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

MPI Corporation
Parent Company Only Statement of Changes in Shareholders' Equity
January 1 to December 31, 2013 and 2012

					Ja	inuary 1 to De	centoer .	51, 2015	anu 20	512				Cum		NTD 1 000
		Capital Stock					Retaine	d Earning	s			Other Equities		Cum	ency unit: if	n NTD 1,000
Title		Com	mon shares	Retained Earnings	Lega	al Reserve	Special	Reserve	Undi	stributed Earnings		hange gain/loss from financial	Т	reasury Stock	Total E	Equity
				 							statemer	nts of overseas operations through conversion				
	Code		3110	 3,200		3310	33	20		3350		3420		3500	31:	xx
Balance on January 1 2012	A1	\$	786,024	\$ 740,116	\$	292,154	\$	-	5	\$ 1,374,452	\$	16,810	\$	(152,606)	\$	3,056,950
Allocation and distribution of earnings:																-
Legal reserve	B1					63,376				(63,376)						
Cash dividend for common shares	B5									(344,724)						(344,724)
Net profit in Jan 1 –Dec 31, 2012	D1									261,931						261,931
Other consolidated incomes in Jan 1 –Dec 31, 2012	D3			 ·						(6,727)		(5,103)				(11,830)
Total consolidated income in current period	D5		-	 -		-		-		255,204		(5,103)		-		250,101
Payment transactions on the basis of shares	N1		80	541												621
Balance on December 31 2012	Z1	\$	786,104	\$ 740,657	\$	355,530	\$	-	5	\$ 1,221,556	\$	11,707	\$	(152,606)	\$	2,962,948
Balance on January 1 2013	A1	\$	786,104	\$ 740,657	\$	355,530	\$	-	5	\$ 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 consolidated income in current period	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	\$	786,124	\$ 740,781	\$	383,839	\$	17,571		\$ 1,254,511	\$	25,391	\$	(152,606)	\$	3,055,611
				 					-							

(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

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MPI Corporation Parent Company Only Statement of Cash Flows January 1 to December 31, 2013 and 2012

	January 1 to December 31, 2013 and 2012	0	· · · NED 1 000	
Code	Title	FY 2013	ncy unit: in NTD 1,000 FY 2012	
	Cash flows from operation – indirect approach	\$ 321,246	\$ 291,	652
A10000	Corporate earnings in current period	φ 521,240	φ 291,	,052
A20000	Adjustments			
A20010	Income/expenses unaffected by cash flows			
A20100	Depreciations expense	104,491	81.	513
A20200	Amortizations expense	31,835	· · · · · · · · · · · · · · · · · · ·	115
A20300	Provisions (reversal) of doubtful accounts	4,206	(19,	,825)
A20900	Interest expenses	546		440
A21200	Interest incomes	(912)	(3,	,522)
A21300	Dividend incomes	-	84,	707
A22400	Portions of gain/loss from subsidiaries, affiliates, and joint ventures accounted for	11,723	43,	771
	under the equity method			
A22500	Capital gains/loss from dispositions and scrap of real properties, plants and	(120)		300
	equipment			
A22600	Real properties, plant, and equipment recognized as expenses	116		15
A23900	Unrealized gain/loss from sales	864	2,	961
A24000	Realized gain/loss from sales	(2,937)	(3,	,931)
A29900	Others - exchange gain/loss from prepayment for purchase of equipment	737		213
A30000	Changes in assets/liabilities related to operations			
A31000	Net changes in assets related to operations			
A31130	Decrease (increase) of note receivables	392	,	,521
A31140	Decrease (increase) of note receivables – related parties	(3,644)	3,	,399
A31150	Decrease (increase) of account receivables	151,462	(103,	,348)
A31160	Decrease (increase) of account receivables -related parties	20,574	(17,	,026)
A31180	Decrease (increase) of other receivables	(4,958)	4,	,221
A31190	Decrease (increase) of other receivables - related parties	(2,979)	()	(328)
A31200	Decrease (increase) of inventory	34,914	29,	,551
A31230	Decrease (increase) of prepayments	5,957	1,	,931
A31240	Decrease (increase) of other current assets	(909)		,563)
A31990	Decrease (increase) of other operating assets	(10,691)	23,	,216
A32000	Net changes in liabilities related to operations			
A32130	Decrease (increase) of note payables	(1,110)		(10)
A32150	Decrease (increase) of account payables	(5,202)		,779)
A32160	Decrease (increase) of account payables -related parties	(3,722)		,873
A32180	Decrease (increase) of other payables	(154,290)	(356,	
A32190	Decrease (increase) of other payables – related parties	(1,510)	(108,	· · ·
A32200	Increase (decrease) of provisions for debts	(7,734)		,888
A32210	Increase (decrease) of cash on receipt	(215,805)	177,	
A32230	Increase (decrease) of other current liabilities	3,173		,069
A32240	Increase (decrease) of accruable pensions	(2,945)		,867)
A33000	Cash inflows (outflows) from operation	272,768	123,	
A33100	Collected interest	967		689
A33300	Paid interest	(558)		(452)
A33500	Paid income tax	(41,667)		,285)
AAAA	Net cash inflows (outflows) from operations	231,510	73,	,217
BBBB	Cash flows from investments			
B01800	Investment accounted for under the equity method	(14,942)		,148)
B02700	Acquisition of real properties, plants, and equipment	(206,418)	(397,	,984)
B02800	Disposition of real properties, plants, and equipment	16,054		35
B04500	Acquisition of intangible assets	(9,656)	(18,	,987)
B06500	Increase of other financial assets	(1,021)		-
B06600	Decrease of other financial assets	-	124,	
B06700	Increase of other non-current assets	(21,507)		,791)
BBBB	Net cash inflows (outflows) from investments	(237,490)	(407,	,681)

(To be continued)

MPI Corporation Parent Company Only Statement of Cash Flows (continued from previous page) January 1 to December 31, 2013 and 2012

		Currency u	unit: in NTD 1,000
Code	Title	FY 2013	FY 2012
CCCC C	Cash flow from financing		
C01700	Retirement of long-term loans	(9,328)	(9,328)
C04400	Decrease of other non-current liabilities	(53)	27
C04800	Exercise of Employee Stock Options	143	621
CCCC	Net cash inflows (outflows) from financing	(9,238)	(8,680)
EEEE II	ncrease (decrease) of cash and cash equivalents in current period	(15,218)	(343,144)
E00100 B	Balance of cash and cash equivalents at beginning of period	433,167	776,311
E00200 B	Balance of cash and cash equivalents at ending of period	\$ 417,949	\$ 433,167

(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

Appendix IV

Auditors' Report

To: MPC Corporation:

We have audited the balance sheets of **MPI Corporation and subsidiaries** prepared on December 31 2013, December 31 2012, and January 1 2012 on individual entities, and the consolidated income statements, consolidated statement of changes in shareholders' equity and consolidated statements of cash flows covering FY 2013 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 2013 and 2012, and the information on direct investment as disclosed in note XIII are valuated as audited by other public accountants. We have not audited those financial statements, which indicated recognized total assets of NT\$52,125 thousand, NT\$45,683 thousand, and NT\$49,362 thousand or accounted for 1.11%, 0.95%, and 1.03% of the consolidated total assets as of December 31, 2013, December 31, 2012, and January 1 2012, respectively. As of January 1 to December 31, 2013 and 2012, MPI Corporation had net sales amounted to NT\$52,221 thousand and NT\$32,280 thousand, or accounted for 1.72% and 1.13% 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 of individual entities and 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 believed that our audits 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 subsidiaries** as of December 31 2013, December 31 2012, and January 1 2012, and the results of January 1 to December 31, 2013

and 2012 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", 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 2013 and 2012.

