

MPI Corporation



General Shareholders' Meeting 2016

Parliamentary Procedure Handbook

Time: June 16, 2016 (Thursday), 10:00 am

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

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MPI Corporation

2016 General Meeting of Shareholders Agenda

- I. Announcement of session
- II. Address of Chairman
- III. Points of discussion
- IV. Points of report
- V. Points of ratification
- VI. Impromptu motions
- VII. Adjournment of meeting

MPI Corporation

2016 General Meeting of Shareholders Agenda

Time: June 16, 2016 (Thursday), 10:00 am

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

Address of the Chairman

I. Points of discussion

1. Amendment to the “Articles of Incorporation” of MPI Corporation.

II. Reports:

1. 2015 Operation Review.
2. 2015 Supervisors Review Report.
3. The report on allocation of remuneration to employees and directors/supervisors in 2015.
4. The report on the Company's repurchase of shares.

III. Points of ratification

1. 2015 Operation Review and Financial Statements.
2. 2015 Motion for allocation of earnings

IV. Impromptu Motion

V. Adjournment of meeting

I. 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.

Note: (I) According to the President's Decree under Hua-Tsung-1-Yi-Tze No. 10400058161 dated May 20, 2015 for the amendments to Company Law, and the official letter of Ministry of Economic Affairs under Ching-Shang-Tze No. 10402413890 dated June 11, 2015, the Company plans to amend Article 20 and Article 22 of the Company's "Articles of Incorporation".

(II) The mapping of the provisions of the "Articles of Incorporation" is attached for your information. Please refer to Appendix I on P6 of this handbook.

(III) This motion was passed by the Board of Directors in the 7th session of the Board in 2015.

Resolution:

II. Reports:

1. 2015 Operation Review

Note: Refer to Appendix II on p. 8-11 and of this handbook for information on 2015 operation review, financial report, and prospect of operation.

2. 2015 Supervisors' Report

Note: Refer to Appendix III on p. 12 of this handbook for information on 2015 Supervisors Review Report.

3. The report on allocation of remuneration to employees and directors/supervisors in 2015.

Note: (I) According to the amendments to the Articles of Incorporation approved by the Company's Board of Directors and Remuneration Commission upon resolution on November 11, 2015, where the Company retains income before tax after the account settlement, it shall allocate 5%~15% thereof as the remuneration to employees, and 1%~3% thereof as the remuneration to directors/supervisors. The Company's income before tax was NT\$374,476,980 before allocating the remuneration to employees and directors/supervisors in 2015. Therefore, according to the amended Articles of Incorporation, the Company allocated the remuneration to employees totaling NT\$28,640,000, and the remuneration to directors/supervisors totaling NT\$7,160,000.

(II) The remuneration to employees totaling NT\$28,640,000 and remuneration to directors/supervisors totaling NT\$7,160,000 were allocated in cash.

4. The report on the Company's repurchase of shares.

Note: (I) 3rd repurchase of shares is stated as following:

Item No.	3rd
Date of resolution made by the Board of Directors	August 7, 2015
Purpose	Transfer of shares to employees
Scheduled duration	2015/08/10~2015/10/9
Scheduled repurchased quantity	1,000,000
Scheduled repurchase range price (NT\$)	60~108
Repurchased quantity (shares)	600,000
Total repurchase amount (NT\$)	34,454,460
Quantity of canceled and transferred shares (shares)	600,000 (Transferred to employees in whole on March 22, 2016)
Accumulated quantity of the Company's shares held (shares)	0
% of accumulated quantity of the Company's shares held	0.00%
Cause for failure to repurchase the shares in whole upon expiration of the duration	In order to maintain the shareholders' equity of the Company and to take care of the market mechanism, the Company repurchased the shares at specific price and quantity, subject to the change of stock price. Notwithstanding, as some orders could not be completed, the repurchase was not executed in whole.

III. Points of ratification

Motion No. 1

Proposed by the Board

Cause of motion: propose for action in favor of the 2015 operation review 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 2015. The financial statements for fiscal year 2015 have been audited by Wu, Kuei-Chen and Chen, Tsan-Huang, 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 IV and Appendix V on p. 13-25 of this handbook.

(II) This motion was passed by the Board of Directors in the 3rd session of the Board in 2016.

Resolution:

Motion No. 2

Proposed by the Board

Cause of motion: Propose for action in favor of the motion for allocation of earnings for fiscal year 2015.

- Note: (I) MPI Corporation had the earnings after tax amounting to NT\$294,819,264 in fiscal year 2015. Enclosed therein is the motion for allocation of earnings. For further information, please refer to Appendix VI on p. 26 of this report.
- (II) In consideration of subsequent business development of the future, MPI Corporation plans to attribute NT\$238,816,176 from distributable earnings as cash dividend for FY 2015 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\$3.
- (III) In the event that MPI Corporation elects to convert convertible corporate bonds into common stock, or repurchase the Company's outstanding shares, assign, or transfer and cancel treasury stock, to the extent that the total quantity of outstanding shares and the dividends to shareholders are being affected, the Board shall be authorized to deal with it with full power in session to discuss such matter for solution.
- (IV) This motion was passed by the Board of Directors in the 3rd session of the Board in 2016.

Resolution:

IV. Impromptu Motion

V. Adjournment of meeting

Appendix I

MPI Corporation

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

Clause	Before amendment	After amendment	Cause of amendment
Article XX	<p>Where the Company may have a surplus after the account settlement and such surplus shall be distributed in the priority specified below:</p> <p>(I) Payment of tax; (II) Covering of loss; (III) 10% set aside as legal reserve; (IV) Provision of special reserve pursuant to laws; and (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:</p> <ol style="list-style-type: none"> 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. <p>The counterparts whom the stock dividends may be allocated to shall include the employees of affiliated companies.</p>	<p><u>Where the Company retains income before tax after the account settlement, it shall allocate 5%~15% thereof as the remuneration to employees, and 1%~3% thereof as the remuneration to directors/supervisors. However, profits must first be taken to offset against cumulative losses, if any. The remainder, if any, shall be allocated as the remuneration to employees and directors/supervisors on a pro rata basis as referred to in the preceding paragraph. The allocation of remuneration to employees and directors/supervisors shall be resolved and approved by a majority of the directors present at a directors' meeting attended by more than two-thirds of the whole directors, and reported to a shareholders' meeting. Employees' remuneration may be paid in the form of stock or in cash, and can be paid to employees of affiliated companies that satisfy certain criteria. If the Company has a profit at the year's final accounting, it shall first pay profit-seeking enterprise income tax and make up any losses from past years, and then make contribution of 10% of the balance to the statutory reserve, unless the statutory reserve reaches the amount of the Company paid-in capital, and also make provision/reversal of special reserves pursuant to laws. The residual balance shall be added to undistributed earnings carried from previous years. The Board shall draft a motion for allocation of the residual balance plus the undistributed earnings, and submit the same to a shareholders' meeting</u></p>	<p>Keep abreast with the changes in applicable legal rules</p>

