

MPI Corporation

2021 Annual General Meeting Minutes

Date and time: August 18, 2021 (Wednesday), 10:00 am

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

Attendance: The total number of shares represented by attending shareholders and proxies at the meeting was 50,788,642 shares (including 13,782,189 adopting e-voting), representing 54.63% of the Company's 92,962,965 outstanding shares and exceeded the statutory requirement. 8 attending members of the board included: Director Steve Chen, Director Scott Kuo, Director Li, Tu-Cheng, Director Tsai, Chang-Shou, Director Liu, Fang-Sheng, Independent Director Hsu, Mei-Fang (the convener of Audit Committee), Independent Director Kao, Chin-Cheng, and Independent Director Liao, Da-Ying, which exceeded a majority of the 9 seats on board.

Attendees: Chen, Yi-Ling, CPA

Chairperson: Director Steve Chen (appointed by Chairman Ko, Chang-Lin)

Record taken by Manager Tang, Fu-Ping

I. Announcement of session

II. Address of the Chairman: skipped.

III. Reports

1. 2020 Operation Review. (See Attachment I)

2. 2020 Audit Committee's Review Report on Financial Statements (See Attachment II)

3. 2020 Report on Allocation of Remuneration to Employees and Directors

Remarks: According to Article XIX of the Company's Articles of Company Incorporation, where there are earnings before tax in any fiscal year, 0.1%~15% shall be appropriated as remuneration to employees and no more than 3% thereof as remuneration to directors. The earnings before tax, excluding the remuneration to employees and directors, was NT\$920,266,343 in 2020. The Company plans to appropriate NT\$73,877,000 as the remuneration to employees and NT\$18,469,225 as the remuneration to directors. All were distributed in cash.

4. Report on 2020 allocation of cash dividend from earnings.

Remarks:

(I) According to Article XIX of the Articles of Incorporation, the Company shall

authorize the Board of Directors to resolve to distribute the dividend and bonus, in whole or in part in cash, and report the same to a shareholders' meeting.

- (II) The bonus amounting to NT\$415,716,174 was allocated to shareholders at NT\$4.5 per share in cash. The amount of cash dividend will be truncated to the nearest dollar. Fractional amounts of less than NT\$1 will be summed up and allocated based on the size of decimals in descending order until the total amount of cash dividend is allocated.
- (III) The motion has been approved upon resolution by the Board meeting, and the Chairman was authorized to determine the ex-dividend date, date of distribution and other related matters. In the event that the total quantity of the Company's outstanding shares is changed and the dividends to shareholders are being affected, the Chairman shall be authorized to deal with it with full power.

IV. Points of Ratification

Motion No. 1

[Submitted by the Board]

Cause of motion: Proposal for the ratification of the Company's 2020 operation review and financial statements.

Remarks:

- (I) The Board of Directors has prepared and passed the operation review and financial statements of individual entities (including the consolidated financial statements) for the fiscal year 2020. The financial statements of individual entities (including the consolidated financial statements) have been audited by Chen, Chih-Ling and Chen, Yi-Ling, CPAs of Nexia Sun Rise CPAs & Co., with the issuance of unqualified opinions, subject to the final review of the Audit Committee. For details, please refer to Attachment III and Attachment IV hereto.
- (II) This motion was approved by the Board of Directors at the 2nd Board meeting in 2021.

Resolution: Motion vote results: A total of 50,788,642 voting rights were present at the time of voting (including 13,782,189 rights executed in electronic form)

Voting result	Vote number	Percentage in votes of the present shareholders %
Approval votes	49,703,067	97.86%
Disapproval votes	984	0.00%
Invalid votes	0	0.00%
Abstention votes/no votes	1,084,591	2.14%

The motion was ratified as initially proposed, based on the outcome of the vote.

Motion No. 2

[Submitted by the Board]

Cause of motion: Proposal for the ratification of the motion for allocation of earnings for the 2020 fiscal year.

Remarks:

- (I) MPI Corporation had the earnings after tax amounting to NT\$714,482,422 in the fiscal year 2020. Enclosed therein is the motion for allocation of earnings. For further information, please refer to Attachment V.
- (II) In consideration of the future business development, the Company plans to attribute NT\$415,716,174 from distributable earnings as cash dividend for FY 2020 on the basis of the quantity of 92,381,372 shares outstanding on the day of the Board meeting. The earnings per share is tentatively set at NT\$4.5.
- (III) In the event that the total quantity of the Company's outstanding shares is affected due to any changes of the Company's capital stock and thereby the dividends to shareholders are being changed, the Board of Directors shall be authorized to deal with it with full power.
- (IV) This motion was approved by the Board of Directors at the 2nd Board meeting in 2021.

Resolution: Motion vote results: A total of 50,788,642 voting rights were present at the time of voting (including 13,782,189 rights executed in electronic form)

Voting result	Vote number	Percentage in votes of the present shareholders %
Approval votes	49,774,063	98.00%
Disapproval votes	987	0.00%
Invalid votes	0	0.00%
Abstention votes/no votes	1,013,592	2.00%

The motion was ratified as initially proposed, based on the outcome of the vote.

V. Points of Discussion

Motion No. 1

[Submitted by the Board]

Cause of motion: Proposal for the discussion of the amendment to the Company's "Parliamentary Rules for Shareholders' Meetings."

Remarks:

- (I) The amendments to the Company's "Parliamentary Rules for Shareholders' Meetings" were made pursuant to the Financial Supervisory Commission (FSC) Letter Zheng-Gui-Jian-Zi No. 11000519041 on February 9, 2021.
- (II) The Comparison Table of the "Parliamentary Rules for Shareholders' Meetings" before and after amendments is attached for your information. Please refer to Attachment VI.
- (III) This motion was approved by the Board of Directors at the 2nd Board meeting in 2021.

Resolution: Motion vote results: A total of 50,788,642 voting rights were present at the time of voting (including 13,782,189 rights executed in electronic form)

Voting result	Vote number	Percentage in votes of the present shareholders %
Approval votes	47,818,626	94.15%
Disapproval votes	1,010	0.00%

Invalid votes	0	0.00%
Abstention votes/no votes	2,969,006	5.85%

The motion was approved as initially proposed, based on the outcome of the vote.

Motion No. 2:

[Submitted by the Board]

Cause of motion: Proposal for the discussion of the amendment to the “Procedures for Engaging in Derivatives Trading” of MPI Corporation.

Remarks:

- (I) In response to laws and the Company's current operation, the motion for amendments to the Company’s “Procedures for Engaging in Derivatives Trading” is submitted accordingly.
- (II) The Comparison Table of the “Procedures for Engaging in Derivatives Trading” before and after amendments is attached for your information. Please refer to Attachment VII.
- (III) This motion was approved by the Board of Directors at the 2nd Board meeting in 2021.

Resolution: Motion vote results: A total of 50,788,642 voting rights were present at the time of voting (including 13,782,189 rights executed in electronic form)

Voting result	Vote number	Percentage in votes of the present shareholders %
Approval votes	47,817,620	94.15%
Disapproval votes	2,013	0.00%
Invalid votes	0	0.00%
Abstention votes/no votes	2,969,009	5.85%

The motion was approved as initially proposed, based on the outcome of the vote.

VI. Impromptu motions: N/A

VII. Date and time: August 18, 2021 (Wednesday), 10:25 am

MPI Corporation Operation Review

I. 2020 Operating Results

(I) Business Plan and Result

In FY 2020, the Group generated consolidated operating revenue amounting to NT\$5.926 billion, which was an increase of 7% compared to NT\$5.515 billion in 2019. Earnings in FY 2020 amounted to NT\$714 million, seeing an increase of 67% from NT\$428 million in 2019, with earnings per share of NT\$8.41 after tax.

The global semi-conductor industry's output value was about US\$450 billion in 2020, increasing by about 7% compared to 2019. Semi-conductor research firms estimate that the global semiconductor industry will reach \$486 billion in output value in 2021, an increase of about 8% from 2020.

In 2020, people's lifestyles around the world were fundamentally transformed due to the impact of the COVID-19 pandemic. The pandemic affected market demand and posed significant impact to traditional industries. Notwithstanding, the semi-conductor industry was one of the few industries benefiting from the pandemic. 5G and the pandemic have greatly accelerated digital transformation and driven the demand for chips accordingly. The home quarantine policies adopted by various countries worldwide have resulted in the significant increase in sales of PCs, NBs, pads and other wearable consumer electronic products, thereby driving the entire semi-conductor industry's growth. At the end of 2020, the strong recovery of demand in the automobile market and accelerated 5G deployment are expected to continue propelling the growth of the semi-conductor industry in 2021. In addition to smartphone applications, 5G technology is gradually expanding to laptops, TVs, advanced IoT devices, automobiles, factory automation and consumer electronics. In the next few years, 5G will become the key growth driver for the semi-conductor industry. Meanwhile, the semi-conductor market's growth will also be driven by terminal products, such as communications, solid-state lighting, SSD, wearable devices and electric vehicles/hybrid vehicles in 2021.

As driven by said demands, the semi-conductor supply chain will keep playing a pivotal role. In consideration of the high computing function of chips, it is necessary to keep improving the advanced production process of semi-conductor to upgrade the terminal products' overall performance. The world's high reliance on the semi-conductor industry also benefits the prospective of the demand for probe cards. As a world-renowned leading probe card manufacturer, MPI Corporation will keep upholding its spirit of innovation, investing heavily in R&D resources, and striving to improve the completeness of its market-leading probe card products, in order to provide customers with the best services. The self-developed semi-conductor equipment for engineering

and temperature testing is expected to keep growing in response to the business indicators and demand.