Auditor: _____

Chang, Yu-Ming, CPA

Chen, Shih-Yuan, CPA

Nexia Sun Rise CPAs & Co.

SFB Certificate No.: (86) Tai-Chi-Zheng (VI) No. 088087 SFB Certificate No.: (92) Tai-Chi-Zheng (VI) No. 101109

Date: March 28 2014

.

MPI Corporation Consolidated Balance Sheet (Assets) December 31 2013, December 31 2012, January 1 2012

			December 31 2	013		December 31 20	012		January 1 2	012
Code	Assets	Note	 Amount	%		Amount	%		Amount	%
	Current assets									
1100	Cash and cash equivalents	VI (I)	\$ 623,796	13	\$	602,904	13	\$	951,369	20
1150	Net note receivables	VI (II)	17,555	1		5,585	-		20,817	-
1170	Net account receivables	VI(III)	510,531	11		637,283	13		535,835	11
1180	Account receivables -related parties-net	VI (III) and VII	41,113	1		76,066	2		49,578	1
1200	Other receivables		7,468	-		3,149	-		3,829	-
1220	Other receivables-related parties		10	-		24	-		77	-
130X	Net inventory	VI (IV)	1,498,928	32		1,538,839	32		1,513,360	32
1410	Prepayments		97,195	2		70,763	1		68,619	1
1470	Other current assets	VIII	12,615	-		18,331	1		151,179	4
11XX	Total current assets		2,809,211	60		2,952,944	62		3,294,663	69
	Non-current assets									
1543	Financial assets on the basis of cost-non-current	VI (V)	20,231	-		20,231	-		20,231	-
1550	Investment accounted for under the equity method	VI (VI)	126,332	3		138,067	3		129,295	3
1600	Real properties, plants and equipment	VI (VII), VII, and VIII	1,590,963	34		1,531,677	32		1,191,820	25
1780	Intangible assets	VI (VIII)	17,977	-		20,620	0		13,186	-
1840	Deferred income tax assets		33,324	1		36,531	1		33,742	1
1900	Other non-current assets		117,537	2		116,167	2		104,969	2
15XX	Total non-current assets		1,906,364	40		1,863,293	38		1,493,243	31
1XXX	Total assets		\$ 4,715,575	100	5	4,816,237	100	\$	4,787,906	100
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(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

Currency unit: in NTD 1,000

	MPI	Corp	orati	ion	
-1	Class4	$\alpha := \overline{1}$:4:		C1

Consolidated Balance Sheet (Liabilities and Shareholders' Equity) December 31 2013, December 31 2012, and January 1 2012

CodeLiabilities and Shareholders' EquityNoteAmount%Current Liabilities2100Short-term loansVI (IX)\$ 4,265-\$ -2150Note payables2,052-3,655-2170Account payables392,8449405,08082180Account payables-related partiesVII2,107-1,717-2213Payables for equipment16,983137,9131	Amount \$ - 3,156 462,268	-
2100 Short-term loans VI (IX) \$ 4,265 - \$ - - 2150 Note payables 2,052 - 3,655 - 2170 Account payables 392,844 9 405,080 8 2180 Account payables-related parties VII 2,107 - 1,717 2213 Payables for equipment 16,983 1 37,913 1	3,156 462,268	-
2150 Note payables 2,052 - 3,655 - 2170 Account payables 392,844 9 405,080 8 2180 Account payables-related parties VII 2,107 - 1,717 - 2213 Payables for equipment 16,983 1 37,913 1	3,156 462,268	-
2170 Account payables 392,844 9 405,080 8 2180 Account payables-related parties VII 2,107 - 1,717 - 2213 Payables for equipment 16,983 1 37,913 1	462,268	
2180 Account payables-related parties VII 2,107 - 1,717 - 2213 Payables for equipment 16,983 1 37,913 1		-
2180 Account payables-related parties VII 2,107 - 1,717 - 2213 Payables for equipment 16,983 1 37,913 1	·	10
2213 Payables for equipment 16,983 1 37,913 1	899	1
	13,509	1
2219 Other payables VI (X) 356,945 8 323,439 7	347,728	7
2220 Other payablesrelated parties VII 7,551 - 11,485 -	8,592	-
2230 Current income tax liabilities 44.238 1 40.798 1	70,095	1
2250 Provision for liabilities – current VI (XI) 9.645 - 17.379 -	13,491	
2310 Cash on receipt VII 673,907 14 857,228 18	647,982	14
2320 Current portion of long-term debts VI (XII) 9,329 - 9,329 -	9,329	- 14
2399 Other current liabilities 20,013 1 15,991 -	12,551	_
21/X Total current liabilities 1.539.879 33 1.724.014 35	1.589,600	- 34
21AA 10tal current natimues 1,359,679 33 1,724,014 33	1,389,000	34
Non-current liabilities		
2540 Long-term loans VI (XII) 67,624 1 76,953 2	86,282	2
2570 Deferred income tax liabilities 15,254 - 12,808 -	15,925	
2640 Accruable pension liabilities VI (XIII) 19,959 1 22,899 1	19,063	
2670 Other non-current assets- others 220 - 150 -	2,104	_
$\frac{2500}{2500}$ Total non-current liabilities $\frac{2200}{1200}$ 12.810 3	123,374	2
	125,574	2
2XXX Total liabilities 1,642,936 35 1,836,824 38	1,712,974	36
Shareholders' Equity VI (XIV)		
31XX Shareholders' equity attributable to parent		
STAA Shareholder Sequera attibutable to parent company		
3110 Common stock equity 786,124 786,104 16	786.024	16
3200 Capital Surplus 740,781 16 740,657 15	740,116	16
S200 Capital Surpus 740,781 10 740,557 15 Retained earnings	740,110	10
Retaining cannings 3310 Legal reserve 383,839 8 355,530 8	292,154	6
	292,134	0
	-	20
	1,374,452	29
	1,666,606	35
Other equities		
3410Exchange gain/loss from financial statements of overseas25,391-11,7071	16,810	-
operations through conversion	16.010	
3400 Total other equities 25,391 - 11,707 1 2500 T (150,600) (2) </td <td>16,810</td> <td>-</td>	16,810	-
3500 Treasury stocks (152,606) (3) (152,606) (3)	(152,606)	(3)
31XX Total shareholders' equity 3,055,611 65 2,962,948 62	3,056,950	64
attributable to parent company 36XX Uncontrolled equity 17,028 - 16,465 -	17,982	
36XX Uncontrolled equity 17,028 - 16,465 -	17,982	-
3XXX Total shareholders' equity 3,072,639 65 2,979,413 62	3,074,932	64
1XXX Total liabilities and shareholders' equity \$ 4,715,575 100 \$ 4,816,237 100	\$ 4,787,906	100

(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

MPI Corporation Consolidated Income Statement January 1 to December 31, 2013 and 2012