Clause	Before amendment	After amendment	Cause of amendment
		<u>to resolve whether shareholder bonus shall be allocated or the earnings shall be retained.</u>	
Article XXII	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 19th instance was made on June 16, 2014.</u>	Addition of the date of the last amendment

MPI Corporation Operation Review

I. 2015 operation in review

(I) Business Plan and Result

In FY 2015, we had net sales amounting to NT\$4,013,170 thousand, which was a decrease by 3% from NT\$4,156,132 thousand in 2014. Corporate earnings in FY 2015 amounted to NT\$294,820 thousand, which was a decrease by 43% from NT\$517,636 thousand in 2014 with earnings per share at NT\$3.71.

In 2015, the world has gone through low GDP growth, especially in the U.S.A., Europe, Japan and Mainland China. The world joined the QE policy in the latter half of the year. Therefore, the plentiful global fund resulted in the foreign exchange hedging. The semi-conductor industry still appears to grow positively in 2016. Particularly, more than 60% of the OEM production of wafer foundries are centralized in Taiwan. Meanwhile, given the increasingly intensive competition for capital expenditure of the OEM production of wafer foundries in Taiwan and the world, the production process evolution speed has driven each manufacturer's growth. This adds to the momentum of further growth of the encapsulation and testing industry which has invested in R&D permanently. Therefore, the growth in the demand for high-rank wafer prober cards could be anticipated in 2016. The flip-chip encapsulation LED will become the first priority of various manufacturers in the world in 2016. Besides, the declination of the entire bulb price more than 40% resulted in the increase in penetration rate by more than 15% of last year. The penetration rate is expected to 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 competitive strength.

With respect to the R&D of new technologies, the new products have successfully been applied to the areas of signal testing and temperature testing in 2016. Various production testing equipments were developed to meet the customers' needs and continue enhancing the functions of products. 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			
		2014	2015	Change (%)	
Revenue	Net Sales	4,156,132	4,013,170	(3.44)%	
	Gross profit	1,934,993	1,793,072	(7.33)%	
	Post-tax profit or loss	517,636	294,820	(43.04)%	
Profitability	ROA (%)	9.37	4.68	(50.05)%	
	ROE (%)	15.19	7.96	(47.60)%	
	Operating Income to Paid-in capital ratio (%)	70.11	40.18	(42.69)%	
	EBT to Paid-in capital ratio (%)	75.36	45.16	(40.07)%	
	Profit margin (%)	12.45	7.33	(41.12)%	
	EPS (NT\$)	before retroactive adjustment	6.62	3.71	(43.96)%
		after retroactive adjustment	6.62	3.71	(43.96)%

(III) Research and development

Research and development findings in 2015:

1. Precision automated equipment:
 - A. High-speed full automatic CSP flip-chip encapsulation testing, sorting and packaging mass production equipment
 - B. UV, NIR wafer grade and encapsulation testing equipment
 - C. 8-inch LED prober and sorting automatic mass production equipment
2. Probe Card:
 - A. Develop high-density full array probe card to meet the need for test of high-rank components
 - B. Develop the vertical type probe card to meet the need for micro-distance technology of miniaturization of IC process
3. Establish the temperature control technology and complete development of semi-conductor component temperature testing equipment
4. Develop semi-conductor engineering testing machine series

II. Summary of 2016 Business Plan

(I) Business Policy

Technology is essential to maintain competitiveness. In light of the development of

the microelectronic industry and technology requirements in the future, MPI Corporation undertakes the following strategic planning and commits its effort to sustain its competitive advantage:

- A. To satisfy the need for application of high-rank IC process miniaturization, continue developing wafer grade micro-distance testing technology for meeting the technological needs of the future.
- B. To meet the technology requirement for smart device high-speed transmission, develop the micro-electric and mechanical probe card for meeting the testing need for high-speed transmission.
- C. Continue the development and optimization of higher performance testing and inspection equipment to meet the testing needs of future products of the photoelectric and semi-conductor industries (LED, LD and PD), and continue to provide customers with viable solutions.
- D. Continue to develop the testing and inspection machine series in the semi-conductor engineering testing and inspection application area, to meet customers' various application needs.
- E. Continue to develop and optimize the temperature control system applied for testing of semi-conductor components.

(II) Vital production and sales policies

MPI Corporation will develop its technology thoroughly, strengthen R&D investment, and 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, in hopes of providing customers with the best solutions.

III. The development strategy of the future

- (I) Based on the five major technical areas including prober, sorting, photoelectric testing and imaging detection, automated equipment, provide complete testing application solutions to meet the need for mass production of the photoelectric and semi-conductor industries.

(II) Development of the semiconductor market with its core technology in automation and measurement. To meet the market application, continue to develop various new products.

(III) In responding to the needs of the consumers for slim, light, short, and small size, and higher speed and power saving products, MPI Corporation develops micro-distance probe card and high-frequency probes 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 global economies were influenced by the low GDP growth, but a lot of new economies emerged accordingly. For the business development, at the same time when the global governments start to value the development of such industries as energy saving, internet of things and big data analysis, MPI Corporation spares no effort in research and development, and never ceases to provide customers with the best, fastest and most fine-quality 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

MPI Corporation
Supervisors' Audit Report

The Company's individual financial statement and consolidated financial statements 2015 Proposed by the Board have been audited by Wu, Kuei-Chen and Chen, Tsan-Huang, 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 Law and Article 36 of Securities and Exchange Act.