(II) Revenue and profitability analysis

Unit: NTD thousands

Item		Year			
		2019	2020	Change (%)	
Revenue	Net sales	5,515,200	5,925,601	7.44%	
	Gross profit	2,228,901	2,585,565	16.00%	
	Profit or loss after tax	428,370	714,482	66.79%	
Profitability	ROA (%)	5.48	8.48	54.74%	
	ROE (%)	10.07	14.24	41.41%	
	Operating Income to Paid-in capital ratio (%)	59.69	93.40	56.48%	
	EBT to Paid-in capital ratio (%)	61.16	91.74	50.00%	
	Net profit margin (%)	7.76	12.05	55.28%	
	EPS (NT\$)	before retroactive adjustment	5.36	8.41	56.90%
		after retroactive adjustment	5.36	8.41	56.90%

(III) Research and development

Research and development achievements in 2020:

1. Photoelectric precision automated equipment:
 - A. Micro LED wafer level high-speed photoelectric test system.
 - B. Wafer level test system with high-speed, high-current and high-power Laser Diode and VCSEL.
 - C. Three-temperature full automatic probe station applicable to the wafer-level and PCB-level photoelectric measurement needs.
2. Wafer probe card:
 - A. The Company continues to develop vertical type MEMS probe cards to meet the technical needs for low-contact force and high pin count in IC fabrication.
 - B. In response to the technical requirements of high-speed transmission of smart devices, the Company continues to develop high-speed wafer probe cards to provide higher transmission speeds.
 - C. We developed 50um and 40um micro-pitch probes to meet the application of micro-shrink processes.
 - D. In response to the demand for high-speed computing applications, we have successfully developed high-current resistance probes.
3. Semi-conductor component temperature testing series:

Develop various optimal high-temperature/low-temperature testing system models in response to customers' needs for application.
4. Semi-conductor engineering testing machine series:

The Company has successfully launched 220 high-frequency probe card and wafer probe, and high-temperature/low-temperature measurement-related sub-systems.

II. Summary of 2021 Business Plan

(I) Operational guidelines

Technology is essential to maintaining competitiveness. In view of the development of the microelectronics industry and future technological needs, the Company is also making the following strategic planning and efforts to maintain its competitive edge:

1. We continue to develop new technologies for wafer-level micro-pitch to meet the needs of high-end IC process miniaturization.
2. In response to the application demand of high performance computing, we continue to develop high-current resistance probe cards.
3. To meet the technology requirements for high-speed transmission of smart devices, we constantly develop probe cards with higher transmission speeds.
4. We will continuously optimize multi-layer organic technology to correspond to technical demands for higher specification applications in the future and strengthen the competitiveness of our probe card products.
5. For the photonics automation industry, we aim at four industrial fields of optical communication, sensing & LiDar, micro display and LED to offer automated equipment with high optical, mechanical and electrical integration for measurement, sorting and optical inspection. Through close cooperation with leading customers of international technology, we adopt the providing of high value-added Turnkey solutions for the photoelectric industry as our main development goal.
6. In the application of temperature control systems for environmental testing of semiconductors, optical communication components, etc., we continue to develop the best corresponding products for different test temperature ranges and the best temperature testing solutions for mass production and laboratories.
7. In the field of semiconductor engineering inspection applications, we continue to develop features that make it easier and more efficient for our customers to use our products, focusing on the development of equipment for silicon photon measurement.

(II) Key production and sales strategies

MPI Corporation will continue to invest in research and development, strengthen our competitiveness and develop new products to expand our business. We are also committed to the support capacity of our overseas offices in order to provide faster and more complete technical services to our customers and further increase the market share of our products.

We will behold the core philosophy of assisting our customers to upgrade their competitiveness and thereby positions ourselves as the technology partners of our customers. Also, our main production and sales policy is to focus on the future demand of customers to jointly develop suitable products and provide in-time technical

services. Therefore, we offer the best solution for our customers.

III. The development strategy of the future

- (I) Based on the five major technical areas including prober, sorting, photoelectric testing, imaging detection and automated equipment, provide complete testing application solutions to meet the need for mass production of the photoelectric and semiconductor industries.
- (II) In the application field of semiconductor engineering testing, we continue to develop more competitive products via our core technologies in micro-signal, high-frequency and high power high-temperature/low-temperature measurement.
- (III) With our core technology in temperature control, we continue to expand the environmental temperature testing market in the fields of semiconductor and fiber optics communication components. In the future, we will introduce this technology to the applications of component temperature testing.
- (IV) In response to the constant demand of the end consumption for higher performance computing, faster transmission, various functions and power saving and the rising market of intelligent technology application, we develop fine-pitch probe card as well as the high pin count and high speed probe card to upgrade the frequency in testing and efficiency for the customer needs to ensure we maintain our competitiveness.

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

Under the impact posed by the COVID-19 pandemic in 2020, people all over the world were forced to fundamentally alter their lifestyles. The pandemic has accelerated the digital transformation and driven the semi-conductor demand through work from home (WFH) policies. The increasing penetration rate of 5G mobile phones also drove the growing demand for related chips. Besides, in consideration of the uncertainty brought about by the technology competition between China and the USA, customers increased their inventory level. Therefore, the demand for semi-conductor was further boosted. Benefiting from the booming demand in the global semi-conductor supply chain, we will continue to focus on expansion of our key products and are committed to maintaining our leading position in the industry. We will also provide customers with more comprehensive test services through our excellent products, hoping to further maximize the return on investment for our shareholders.

Ladies and gentlemen

We would like to give you our best regards for the future ahead.

Chairman: Ko, Chang-Lin

President: Scott Kuo

Chief Accounting Officer: Rose Jao

MPI Corporation
Audit Committee's Review Report

The Company's 2020 standalone financial statement and consolidated financial statements submitted by the Board of Directors have been audited by Chen, Chih-Ling and Chen, Yi-Ling, CPAs of Nexia Sun Rise CPAs & Co, who believe that the statements should be sufficient to present a fair view of the financial status, operating results, and cash flow of the Company. We, the Audit Committee, also reviewed the business report and motion for earnings allocation submitted together with the financial statements. We hereby recognize said report and statements after conducting the audit on them pursuant to Article 219 of the Company Act and Article 14-4 of Securities and Exchange Act.

To:
MPI Corporation 2021 Annual General Meeting

MPI Corporation
Convener of Audit Committee: Hsu, Mei-Fang

March 24, 2021

Attachment III

Independent Auditor's Report

To MPI Corporation:

Audit opinions

We have audited the standalone balance sheets of **MPI Corporation** as of December 31, 2020 and 2019, and the standalone comprehensive income statements, standalone statements of changes in shareholders' equity, standalone cash flow statements and notes to the standalone financial statements (including a summary of the important accounting policies) for the period from January 1 to December 31, 2020 and 2019.

In our opinion, based on our audits and the report of the other auditors (please refer to Paragraph "Other Matters"), said standalone financial statements present fairly, in all material respects, the financial position of **MPI Corporation** as of December 31, 2020 and 2019, and the standalone financial performance and standalone cash flow from January 1 to December 31, 2020 and 2019 in conformity with the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers."

Basis of audit opinion

We have conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards. Our responsibilities as an auditor under said standards will be explained in the Entities Responsibilities paragraph of the standalone financial statements. All relevant personnel of the accounting firm have followed CPA code of ethics and maintained independence from **MPI Corporation** when performing their duties. Based on our audits and the report of the other auditors, we believe that the evidence obtained provide an adequate and appropriate basis for our opinion.

Key audit issues

Key audit issues are matters that we considered the most important, based on professional judgment when auditing the 2020 standalone financial statements of **MPI Corporation**. These issues have already been addressed when we audited and formed our opinions on the standalone financial statements. Therefore, we do not provide opinions separately for individual issues.

Key audit issues concerning the 2020 standalone financial statements of **MPI Corporation** are stated as follows:

I. Recognition of revenue

Remarks

For the accounting policy about the recognition of revenue, please refer to Note 4(25) to the standalone financial statements. Please refer to Note 6(17) and Note 9 for major accounts,

Statement of Operating Revenue for related disclosures.

Sales revenue serves as the key indicator applied by investors and the management to evaluate the financial position or business performance of **MPI Corporation**. Considering that the timing for recognition of revenue and recognized amount are critical to the financial statements, they are identified as one of the key audit issues when we are auditing the financial statements.

Responding Audit Procedures

The responding audit procedures already executed by us are summarized as following:

1. To understand and test the design of internal control system about the sales and cash receipts cycle, and the validity of implementation thereof.
2. To understand the type of major revenue and trading terms & conditions of **MPI Corporation** in order to evaluate whether the accounting policy applicable at the time of recognition of revenue is adequate.
3. To understand the type and sale of products to top ten customers, perform a random check and check purchase orders, evaluate the impact posed by trading terms and conditions to recognition of revenue, and confirm whether the accounting treatment adopted by **MPI Corporation** is adequate.
4. Evaluate the rationality of sales revenue and receivables turnover days, and analyze whether there are significant changes in customers between the most recent and the same period last year.
5. To perform a detailed test, take samples from the trading for sales revenue for a while before and after the reporting date, execute the cut-off test, verify that related documents, changes of stated inventory and sales cost carry-forward have been recorded within an adequate period, in order to evaluate the accuracy of the period for recognition of revenue, whether there is any abnormal receipt voucher, and whether there is any significant returns & refunds subsequently.

II. Evaluation of inventory

Remarks

For the accounting policy about evaluation of inventory, please refer to Note 4(14) to the standalone financial statements. For the major sources of uncertainty in significant accounting judgments, estimations and hypotheses, please refer to Note 5 to the standalone financial statements. For the notes to major accounts, please refer to Note 6(4) to the standalone financial statements. **MPI Corporation** had the inventory and allowance for inventory devaluation and obsolescence losses, NT\$2,623,345 thousand and NT\$306,603 thousand, on December 31, 2020. The book value of inventories was NT\$2,316,742 thousand, i.e. 26% of the total assets in the standalone balance sheet.