				FY 2013		Currency unit: in NTD 1,000 FY 2012		
Code	Title	Note		Amount	%	Amount	%	
	Net Sales	VII						
4110	Sales revenue		\$	2,987,419	98	\$ 2,806,313	98	
4170	Less: sales return			(774)	-	(10,922)	(1)	
4190	Less: sales discount			(579)	-	(4,718)	-	
4614	Commission income			49,712	2	74,539	3	
4000	Subtotal of net sales			3,035,778	100	2,865,212	100	
5000	Cost of operation	VI (IV) and VII		(1,634,352)	(54)	(1,552,087)	(54)	
5900	Gross profit			1,401,426	46	1,313,125	46	
5910	Unrealized income(loss) from sales			-	-	(744)	-	
5920	Realized income (loss) from sales			2,895	-	3,931	-	
5950	Net gross profit			1,404,321	46	1,316,312	46	
	Operating expenses	VII						
6100	Marketing expenses	V 11		(337,705)	(11)	(292,818)	(10)	
6200	Management expenses			(182,865)	(11)	(185,689)	(10)	
6300	R&D expenses	VI (VIII)		(550,203)	(18)	(544,006)	(19)	
6000	*	VI (VIII)			<u> </u>			
0000	Subtotal operating expenses			(1,070,773)	(35)	(1,022,513)	(36)	
6900	Operating income			333,548	11	293,799	10	
7020	Non-operating incomes and expenses Other net incomes and loss	VI (XVI)		11,160		(14,168)		
7020	Cost of financing	VI (XVI) VI (XVI)		(750)	-	(14,108) (440)	-	
7050	Net portions of incomes/loss of subsidiaries, affiliated and joint	VI (XVI)		(27,099)	-	(23,517)	- (1)	
/000	ventures accounted for under the equity method			(27,099)	-	(23,317)	(1)	
7100	Interest income			2,462	-	4,599	-	
7110	Rental income			3,906	-	4,382	-	
7175	Income from reversal of doubtful accounts			-	-	20,972	1	
7190	Other incomes – others	VII		3,372	-	4,630	-	
7000	Subtotal non-operating incomes and expenses			(6,949)	-	(3,542)	-	
7900	Earnings before taxation			326,599	11	290,257	10	
7950	Income tax expense	VI (XVII)		(55,666)	(2)	(35,869)	(1)	
8200	Earnings in current period			270,933	9	254,388	9	
	Other consolidated income/loss						<u> </u>	
8310	Exchange gain/loss from financial statements of overseas			14,593	-	(4,266)	-	
	operations through conversion							
8360	Confirmed actuarial gain/loss of welfare			(672)	-	(6,727)	(1)	
8371	Net portions of incomes/loss of affiliates and joint ventures			(246)	-	(108)	-	
	accounted for under the equity method							
8300	Other net consolidated incomes			13,675	-	(11,101)	(1)	
8500	Consolidated income in current period (total)		\$	284,608	9	\$ 243,287	8	
	Nat ania llana atteikutakia ta							
9610	Net gain/loss attributable to Parent company shareholders			271,033	9	261.021	9	
8610	Uncontrolled equity			,	9	261,931	9	
8620	Corporate earnings in current period		\$	(100)	- 9	(7,543) \$ 254,388	- 9	
	Corporate earnings in current period		¢	270,933	9	\$ 234,388	9	
	Consolidated income attributable to							
8710	Parent company shareholders		\$	284,045	9	\$ 250,101	9	
8720	Uncontrolled equity			563	-	(6,814)	(1)	
	Total consolidated income in current period		\$	284,608	9	\$ 243,287	8	
	-		-					
	Earnings per common share: (Unit: NTD)	VI (XVIII)	Befo	re taxation		After taxation		
9750	Basic earnings per share		\$	3.54		\$ 3.42		
9850	Diluted earnings per share		\$	3.52		\$ 3.40		
					-			

(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

Parent Company Only Statement of Changes in Shareholder's Equity January 1 to December 31, 2013 and 2012

Currency unit: in NTD 1,000

		Cap	ital Stock					Retain	ed Earning	s		Other Equities							
Title		Comr	non shares	Retai Earni		Legal	Reserve		pecial eserve		distributed Earnings	hange gain/loss from financial ements of overseas operations through conversion	Trea	sury Stock	T	otal Equity		ontrolled	Total equity
	Code		3110	3,20	00	3	310	3	3320		3350	3410		3500		31xx		36xx	3xxx
Balance on January 1 2012	A1	\$	786,024	\$ 7	40,116	\$	292,154	\$	-	\$	1,374,452	\$ 16,810	\$	(152,606)	\$	3,056,950	\$	17,982	\$ 3,074,932
Allocation and distribution of earnings:																			
Legal reserve	B1						63,376				(63,376)					-			-
Cash dividend for common shares	B5										(344,724)					(344,724)			(344,724)
Net profit in Jan 1 –Dec 31, 2012	D1										261,931					261,931		(7,543)	254,388
Other consolidated incomes in Jan 1 –Dec 31, 2012	D3		·								(6,727)	 (5,103)	·			(11,830)		729	(11,101)
Total consolidated income in current period	D5				-		_		_		255,204	 (5,103)	·			250,101		(6,814)	243,287
Payment transactions on the basis of shares	N1		80		541											621			621
Decrease (increase) of non-controlling interests	01																	5,297	5,297
Balance on December 31 2012	Z1	\$	786,104	\$ 7	40,657	\$	355,530	\$	-	\$	1,221,556	\$ 11,707	\$	(152,606)	\$	2,962,948	\$	16,465	\$ 2,979,413
Balance on January 1 2013	A1	\$	786,104	\$ 7	40,657	\$	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	В5										(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		633	13,675
Total consolidated income in current period	D5				-		_		_		270,361	 13,684	<u></u>			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	\$ 7	40,781	\$	383,839	\$	17,571	\$	1,254,511	\$ 25,391	\$	(152,606)	\$	3,055,611	\$	17,028	\$ 3,072,639
		(Th	notes to this		t and the	A	' Dement has	Chana	V. Mine	1.01		 f Navia Sun Pice CPAs & Co. consti				<u>, , ,</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

.