To:

General Shareholders' Meeting 2016 of MPI Corporation

MPI Corporation

Supervisor: Li, Tu-Cheng

Liu, Fang-Sheng

Tsai, Chang-Shou

March 23, 2016

Appendix IV

Independent Auditor's Audit Report

To **MPI Corporation**:

We have audited the individual balance sheets of **MPI Corporation** as of December 31, 2015 and 2014, 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, 2015 and 2014. 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 VI(VI) to the financial statements, the information about **the Company's** investment under equity method 2015 and 2014, and the information about some investment disclosed in Note XIII 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 equity method recognized based on the financial reports audited by other external auditors from January 1 to December 31, 2015 and 2014 were NT\$1,018 thousand and NT\$506 thousand. Until December 31, 2015 and 2014, the balances of investment under equity method were NT\$23,351 thousand and NT\$25,463 thousand respectively.

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and the auditing standards generally accepted in the Republic of China. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit also includes assessing the accounting principles used and significant estimates made by 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, 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, 2015 and 2014, and the individual financial performance and cash flows from January 1 to December 31, 2015 and 2014 in conformity with the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers".

Nexia Sun Rise CPAs & Co.

CPA: _____
Wu, Kuei-Chen

Chen, Tsan-Huang

Securities and Futures Bureau Approval No.: (85)

Tai-Tsai-Cheng-6-Tze No. 40484

Securities and Futures Bureau Approval No.:

Ching-Kuan-Chen-Shen-Tze No. 1020045056

March 23, 2016

MPI Corporation

Parent Company Only Balance Sheet (assets)

December 31, 2015 and 2014

		December 31, 2015		December 31, 2014		
		Currency unit: in NTD 1,000				
Code	Assets	Note	Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalent	VI (I)	\$ 234,594	4	\$ 719,334	12
1150	Receivable notes, net	VI (II)	5,403	-	9,930	-
1160	Note receivables –related parties-net	VI (II) and VII	-	-	5,299	-
1170	Receivable accounts, net	VI(III)	554,238	8	459,377	7
1180	Account receivables -related parties-net	VI (III) and VII	329,232	5	370,671	6
1200	Other receivable accounts		17,644	-	20,440	-
1210	Other receivable accounts-related party	VII	21,499	-	4,008	-
130X	Inventory, net	VI (IV)	1,590,834	24	1,633,217	26
1410	Prepayment		44,705	1	60,623	1
1470	Other current assets	VIII	9,220	1	9,028	1
11XX	Total current assets		<u>2,807,369</u>	<u>43</u>	<u>3,291,927</u>	<u>53</u>
Non-current assets						
1510	Financial assets held for trading - noncurrent	VI (XI)	-	-	608	-
1543	Financial assets measured at cost - noncurrent	VI (V)	-	-	20,231	-
1550	Investment under equity method	VI (VI)	837,241	13	624,026	10
1600	Property, plant and equipment	VI (VII), VII, and VIII	2,595,075	40	1,930,339	31
1780	Intangible assets	VI (VIII)	35,739	-	23,490	-
1840	Deferred income tax assets		58,444	1	40,715	1
1900	Other non-current assets		201,612	3	306,207	5
15XX	Total non-current assets		<u>3,728,111</u>	<u>57</u>	<u>2,945,616</u>	<u>47</u>
1XXX	Total assets		<u>\$ 6,535,480</u>	<u>100</u>	<u>\$ 6,237,543</u>	<u>100</u>

(The notes to this statement and the Auditors' Report by Wu, Keui-Chen, and Chen, Tsan-Huang, 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
Parent Company Only Balance Sheet (Liabilities and Shareholders' Equity)
December 31, 2015 and 2014

Currency unit: in NTD 1,000

Code	Liabilities and Shareholders' Equity	Note	December 31, 2015		December 31, 2014	
			Amount	%	Amount	%
Current liabilities						
2100	Note payables	VI (IX)	\$ 550,000	8	\$ -	-
2121	Financial liabilities held for trading - current	VI (XII)	1,682	-	-	-
2170	Account payables		369,674	6	456,934	7
2180	Account payables-related parties	VII	4,419	-	7,805	-
2213	Payables for equipment		90,945	1	134,676	2
2219	Other payable accounts	VI (X)	444,317	7	516,524	9
2220	Other payables –related parties	VII	63,569	1	40,536	1
2230	Income tax liabilities in the current period		40,191	1	56,524	1
2250	Provision for liabilities – current	VI (XI)	1,240	-	4,856	-
2310	Cash on receipt	VII	453,325	7	608,144	10
2321	Exercise of call option for corporate bond , current portion	VI (XII)	579,433	9	-	-
2322	Long-term loan, current portion	VI (XIII)	9,328	-	9,329	-
2399	Other current liabilities		12,671	-	12,046	-
21XX	Total current liabilities		<u>2,620,794</u>	<u>40</u>	<u>1,847,374</u>	<u>30</u>
Non-current liabilities						
2530	Corporate bond payable	VI (XII)	-	-	574,962	9
2540	Long-term loan	VI (XIII)	250,068	4	58,295	1
2570	Deferred income tax liabilities		7,547	-	11,607	-
2640	Net defined benefit liability - noncurrent	VI (XIV)	23,225	-	18,344	-
2670	Other non-current assets- others		1,256	-	1,257	-
25XX	Total non-current liabilities		<u>282,096</u>	<u>4</u>	<u>664,465</u>	<u>10</u>
2XXX	Total liabilities		<u>2,902,890</u>	<u>44</u>	<u>2,511,839</u>	<u>40</u>
Equity						
		VI (XV)				
31XX	Equity attributable to the parent company					
3110	Common shares		796,054	12	795,364	13
3200	Capital surplus		871,572	13	885,012	14
	Retained earnings					
3310	Legal Reserve		462,706	7	410,942	6
3350	Undistributed Earnings		1,509,840	23	1,593,614	26
3300	Total retained earnings		<u>1,972,546</u>	<u>30</u>	<u>2,004,556</u>	<u>32</u>
Other equities						
3410	Exchange difference arising from translation of the financial statement of foreign operations		26,872	1	40,772	1
3400	Total other equities		<u>26,872</u>	<u>1</u>	<u>40,772</u>	<u>1</u>
3500	Treasury stock		(34,454)	-	-	-
31XX	Total equity attributable to the parent company		<u>3,632,590</u>	<u>56</u>	<u>3,725,704</u>	<u>60</u>
3XXX	Total equities		<u>3,632,590</u>	<u>56</u>	<u>3,725,704</u>	<u>60</u>
1XXX	Total liabilities and equities		<u>\$ 6,535,480</u>	<u>100</u>	<u>\$ 6,237,543</u>	<u>100</u>