MPI Corporation is primarily engaged in the production and sale of semiconductor process and testing equipment. The management takes into account the high risk over inventory devaluation loss or obsolescence posed by the repaid changes in technologies, short life cycle of

electronic products and intensive competition in market. The inventory was measured at the lower of cost and net realizable value. Additionally, for the inventories beyond specific inventory age and evaluated as obsolete separately, the inventory valuation loss was evaluated based on the inventory age and future demand for the product within specific time limit. The source of information refers to the net realizable value of various products judged by the management based on the sales, obsolescence and quality of the inventory. Considering that **MPI Corporation** had significant inventory amount and multiple types of products, and the evaluation basis adopted for the inventories beyond specific inventory age and held obsolete varies depending on the management's subjective judgment, the high uncertainty was caused accordingly. Therefore, in our opinion, the evaluation on allowance for inventory devaluation and obsolescence losses shall also be one of the key audit issues this year.

Responding Audit Procedures

The responding audit procedures already executed by us are summarized as following:

1. To the best of our knowledge about the industry and operation of **MPI Corporation**, we evaluated the rationality of the policy adopted by it to provide the allowance for inventory devaluation and obsolescence losses.
2. To understand the inventory management procedure of **MPI Corporation**, review its annual inventory-taking plan and participate in its annual inventory taking to evaluate the validity of the management's judgment and control over obsolete inventories.
3. Access the inventory aging report on various products, verify the validity of the report system and logic, and confirm the consistency between the reports and defined policies.
4. Evaluate the validity of the method used to calculate the inventory devaluation losses, including categories of inventory defined based on determining net realizable value, random check on individual part numbers, basic hypotheses used to verify the calculation, and related supporting documents, and verification of the accuracy of calculation.

Other Matters - Reference to Audit by Other CPAs

As stated in Note 6(5) to the standalone financial statements, certain investments under equity method were not audited by us, but by the other CPAs. Therefore, in some opinion stated by us in said standalone financial statements, the figures stated therein and related information disclosed in Note 13 were based on the audit report prepared by the other CPAs. The income under the equity method recognized based on the financial reports audited by other external auditors from January 1 to December 31, 2020 and 2019 were NT\$51,422 thousand and NT\$61,888 thousand. Until December 31, 2020 and 2019, the investment balances under the equity method were NT\$121,101 thousand and NT\$79,016 thousand respectively.

Responsibilities of the management and governing body to the standalone financial statements

The responsibility of the management is to have the standalone financial statements presented

fairly in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers,” and also maintain the necessary internal controls related to the standalone financial statements to ensure that the standalone financial statements are free of any material misstatement arising from fraud or errors.

The management's responsibilities when preparing financial statements also involved: assessing the ability of MPI Corporation to operate, disclose information and account for transactions as a going concern unless the management intends to liquidate or cease business operations, or is compelled to do so with no alternative solution.

The governing body of **MPI Corporation** (including independent directors and supervisors) is responsible for supervising the financial reporting process.

Responsibilities of the auditor when auditing standalone financial statements

The purposes of our audit were to obtain reasonable assurance of whether the standalone financial statements were prone to material misstatements caused by fraud or error, and issue a report of our audit opinions. We considered assurance to be reasonable only if it is highly credible. However, audit tasks conducted in accordance with generally accepted auditing principles do not necessarily guarantee detection of all material misstatements within the standalone financial statements. Misstatements can be attributed to fraud or error. Misstatements are considered material if the individual amount or aggregate total is reasonably expected to affect economic decisions of the standalone financial statement user.

When conducting audits in accordance with generally accepted audit principles, we exercised judgments and raised doubts as deemed professionally appropriate. We also performed the following tasks as an auditor:

1. Identifying and assessing risks of material misstatement due to fraud or error in the standalone financial statements; designing and executing appropriate responsive measures for the identified risks; obtaining adequate and appropriate audit evidence to support audit opinions. Fraud may involve conspiracy, forgery, intentional omission, untruthful declaration or breach of internal control, and our audit did not find any material misstatement where the risk of fraud is greater than the risk of error.
2. Developing the required level of understanding on relevant internal controls and designing appropriate audit procedures under the prevailing circumstances, but without providing an opinion on the effectiveness of the internal control system of **MPI Corporation**.
3. Assessing the appropriateness of accounting policies adopted by the management, and the rationality of accounting estimates and related disclosures made.
4. Forming conclusions regarding the appropriateness of management's decision to account for the business as a going concern, and whether there are doubts or uncertainties about the **MPI Corporation** to operate as a going concern, based on the audit evidence obtained. We are bound to remind the standalone financial statement users and make related disclosures if material uncertainties exist in regards to said events or circumstances, and amend audit

opinions when the disclosures are no longer appropriate. Our conclusions are based upon audit evidence obtained as of the audit report date. However, occurrences of future events or circumstances may still render **MPI Corporation** no longer capable of operating as a going concern.

5. Assessing the overall presentation, structure and contents of the standalone financial statements(including related notes), and whether certain transactions and events are presented appropriately in the standalone financial statements.
6. Obtain sufficient and appropriate audit evidence on the standalone financial information of **MPI Corporation** in order to express an opinion on the standalone financial statements. We are responsible for guiding, supervising, and implementing the audit on the entity, and for forming an opinion on the audit on **MPI Corporation**.

We have communicated with the governing body about the scope, timing and significant findings (including significant defects identified in the internal control) of our audits.

We have also provided the governing body with a declaration of independence stating that all relevant personnel of the accounting firm have complied with auditors' professional ethics, and communicated with the governing body on all matters that may affect the auditor's independence (including related protection measures).

We have identified the key audit issues after communicating with the governing body regarding the 2020 standalone financial statements of **MPI Corporation**. These issues have been addressed in our audit report except for certain topics that are prohibited by law from disclosing to the public, or under extreme circumstances, topics that we decided not to communicate in the audit report because of higher negative impacts they may cause than the benefits they bring to public interest.

Nexia Sun Rise CPAs & Co.

CPA:

Chen, Chih-Ling

Chen, Yi-Ling

Securities and Futures Bureau Approval No.: (89) Tai-Cai-Zheng-(VI) No. 77662

Securities and Futures Bureau Approval No.: Jin-Guan-Zheng-Shen-Zi No. 1070326249

March 24, 2021

MPI CORPORATION
BALANCE SHEETS (ASSETS)
DECEMBER 31, 2020 AND 2019

(All amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

ASSETS	Note	December 31, 2020		December 31, 2019	
		Amounts	%	Amounts	%
NONCURRENT ASSETS					
Cash and cash equivalents	6(1)	\$ 694,707	8	\$ 397,726	5
Financial assets at fair value through profit or loss – current	6(13)	1,289	-	-	-
Accounts receivable, net	6(3)	662,096	8	930,119	12
Accounts receivable -related parties, net	6(3).7	635,233	7	459,453	6
Other receivables		13,149	-	1,253	-
Other receivables -related parties	7	38,353	-	57,246	1
Inventories, net	6(4)	2,316,742	26	2,130,195	27
Prepayments		40,033	1	47,404	1
Other current assets	8	4,522	-	4,898	-
Total Current Assets		<u>4,406,124</u>	<u>50</u>	<u>4,028,294</u>	<u>52</u>
NONCURRENT ASSETS					
Investments accounted for using equity method	6(5)	858,811	10	802,648	10
Property, plant and equipment	6(5).7.8	3,060,758	35	2,768,524	35
Right-of-use assets	6(7)	74,655	1	90,934	1
Intangible assets	6(8)	42,320	-	34,449	-
Deferred income tax assets	6(19)	101,923	1	104,640	1
Other noncurrent assets	6(9)	233,484	3	100,189	1
Total Noncurrent Assets		<u>4,371,951</u>	<u>50</u>	<u>3,901,384</u>	<u>48</u>
TOTAL ASSETS		<u>\$ 8,778,075</u>	<u>100</u>	<u>\$ 7,929,678</u>	<u>100</u>

(The accompanying notes are an integral part of the parent company only financial statements)

MPI CORPORATION
BALANCE SHEETS (LIABILITIES AND EQUITY)
DECEMBER 31, 2020 AND 2019

(All amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

LIABILITIES AND EQUITY	Note	December 31, 2020		December 31, 2019	
		Amounts	%	Amounts	%
CURRENT LIABILITIES					
Short-term loans	6(10)	\$ -	-	\$ 500,000	6
Contract liabilities – current	6(17).7	483,573	6	628,423	8
Accounts payable		479,051	5	344,165	4
Accounts payable-related parties	7	2,320	-	3,843	-
Payables on equipment		133,660	2	65,720	1
Other payables	6(11)	730,776	8	637,442	8
Other payables-related parties	7	13,506	-	22,465	-
Income tax payable		103,513	1	46,300	1
Provisions-current	6(12)	10,493	-	6,572	-
Lease liabilities – current	6(7)	34,214	-	45,256	1
Corporate bonds payable – current portion	6(13)	135,576	2	-	-
Other current liabilities		12,939	-	13,476	-
Total Current Liabilities		<u>2,139,621</u>	<u>24</u>	<u>2,313,662</u>	<u>29</u>
NONCURRENT LIABILITIES					
Non-current Financial liabilities at Fair Value through Profit or	6(13)	-	-	384	-
Bonds payable	6(13)	-	-	902,485	11
Long-term loans	6(14)	763,797	9	142,208	2
Deferred income tax liabilities	6(19)	10,062	-	5,454	-
Lease liabilities – noncurrent	6(7)	41,315	1	46,372	1
Accrued pension cost	6(15)	15,276	-	29,324	-
Credit balance of investments account for using equity method	6(5)	167,963	2	118,988	2
Other noncurrent liabilities		96	-	97	-
Total Noncurrent Liabilities		<u>998,509</u>	<u>12</u>	<u>1,245,312</u>	<u>16</u>
TOTAL LIABILITIES		<u>3,138,130</u>	<u>36</u>	<u>3,558,974</u>	<u>45</u>
EQUITY					
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT					
Capital common stock		920,802	10	799,587	10
Capital surplus		1,630,283	19	980,325	12
Retained earnings					
Appropriated as legal capital reserve		639,975	7	594,549	8
Special reserve		68,477	1	54,229	1
Unappropriated earnings		2,459,642	28	2,008,491	25
Total Retained Earnings		<u>3,168,094</u>	<u>36</u>	<u>2,657,269</u>	<u>34</u>
Other					
Foreign currency translation adjustments		(79,234)	(1)	(68,477)	(1)
Total others		<u>(79,234)</u>	<u>(1)</u>	<u>(68,477)</u>	<u>(1)</u>
TOTAL EQUITY		<u>5,639,945</u>	<u>64</u>	<u>4,368,704</u>	<u>55</u>
TOTAL LIABILITIES AND EQUITY		<u>\$ 8,778,075</u>	<u>100</u>	<u>\$ 7,927,678</u>	<u>100</u>