Consolidated Statement of Cash Flows

January 1 to December 31, 2013 and 2012

Currency unit: in NTD

Code	Title	F	Y 2013	F	Y 2012
	Cash flows from operation – indirect approach	\$	326,599	\$	290,257
A10000	Corporate earnings in current period	Ŧ		Ŧ	_, .,,
A20000	Adjustments				
A20010	Income/expenses unaffected by cash flows				
A20100	Depreciations expense		112,482		88,703
A20200	Amortizations expense		31,843		31,122
A20300	Provisions (reversal) of doubtful accounts		7,452		(20,972)
A20900	Interest expenses		750		440
A21200	Interest incomes		(2,462)		(4,599)
A21300	Dividend incomes		6,953		5,621
A22300	Portions of gain/loss from subsidiaries, affiliates, and joint ventures accounted for		27,099		23,517
	under the equity method				
A22500	Capital gains/loss from dispositions and scrap of real properties, plants and		(92)		159
	equipment				
A22600	Real properties, plant, and equipment recognized as expenses		117		15
A23900	Unrealized gain/loss from sales		-		744
A24000	Realized gain/loss from sales		(2,895)		(3,931)
A29900	Others - exchange gain/loss from prepayment for purchase of equipment		737		213
A30000	Changes in assets/liabilities related to operations				
A31000	Net changes in assets related to operations				
A31130	Decrease (increase) of note receivables		(11,915)		15,327
A31150	Decrease (increase) of account receivables		130,185		(106,740)
A31160	Increase (decrease) of receivables – related parties		35,632		(25,368)
A31180	Decrease (increase) of other receivables		(4,374)		2,352
A31200	Decrease (increase) of inventory		39,911		(25,479)
A31230	Decrease (increase) of prepayments		(26,431)		(2,145)
A31240	Decrease (increase) of other current assets		6,809		8,866
A31990	Decrease (increase) of other operating assets		(11,685)		23,215
A32000	Net changes in liabilities related to operations				
A32130	Decrease (increase) of note payables		(1,604)		500
A32150	Decrease (increase) of account payables		(12,236)		(57,188)
A32160	Decrease (increase) of account payables -related parties		390		817
A32180	Decrease (increase) of other payables		(158,075)		(369,001)
A32190	Decrease (increase) of other payables – related parties		(3,934)		2,893
A32200	Increase (decrease) of provisions for debts		(7,734)		3,888
A32210	Increase (decrease) of cash on receipt		(183,322)		209,246
A32230	Increase (decrease) of other current liabilities		4,022		3,440
A32240	Increase (decrease) of accruable pensions		(3,611)		(2,890)
A33000	Cash inflows (outflows) from operation		300,611		93,022
A33100	Collected interest		2,517		4,766
A33300	Paid interest		(695)		(452)
A33500	Paid income tax		(46,559)		(71,019)
AAAA	Net cash inflows (outflows) from operations		255,874		26,317
	Cash flows from investments				
B01800	Investment accounted for under the equity method		(14,942)		(36,389)
B02700	Acquisition of real properties, plants, and equipment		(207,569)		(405,894)
B02800	Disposition of real properties, plants, and equipment		16,292		1,252
B04500	Acquisition of intangible assets		(9,656)		(18,987)
B06500	Increase of other financial assets		(1,093)		-
B06600	Decrease of other financial assets		-		123,982
B06700	Increase of other non-current assets		(20,915)		(30,767)
BBBB	Net cash inflows (outflows) from investments		(237,883)		(366,803)

(to be continued)

Consolidated Statement of Cash Flows (continued from previous page)

January 1 to December 31, 2013 and 2012

Currency unit: in NTD 1,000

Code	Title	FY 2013	FY 2012
CCCC Ca	sh flow from financing	4,265	-
C00100	Increase of short-term loans	(9,328)	(9,328)
C01700	Retirement of long-term loans	70	(1,955)
C04400	Decrease of other non-current liabilities	143	621
C04800	Exercise of Employee Stock Options	663	5,297
C05800	Changes in uncontrolled equity	(4,187)	(5,365)
CCCC	Net cash inflows (outflows) from financing		<u> </u>
DDDD Ef	fect of exchange rate fluctuation on cash and cash equivalents	7,088	(2,614)
EEEE Ind	crease (decrease) of cash and cash equivalents in current period	20,892	(348,465)
E00100 Ba	lance of cash and cash equivalents at beginning of period	602,904	951,369
E00200 Ba	lance of cash and cash equivalents at ending of period	\$ 623,796	\$ 602,904

(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

Disposition of Net Earnings

FY 2013

Currency unit: in NTD Dollars

Title	Amount			
	Subtotal	Total		
Undistributed earnings at beginning of period		\$ 1,046,869,244		
Less: Adjustment of retained earnings from the initial use of IFRS on 2012.12.31		(62,720,142)		
Less: Other consolidated incomes (Actuarial gain/loss from confirmed welfare plan –FY 2013)		(670,935)		
Add: corporate earnings of current period		271,033,216		
Subtotal:		1,254,511,383		
Recognized items:				
Less: allocation of 10% for legal reserve	(27,103,322)			
Add: reversal (recognition) of special reserve (debit item of shareholders' equity – net gain/loss not recognized as pension cost)	17,571,431	(9,531,891)		
Subtotal distributable earnings:		1,244,979,492		
For distribution:				
Shareholders dividend -cash	(165,086,023)			
Shareholders dividend- stock	(0)	(165,086,023)		
Undistributed earnings at ending of period		\$ 1,079,893,469		
Note:				
For distribution of remunerations to directors and shareholders	(5,826,560)			
For distribution as employee bonus-cash	(23,306,300)			
For distribution as employee bonus – stock	(0)			

CEO: Steve Chen President: Scott Kuo

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 12	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. Of all the seats of directors as mentioned, there shall be 2 seats of independent directors who shall be elected from a nomination of candidates system. Shareholders shall elect the independent directors from the list of candidates. 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.	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. Of all the seats of directors as mentioned, there shall be <u>at least 2</u> <u>seats</u> of independent directors who shall be elected from a nomination of candidates system and t <u>he number of</u> <u>seats for independent directors shall</u> <u>constitute at least 1/5 of the total seats</u> <u>of directors</u> . Shareholders shall elect the independent directors from the list of candidates. 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	Keep abreast with the changes in applicable legal rules
Article 22	The Articles of Incorporation were instituted on July 20 1995. Amendment for the 1 st instance was made on September 20 1996 (skipped)	The Articles of Incorporation were instituted on July 20 1995. Amendment for the 1 st instance was made on September 20 1996 (skipped) <u>Amendment for the 17th instance was</u> <u>made on June 17 2014</u>	Addition of the date of the last amendment

Appendix VII

MPI Corporation

Mapping of the clauses of the Procedure for the Acquisition and Disposition of Assets before and after the amendment

			Course of our days of
Clause	Before amendment	After amendment	Cause of amendment
Article 2	This Procedure is instituted	This Procedure is instituted in	In compliance with
	in accordance with the	accordance with the	the requirement of
	requirement of Executive	requirement of Financial	Financial
	Yuan Financial Supervisory	Supervisory Commission	Supervisory
	Commission (hereinafter,	(hereinafter, "FSC").	Commission Letter
	"FSC").		Jin-Guan-Zheng-Fa-
	,		Zi. No. 1020053073.
Article 3	The scope of application for	The scope of application for	In compliance with
	assets as stated in This	assets as stated in This	the requirement of
	Procedure:	Procedure:	Financial
	I. Investment in stocks,	I. Investment in stocks,	Supervisory
	,	,	Commission Letter
	government bonds,	government bonds,	
	corporate bonds, bank	corporate bonds, bank	Jin-Guan-Zheng-Fa-
	debentures, fund	debentures, fund	Zi. No. 1020053073.
	certificates, depository	certificates, depository	
	receipts, call (put)	receipts, call (put)	
	warrants, beneficiary	warrants, beneficiary	
	certificates, and	certificates, and	
	asset-backed securities.	asset-backed securities.	
	II. Real properties	II. Real properties (including	
	(including the inventory	lands, building and	
	of construction industry)	structures, real properties	
	and other fixed assets.	for investment, rights of	
	III. Membership cards,	land use, and the	
	IV. Patents, copyrights,	inventory of construction	
	trademarks, franchise	industry) and other	
	and others intangible	equipment.	
	assets.	III. Membership cards,	
	V. Debts of financial	IV. Patents, copyrights,	
	institutions (including	trademarks, franchise and	
	account receivables,	others intangible assets.	
	,	V. Debts of financial	
	discounts for exchange		
	and loans, accounts for	institutions (including	
	collection).	account receivables,	
	VI. Derivatives.	discounts for exchange	
	VII. Assets acquired or	and loans, accounts for	
	disposed due to	collection).	
	mergers, spinoff,	VI. Derivatives.	
	acquisition, or	VII. Assets acquired or	
	assignment of shares.	disposed due to mergers,	
	VIII.Other vital assets.	spinoff, acquisition, or	
		assignment of shares.	
		VIII.Other vital assets.	
í	I	1	1