(The notes to this statement and the Auditors' Report by Wu, Keui-Chen, and Chen, Tsan-Huang, 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

Parent Company Only Consolidated Income Statement

January 1 to December 31, 2015 and 2014

Currency unit: in NTD 1,000

Code	Item	Note	2015		2014	
			Amount	%	Amount	%
	Net Sales	VII				
4110	Sale revenue		\$ 3,787,894	99	\$ 3,949,133	100
4170	Less: sales return		(2,862)	-	(15,858)	(1)
4190	Less: sales discount		(2,101)	-	(3,891)	-
4614	Revenue from commission		55,162	1	39,268	1
4000	Subtotal of operating revenue		3,838,093	100	3,968,652	100
5000	Operating cost	VI(IV) and VII	(2,076,616)	(54)	(2,167,101)	(55)
5900	Gross profit		1,761,477	46	1,801,551	45
5910	Unrealized income (loss) from sales		(106,434)	(3)	(29,076)	-
5920	Realized income (loss) from sales		22,521	1	4,116	-
5950	Net gross profit		1,677,564	44	1,776,591	45
	Operating expense	VII				
6100	Selling expenses		(379,727)	(10)	(317,698)	(9)
6200	Management expenses		(194,240)	(5)	(213,817)	(5)
6300	R&D expenses	VI (VIII)	(819,490)	(21)	(729,242)	(18)
6000	Subtotal operating expenses		(1,393,457)	(36)	(1,260,757)	(32)
6900	Operating profit		284,107	8	515,834	13
	Non-operating revenue and expense					
7020	Other gains and losses, net	VI(XVII)	17,385	-	29,255	1
7050	Financial cost	VI(XVII)	(13,177)	-	(3,007)	-
7070	Net portions of incomes/loss of subsidiaries, affiliated and joint ventures accounted for under the equity method	VI (VI)	3,402	-	26,738	1
7100	Interest revenue	VII	887	-	1,027	-
7110	Rent revenue	VII	12,758	-	13,160	-
7190	Other revenue-others	VII	33,315	1	8,953	-
7000	Subtotal non-operating incomes and expenses		54,570	1	76,126	2
7900	Net profit (loss) before tax		338,677	9	591,960	15
7950	Income tax expenses	VI(XVIII)	(43,857)	(1)	(74,324)	(2)
8200	Net profit		294,820	8	517,636	13
	Other consolidated income/loss					
8310	Titles not reclassified into income		(8,049)	-	(3,168)	-
8311	Re-measurement of defined benefit plan		(359)	-	(747)	-
8321	Re-measurement of defined benefit plan of affiliates and joint ventures under equity method					
8360	Titles potentially reclassified into income subsequently		(13,900)	(1)	3,270	-
8310	Exchange difference arising from translation of the financial statement of foreign operations					
8371	Exchange difference arising from translation of the financial statement of foreign operations of affiliates and joint ventures under equity method		-	-	12,111	-
8300	Other net consolidated incomes		(22,308)	(1)	11,466	-
8500	Total comprehensive income in current period (total)		\$ 272,512	7	\$ 529,102	13
	Earnings per common share: (Unit: NTD)	VI(XIX)	After taxation		After taxation	
9750	Basic EPS		3.71		6.62	
9850	Diluted EPS		3.42		6.11	

(The notes to this statement and the Auditors' Report by Wu, Keui-Chen, and Chen, Tsan-Huang, 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
Parent Company Only Statement of Changes in Shareholders' Equity
January 1 to December 31, 2015 and 2014

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	3200	3310	3320	3350	3420	3500	31xx	
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:										
Elements of equity recognized upon issuance of convertible corporate bonds (preferred shares) - generated from recognition of equity	C5		28,585						28,585	
Net profit in Jan ~Dec, 2014	D1					517,636			517,636	
Other comprehensive incomes in Jan ~Dec, 2014	D3					(3,915)	15,381		11,466	
Total comprehensive income	D5	-	-	-	-	513,721	15,381	-	529,102	
Corporate bond conversion	I1	9,240	82,350						91,590	
Share-based payment	N1		33,296					152,606	185,902	
Balance on December 31, 2014	Z1	\$ 795,364	\$ 885,012	\$ 410,942	\$ -	\$ 1,593,614	\$ 40,772	\$ -	\$ 3,725,704	
Balance on January 1, 2015	A1	\$ 795,364	\$ 885,012	\$ 410,942	\$ -	\$ 1,593,614	\$ 40,772	\$ -	\$ 3,725,704	
Allocation and distribution of earnings:										
Legal reserve	B1			51,764		(51,764)			-	
Cash dividend for common shares	B5					(318,422)			(318,422)	
Changes in other capital surplus:										
Elements of equity recognized upon issuance of convertible corporate bonds (preferred shares) - generated from recognition of equity	C5		(325)						(325)	
Changes of affiliates and joint ventures under equity method	C7		(19,306)						(19,306)	
Net profit in Jan ~Dec, 2015	D1					294,820			294,820	
Other comprehensive incomes in Jan ~Dec, 2015	D3					(8,408)	(13,900)		(22,308)	
Total comprehensive income	D5	-	-	-	-	286,412	(13,900)		272,512	
Corporate bond conversion	I1	690	6,191						6,881	
Repurchase of treasury stock	L1							(34,454)	(34,454)	
Balance on December 31, 2015	Z1	\$ 796,054	\$ 871,572	\$ 462,706	\$ -	\$ 1,509,840	\$ 26,872	\$ (34,454)	\$ 3,632,590	

(The notes to this statement and the Auditors' Report by Wu, Keui-Chen, and Chen, Tsan-Huang, 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