(The accompanying notes are an integral part of the parent company only financial statements)

MPI CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
From January 1 to December 31, 2020 and 2019

(All amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Items	Note	January 1 ~ December 31,2020		January 1 ~ December 31,2019	
		Amounts	%	Amounts	%
OPERATING REVENUE, NET	6(17).7				
Sales revenue		\$ 5,173,327	100	\$ 4,893,661	100
Less: sales returns		(2,833)	-	(12,164)	-
sales discounts and allowances		(1,805)	-	(579)	-
Operating Revenue, net		5,168,689	100	4,880,918	100
OPERATING COSTS	6(4).7	(2,963,717)	(57)	(2,927,920)	(60)
GROSS PROFIT		2,204,972	43	1,952,998	40
Unrealized Gross profit on sales to subsidiaries and associates		(40,007)	(1)	(41,768)	(1)
Realized Gross profit on sales to subsidiaries and associates		53,643	1	60,705	1
GROSS PROFIT, NET		2,218,608	43	1,971,935	40
OPERATING EXPENSES	7				
Selling expenses		(459,950)	(9)	(503,410)	(10)
General & administrative expenses		(307,497)	(6)	(271,749)	(6)
Research and development expenses	6(8)	(671,942)	(13)	(700,653)	(14)
Expected Credit (loss) gains		8,578	-	(8,696)	-
Operating expense, net		(1,430,811)	(28)	(1,484,508)	(30)
OPERATING INCOME		787,797	15	487,427	10
NON-OPERATING INCOME AND EXPENSES					
Other gains and losses	6(18)	(58,275)	(1)	(13,961)	-
Finance costs	6(18)	(14,261)	-	(23,181)	-
Share of profits of subsidiaries and associates	6(5)	31,908	1	(57,995)	(1)
Interest income	6(18)	607	-	1,500	-
Rent income	6(7)	13,316	-	14,434	-
Other non-operating revenue-other items		66,828	1	74,798	1
Total Non-operating Income		40,123	1	(4,405)	-
INCOME BEFORE INCOME TAX		827,920	16	483,022	10
INCOME TAX BENEFIT(EXPENSE)	6(19)	(113,438)	(2)	(54,652)	(1)
NET INCOME		714,482	14	428,370	9
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that are not to be reclassified to profit or loss					
Re-measurements from defined benefit plans		(5,510)	-	6,018	-
Share of remeasurements of defined benefit plans of subsidiaries and associates		(250)	-	(118)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences arising on translation of foreign operations		(10,757)	-	(14,247)	-
Other comprehensive income for the year, net of income tax		(16,517)	-	(8,347)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		\$ 697,965	14	\$ 420,023	9
EARNINGS PER COMMON SHARE(NTD)	6(20)				
Basic earnings per share		\$ 8.41		\$ 5.36	
Diluted earnings per share		\$ 8.14		\$ 4.54	

(The accompanying notes are an integral part of the parent company only financial statements)

MPI CORPORATION
STATEMENTS OF CHANGES IN EQUITY
From January 1 to December 31 ,2020 and 2019

(All amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Items	Capital-		Retained Earnings			Others	Total Equity
	Common Stock	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Foreign Currency Translation Reserve	
BALANCE,JANUARY,1,2019	\$ 799,014	\$ 977,255	\$ 563,093	\$ 42,308	\$ 1,779,401	\$ (54,230)	\$ 4,106,841
Legal capital reserve			33,456		(33,456)		-
Special capital reserve				11,921	(11,921)		-
Cash Dividends of Common Stock					(159,803)		(159,803)
Capital Reserve From Stock Warrants		3,465					3,465
Other changes in capital surplus		(395)					(395)
Net Income in 2019					428,370		428,370
Other comprehensive income in 2019, net of income tax					5,900	(14,247)	(8,347)
Total comprehensive income in 2019	-	-	-	-	434,270	(14,247)	420,023
Convertible Bonds Transferred To Common Stock	573				-		573
BALANCE,DECEMBER,31,2019	\$ 799,587	\$ 980,325	\$ 596,549	\$ 54,229	\$ 2,008,491	\$ (68,477)	\$ 4,370,704
BALANCE,JANUARY,1,2020	\$ 799,587	\$ 980,325	\$ 596,549	\$ 54,229	\$ 2,008,491	\$ (68,477)	\$ 4,370,704
Legal capital reserve			43,426		(43,426)		-
Special reserve				14,248	(14,248)		-
Cash Dividends of Common Stock					(199,897)		(199,897)
Capital Reserve From Stock Warrants		707,291					707,291
Other changes in capital surplus		(57,333)					(57,333)
Net Income in 2020					714,482		714,482
Other comprehensive income in 2020, net of income tax					(5,760)	(10,757)	(16,517)
Total comprehensive income in 2020	-	-	-	-	708,722	(10,757)	697,965
Convertible Bonds Transferred To Common Stock	121,215	-					121,215
BALANCE,DECEMBER,31,2020	\$ 920,802	\$ 1,630,283	\$ 639,975	\$ 68,477	\$ 2,459,642	\$ (79,234)	\$ 5,639,945

(The accompanying notes are an integral part of the parent company only financial statements)

MPI CORPORATION
STATEMENTS OF CASH FLOWS
From January 1 to December 31, 2020 and 2019

(All amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Items	Jan 1 ~ Dec 31, 2020	Jan 1 ~ Dec 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 827,920	\$ 483,022
Adjustments to reconcile net income to net		
Depreciation	378,110	378,345
Amortization	53,697	49,425
Expected credit loss(gain)	(8,578)	8,696
Gains on Financial Assets (Liabilities) at Fair Value through Profit or Loss	(7,855)	(8,867)
Interest expense	14,261	23,181
Interest revenue	(607)	(1,500)
Loss (gain) on equity-method investments	(31,908)	57,995
(Gain) loss on disposal of property, plant and equipment	(304)	(4,978)
Unrealized gross profit on sales to subsidiaries and associates	40,007	41,768
Realized gross profit on sales to subsidiaries and associates	(53,643)	(60,705)
(Gain) on repurchase of convertible bonds	-	(82)
Adjustments-exchange (Gain) loss on prepayments for equipment	-	504
Adjustments-(Gain) loss on lease modification	(173)	1
Net changes in operating assets and liabilities		
Net changes in operating assets		
Decrease (Increase) in accounts receivable	276,601	(259,625)
Decrease (Increase) in accounts receivable-related parties	(175,780)	(147,983)
Decrease (Increase) in other receivables	(11,896)	3,365
Decrease (Increase) in other receivables-related parties	18,894	(28,944)
Decrease (Increase) in inventories	(186,547)	337,184
Decrease (Increase) in prepayments	7,370	2,284
Decrease (Increase) in other current assets	1,070	(762)
Net changes in operating liabilities		
(Decrease) Increase in contract liabilities	(144,850)	(226,327)
(Decrease) Increase in accounts payable	134,886	(112,942)
(Decrease) Increase in accounts payable-related parties	(1,523)	871
(Decrease) Increase in other accounts payable	93,348	12,083
(Decrease) Increase in other accounts payable-related parties	(8,959)	(79,726)
(Decrease) Increase in provision of liabilities	3,921	1,713
(Decrease) Increase in other current liabilities	(537)	2,836
Decrease(Increase) in accrued pension cost	(19,559)	(3,760)
Cash generated from operations	<u>1,197,366</u>	<u>467,072</u>
Interest received	607	1,507
Cash dividends received	27,349	53,054
Interest (excluding capitalization of interest)	(2,109)	(6,414)
Cash dividends	(199,897)	(159,803)
Income taxes paid	(48,900)	(79,462)
Net cash Provided By Operating Activities	<u>974,416</u>	<u>275,954</u>

(Continue)

MPI CORPORATION
STATEMENTS OF CASH FLOWS
From January 1 to December 31, 2020 and 2019
(All amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Items	Jan 1 ~ Dec 31, 2020	Jan 1 ~ Dec 31, 2019
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(543,246)	(265,009)
Proceeds from sale of property, plant and equipment	1,298	11,558
Intangible assets	(48,345)	(25,410)
Increase in other financial assets	(694)	(734)
Increase in other non-current assets	(146,517)	(16,175)
Net cash Provided Used In Investing Activities	<u>(737,504)</u>	<u>(295,770)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term loans	(500,000)	(318,000)
Repurchase of convertible bonds	-	(1,802)
Increase in long-term loans	621,589	73,745
Decrease in Guarantee Deposits Received	(1)	-
Repayments of lease principal	(61,519)	(59,374)
Net cash (Used In) Financing Activities	<u>60,069</u>	<u>(305,431)</u>
Net increase in cash and cash equivalents	296,981	(325,247)
Cash and cash equivalents at beginning of year	397,726	722,973
Cash and cash equivalents at end of year	<u>\$ 694,707</u>	<u>\$ 397,726</u>

(The accompanying notes are an integral part of the parent company only financial statements)

Attachment IV

Independent Auditor's Report

To MPI Corporation:

Audit opinions

We have audited the consolidated balance sheets of **MPI Corporation and its subsidiaries (hereinafter referred to as the "Group")** as of December 31, 2020 and 2019, and the consolidated comprehensive income statements, consolidated statements of changes in shareholders' equity, consolidated cash flow statements and notes to the consolidated financial statements (including a summary of the important accounting policies) for the period from January 1 to December 31, 2020 and 2019.