Clause	Before amendment	After amendment	Cause of amendment
Article 5	II. The Finance and	II. The Finance and	In compliance with
	Accounting Department	Accounting Department	the requirement of
	of the company is	of the company is	Financial
	responsible for the	responsible for the	Supervisory
	conduct of long-term	conduct of long-term and	Commission Letter
	and short-term	short-term investments	Jin-Guan-Zheng-Fa-
	investments while the	while the users and	Zi. No. 1020053073.
	users and relevant	relevant departments of	
	departments of authority	authority shall be	
	shall be responsible for	responsible for the	
	the conduct of	conduct of investment in	
	investment in real	real properties and	
	properties and other	equipment. All other	
	fixed assets. All other	investments beyond	
	investments beyond	securities, real properties,	
	securities, real	and <u>equipment</u> shall be	
	properties, and other	subject to assessment of	
	fixed assets shall be	relevant functional units	
	subject to assessment of	in advance.	
	relevant functional units		
	in advance.		
Article 8	In the event of any of the	In the event of any of the	In compliance with
	followings in the acquisition	followings in the acquisition	the requirement of
	and disposition of assets, the	and disposition of assets, the	Financial
	company shall declare with	company shall declare with	Supervisory
	FSC at designated format to	FSC at designated format to	Commission Letter
	designated website within 2	designated website within 2	Jin-Guan-Zheng-Fa-
	days after action has been	days after action has been	Zi. No. 1020053073.
	taken depending on the	taken depending on the nature	
	nature of the assets:	of the assets:	
	I. Acquisition or	I. Acquisition or disposition	
	disposition of assets	of assets from related	
	from related parties, or	parties, or engagement in	
	engagement in other	other transactions with	
	transactions with related	related parties beyond the	
	parties beyond the	acquisition and	
	acquisition and	disposition of assets in excess of 20% of the	
	disposition of assets in excess of 20% of the	paid-in capital, 10% of	
	paid-in capital, 10% of	the total assets, or NTD	
	the total assets, or NTD	300 million of the	
	300 million of the	company, except the	
	company, except the	investment in R/P and	
	investment in R/P and	reverse R/P, and	
	reverse R/P.	subscription or	
	II. Proceeding to corporate	redemption of domestic	
	mergers, split up,	money market funds.	
	acquisition or	II. Proceeding to corporate	
	acceptance of the	mergers, split up,	
	assignment of shares.	acquisition or acceptance	
	ussignment of shares.		1

Clause		Before amendment		After amendment	Cause of amendment
	III.	Loss in derivative trade		of the assignment of	
		at the upper limit of all		shares.	
		or individual contracts	III.	Loss in derivative trade at	
		as set forth in the		the upper limit of all or	
		procedure governing		individual contracts as set	
		derivative trade.		forth in the procedure	
	IV.	All transactions of		governing derivative	
		assets further to the		trade.	
		content as stated in the	IV.	All transactions of assets	
		preceding 3 paragraphs,		further to the content as	
		disposition of creditor		stated in the preceding 3	
		right by financial		paragraphs, disposition of	
		institutions, or		creditor right by financial	
		investments in Mainland		institutions, or	
		China which amount is		investments in Mainland	
		in excess of 20% of the		China which amount is in	
		paid-in capital of the		excess of 20% of the	
		company or NTD300		paid-in capital of the	
		million except the		company or NTD300	
		followings:		million except the	
	(I)			followings:	
	(11	trade.	(I)		
	(II	· · · · · · · · · · · · · · · · · · ·	(11	trade.	
		operating business and trade at the	(II	I) Investment is an operating business and	
		overseas securities		trade at the overseas	
		exchanges or OTC		securities exchanges or	
		markets.		OTC markets, or,	
	Ш	I) Bond trade with R/P		securities subscribed by	
	(11	and reverse R/P		securities dealers in the	
		features.		primary market and	
	(IV	V) The assets acquired or		subscription of	
	,	disposed are business		securities as permitted	
		machinery and		by law.	
		equipment and the	(II	I) Bond trade with R/P	
		counterparty for		and reverse R/P	
		transactions is not a		features and	
		related party and the		subscription or	
		amount of		redemption of domestic	
		transactions falls		<u>money market funds.</u>	
		below NTD500	(Г	V) The assets acquired or	
	/ ~ -	million.		disposed are business	
	(V	· 1		machinery and	
		disposition of real		equipment and the	
		properties issued by a		counterparty for	
		construction business		transactions is not a	
		for operation purpose		related party and the amount falls below	
		and the counterparty of transactions is not		NTD500 million.	
		a related party and the	(V		
	1	a related party and the	(•		

Clause	Before amendment	After amendment	Cause of amendment
	amount of	disposition of real	
	transactions falls	properties issued by a	
	below NTD500	construction business	
	million.	for operation purpose	
	(VI) Acquisition of real	and the counterparty of	
	properties through the	transactions is not a	
	construction on	related party and the	
	property land by	amount of transactions	
	commissioned	falls below NTD500	
	builder, construction	million.	
	on property land by	(VI) Acquisition of real	
	commissioned	properties through the	
	builder, joint venture	construction on	
	of construction for	property land by	
	sharing of built	commissioned builder,	
	premises, joint	construction on	
	ventures of	property land by	
	construction with	commissioned builder,	
	sharing of proceeds,	joint venture of	
	and joint venture of	construction for sharing	
	construction with	of built premises, joint	
	separate selling of the	ventures of	
	premises and the	construction with	
	planned investment of	sharing of proceeds,	
	the company falls	and joint venture of	
	below NTD500	construction with	
	million.	separate selling of the	
		premises and the	
	The aforementioned amounts	planned investment of	
	shall be calculated in the	the company falls	
	following methods:	below NTD500	
	1. The amount of each transaction.	million. The aforementioned amounts	
		shall be calculated in the	
	2. The accumulated amount for transactions	following methods:	
	with particular	1. The amount of each	
	counterparty for the	transaction.	
	acquisition or	2. The accumulated amount	
	disposition of subject of	for transactions with	
	trade of the same nature	particular counterparty	
	in one year.	for the acquisition or	
	3. The accumulated	disposition of subject of	
	amount of the	trade of the same nature	
	acquisition or	in one year.	
	disposition (calculated	3. The accumulated amount	
	separately) of the same	of the acquisition or	
	project of real property	disposition (calculated	
	in one year.	separately) of the same	
	4. The accumulated	project of real property in	
	amount of acquisition or	one year.	