Parent Company Only Statement of Cash Flows

January 1 to December 31, 2015 and 2014

Currency unit: in NTD 1,000

Code	Item	2015	2014
AAAA	Cash flows from operation – indirect approach		
A10000	Net profit before tax in current period	\$ 338,677	\$ 591,960
A20000	Adjustments		
A20010	Income/expenses		
A20100	Depreciation expenses	176,163	120,897
A20200	Amortization expenses	40,241	30,801
A20300	Provisions (reversal) of doubtful accounts	3,649	3,557
A20400	Net loss (gain) from financial assets and liabilities at fair value through profit or loss	2,285	(1,782)
A20900	Interest expenses	13,177	3,007
A21200	Interest revenue	(887)	(1,027)
A21900	Share-based payment for remuneration and cost	-	30,862
A22400	Portions of gain/loss from subsidiaries, affiliates, and joint ventures accounted for under the equity method	(3,402)	(26,738)
A22500	Capital gains/loss from dispositions and scrap of real properties, plants and equipment	285	70
A23100	Loss (gain) from disposition of investment	(5,706)	-
A23900	Unrealized gain/loss from sales	106,434	29,076
A24000	Realized gain/loss from sales	(22,521)	(4,116)
A29900	Others – exchange gain/loss from prepayment for purchase of equipment	1,677	(454)
A30000	Changes in assets/liabilities related to operating activities		
A31000	Net changes in assets related to operating activities		
A31130	Decrease (increase) of note receivables	4,527	(5,498)
A31140	Decrease (increase) of note receivables - related parties	5,299	65
A31150	Decrease (increase) of account receivables	(98,879)	(32,603)
A31160	Decrease (increase) of account receivables - related parties	41,808	(310,081)
A31180	Decrease (increase) of other receivables	2,656	(14,730)
A31190	Decrease (increase) of other receivables - related parties	(17,490)	(1)
A31200	Decrease (increase) of inventory	42,384	(209,101)
A31230	Decrease (increase) of prepayments	15,917	3,026
A31240	Decrease (increase) of other current assets	(166)	8,589
A32000	Net changes in liabilities related to operations		
A32150	Decrease (increase) of account payables	(87,260)	85,047
A32160	Decrease (increase) of account payables - related parties	(3,386)	5,157
A32180	Decrease (increase) of other payables	(72,313)	170,691
A32190	Decrease (increase) of other payables - related parties	23,033	3,573
A32200	Increase (decrease) of provisions for debts	(3,616)	(4,788)
A32210	Increase (decrease) of cash on receipt	(154,819)	1,175
A32230	Increase (decrease) of other current liabilities	625	(910)
A32240	Increase (decrease) of net defined benefit liability - noncurrent	(3,168)	(2,853)
A33000	Cash inflows (outflows) from operations	345,224	472,871
A33100	Collected interest	1,027	887
A33300	Paid interest	(2,039)	(1,503)
A33400	Paid stock dividends	(318,422)	(165,086)
A33500	Paid income tax	(81,979)	(65,304)
AAAA	Net cash inflows (outflows) from operations	<u>(56,189)</u>	<u>241,865</u>
BBBB	Cash flows from investments		
B01300	Disposition of financial assets measured at cost	25,938	-
B01800	Acquisition of investment accounted for under the equity method	(349,990)	(170,500)
B02700	Acquisition of property, plant, and equipment	(886,717)	(387,973)
B02800	Disposition of property, plant, and equipment	126	195
B04500	Acquisition of intangible assets	(28,057)	(16,519)
B06500	Increase of other financial assets	(29)	(28)
B06700	Increase of other non-current assets	-	(219,344)
B06800	Decrease of other non-current assets	80,161	-
B07600	Collected stock dividends	22,700	15,000
BBBB	Net cash inflows (outflows) from investing activities	<u>(1,135,868)</u>	<u>(779,169)</u>

(To be continued)

MPI Corporation

Parent Company Only Statement of Cash Flows (continued from previous page)

January 1 to December 31, 2015 and 2014

Currency unit: in NTD 1,000

Code	Item	2015	2014
CCCC	Cash flow from financing		
C00100	Increase of short-term loans	550,000	-
C01200	Issuance of corporate bonds	-	694,797
C01600	Borrowing of long-term loan	191,771	-
C01700	Retirement of long-term loans	-	(9,329)
C04300	Increase of other non-current liabilities	-	1,159
C04900	Repurchase cost of treasury stock	(34,454)	-
C05800	Employees' subscription for treasury stock	-	152,062
CCCC	Net cash inflows (outflows) from financing activities	<u>707,317</u>	<u>838,689</u>
EEEE	Increase (decrease) of cash and cash equivalents in current period	(484,740)	301,385
E00100	Balance of cash and cash equivalents at beginning of period	719,334	417,949
E00200	Balance of cash and cash equivalents at ending of period	<u>\$ 234,594</u>	<u>\$ 719,334</u>

(The notes to this statement and the Auditors' Report by Wu, Keui-Chen, and Chen, Tsan-Huang, 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

Auditor's Audit Report

To **MPI Corporation**:

We have audited the consolidated balance sheets of **MPI Corporation and its subsidiaries** as of December 31, 2015 and 2014, and the consolidated comprehensive income statements, consolidated statements of changes in shareholders' equity and consolidated cash flow statements for the period from January 1 to December 31, 2015 and 2014. 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 2015 and 2014, and the information on direct investment as disclosed in note XIII are valued as audited by other public accountants. Said subsidiaries' total assets of are NT\$52,276 thousand and NT\$54,580 thousand or accounted for 0.79% and 0.85% of the consolidated total assets as of December 31, 2015 and 2014, respectively. As of January 1 to December 31, 2015 and 2014, MPI Corporation had net operating revenue amounted to NT\$56,362 thousand and NT\$53,336 thousand, or accounted for 1.40% and 1.28% of the consolidated net operating revenue, 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 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, 2015 and 2014, and the results of January 1 to December 31, 2015 and 2014 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 2015 and 2014.

Nexia Sun Rise CPAs & Co.