In our opinion, based on our audits and the report of the other auditors (please refer to Paragraph "Other Matters"), said consolidated financial statements present fairly, in all material respects, the consolidated financial position of the **Group** as of December 31, 2020 and 2019, and the consolidated financial performance and consolidated cash flows from January 1 to December 31, 2020 and 2019 in conformity with the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers" and the IFRS, IAS, IFRIC Interpretations, and SIC Interpretations approved and effective upon promulgation by the FSC.

Basis of audit opinion

We have conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards. Our responsibilities as an auditor under said standards will be explained in the Entities Responsibilities paragraph of the consolidated financial statements. All relevant personnel of the accounting firm have followed CPA code of ethics and maintained independence from the **Group** when performing their duties. Based on our audits and the report of the other auditors, we believe that the evidence obtained provide an adequate and appropriate basis for our opinion.

Key audit issues

Key audit issues are matters that we considered to be the most important, based on professional judgment, when auditing the 2020 consolidated financial statements of the **Group**.

These issues have already been addressed when we audited and formed our opinions on the consolidated financial statements. Therefore, we do not provide opinions separately for individual issues.

Key audit issues concerning the 2020 consolidated financial statements of the **Group** are stated as follows:

I. Recognition of revenue

Remarks

For the accounting policy about the recognition of revenue, please refer to Note 4(26) to the consolidated financial statements. For related disclosures, please refer to Note 6(17).

Sales revenue serves as the key indicator applied by investors and the management to evaluate the financial position or business performance of the **Group**. Considering that the timing for recognition of revenue and recognized amount are critical to the financial statements, they are identified as one of the key audit issues when we are auditing the financial statements.

Responding Audit Procedures

The responding audit procedures already executed by us are summarized as following:

1. To understand and test the design of internal control system about the sales and cash receipts cycle, and the validity of implementation thereof.
2. Understand the type of major revenue and trading terms & conditions of the **Group** to evaluate whether the accounting policy applicable at the time of recognition of revenue is adequate.
3. To understand the type and sale of products to top ten customers, perform a random check and check purchase orders, evaluate the impact posed by trading terms and conditions to recognition of revenue, and confirm whether the accounting treatment adopted by the **Group** is adequate.
4. Evaluate the rationality of sales revenue and receivables turnover days, and analyze whether there are significant changes in customers between the most recent and the same period last year.
5. To perform a detailed test, take samples from the trading for sales revenue for a while before and after the reporting date, execute the cut-off test, verify that related documents, changes of stated inventory and sales cost carry-forward have been recorded within an adequate period, in order to evaluate the accuracy of the period for recognition of revenue, whether there is any abnormal receipt voucher, and whether there is any significant returns & refunds subsequently.

II. Evaluation of inventory

Remarks

For the accounting policy about the evaluation of inventory, please refer to Note 4(16) to

the consolidated financial statements. For the major sources of uncertainty in significant accounting judgments, estimations and hypotheses, please refer to Note 5 to the consolidated financial statements. Please refer to Note 6(5) to the consolidated financial statements for the notes to major accounts on inventories. The **Group** had the inventory and allowance for inventory devaluation and obsolescence losses, NT\$2,777,356 thousand and NT\$308,781 thousand, on December 31, 2020. The book value of inventories was NT\$2,468,575 thousand, i.e. 28% of the total assets in the consolidated balance sheet.

The **Group** is primarily engaged in production, processing and sale of semiconductor process and testing equipment. The management takes into account the high risk over inventory devaluation loss or obsolescence posed by the rapid changes in technologies, short life cycle of electronic products and intensive competition in market. The inventory was measured at the lower of cost and net realizable value. Additionally, for the inventories beyond specific inventory age and evaluated as obsolete separately, the inventory valuation loss was evaluated based on the inventory age and future demand for the product within specific time limit. The source of information refers to the net realizable value of various products judged by the management based on the sales, obsolescence and quality of the inventory. Considering that the **Group** had significant inventory amount and multiple types of products, and the evaluation basis adopted for the inventories beyond specific inventory age and held obsolete varies depending on the management's subjective judgment, the high uncertainty was caused accordingly. Therefore, in our opinion, the evaluation on allowance for inventory devaluation and obsolescence losses shall also be one of the key audit issues this year.

Responding Audit Procedures

The responding audit procedures already executed by us are summarized as following:

1. To the best of our knowledge about the industry and operation of the **Group**, we evaluated the rationality of the policy adopted by it to provide the allowance for inventory devaluation and obsolescence losses.
2. To understand the inventory management procedure of the **Group**, review its annual inventory-taking plan and participate in its annual inventory taking to evaluate the validity of the management's judgment and control over obsolete inventories.
3. Access the inventory aging report on various products, verify the validity of the report system and logic, and confirm the consistency between the reports and defined policies.
4. Evaluate the validity of the method used to calculate the inventory devaluation losses, including categories of inventory defined based on determining net realizable value, random check on individual part numbers, basic hypotheses used to verify the calculation, and related supporting documents, and verification of the accuracy of calculation.

Other Matters - Reference to Audit by Other CPAs

The financial statements of some subsidiaries of the **Group** included in the Group's consolidated financial statements were audited by the other CPAs, not us. Therefore, in some

opinion stated by us in said consolidated financial statements, the figures stated therein and related information disclosed in Note 13 were based on the audit report prepared by the other CPAs. Said subsidiaries' total assets were NT\$226,714 thousand and NT\$195,154 thousand, i.e. 2.53% and 2.39% of the consolidated total assets as of December 31, 2020 and 2019, respectively. As of January 1 to December 31, 2020 and 2019, the Group had net operating revenue amounting to NT\$648,372 thousand and NT\$558,969 thousand, i.e. 10.94% and 10.14% of the consolidated net operating revenue, respectively.

Other Matters- Standalone financial statement

We hereby express an unqualified opinion in favor of **MPI Corporation** on the standalone financial statements prepared for 2020 and 2019.

Responsibilities of the management and governing body to the consolidated financial statements

The responsibility of the management is to have the consolidated financial statements presented fairly in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the IFRS, IAS, IFRIC, and SIC approved and effective upon promulgation by the FSC, and also maintain the necessary internal controls related to the consolidated financial statements to ensure that the consolidated financial statements are free of any material misstatement arising from fraud or errors.

The management's responsibilities when preparing the consolidated financial statements also involved: assessing the ability of the **Group** to operate, disclose information and account for transactions as a going concern unless the management intends to liquidate or cease business operations, or is compelled to do so with no alternative solution.

The **Group's** governing body (including independent directors and supervisors) is responsible for supervising the financial reporting process.

Responsibilities of the auditor when auditing consolidated financial statements

The purposes of our audit were to obtain reasonable assurance of whether the consolidated financial statements were prone to material misstatements caused by fraud or error, and issue a report of our consolidated audit opinions. We considered assurance to be reasonable only if it is highly credible. However, audit tasks conducted in accordance with generally accepted auditing principles do not necessarily guarantee detection of all material misstatements within the financial consolidated statements. Misstatements can be attributed to fraud or error. Misstatements are considered material if the individual amount or aggregate total is reasonably expected to affect economic decisions of the consolidated financial statement user.

When conducting audits in accordance with generally accepted audit principles, we exercised judgments and raised doubts as deemed professionally appropriate. We also performed the following tasks as an auditor:

1. Identifying and assessing risks of material misstatement due to fraud or error; designing and executing appropriate responsive measures for the identified risks; obtaining adequate and appropriate audit evidence to support audit opinions. Fraud may involve conspiracy, forgery, intentional omission, untruthful declaration or breach of internal control, and our audit did not find any material misstatement where the risk of fraud is greater than the risk of error.
2. Developing the required level of understanding on relevant internal controls and designing audit procedures that are appropriate under the prevailing circumstances, but without providing an opinion on the effectiveness of the internal control system of the **Group**.
3. Assessing the appropriateness of accounting policies adopted by the management, and the rationality of accounting estimates and related disclosures made.
4. Forming conclusions regarding the appropriateness of management's decision to account for the business as a going concern, and whether there are doubts or uncertainties about the **Group** to operate as a going concern, based on the audit evidence obtained. We are bound to remind the consolidated financial statement users and make related disclosures if material uncertainties exist in regards to said events or circumstances, and amend audit opinions when the disclosures are no longer appropriate. Our conclusions are based upon audit evidence obtained as of the audit report date. However, occurrences of future events or circumstances may still render the **Group** no longer capable of operating as a going concern.
5. Assessing the overall presentation, structure and contents of the consolidated financial statements (including related notes), and whether certain transactions and events are presented appropriately in the financial statements.
6. Obtain sufficient and appropriate audit evidence on the standalone financial information of the **Group** in order to express an opinion on the consolidated financial statements. We are responsible for guiding, supervising, and implementing the audit on the Group, and for forming an opinion on the audit on the **Group**.