Clause	Before amendment	After amendment	Cause of amendment
	dispositions (calculated	4. The accumulated amount	
	separately) of particular	of acquisition or	
	security in one year.	dispositions (calculated	
	One year as referred to shall	separately) of particular	
	be the period from the date of	security in one year.	
	deed moving backward for	One year as referred to shall be	
	one year in retrospect. The	the period from the date of	
	portion of trade already	deed moving backward for one	
	declared as required in this	year in retrospect. The portion	
	procedure could be exempted	of trade already declared as	
	from calculation.	required in this procedure	
	The company shall declare	could be exempted from	
	all information of derivative	calculation.	
	trade conducted by itself and	The company shall declare all	
	subsidiaries, which are not	information of derivative trade	
	domestic public companies to	conducted by itself and	
	the end of the previous	subsidiaries, which are not	
	month in designated format	domestic public companies to	
	to designated website of FSC	the end of the previous month	
	by the 10 th day of each	in designated format to	
	month.	designated website of FSC by	
	In the event or error of	the 10^{th} day of each month.	
	missing of the items required	In the event or error of missing	
	for declaration, the company	of the items required for	
	shall take corrective action	declaration, the company shall	
	and shall declare for a new	take corrective action and shall	
	round as required.	declare for a new round as	
	In acquisition of disposition	required.	
	of assets, the company shall	In acquisition of disposition of	
	keep a copy of related	assets, the company shall keep	
	contracts, minutes of	a copy of related contracts,	
	meetings on record, record	minutes of meetings on record,	
	books, appraisal reports,	record books, appraisal	
	opinions issued by certified	reports, opinions issued by	
	public accountants, lawyers	certified public accountants,	
	or securities underwriters and	lawyers or securities	
	retain such documents for at	underwriters and retain such	
	least 5 years unless otherwise	documents for at least 5 years	
	specified by law.	unless otherwise specified by	
		law.	
Article 10	With the exaction of	With the execution of	In compliance with
AILUCIE IU	With the exception of transactions with government	With the exception of transactions with government	the requirement of
	institutions, construction on	institutions, construction on	Financial
	property land by	property land by	Supervisory
	commissioned builders,	commissioned builders,	Commission Letter
	construction on leased land	construction on leased land by	Jin-Guan-Zheng-Fa-
	by commission builders, or	commission builders, or the	Zi. No. 1020053073.
	the acquisition or disposition	acquisition or disposition of	
	of machinery and equipment	equipment for business	
	or machinery and equipment	-Tarpinent for outiliebb	1

Clause		Before amendment		After amendment	Cause of amendment
	for t	ousiness purpose, any	purp	ose, any acquisition or	
	acqu	isition or disposition of		osition of real properties	
	real	properties or other fixed	or b	y the company accounted	
	asse	ts by the company	for 2	20% of the paid-in capital	
	acco	ounted for 20% of the	of th	e company or in excess of	
	paid	-in capital of the	NTI	D300 million, the company	
	com	pany or in excess of	shal	l obtain an appraisal report	
	NTI	D300 million, the	issu	ed by a professional	
	com	pany shall obtain an	appr	aisal firm and shall be in	
	appi	aisal report issued by a	com	pliance with the following	
	prof	essional appraisal firm	requ	irements:	
	and	shall be in compliance			
	with	the following	I.	Where limit price, fixed	
	requ	irements:		price or specific price is	
	I.	Where limit price, fixed		taken as reference for	
		price or specific price is		setting the transaction	
		taken as reference for		price due to specific	
		setting the transaction		reasons, the resolution of	
		price due to specific		the Board of Directors	
		reasons, the resolution		shall be necessary before	
		of the Board of		the transaction. The same	
		Directors shall be		procedure is applicable to	
		necessary before the		any change in the terms	
		transaction. The same		and conditions of	
		procedure is applicable		subsequent transactions.	
		to any change in the	II.	The transaction amount	
		terms and conditions of		exceeds NTD1 billion	
	TT	subsequent transactions.		shall be subject to the	
	II.	The transaction amount		appraisal of at least 2	
		exceeds NTD1 billion		professional appraisal	
		shall be subject to the	ш	firms.	
		appraisal of at least 2 professional appraisal	111.	If any of the following conditions is applicable,	
		firms.		consult with a certified	
	III.	If any of the following		public accountant and	
	111.	conditions is applicable,		refer to SFAS No. 20	
		consult with a certified		released by the	
		public accountant and		Accounting Research and	
		refer to SFAS No. 20		Development Foundation	
		released by the		of the Republic of China	
		Accounting Research		(hereinafter, "ARDF") for	
		and Development		presentation of a fair	
		Foundation for		opinion on the difference	
		presentation of a fair		and the causes of the	
		opinion on the		difference unless the	
		difference and the		appraisal result indicated	
		causes of the difference		a higher price than the	
		unless the appraisal		transaction amount or the	
		result indicated a higher		appraised value of the	
		price than the		assets for disposition	

Clause	Before amendment	After amendment	Cause of amendment
	transaction amount or	falling below the actual	cause of amenament
	the appraised value of	transaction amount:	
	the assets for disposition	(I) The difference between	
	falling below the actual	the appraisal value and	
	transaction amount:	the transaction amount	
	(I) The difference	exceeds 20% of the	
	between the appraisal	transaction amount.	
	value and the	(II) The appraisal values	
	transaction amount	presented by 2 or more	
	exceeds 20% of the	professional appraisal	
	transaction amount.	firms showed variation	
	(II) The appraisal values	of more than 10% of	
	presented by 2 or	the transaction value.	
	more professional	IV. The date on which the	
	appraisal firms	professional appraisal	
	showed variation of	firms issued the appraisal	
	more than 10% of the	reports shall not fall	
	transaction value.	beyond 3 months from	
	IV. The date on which the	the date of entering into	
	professional appraisal	agreements. If the	
	firms issued the	announced present value	
	appraisal reports shall	in the same period is	
	not fall beyond 3	applicable and is falling	
	months from the date of	within 6 months, the	
	entering into	original appraisal firms	
	agreements. If the	shall present a statement	
	announced present value	of opinion.	
	in the same period is	L	
	applicable and is falling		
	within 6 months, the		
	original appraisal firms		
	shall present a statement		
	of opinion.		
Article 12	In acquisition or disposition	In acquisition or disposition of	In compliance with
	of membership cards or	membership cards or	the requirement of
	intangible assets by the	intangible assets by the	Financial
	company with value in	company with value in excess	Supervisory
	excess of 20% of its paid-in	of 20% of its paid-in capital or	Commission Letter
	capital or NTD300 million,	NTD300 million, consult with	Jin-Guan-Zheng-Fa-
	consult with a certified	a certified public accountant	Zi. No. 1020053073.
	public accountant for	for presenting an opinion on	
	presenting an opinion on the	the transaction price for	
	transaction price for	reasonable judgment in	
	reasonable judgment in	advance except for	
	advance. The certified public	transactions with government	
	accountant shall refer to	institutions. The certified	
	SFAS No. 20 released by the	public accountant shall refer to	
	Accounting Research and	SFAS No. 20 released by the	
	Development Foundation in	Accounting Research and	
	presenting the opinion.	Development Foundation in	