CPA: _____
Wu, Kuei-Chen

Chen, Tsan-Huang

Securities and Futures Bureau Approval No.: (85)

Tai-Tsai-Cheng-6-Tze No. 40484

Securities and Futures Bureau Approval No.:

Ching-Kuan-Chen-Shen-Tze No. 1020045056

March 23, 2016

MPI Corporation and subsidiaries
Consolidated Balance Sheet (Assets)
December 31, 2015 and 2014

Currency unit: in NTD 1,000

Code	Assets	Note	December 31, 2015		December 31, 2014	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalent	VI (I)	\$ 473,793	7	\$ 975,612	15
1150	Receivable notes, net	VI (II)	26,568	-	44,848	1
1170	Receivable accounts, net	VI(III)	769,566	12	588,924	9
1180	Account receivables -related parties-net	VI (III) and VII	81,938	1	102,922	2
1200	Other receivable accounts		19,725	-	22,383	-
1220	Income tax assets in the current period		1,603	-	134	-
130X	Inventory, net	VI (IV)	1,636,177	25	1,711,592	27
1410	Prepayment		125,854	2	139,902	2
1470	Other current assets	VIII	10,587	-	11,732	-
11XX	Total current assets		<u>3,145,811</u>	<u>47</u>	<u>3,598,049</u>	<u>56</u>
Non-current assets						
1515	Financial assets at fair value through profit or loss - noncurrent	VI (XII)	-	-	608	-
1543	Financial assets measured at cost - noncurrent	VI (V)	-	-	20,231	-
1550	Investment under equity method	VI (VI)	112,301	2	123,852	2
1600	Property, plant and equipment	VI (VII), VII, and VIII	2,962,969	45	2,167,777	34
1780	Intangible assets	VI (VIII)	81,467	1	69,274	1
1840	Deferred income tax assets		59,193	1	41,753	1
1900	Other non-current assets		289,730	4	365,873	6
15XX	Total non-current assets		<u>3,505,660</u>	<u>53</u>	<u>2,789,368</u>	<u>44</u>
1XXX	Total assets		<u>\$ 6,651,471</u>	<u>100</u>	<u>\$ 6,387,417</u>	<u>100</u>

(The notes to this statement and the Auditors' Report by Wu, Keui-Chen, and Chen, Tsan-Huang, 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 subsidiaries
Consolidated Balance Sheet (Liabilities and Shareholders' Equity)
December 31, 2015 and 2014

		Currency unit: in NTD 1,000				
Code	Liabilities and Shareholders' Equity	Note	December 31, 2015		December 31, 2014	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term loan	VI (IX)	\$ 554,217	9	\$ 4,384	-
2121	Financial liabilities held for trading - current	VI (XII)	1,682	-	-	-
2150	Note payables		56	-	2,260	-
2170	Accounts payable		394,182	6	500,805	8
2180	Account payables-related parties	VII	2,992	-	8,024	-
2213	Payables for equipment		127,068	2	141,920	2
2219	Other payable accounts	VI (X)	479,110	7	539,627	9
2220	Other payables –related parties	VII	6,667	-	13,856	-
2230	Income tax liabilities in the current period		42,783	1	66,279	1
2250	Provision for liabilities – current	VI (XI)	1,240	-	4,856	-
2310	Cash on receipt	VII	492,069	8	663,286	10
2321	Current portion of call option	VI (XII)	579,433	9	-	-
2322	Current portion of long-term loan	VI (XIII)	9,328	-	9,329	-
2399	Other current liabilities		23,199	-	19,047	1
21XX	Total current liabilities		<u>2,714,026</u>	<u>42</u>	<u>1,973,673</u>	<u>31</u>
Non-current liabilities						
2530	Corporate bond payable	VI (XII)	-	-	574,962	9
2540	Long-term loan	VI (XIII)	250,068	4	58,295	1
2570	Deferred income tax liabilities		11,679	-	15,307	-
2640	Accrued pension liabilities	VI (XIV)	26,014	-	20,934	-
2670	Other non-current assets - others		1,256	-	1,383	-
25XX	Total non-current liabilities		<u>289,017</u>	<u>4</u>	<u>670,881</u>	<u>10</u>
2XXX	Total liabilities		<u>3,003,043</u>	<u>46</u>	<u>2,644,554</u>	<u>41</u>
Equity						
31XX	Equity attributable to the parent company	VI (XV)	796,054	12	795,364	12
3110	Common shares		871,572	13	885,012	14
3200	Capital surplus					
	Retained earnings					
3310	Legal Reserve		462,706	7	410,942	6
3350	Undistributed Earnings		1,509,840	23	1,593,614	25
3300	Total retained earnings		<u>1,972,546</u>	<u>30</u>	<u>2,004,556</u>	<u>31</u>
	Other equities					
3410	Exchange difference arising from translation of the financial statement of foreign operations		26,872	-	40,772	2
3400	Total other equities		<u>26,872</u>	<u>-</u>	<u>40,772</u>	<u>2</u>
3500	Treasury stock		(34,454)	(1)	-	-
31XX	Total equity attributable to the parent company		<u>3,632,590</u>	<u>54</u>	<u>3,725,704</u>	<u>59</u>
36XX	Non-controlling equity		15,838	-	17,159	-
3XXX	Total equities		<u>3,648,428</u>	<u>54</u>	<u>3,742,863</u>	<u>59</u>
1XXX	Total liabilities and equities		<u>\$ 6,651,471</u>	<u>100</u>	<u>\$ 6,387,417</u>	<u>100</u>

(The notes to this statement and the Auditors' Report by Wu, Keui-Chen, and Chen, Tsan-Huang, 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 subsidiaries
Consolidated Income Statement
January 1 to December 31, 2015 and 2014

