

MPI Corporation Minutes of 2019 General Meeting of Shareholders Regular Session on Record

Date and time: June 11 2019 (Tuesday), 10:00 am

Place: 2F, No. 26, Taiyuan Street, Zhubei City, 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 counted at 56,639,254 shares, which represented 70.87% of the Company's 79,915,374 outstanding shares and exceeded the statutory requirement. Attending members of the board included: Chairman Ko, Chang-Lin, Director Chen, Szu-Kuei, Director Scott Kuo, Independent Director Kao, Chin-Cheng, Independent Director Hsu, Mei-Fang, Supervisor Li, Tu-Cheng, Supervisor Tsai, Chang-Shou, and Supervisor Liu, Fang-Sheng, which exceeded 1/3 of the 8 seats on board.

Invited presence: Wu, Kuei-Chen (CPA)

Chairperson: Ko, Chang-Lin (Chairman) Minute taker: Tang, Fu-Ping (Manager)

I. Announcement of session

II. Address of the Chairman: skipped.

III. Management Presentation (Company Reports)

1. 2018 Operation Review. (See Appendix I)
2. 2018 Supervisors' Review Report. (See Appendix II)
3. The report on allocation of remuneration to employees and directors/supervisors in 2018.

Note: (I) According to Article 20 of the Articles of Incorporation, where there is profit in any fiscal year, 0.1% to 15% of the profit shall be appropriated as remuneration for employees and no more than 3% of the profit as remuneration for directors and supervisors.

(II) The profit before tax, excluding the remuneration for employees, directors and supervisors, were NT\$424,516,438 in 2018. We appropriated NT\$34,144,000 as the remuneration for employees and NT\$9,603,000 to the directors and supervisors after the approval of the resolution by the Board of Directors on March 18, 2019. All were distributed in cash.

4. The report on the reasons and related matters regarding the raising of the 4th domestic unsecured convertible corporate bond by the Company.

Note: (I) The whole amount of fund raised by the 4th domestic unsecured convertible corporate bond by the Company will be used for the loan payment to the bank. The proposal was approved by the Board of

Directors in May 7, 2018 and was approved by the Financial Supervisory Commission by issuing the Letter Jin-Guan-Zheng-Fa-Zi No.

1070325999 on July 26, 2018. The five-year domestic unsecured convertible bonds has a par value of NT\$100,000 per share and the total issued amount is NT\$1,000,000,000.

- (II) As of the last reception date for conversion of corporate bond (April 12, 2019), 367 corporate bond were repurchased and canceled with the total amount of NT\$36,700,000, 10 convertible corporate bonds with the total amount of NT\$1,000,000 were converted into common stocks and the remaining unconverted corporate bonds was NT\$962,300,000.

IV. Points of Ratification

Motion No. 1

Submitted by the Board

Cause of motion: Proposal for the ratification of the 2018 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 2018. The financial statements for fiscal year 2018 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 III and Appendix IV.

- (II) This motion was approved by the Board of Directors in the 2nd meeting in 2019.

Resolution: Motion vote results: A total of 56,539,254 voting rights were present at the time of vote (including 13,630,707 rights executed in electronic form)

Result	Vote number	Percentage in votes of the present shareholders %
Approval votes	52,280,712	92.47%
Disapproval votes	896	0.00%
Invalid votes	0	0.00%
Abstention votes/no votes	4,257,646	7.53%

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 ratification of the motion for allocation of earnings for fiscal year 2018.

Note: (I) MPI Corporation had corporate earnings amounting to NT\$334,562,485 in fiscal year 2018. Enclosed therein is the proposal for the distribution of income. For further information, please refer to Appendix V.

- (II) In consideration of subsequent business development of the future, MPI

Corporation plans to attribute NT\$159,802,776 from distributable earnings as cash dividend for FY 2018 and NT\$0 for stock dividend on the basis of the quantity of 79,901,388 shares outstanding on the day of the Board session. The earnings per share is tentatively set at NT\$2.

(III) If the total number of the outstanding shares of the Company is affected and the distribution yield of the shareholders is changed due to the change of the capital stock of the Company, we authorize the Board of Directors to handle the matter with full powers.

(IV) This motion was approved by the Board of Directors in the 2nd meeting in 2019.

Resolution: Motion vote results: A total of 56,539,254 voting rights were present at the time of vote (including 13,630,707 rights executed in electronic form)

Voting result	Vote number	Percentage in votes of the present shareholders %
Approval votes	52,372,711	92.63%
Disapproval votes	898	0.00%
Invalid votes	0	0.00%
Abstention votes/no votes	4,165,645	7.37%

The motion was approved 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 “Articles of Incorporation” of MPI Corporation.

Note: (I) According to the Hua-Zong-Yi-Jing-Zi No. 10700083291 of the Company Act on August 1, 2018, we planned to amend certain clauses of the “Articles of Incorporation”.

(II) The mapping of the provisions of the “Articles of Incorporation” is attached for your information. Please refer to Appendix VI.

(III) This motion was approved by the Board of Directors in the 2nd meeting in 2019.

Resolution: Motion vote results: A total of 56,639,254 voting rights were present at the time of vote (including 13,630,707 rights executed in electronic form)

Voting result	Vote number	Percentage in votes of the present shareholders %
Approval votes	52,372,704	92.47%
Disapproval votes	904	0.00%
Invalid votes	0	0.00%
Abstention votes/no votes	4,265,646	7.53%

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 “Procedure for the Acquisitions or Dispositions of Assets” of MPI Corporation.