Clause	Before amendment	After amendment	Cause of amendment
		presenting the opinion.	
Article 12-1	The calculation of the	The calculation of the amount	Amendment is made
	amount of transactions as set	of transactions as set forth in	in compliance with
	forth in the preceding 3	the preceding 3 articles shall	applicable laws
	articles shall be done in	be done in accordance with	
	accordance with Article 8-II.	Article 8-II. One year as	
	One year as referred to shall	referred to shall be the date of	
	be the date of deed moving	deed moving backward for 1	
	backward for 1 year in	year in retrospect. Transactions	
	retrospect. Transactions	accompanied by appraisal	
	accompanied by appraisal	reports of professional	
	reports of professional	appraisal firms or opinions	
	appraisal firms or opinions	from certified public	
	from certified public	accountants under this	
	accountants under this	procedure can be excluded	
	standard can be excluded	from the calculation.	
	from the calculation.		
Article 16	The acquisition or disposition	The acquisition or disposition	In compliance with
	of real properties by the	of real properties by the	the requirement of
	company from related	company from related parties,	Financial
	parties, or engagement with	or engagement with related	Supervisory
	related parties in the	parties in the acquisition or	Commission Letter
	acquisition or disposition of	disposition of assets beyond	Jin-Guan-Zheng-Fa-
	assets beyond real properties	real properties with transaction	Zi. No. 1020053073.
	with transaction value in	value in excess of 20% of the	
	excess of 20% of the paid-in	paid-in capital, 10% of the	
	capital, 10% of the total	total assets, or NTD300	
	assets, or NTD300 million,	million, except the trading of	
	present the following	government bonds, bonds with	
	information to the Board of	R/P and reverse R/P features,	
	Directors and Supervisors for	and subscription or redemption	
	ratification before entering	of domestic money market	
	into transaction agreements	funds, present the following	
	or making payment for the	information to the Board of	
	transactions:	Directors and Supervisors for	
	I. The purpose, necessity,	ratification before entering	
	and expected return of	into transaction agreements or	
	the acquisition or	making payment for the	
	disposition of assets.	transactions:	
	II. The reason for choosing	I. The purpose, necessity,	
	a related party as the	and expected return of the	
	counterparty.	acquisition or disposition	
	III. Information on	of assets.	
	assessment of the	II. The reason for choosing a	
	expected terms and	related party as the	
	conditions of	counterparty.	
	transactions to justify	III. Information on	
	the acquisition of real	assessment of the	
	properties from a related	expected terms and	1

Clause		Before amendment		After amendment	Cause of amendment
		party.		conditions of transactions	
	IV.	Information on the		to justify the acquisition	
		original date of		of real properties from a	
		acquisition of the assets		related party.	
		by the related party and	IV.	Information on the	
		the price, the		original date of	
		counterparty and its		acquisition of the assets	
		relation to the related		by the related party and	
		party and the company.		the price, the counterparty	
	V.	The projection of cash		and its relation to the	
		flows from the month		related party and the	
		the agreement is made		company.	
		in one year ahead with	V.	The projection of cash	
		assessment of the		flows from the month the	
		necessity of the		agreement is made in one	
		transaction and the		year ahead with	
		rationale of capital		assessment of the	
	V/I	utilization.		necessity of the transaction and the	
	VI.	The appraisal reports			
		issued by professional appraisal firms or		rationale of capital utilization.	
		opinions of certified	VI	The appraisal reports	
		public accountants as	V 1.	issued by professional	
		required in Article 15.		appraisal firms or	
	VII	The constrained		opinions of certified	
	, 11.	conditions and other		public accountants as	
		important terms and		required in Article 15.	
		conditions of these	VII.	The constrained	
		transactions.		conditions and other	
		The calculation of the		important terms and	
	amo	unt as stated in the		conditions of these	
	prec	eding paragraph shall be		transactions.	
	done	e in accordance with		The calculation of the	
		cle 8. One year as		unt as stated in the	
		red to shall be the period	-	eding paragraph shall be	
		the date of deed moving		e in accordance with	
		ward for one year in		cle 8. One year as referred	
		spect. The amount that		all be the period from the	
		been ratified by the		of deed moving backward	
		d of Directors and		one year in retrospect. The	
	-	ervisors as required by		unt that has been ratified	
		standard can be excluded	-	ne Board of Directors and	
	mon	the calculation.	-	ervisors as required by this dard can be excluded from	
	dian	The acquisition or osition of machinery and		calculation.	
	-	pment for business	the C		
		ose between the	dien	The acquisition or osition of equipment for	
		pany and its parent or	-	ness purpose between the	
		idiaries shall be subject		pany and its parent or	
		e final approval of the		idiaries shall be subject to	
	10 til	• mui uppio vui oi uic	5405	indianes shan se subject to	<u> </u>

Clause	Before amendment	After amendment	Cause of amendment
	Board pursuant to Article 5-I	the final approval of the Board	
	whereby the Chairman shall	pursuant to Article 5-I	
	be authorized to make	whereby the Chairman shall be	
	decision within specific limit	authorized to make decision	
	and presented before the	within specific limit and	
	most recent session of the	presented before the most	
	Board for ratification.	recent session of the Board for	
	Where seats of independent	ratification.	
	directors may have been	Where seats of independent	
	established in accordance	directors may have been	
	with the Securities and	established in accordance with	
	Exchange Act, fully consider	the Securities and Exchange	
	the opinions before	Act, fully consider the	
	presenting to the Board for	opinions before presenting to	
	discussion as stated. In case	the Board for discussion as	
	of adverse opinions or	stated in paragraph I. In case	
	qualified opinions from the	of adverse opinions or	
	independent directors, state	qualified opinions from the	
	in the minutes of meeting on	independent directors, state in	
	record.	the minutes of meeting on	
	Where an Auditing	record.	
	Committee may have been	Where an Auditing Committee	
	established in accordance	may have been established in	
	with the Securities and	accordance with the Securities	
	Exchange Act whereby the	and Exchange Act whereby the	
	recognition of the	recognition of the Supervisors	
	Supervisors is necessary, the	is necessary, the approval by a	
	approval by a simple	simple majority of all	
	majority of all members of	members of the Auditing	
	the Auditing Committee is	Committee is required before	
	required before presenting to	presenting to the Board for	
	the Board for resolution.	resolution.	
		The requirement of 10% of the	
		total assets in this procedure	
		shall be based on the amount	
		of total assets as stated in the	
		parent company only or	
		individual financial statements	
		prepared in accordance with	
		the Criteria for Compilation of	
		<u>Financial Reports by</u>	
		Securities Issuers in the most	
		recent fiscal period. If there is no face value for the	
		company shares, or the face	
		value per each share is not	
		NTD10, the requirement of	
		20% of the paid-in capital as	
		stated in this procedure shall	
		be based on the 10% of the	
		be based on the 10% of the	

Clause	Before ame	ndment		After amendment	Cause of amendment
			shareholders' equity		
			<u>attri</u>	butable to the parent	
			com	pany.	
Article	In the event of a	ny of the		Company shall acquire	In compliance with
XVII	following in the	-	real	properties from related	the requirement of
	of real properties		-	ies in accordance with the	Financial
	related parties by		follo	owing means:	Supervisory
	company, assess		I.	Transaction price with	Commission Letter
	of the cost of tran			related parties shall cover	Jin-Guan-Zheng-Fa-
	required and con			necessary interest for the	Zi. No. 1020053073.
	certified public a			use of capital and the cost	
	for an opinion ur			to be borne by the buyer.	
	otherwise the fol	-		Necessary cost of capital	
	situations applied			as referred to is weighted	
	I. The related			average interest rate for	
	acquired the			the loan the company	
	properties the succession of t	0		used for the purchase of the asset. Such rate shall	
	II. The date on				
	related party			not be higher than the upper limit of	
	into the agr			non-financial institutions	
	the acquisit			as announced by the	
	properties w			Ministry of Finance.	
	than 5 years		II.	In case the related party	
	the date the	-		pledged the subject	
	on this trans	-		property to a financial	
	made.			institution as mortgage	
	III. The acquisi	tion of real		for loan. The total	
	properties w	vas made		assessed value of loan	
	through ente	ering into an		granted in favor of the	
	agreement v	with the		related party by the	
	related part			financial institution. Yet,	
	venture of c	onstruction.		the drawdown of the loan	
				to the related party shall	
				exceed 70% of the total	
				assessed value in	
				accumulation and the	
				drawdown has been made	
				for longer than 1 year.	
				This provision is not applicable if the lender	
				and the related party are	
				related party to each	
				other.	
			For	the joint purchase of the	
				e subject land and premise,	
				cost of the land and	
				nise shall be assessed by	
			-	methods as	
			-	ementioned.	