Currency unit: in NTD 1,000

Code	Item	Note	2015		2014	
			Amount	%	Amount	%
	Net Sales	VII				
4110	Sale revenue		\$ 3,712,683	92	\$ 4,063,300	98
4170	Less: sales return		(3,270)	-	(15,321)	-
4190	Less: sales discount		(2,289)	-	(3,907)	-
4614	Revenue from commission		65,254	2	53,149	1
4660	Revenue from processing		240,792	6	58,911	1
4000	Subtotal of operating revenue		4,013,170	100	4,156,132	100
5000	Operating cost	VI(IV) and VII	(2,220,098)	(55)	(2,221,139)	(53)
5900	Gross profit		1,793,072	45	1,934,993	47
5910	Unrealized income (loss) from sales		(320)	-	(1,248)	-
5920	Realized income (loss) from sales		3,359	-	2,774	-
5950	Net gross profit		1,796,111	45	1,936,519	47
	Operating expense	VII				
6100	Selling expenses		(396,216)	(10)	(367,544)	(9)
6200	Management expenses		(260,632)	(7)	(282,312)	(7)
6300	R&D expenses	VI (VIII)	(819,423)	(20)	(728,996)	(18)
6000	Subtotal operating expenses		(1,476,271)	(37)	(1,378,852)	(34)
6900	Operating profit		319,840	8	557,667	13
	Non-operating revenue and expense					
7020	Other gains and losses, net	VI (XVII)	19,578	1	31,232	1
7050	Financial cost	VI (XVII)	(13,397)	-	(3,238)	-
7060	Net portions of incomes/loss of affiliated and joint ventures accounted for under the equity method	VI (VI)	6,728	-	(7,433)	-
7100	Interest revenue	VII	2,126	-	2,532	-
7110	Rent revenue	VII	8,888	-	9,598	-
7190	Other revenue-others	VII	15,751	-	9,025	-
7000	Subtotal non-operating incomes and expenses		39,674	1	41,716	1
7900	Net profit (loss) before tax		359,514	9	599,383	14
7950	Income tax expenses	VI(XVIII)	(65,373)	(2)	(82,085)	(2)
8200	Net profit		294,141	7	517,298	12
	Other consolidated income/loss					
8310	Titles not reclassified into income					
8311	Re-measurement of defined benefit plan		(8,408)	-	(3,915)	-
8360	Titles potentially reclassified into income subsequently					
8361	Exchange difference arising from translation of the financial statement of foreign operations		(14,542)	-	15,850	1
8300	Other net consolidated incomes		(22,950)	-	11,935	1
8500	Total comprehensive income in current period (total)		\$ 271,191	7	\$ 529,233	13
	Net gain/loss attributable to					
8610	Parent company shareholders		\$ 294,820	7	\$ 517,636	12
8620	Uncontrolled equity		(679)	-	(338)	-
	Corporate earnings in current period		\$ 294,141	7	\$ 517,298	12
	Consolidated income attributable to					
8710	Parent company shareholders		\$ 272,512	7	\$ 529,102	13
8720	Uncontrolled equity		(1,321)	-	131	-
	Total consolidated income in current period		\$ 271,191	7	\$ 529,233	13
	Earnings per common share: (Unit: NTD)	VI (XIX)				
9750	Basic EPS		\$ 3.71		\$ 6.62	
9850	Diluted EPS		\$ 3.42		\$ 6.11	

(The notes to this statement and the Auditors' Report by Wu, Keui-Chen, and Chen, Tsan-Huang, 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 subsidiaries
Consolidated Statement of Changes in Shareholders' Equity
January 1 to December 31, 2015 and 2014

Currency unit: in NTD 1,000

Item	Capital stock		Retained earnings			Other Equities		Treasury stock	Total equity attributed to parent company shareholders	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					
Code	3110	3,200	3310	3320	3350	3410	3500	31XX	36XX	3XXX	
Balance on January 1, 2014	A1	\$ 786,124	\$ 740,781	\$ 383,839	\$ 17,571	\$ 1,254,511	\$ 25,391	\$ (152,606)	\$ 3,055,611	\$ 17,082	\$ 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:											
Elements of equity recognized upon issuance of convertible corporate bonds (preferred shares) - generated from recognition of equity	C5		28,585						28,585		28,585
Net profit in Jan ~Dec, 2014	D1					517,636			517,636	(338)	517,298
Other comprehensive incomes in Jan ~Dec, 2014	D3					(3,915)	15,381		11,466	469	11,935
Total comprehensive income	D5					513,721	15,381		529,102	131	529,233
Corporate bond conversion	I1	9,240	82,350						91,590		91,590
Payment transactions on the basis of shares	N1		33,296					152,606	185,902		185,902
Increase/decrease in non-controlling equity	O1										
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
Balance on January 1, 2015	A1	\$ 795,364	\$ 885,012	\$ 410,942	\$ -	\$ 1,593,614	\$ 40,772	\$ -	\$ 3,725,704	\$ 17,159	\$ 3,742,863
Allocation and distribution of earnings:											
Legal reserve	B1			51,764		(51,764)					
Cash dividend for common shares	B5					(318,422)			(318,422)		(318,422)
Changes in other capital surplus:											
Elements of equity recognized upon issuance of convertible corporate bonds (preferred shares) - generated from recognition of equity	C5		(325)						(325)		(325)
Changes of affiliates and joint ventures under equity method	C7		(19,306)						(19,306)		(19,306)
Net profit in Jan ~Dec, 2015	D1					294,820			294,820	(679)	294,141
	D3					(8,408)	(13,900)		(22,308)	(642)	(22,950)
Total comprehensive income	D5					286,412	(13,900)		272,512	(1,321)	271,191
Corporate bond conversion	I1	690	6,191						6,881		6,881
Repurchase of treasury stock	L1							(34,454)	(34,454)		(34,454)
Balance on December 31, 2015	Z1	\$ 796,054	\$ 871,572	\$ 462,706	\$ -	\$ 1,509,840	\$ 26,872	\$ (34,454)	\$ 3,632,590	\$ 15,838	\$ 3,648,428

(The notes to this statement and the Auditors' Report by Wu, Keui-Chen, and Chen, Tsan-Huang, 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 subsidiaries
Consolidated Statement of Cash Flows
January 1 to December 31, 2015 and 2014