We have communicated with the governing body about the scope, timing and significant findings (including significant defects identified in the internal control) of our audits.

We have also provided the governing body with a declaration of independence stating that all relevant personnel of the accounting firm have complied with auditors' professional ethics, and communicated with the governing body on all matters that may affect the auditor's independence (including related protection measures).

We have identified the key audit issues after communicating with the governing body regarding the 2020 consolidated financial statements of the **Group**. These issues have been addressed in our audit report except for certain topics that are prohibited by law from disclosing to the public, or under extreme circumstances, topics that we decided not to communicate in the audit report because of higher negative impacts they may cause than the

benefits they bring to public interest.

Nexia Sun Rise CPAs & Co.

CPA: _____
Chen, Chih-Ling

Chen, Yi-Ling

Securities and Futures Bureau Approval No.: (89) Tai-Cai-Zheng-(VI) No. 77662

Securities and Futures Bureau Approval No.: Jin-Guan-Zheng-Shen-Zi No. 1070326249

March 24, 2021

MPI CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (ASSETS)
DECEMBER 31, 2020 AND 2019

(All amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

ASSETS	Note	December 31, 2020		December 31, 2019	
		Amounts	%	Amounts	%
CURRENT ASSETS					
Cash and cash equivalents	6(1)	\$ 1,445,267	16	\$ 1,103,311	14
Financial assets at fair value through profit or loss — current	6(13)	1,289	-	-	-
Notes receivable, net	6(3)	80,316	1	96,074	1
Accounts receivable, net	6(4)	1,075,050	12	1,234,092	15
Other receivables		16,901	-	2,465	-
Income tax receivable		40	-	1	-
Inventories, net	6(5)	2,468,575	28	2,254,516	28
Prepayments		131,312	1	103,511	1
Other current assets	8	21,946	-	21,959	-
Total Current Assets		<u>5,240,696</u>	<u>58</u>	<u>4,815,929</u>	<u>59</u>
NONCURRENT ASSETS					
Property, plant and equipment	6(6).7.8	3,203,429	36	2,933,943	36
Right-of-use assets	6(7)	111,428	1	146,710	2
Intangible assets	6(8)	42,546	1	34,803	-
Deferred income tax assets	6(19)	118,180	1	124,291	2
Other noncurrent assets	6(9)	260,313	3	123,225	1
Total Noncurrent Assets		<u>3,735,896</u>	<u>42</u>	<u>3,362,972</u>	<u>41</u>
TOTAL ASSETS		<u>\$ 8,976,592</u>	<u>100</u>	<u>\$ 8,178,901</u>	<u>100</u>

(The accompanying notes are an integral part of these consolidated financial statements)

MPI CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (LIABILITIES AND EQUITY)
DECEMBER 31, 2020 AND 2019

(All amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

LIABILITIES AND EQUITY	Note	December 31, 2020		December 31, 2019	
		Amounts	%	Amounts	%
CURRENT LIABILITIES					
Short-term loans	6(10)	\$ -	-	\$ 500,000	6
Contract liabilities – current	6(17)	677,524	8	811,231	10
Notes payable		16,523	-	12,789	-
Accounts payable		524,672	6	379,978	4
Payables on equipment		133,660	1	65,720	1
Other payables	6(11)	795,751	9	708,834	9
Income tax payable		112,332	1	56,972	1
Provisions – current	6(12)	10,493	-	6,572	-
Lease liabilities – current	6(7)	54,879	1	84,235	1
Current portion of bonds payable	6(13)	135,576	2	-	-
Other current liabilities		16,138	-	20,019	-
Total Current Liabilities		2,477,548	28	2,646,350	32
NONCURRENT LIABILITIES					
Non-current Financial liabilities at Fair Value through Profit or Loss	6(13)	-	-	384	-
Bonds payable	6(13)	-	-	902,485	11
Long-term loans	6(14)	763,797	8	142,208	2
Deferred income tax liabilities	6(19)	12,194	-	7,012	-
Lease liabilities – noncurrent	6(7)	58,018	1	67,752	1
Accrued pension cost	6(15)	16,021	-	32,768	-
Other noncurrent liabilities		96	-	97	-
Total Noncurrent Liabilities		850,126	9	1,152,706	14
TOTAL LIABILITIES		3,327,674	37	3,799,056	46
EQUITY					
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT					
Capital common stock	6(16)	920,802	10	799,587	10
Capital surplus		1,630,283	18	980,325	12
Retained earnings					
Appropriated as legal capital reserve		639,975	7	596,549	7
Special reserve		68,477	1	54,229	1
Unappropriated earnings		2,459,642	28	2,008,491	25
Total Retained Earnings		3,168,094	36	2,659,269	33
Other					
Foreign currency translation adjustments		(79,234)	(1)	(68,477)	(1)
Total others		(79,234)	(1)	(68,477)	(1)
Equity attributable to shareholders of the parent		5,639,945	63	4,370,704	54
NONCONTROLLING INTERESTS		8,973	-	9,141	-
TOTAL EQUITY		5,648,918	63	4,379,845	54
TOTAL LIABILITIES AND EQUITY		\$ 8,976,592	100	\$ 8,178,901	100

(The accompanying notes are an integral part of these consolidated financial statements)

MPI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
From January 1 to December 31, 2020 and 2019
(All amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Items	Note	January 1 ~ December 31,2020		January 1 ~ December 31,2019	
		Amounts	%	Amounts	%
OPERATING REVENUE, NET	6(17)				
Sales revenue		\$ 5,710,038	96	\$ 5,288,166	96
Less: sales returns		(2,375)	-	(11,058)	-
sales discounts and allowances		(3,803)	-	(9,454)	-
Lease revenue		-	-	2,209	-
Commission revenue		2,712	-	3,443	-
Processing Fees revenue		219,029	4	241,894	4
Operating Revenue, net		<u>5,925,601</u>	<u>100</u>	<u>5,515,200</u>	<u>100</u>
OPERATING COSTS	6(5)	<u>(3,340,036)</u>	<u>(56)</u>	<u>(3,286,299)</u>	<u>(59)</u>
GROSS PROFIT		<u>2,585,565</u>	<u>44</u>	<u>2,228,901</u>	<u>41</u>
OPERATING EXPENSES					
Selling expenses		(631,687)	(11)	(651,494)	(12)
General & administrative expenses		(412,360)	(7)	(377,801)	(7)
Research and development expenses	6(8)	(682,471)	(11)	(710,627)	(13)
Expected Credit (loss) gains	6(4)	982	-	(11,731)	-
Operating expense, net		<u>(1,725,536)</u>	<u>(29)</u>	<u>(1,751,653)</u>	<u>(32)</u>
OPERATING INCOME		<u>860,029</u>	<u>15</u>	<u>477,248</u>	<u>9</u>
NON-OPERATING INCOME AND EXPENSES					
Other gains and losses	6(18)	(44,224)	(1)	(6,231)	-
Finance costs	6(18)	(16,309)	(1)	(25,174)	-
Interest income	6(18)	4,860	-	5,684	-
Rent income	6(7)	9,456	-	10,460	-
Other non-operating revenue-other items		30,903	1	27,044	-
Total Non-operating Income		<u>(15,314)</u>	<u>(1)</u>	<u>11,783</u>	<u>-</u>
INCOME BEFORE INCOME TAX		<u>844,715</u>	<u>14</u>	<u>489,031</u>	<u>9</u>
INCOME TAX BENEFIT(EXPENSE)	6(19)	<u>(130,494)</u>	<u>(2)</u>	<u>(61,047)</u>	<u>(1)</u>
NET INCOME		<u>714,221</u>	<u>12</u>	<u>427,984</u>	<u>8</u>
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that are not to be reclassified to profit or loss					
Re-measurements from defined benefit plans		(5,760)	-	5,900	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences arising on translation of foreign operations		(10,664)	-	(14,810)	-
Other comprehensive income for the year, net of income tax		<u>(16,424)</u>	<u>-</u>	<u>(8,910)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>\$ 697,797</u>	<u>12</u>	<u>\$ 419,074</u>	<u>8</u>
NET INCOME(LOSS) ATTRIBUTABLE TO :					
Shareholders of the parent		\$ 714,482	12	\$ 428,370	8
Noncontrolling interests		(261)	-	(386)	-
		<u>\$ 714,221</u>	<u>12</u>	<u>\$ 427,984</u>	<u>8</u>
TOTAL COMPREHENSIVE INCOME(LOSS)					
Shareholders of the parent		\$ 697,965	12	\$ 420,023	8
Noncontrolling interests		(169)	-	(949)	-
		<u>\$ 697,796</u>	<u>12</u>	<u>\$ 419,074</u>	<u>8</u>
EARNINGS PER COMMON SHARE(NTD)	6(20)				
		After-tax		After-tax	
Basic earnings per share		\$ 8.41		\$ 5.36	
Diluted earnings per share		\$ 8.14		\$ 4.54	

(The accompanying notes are an integral part of these consolidated financial statements)