Clause	Before amendment	After amendment	Cause of amendment
		For acquisition of real	
		properties from a related party,	
		the company shall proceed to	
		the assessment of the cost of	
		the real properties in	
		accordance with the	
		requirements in I and II, and	
		refer to the review and	
		presentation of opinion by a	
		certified public accountant.	
		In the event of any of the	
		following in the acquisition of	
		real properties by the company	
		from a related party, proceed	
		to Article 16 and the provision	
		in III in this article shall not be	
		applied:	
		I. The related party	
		acquired the real	
		properties through	
		succession or donation.	
		II. The date on which the	
		related party entered into	
		the agreement on the	
		acquisition of real	
		properties was more than	
		5 years ago from the date	
		the agreement on this	
		transaction was made.	
		III. The acquisition of real	
		properties was made	
		through entering into an	
		agreement with the	
		related party in a joint	
		venture of construction,	
		or construction on	
		property land by	
		commissioned builder,	
		construction on leased	
		land by commissioned	
		builder in construction of	
		real properties with the	
		related party.	
Article 17-1		In the event that the appraisal	Amendment is made
		prices conducted pursuant to	in compliance with
		Article 17-I, II falls below the	applicable laws
		transaction price, proceed to	"PPilouoio iumo
		Article 18. The followings are	
		exception on condition that the	
		professional appraisal firms	
	l	Protossional appraisal millis	

Clause	Before amendment		After amendment	Cause of amendment
		and	the certified public	
			ountants have presented	
			r opinions on the	
			onality of the transaction	
			he real properties:	
		I.	If the related party has	
			acquired undeveloped	
			land or leased land for	
			construction, any of the	
			following conditions must	
			be met with evidence:	
		(I)	Undeveloped land shall	
			be assessed in the	
			methods as specified in	
			preceding article.	
			Building shall be assessed	
			by adding the cost of	
			construction of the related	
			party with reasonable	
			construction profit and	
			the total of which exceeds	
			the actual transaction	
			price. Reasonable	
			construction profit as	
			referred to shall be the	
			average gross margin of	
			the construction segment	
			of the related party over	
			the last 3 years, or the	
			latest gross margin as	
			announced by the	
			Ministry of Finance,	
			whichever is lower.	
		(II)	The transactions of other	
			stories of the same	
			building on the same land or in the immediate area	
			not conducted by the	
			•	
			related party in the same year, with relevant floor	
			area and the terms and	
			conditions are congruent	
			with the common	
			practices in real property	
			trade with appraisal on	
			the difference in price for	
			reasonable stories or land	
			and the terms and	
			conditions are relevant.	
		ന്ന	Transactions of other	
		(111)		I

Clause	Before amendment		After amendment	Cause of amendment
			stories in the same	
			building of the same land	
			with non-related parties	
			in the same year, and the	
			terms and conditions are	
			congruent with the	
			common practices in real	
			property trade with	
			appraisal on the	
			difference in price for	
			reasonable stories and the	
			terms and conditions are	
			relevant.	
		II.	The company can proof	
			with evidence that the	
			real properties purchased	
			from the related party are	
			conducted with terms and	
			conditions are relevant	
			with the transactions in	
			the immediate area with	
			non-related parties in the	
			same year, in relevant	
			floor area. The	
			transactions in the	
			immediate area as	
			referred to subject of	
			trade in the same or	
			similar demographic	
			features and are less than	
			500 meters in perimeter	
			from the subject of trade,	
			or the announced present	
			value is relevant.	
			Relevant floor area refers	
			to transactions with	
			non-related parties and	
			the floor area of the	
			property is not smaller	
			than the floor area of the	
			subject of trade by 50%.	
			In the same year as	
			referred to shall be based	
			on the date of deed of real	
			property transactions	
			moves backward for one	
		-	year in retrospect.	
Article 18	For the acquisition of real		the acquisition of real	Amendment is made
	properties from related		perties from related parties	in compliance with
	parties by the company, if the	by t	the company, if the	applicable laws

Clause	Before amendment	After amendment	Cause of amendment
a	ppraisal value falls below	appraisal value performed	
	ne transaction price, proceed	pursuant to Article 17 and	
	o the following:	Article 17-1 falls below the	
I.	Recognize the	transaction price, proceed to	
	difference between the	the following:	
	transaction price and the	I. Recognize the difference	
	appraisal value of the	between the transaction	
	real properties in	price and the appraisal	
	transaction as special	value of the real	
	reserve pursuant to	properties in transaction	
	Article 41-1 of the	as special reserve	
	Securities and Exchange	pursuant to Article 41-1	
	Act, and such amount in	of the Securities and	
	difference cannot be	Exchange Act, and such	
	distributed as income or	amount in difference	
	for capitalization into	cannot be distributed as	
	new shares. Where the	income or for	
	investee of the company	capitalization into new	
	may be a public	shares. Where the	
	company accounted for	investee of the company	
	under the equity	may be a public company	
	method, the stated	accounted for under the	
	amount shall be shall be	equity method, the stated	
	recognized in proportion	amount shall be shall be	
	of the shareholding by	recognized in proportion	
	the company over the	of the shareholding by the	
	said investee as special	company over the said	
	reserve pursuant to	investee as special	
	Article 41-1 of the	reserve pursuant to	
	Securities and Exchange	Article 41-1 of the	
	Act.	Securities and Exchange	
	1	Act.	
	proceed to Article 218 of the Company Act.	II. The Supervisors shall	
n	II. Report the status as	proceed to Article 218 of the Company Act	
	stated in I and II to the	the Company Act. III. Report the status as stated	
	General Meeting of	in I and II to the General	
	Shareholders, and	Meeting of Shareholders,	
	disclose the transaction	and disclose the	
	details in the annual	transaction details in the	
	report and the	annual report and the	
	prospectus.	prospectus.	
F	or the special reserve being	For the special reserve being	
	ecognized by the company	recognized by the company in	
	n accordance with the	accordance with the	
	equirement of preceding	requirement of preceding	
	aragraphs, it may be utilize	paragraphs, it may be utilize	
	nly after the assets	only after the assets purchased	
	urchased at high price has	at high price has been	
-	een recognized for loss due	recognized for loss due to	

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Clause	Before amendment	After amendment	Cause of amendment
	to falling price or disposition,	falling price or disposition, or	
	or under appropriate	under appropriate	
	compensation, or recovery to	compensation, or recovery to	
	original condition, or being	original condition, or being	
	proved as not unreasonable	proved as not unreasonable	
	with evidence and at the	with evidence and at the	
	approval of FSC.	approval of FSC.	
	If the acquisition of real	If the acquisition of real	
	properties from a related	properties from a related party	
	party by the company proved	by the company proved to be	
	to be not being conducted	not being conducted under the	
	under the arm's-length	arm's-length principle with	
	principle with evidence,	evidence, proceed to the	
	proceed to the requirements	requirements as stated in the	
	as stated in the preceding 2	preceding 2 paragraphs.	
	paragraphs.		