Currency unit: in NTD 1,000

Code	Item	2015	2014
AAAA	Cash flows from operation – indirect approach		
A10000	Net profit before tax in current period	\$ 359,514	\$ 599,383
A20000	Adjustments		
A20010	Income/expenses		
A20100	Depreciation expenses	268,359	140,413
A20200	Amortization expenses	47,684	33,880
A20300	Provisions (reversal) of doubtful accounts	4,984	8,695
A20400	Net loss (gain) from financial assets and liabilities at fair value through profit or loss	2,285	(1,782)
A20900	Interest expenses	13,397	3,238
A21200	Interest revenue	(2,126)	(2,532)
A21900	Share-based payment for remuneration and cost	-	33,840
A22300	Portions of gain/loss from affiliates and joint ventures accounted for under the equity method	(6,728)	7,433
A22500	Capital gains/loss from dispositions and scrap of property, plants and equipment	307	1,920
A23100	Loss (gain) from disposition of investment	(5,706)	-
A23900	Unrealized gain/loss from sales	320	1,248
A24000	Realized gain/loss from sales	(3,359)	(2,774)
A29900	Others – exchange gain/loss from prepayment for purchase of equipment	1,677	(454)
A30000	Changes in assets/liabilities related to operating activities		
A31000	Net changes in assets related to operating activities		
A31130	Decrease (increase) of note receivables	18,280	(27,293)
A31150	Decrease (increase) of account receivables	(185,891)	(86,029)
A31160	Decrease (increase) of account receivables -related parties	21,366	(62,510)
A31180	Decrease (increase) of other receivables	2,518	(14,764)
A31200	Decrease (increase) of inventory	75,415	(211,400)
A31230	Decrease (increase) of prepayments	14,049	(42,707)
A31240	Decrease (increase) of other current assets	1,179	644
A32000	Net changes in liabilities related to operations		
A32130	Decrease (increase) of note payables	(2,204)	208
A32150	Decrease (increase) of account payables	(106,623)	107,659
A32160	Decrease (increase) of account payables -related parties	(5,032)	5,917
A32180	Decrease (increase) of other payables	(60,622)	179,605
A32190	Decrease (increase) of other payables - related parties	(7,189)	6,306
A32200	Increase (decrease) of provisions for debts	(3,616)	(4,788)
A32210	Increase (decrease) of cash on receipt	(171,217)	(10,620)
A32230	Increase (decrease) of other current liabilities	4,152	(972)
A32240	Increase (decrease) of net defined benefit liability - noncurrent	(3,327)	(2,941)
A33000	Cash inflows (outflows) from operations	271,846	658,823
A33100	Collected interest	2,267	2,393
A33300	Paid interest	(2,259)	(1,735)
A33400	Paid stock dividends	(318,422)	(165,086)
A33500	Paid income tax	(111,407)	(68,544)
AAAA	Net cash inflows (outflows) from operations	(157,975)	425,851

(To be continued)

MPI Corporation and subsidiaries
Consolidated Statement of Cash Flows (continued from previous page)
January 1 to December 31, 2015 and 2014

Currency unit: in NTD 1,000

Code	Item	2015	2014
BBBB	Cash flows from investments		
B01300	Disposition of financial assets measured at cost	25,938	-
B02200	Acquisition of subsidiaries (less earned cash)	-	(45,632)
B02700	Acquisition of property, plant, and equipment	(1,087,949)	(620,119)
B02800	Disposition of property, plant, and equipment	149	1,405
B04500	Acquisition of intangible assets	(28,057)	(16,773)
B06500	Increase of other financial assets	(34)	-
B06600	Decrease of other financial assets	-	239
B06700	Increase of other non-current assets	-	(270,568)
B06800	Decrease of other non-current assets	43,636	-
BBBB	Net cash inflows (outflows) from investing activities	<u>(1,046,317)</u>	<u>(951,448)</u>
CCCC	Cash flow from financing		
C00100	Increase of short-term loans	549,833	119
C01200	Issuance of corporate bonds	-	694,797
C01600	Borrowing of long-term loan	191,771	-
C01700	Retirement of long-term loans	-	(9,329)
C04300	Increase of other non-current liabilities	-	1,163
C04400	Decrease of other non-current liabilities	(127)	-
C04900	Repurchase cost of treasury stock	(34,454)	-
C05100	Employees' subscription for treasury stock	-	152,062
C05800	Uncontrolled equity	(642)	469
CCCC	Net cash inflows (outflows) from financing activities	<u>706,381</u>	<u>839,281</u>
DDDD	Effect of exchange rate fluctuation on cash and cash equivalents	<u>(3,908)</u>	<u>38,132</u>
EEEE	Increase (decrease) of cash and cash equivalents in current period	(501,819)	351,816
E00100	Balance of cash and cash equivalents at beginning of period	<u>975,612</u>	<u>623,796</u>
E00200	Balance of cash and cash equivalents at ending of period	<u>\$ 473,793</u>	<u>\$ 975,612</u>

(The notes to this statement and the Auditors' Report by Wu, Keui-Chen, and Chen, Tsan-Huang, 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 VI

MPI Corporation
Disposition of Net Earnings
2015

Unit: NTD

Item	Amount	
	Subtotal	Total
Unallocated earnings at the ending		\$ 1,223,428,476
Less: Other consolidated income (actuarial income under defined benefit plan 2015)		(8,408,169)
Add: Net profit after tax this year		294,819,264
Subtotal:		1,509,839,571
Provision:		
Less: Provision of 10% legal reserve	(29,481,926)	
Subtotal of allocable earnings:		1,480,357,645
Item of distribution:		
Shareholder bonus - cash	(238,816,176)	
Shareholder bonus - stock	(0)	
Unallocated earnings at the ending		\$ 1,241,541,469

CEO: Steve Chen

President: Scott Kuo

Chief Accounting Officer: Rose Jao

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 three (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 six (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 five (5) seats of Directors, three (3) seats of Supervisors, and each shall have tenure of three (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 two (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 shall purchase the liability insurance for directors to mitigate the risk over a shareholder's or any related party's claim against the directors due to the directors' performance of their job duty. The same shall apply to the Company's supervisors.

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 acknowledgment 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-I: 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; and
- (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-I: The Company is now at 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 Bylaw

Article XXI: Anything not covered by this 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.

Amendment was made for the 18th instance on June 12, 2015.

MPI Corporation
CEO: Steve Chen

Appendix II

MPI Corporation

Parliamentary Procedure for General Meeting of Shareholders

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

Article I-I: 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, 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 the professional share registration agent commissioned by the Company, 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, 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, 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 impromptu 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 I-II: 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 five (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 two (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 II: 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 III: 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 IV: 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 V: 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 VI: 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 VII: 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 VIII: 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 IX: For General Meeting being called for by the Board of Directors, the Board of Directors shall prepare the agenda and the meeting shall be proceeded 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 impromptu motions) as stated in the preceding two (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 X: 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 XI: 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 XII: 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 two (2) or more representatives to the General Meeting, only one representative may expression opinion on particular motion.

Article XIII: 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 XIII-I: 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 two (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 XIII-II: 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 impromptu 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 five (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 XIV: 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 XV: 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 XVI: The Chairman may announce for recess during the session.

Article XVII: 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 XVIII: 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 XVIII-I: 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 XVIII-II: 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 minutes of meeting 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 XVIII-III: 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 XIX: 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 XX: 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 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 18 2016, 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 the 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 IV

The effect of stock dividend as proposed in this General Meeting on the operation performance and earnings per share of the company: N/A, as no stock dividend was proposed in the meeting.