MPI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

From January 1 to December 31, 2020 and 2019

(All amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Items	Capital		Retained Earnings			Others	Total	Non-controlling	Total Equity
	Common Stock	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Foreign Currency Translation Reserve			
BALANCE, JANUARY, 1, 2019	\$ 799,014	\$ 977,255	\$ 536,093	\$ 42,308	\$ 1,779,401	\$ (54,230)	\$ 4,106,841	\$ 10,090	\$ 4,116,931
Legal capital reserve			33,456		(33,456)		-		-
Special capital reserve				11,921	(11,921)		-		-
Cash dividends of common stock					(159,803)		(159,803)		(159,803)
Capital reserve from stock warrants		3,465					3,465		3,465
Other changes in capital surplus		(395)					(395)		(395)
Net Income in 2019					428,370		428,370	(386)	427,984
Other comprehensive income in 2019, net of income tax					5,900	(14,247)	(8,347)	(563)	(8,910)
Total comprehensive income in 2019	-	-	-	-	434,270	(14,247)	420,023	(949)	419,074
Convertible Bonds Transferred To Common Stock	573						573		573
BALANCE, DECEMBER, 31, 2019	\$ 799,587	\$ 980,325	\$ 569,549	\$ 54,229	\$ 2,008,491	\$ (68,477)	\$ 4,370,704	\$ 9,141	\$ 4,379,845
BALANCE, JANUARY, 1, 2020	\$ 799,587	\$ 980,325	\$ 596,549	\$ 54,229	\$ 2,008,491	\$ (68,477)	\$ 4,370,704	\$ 9,141	\$ 4,379,845
Legal capital reserve			43,426		(43,426)		-		-
Special capital reserve				14,248	(14,248)		-		-
Cash dividends of common stock					(199,897)		(199,897)		(199,897)
Capital reserve from stock warrants		707,291					707,291		707,291
Other changes in capital surplus		(57,333)					(57,333)		(57,333)
Net Income in 2020					714,482		714,482	(261)	714,221
Other comprehensive income in 2020, net of income tax					(5,760)	(10,757)	(16,517)	93	(16,424)
Total comprehensive income in 2020	-	-	-	-	708,722	(10,757)	697,965	(168)	697,797
Convertible Bonds Transferred To Common Stock	121,215						121,215		121,215
BALANCE, DECEMBER, 31, 2020	\$ 920,802	\$ 1,630,283	\$ 639,975	\$ 68,477	\$ 2,459,642	\$ (79,234)	\$ 5,639,945	\$ 8,973	\$ 5,648,918

(The accompanying notes are an integral part of these consolidated financial statements)

MPI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

From January 1 to December 31, 2020 and 2019

(All amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Items	Jan 1 ~ Dec 31,2020	Jan 1 ~ Dec 31,2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 844,715	\$ 489,031
Adjustments to reconcile net income to net		
Depreciation	484,958	520,909
Amortization	63,731	63,312
Expected credit loss(gain)	(982)	11,731
Gains on Financial Assets (Liabilities) at Fair Value through Profit or Loss	(7,855)	(8,867)
Interest expense	16,309	25,174
Interest revenue	(4,860)	(5,684)
(Gain) loss on disposal of property, plant and equipment	10	(1,895)
(Gain) on repurchase of convertible bonds	-	(82)
Adjustments-(Gain) loss on depreciation of assets leased to others	-	2,490
Adjustments-exchange (Gain) loss on prepayments for equipment	-	504
Adjustments-(Gain) loss on lease modification	(173)	(20)
Rent concessions	(488)	-
Net changes in operating assets and liabilities		
Net changes in operating assets		
Decrease (Increase) in notes receivable	15,758	4,678
Decrease (Increase) in accounts receivable	160,273	(300,361)
Decrease (Increase) in other receivables	(14,435)	3,567
Decrease (Increase) in inventories	(214,059)	300,536
Decrease (Increase) in prepayments	(27,801)	7,179
Decrease (Increase) in other current assets	1,546	(1,074)
Net changes in operating liabilities		
(Decrease) Increase in contract liabilities	(133,707)	(129,672)
(Decrease) Increase in notes payable	3,734	6,692
(Decrease) Increase in accounts payable	144,694	(98,628)
(Decrease) Increase in other accounts payable	86,931	29,742
(Decrease) Increase in provision of liabilities	3,921	1,713
(Decrease) Increase in other current liabilities	(3,881)	6,093
Decrease(Increase) in accrued pension cost	(22,508)	(3,858)
Cash generated from operations	<u>1,395,831</u>	<u>923,210</u>
Interest received	4,860	5,691
Interest (excluding capitalization of interest)	(2,085)	(6,439)
Cash dividends	(199,897)	(159,803)
Income taxes paid	<u>(63,880)</u>	<u>(90,654)</u>
Net cash Provided By Operating Activities	<u>1,134,829</u>	<u>672,005</u>

(Continue)

MPI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

From January 1 to December 31, 2020 and 2019

(All amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Items	Jan 1 ~ Dec 31,2020	Jan 1 ~ Dec 31,2019
CASH FLOWS FROM INVESTING ACTIVITIES		
Financial asset measured at amortised cost	-	(44,565)
Repayment of financial asset measured at amortised cost	-	93,718
Proceeds from disposal of financial assets measured at cost	(590,453)	(328,795)
Proceeds from sale of property, plant and equipment	1,113	8,666
Intangible assets	(48,376)	(25,592)
Increase in other financial assets	(1,534)	(10,337)
Increase in other non-current assets	(160,550)	(19,235)
Net Cash Provided Used In Investing Activities	<u>(799,800)</u>	<u>(326,140)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term loans	(500,000)	(318,000)
Repurchase of convertible bonds	-	(1,802)
Increase in long-term loans	621,589	73,745
Decrease in Guarantee Deposits Received	(1)	-
Repayments of lease principal	(109,404)	(94,153)
Decrease in other non-current liabilities	-	(229)
Increase (decrease) in noncontrolling interests	93	(563)
Net cash (Used In) Financing Activities	<u>12,277</u>	<u>(341,002)</u>
Effects of exchange rate change on cash	<u>(5,350)</u>	<u>(12,246)</u>
Net increase in cash and cash equivalents	341,956	(7,383)
Cash and cash equivalents at beginning of year	<u>1,103,311</u>	<u>1,110,694</u>
Cash and cash equivalents at end of year	<u>\$ 1,445,267</u>	<u>\$ 1,103,311</u>

(The accompanying notes are an integral part of these consolidated financial statements)

Attachment V

MPI Corporation
Disposition of Net Earnings
2020

Unit: NTD \$

Item	Amount	
	Subtotal	Total
Unallocated earnings at the beginning		\$ 1,750,920,312
Less: Other consolidated income (actuarial income under defined benefit plan in 2020)	(5,760,944)	
Add: Net profit after tax in 2020	714,482,422	
Subtotal:		2,459,641,790
Provision:		
Less: Provision of legal reserve (10%)	(70,872,148)	
Less: Provision of special reserve (The decrease in shareholders' equity: This is due to the decrease of conversion differences in the financial statements of overseas business entities.)	(10,756,982)	
Subtotal of allocable earnings:		2,378,012,660
Earnings to be allocated upon resolution of the Board of Directors:		
Distributable items:		
Shareholder bonus - cash	(415,716,174)	
Shareholder bonus - stock	(0)	
Unappropriated retained earnings		\$ 1,962,296,486

Chairman: Ko, Chang-Lin

President: Scott Kuo

Chief Accounting Officer: Rose Jao

Attachment VI

MPI Corporation

Comparison Table of the “Parliamentary Rules for Shareholders’ Meetings” Before and After Amendments

Clause	Before amendment	After amendment	Note
Article II	<p>Paragraphs 1, 2 and 3 omitted.</p> <p>Election or dismissal of directors, amendment of Articles of Incorporation, capital reduction, application for termination of public offering, relief of directors from non-competition restriction, recapitalization of earnings, recapitalization of capital surplus, dismissal of the Company, merger, divestment, and any issues listed in Paragraph 1, Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, and Articles 56-1 and 60-2 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers, and the main contents thereof, shall be explicitly stated in the cause of convening. It can not be raised in the form of an impromptu motion. The main content thereof may be posted on the website designated by the securities competent authority or the Company, and the website URL shall also be specified in the notice.</p> <p>Where the cause of convening the meeting has specified re-election of the whole directors and the date of appointment, the date of appointment may not be changed via an extraordinary motion or in any other manner at the same meeting upon completion of the re-election.</p> <p>A shareholder who holds more than 1% of the aggregate total outstanding shares may pose a motion in writing to the Company's annual general</p>	<p>Paragraphs 1, 2 and 3 omitted.</p> <p>Election or dismissal of directors, amendment of Articles of Incorporation, capital reduction, application for termination of public offering, relief of directors from non-competition restriction, recapitalization of earnings, recapitalization of capital surplus, dismissal of the Company, merger, divestment, and any issues listed in Paragraph 1, Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, and Articles 56-1 and 60-2 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers, and the main contents thereof, shall be explicitly stated in the cause of convening. It can not be raised in the form of an impromptu motion.</p> <p>Where the cause of convening the meeting has specified re-election of the whole directors and the date of appointment, the date of appointment may not be changed via an extraordinary motion or in any other manner at the same meeting upon completion of the re-election.</p> <p>A shareholder who holds more than 1% of the aggregate total outstanding shares may pose a motion in writing to the Company's annual general</p>	<p>The amendments were made in response to the Letter Zheng-Gui-Jian-Zi No. 11000519041 on February 9, 2021.</p>

Clause	Before amendment	After amendment	Note
	<p>meeting. Still, the motion shall be confined to only one issue. Additional motions will not be included in the agenda of the meeting, <u>unless the motions are submitted to urge the Company to enhance the public interest or fulfill its social responsibility.</u> For proposal of motions pertinent to any conditions as specified in Article 172-1, Paragraph 4 of the Company Act may be declined by the Board for including into the agenda.</p> <p>(Omitted)</p>	<p>meeting. Still, the motion shall be confined to only one issue. Additional motions will not be included in the agenda of the meeting, For proposal of motions pertinent to any conditions as specified in Article 172-1, Paragraph 4 of the Company Act may be declined by the Board for including into the agenda. <u>Any proposal which the shareholder may submit to urge the Company to enhance the public interest or fulfill its social responsibility shall be confined to only one issue according to Article 172-1 of the Company Act procedurally.</u> Additional proposals will not be included into the agenda of the meeting.</p> <p>(Omitted)</p>	
Article X	<p>The Chairman of the shareholders' 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, Paragraph 1, Article 175 of the Company Act shall be applicable whereby provisional resolution could be made.</p>	<p>The Chairman of the shareholders' meeting shall announce for the session on the exact time scheduled for the meeting, <u>and announce the number of shareholders without voting right and shares of represented by present shareholders at the same time.</u> 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</p>	<p>The amendments were made in response to the Letter Zheng-Gui-Jian-Zi No. 11000519041 on February 9, 2021.</p>

Clause	Before amendment	After amendment	Note
	(Omitted)	one-third of the total outstanding shares, Paragraph 1, Article 175 of the Company Act shall be applicable whereby provisional resolution could be made. (Omitted)	
Article XXIII	In the event that an election of directors is held in a session, the election shall follow the procedure and regulation of the Company and the election result shall be announced on the scene. (Omitted)	In the event that an election of directors is held in a session, the election shall follow the procedure and regulation of the Company and the election result shall be announced on the scene, <u>including the names of those elected as directors and the number of votes with which they are elected, and the name list of directors losing the election and number of votes received by them.</u> (Omitted)	The amendments were made in response to the Letter Zheng-Gui-Jian-Zi No. 11000519041 on February 9, 2021.
Article XXVII	The Rules were instituted on March 5, 2001 under the resolution of the Board of Directors and ratification of a shareholders' meeting for coming into full force. The same shall apply, where the Rules are amended. (Omitted)	The Rules were instituted on March 5, 2001 under the resolution of the Board of Directors and ratification of a shareholders' meeting for coming into full force. The same shall apply, where the Rules are amended. (Omitted) <u>Amendment for the 8th instance was made on March 24, 2021 under the resolution of the Board of Directors and presented to the shareholders' meeting for ratification on August 18, 2021.</u>	Addition of the date of the last amendment.

Attachment VII

MPI Corporation

Comparison Table of the “Procedures for Engaging in Derivatives Trading” Before and After Amendments

Clause	Before amendment	After amendment	Note
Article III	Management or hedge strategies: The Company engages in the derivatives trading in order to help it manage and evade risk. The products that may evade the risk arising from the Company's business shall be selected as the trading products as the first priority.	Management or hedge strategies: The Company engages in the derivatives trading in order to help it manage and evade risk. The products that may evade the risk arising from the Company's business shall be selected as the trading products as the first priority. The Company refrains from engaging in non-hedging transactions.	In response to the laws & regulations and the Company's existing operations.
Article IV-I	(Added)	Authorized amount and level of authority: The Company shall engage in hedging transactions subject to prior approval of the Audit Committee and approval of the Chairman with authorization from the Board of Directors. Then, the Company will instruct Financial Accounting Dept. to engage in the hedging transactions within specific limit, depending on the fluctuations in the foreign exchange market. The authorized amount shall be decided based on the Company's level of authority requirements.	In response to the laws & regulations and the Company's existing operations.
Article V	Performance evaluation: (I) For non-trading purpose: Include the business targets denominated by various currencies or in various interest rate years set forth when the Company prepares the budget each year into the performance evaluation. The personnel engaged in trading shall strive to achieve the targets and performance valuation will be based on whether the targets are achieved or not. The personnel engaged in trading shall submit the foreign exchange position evaluation report to the senior management as the basis for	Performance evaluation: (I) For non-trading hedge trading purpose: Include the business targets denominated by various currencies or in various interest rate years set forth when the Company prepares the budget each year into the performance evaluation. The personnel engaged in trading shall strive to achieve the targets and performance valuation will be based on whether the targets are achieved or not. The personnel engaged in trading shall submit the foreign exchange position evaluation report to the senior management the Chairman or	In response to the laws & regulations and the Company's existing operations.

Clause	Before amendment	After amendment	Note
	management, at least twice per month. (II) For trading purpose: Evaluate the income on the positions held on a weekly basis, prepare the evaluation report and submit the same to the management for reference.	senior management authorized by the Chairman as the basis for management, at least twice per month. (II) For trading non-hedge trading purpose: Evaluate the income on the positions held on a weekly basis, prepare the evaluation report and submit the same to the management for reference. The Company is not allowed to engage in any non-hedge transactions.	
Article VI	Total contract amount: The total trading contract amount shall be no more than 20% of the Company's total assets, and the investment amount under individual contract shall be no more than 10% of the total assets.	Total contract amount: The total trading contract amount shall be no more than 20% of the Company's total assets, and the investment amount under individual contract shall be no more than 10% of the total assets. shall be no more than the existing and expected foreign currency assets less the net position of liabilities in foreign currency. The accumulated balances of settled contracts shall be no more than 30% of the net worth of the Company's most recent financial statements at any time.	In response to the laws & regulations and the Company's existing operations.
Article VII	Limit on loss of all and individual contracts: (I) For forward exchange agreements denominated in foreign currency, the limit on loss of all and individual contracts shall be 15% of the trading value. (II) For forward exchange agreements denominated in foreign Interest rate %, the limit on loss of all and individual contracts shall be 10% of the trading value. (III) For other derivatives, the limit on loss of all and individual contracts shall be 10% of the trading value. Unless with approval from the Chairman on a case-by-case basis, the position shall be	Limit on loss of all and individual contracts: (I) For forward exchange agreements denominated in foreign currency, the limit on loss of all and individual contracts shall be 15% of the trading value. (II) For forward exchange agreements denominated in foreign Interest rate %, the limit on loss of all and individual contracts shall be 10% of the trading value. (III) For other derivatives, the limit on loss of all and individual contracts shall be 10% of the trading value. If the said limit is reached, it is necessary to report to the Chairman for resolution of any	In response to the laws & regulations and the Company's existing operations.

Clause	Before amendment	After amendment	Note
	settled immediately to help control risk effectively, if said limit is reached.	necessary measures. Unless with approval from the Chairman on a case-by-case basis, the position shall be settled immediately to help control risk effectively.	
Article VIII	<p>Operating procedure:</p> <p>(I) The Company may engage in the transactions of derivatives only after the types and contents of derivatives trading submitted by Financial Accounting Dept. are approved by the Chairman.</p> <p>(II) The Chairman shall supervise and control the derivatives trading as the supreme management. Financial Accounting Dept. is responsible for execution thereof. Any derivatives trading shall be based on a pre-defined plan.</p>	<p>Operating procedure:</p> <p>(I) The Company may engage in the transactions of derivatives only after the types and contents of derivatives trading submitted by Financial Accounting Dept. are approved by the Chairman.</p> <p>(II) The Chairman shall supervise and control the derivatives trading as the supreme management. Financial Accounting Dept. is responsible for execution thereof. Any derivatives trading shall be based on a pre-defined plan.</p> <p>(III) Upon completion of the transactions, Financial Accounting Dept. shall compile all trading documents or report, and submit the same to the Chairman for approval.</p> <p>(IV) Important derivatives trading, if any, shall be subject to prior approval of the Audit Committee and resolution by the Board meeting, and then directed by the Chairman with authorization.</p>	In response to the laws & regulations and the Company's existing operations.
Article IX	<p>The derivatives trading is completed and confirmed by the personnel engaged in trading whether it complies with relevant requirements. Meanwhile, all information of derivatives trading conducted by the Company itself and subsidiaries, which are not domestic public companies, to the end of the previous month shall be entered at designated format into the designated website of the Securities and Futures Institute by the 10th day of each month.</p>	<p>The derivatives trading is completed and confirmed by the personnel engaged in trading whether it complies with relevant requirements. Meanwhile, all information of derivatives trading conducted by the Company itself and subsidiaries, which are not domestic public companies, to the end of the previous month shall be entered at designated format into the designated website of the Securities and Futures Institute by the 10th day of each month.</p> <p>When the trading loss reaches the limit prescribed in Article</p>	In response to the laws & regulations and the Company's existing operations.

Clause	Before amendment	After amendment	Note
		VII herein, it shall be announced and reported within two days upon occurrence of the fact.	
Article XI	<p>Risk management measures: The Company engaging in derivatives trading shall adopt the following risk management measures:</p> <p>I. Risk management shall address credit, market, liquidity, cash flow, operational, and legal risks.</p> <p>II. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.</p> <p>III. Risk measurement, monitoring, and control personnel shall be assigned from departments different from the personnel referred to in the previous subparagraph and shall report to the Board of Directors or senior management personnel with no responsibility for trading or position decision-making.</p> <p>IV. The position of derivatives held shall be assessed at least once per week; however, positions for hedge trades required by business shall be assessed at least twice per month. Assessment reports shall be submitted to senior management personnel authorized by the Board of Directors.</p> <p>V. Other important risk management measures.</p>	<p>Risk management measures: The Company engaging in derivatives trading shall adopt the following risk management measures:</p> <p>I. Risk management shall address credit, market, liquidity, cash flow, operational, and legal risks.</p> <p>II. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.</p> <p>III. Risk measurement, monitoring, and control personnel shall be assigned from departments different from the personnel referred to in the previous subparagraph and shall report to the Board of Directors or senior management personnel with no responsibility for trading or responsible for position decision-making.</p> <p>IV. The position of derivatives held shall be assessed at least once per week; however, positions for hedge trades required by business shall be assessed at least twice per month. Assessment reports shall be submitted to senior management personnel authorized by the Board of Directors.</p> <p>V. Other important risk management measures.</p>	In response to the laws & regulations and the Company's existing operations.