- Note: (I) Amendment to the “Procedure for the Acquisitions and Disposition of Assets” was made pursuant to the requirement of Financial Supervisory Commission Letter Jin-Guan-Zheng-Fa-Zi No. 1070341072 on November 26, 2018.
- (II) The mapping of the provisions in the “Procedure for the Acquisitions and Dispositions of Assets” of MPI is attached for your information. Please refer to Appendix VII.
- (III) This motion was approved by the Board of Directors in the 2nd meeting in 2019.

Resolution: Motion vote results: A total of 56,639,254 voting rights were present at the time of vote (including 13,630,707 rights executed in electronic form)

Voting result	Vote number	Percentage in votes of the present shareholders %
Approval votes	52,372,701	92.47%
Disapproval votes	904	0.00%
Invalid votes	0	0.00%
Abstention votes/no votes	4,265,649	7.53%

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

Motion No. 3:

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.

- Note: (I) Amendment to the “Procedures for Engaging in Derivatives Trading” was made pursuant to the requirement of Financial Supervisory Commission Letter Jin-Guan-Zheng-Fa-Zi No. 1070341072 on November 26, 2018.
- (II) The comparison table of clauses before and after the amendment of the “Procedures for Engaging in Derivatives Trading” is attached for your information. Please refer to Appendix VIII.
- (III) This motion was approved by the Board of Directors in the 2nd meeting in 2019.

Resolution: Motion vote results: A total of 56,639,254 voting rights were present at the time of vote (including 13,630,707 rights executed in electronic form)

Voting result	Vote number	Percentage in votes of the present shareholders %
Approval votes	52,371,703	92.47%
Disapproval votes	1,904	0.00%
Invalid votes	0	0.00%
Abstention votes/no votes	4,265,647	7.53%

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

Motion No. 4:

Submitted by the Board

Cause of motion: Proposal for the discussion of the amendment to the “Operating Procedure for Loaning to Others” of MPI Corporation.

Note: (I) Amendment to the “Operating Procedure for Loaning to Others” was made pursuant to the requirement of Financial Supervisory Commission Letter Jin-Guan-Zheng-Shen-Zi No. 1080304826 on March 7, 2019

(II) The comparison table of clauses before and after the amendment of the “Operating Procedure for Loaning to Others” is attached for your information. Please refer to Appendix IX.

(III) This motion was approved by the Board of Directors in the 2nd meeting in 2019.

Resolution: Motion vote results: A total of 56,639,254 voting rights were present at the time of vote (including 13,630,707 rights executed in electronic form)

Voting result	Vote number	Percentage in votes of the present shareholders %
Approval votes	52,371,700	92.47%
Disapproval votes	1,908	0.00%
Invalid votes	0	0.00%
Abstention votes/no votes	4,265,646	7.53%

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

Motion No. 5:

Submitted by the Board

Proposal: Proposal for the discussion of the amendment to the “Operating Procedure for Making Endorsement/Guarantee” of MPI Corporation.

Note: (I) Amendment to the “Operating Procedure for Making Endorsement/Guarantee” was made pursuant to the requirement of Financial Supervisory Commission Letter Jin-Guan-Zheng-Shen-Zi No. 1080304826 on March 7, 2019.

(II) The comparison table of clauses before and after the amendment of the “Operating Procedure for Making Endorsement/Guarantee” is attached for your information. Please refer to Appendix X.

(III) This motion was approved by the Board of Directors in the 2nd meeting in 2019.

Resolution:

Resolution: Motion vote results: A total of 56,639,254 voting rights were present at the time of vote (including 13,630,707 rights executed in electronic form)

Voting result	Vote number	Percentage in votes of the present shareholders %
Approval votes	52,371,700	92.47%
Disapproval votes	1,908	0.00%
Invalid votes	0	0.00%
Abstention votes/no	4,265,646	7.53%

votes		
-------	--	--

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

VI. Impromptu motions: N/A

VII. Adjournment of meeting: June 11, 2019, at 10:39 am.

MPI Corporation Operation Review

I. 2018 operation in review

(I) Business Plan and Result

In FY 2018, we had net sales amounting to NT\$5,386,356 thousand, which was an increase of 21% compared to the NT\$4,448,454 thousand from the same period of 2017. Corporate earnings in FY 2018 amounted to NT\$337,628 thousand or an increase of 126% of NT\$149,267 thousand from the same period of 2017 with earnings per share of NT\$4.19.

Most research institutions estimate that the scale of the global semiconductor market will reach US\$446 billion with an decrease of 4.9% in YoY in 2019. This is the first time the market scale presents a recession since 2015 and the main cause is the uncertainty of the global economy resulted from the tense situation between the US-China trade.

Based on the classification of the semi-conductor product applications, most of the industries are in recession in 2019. However, the AI and robots, 5G and IoT along with the autonomous vehicles and IoV will become the highlight of future growth. To respond to the coming era of 5G application, chip manufacturers will continue to release 5G chips in 2019 while more applications including the AI, IoT and IoV will be integrated via the 5G platform. In the future, the “Internet of Everything” outlook will be worth our expectation.

Due to the high computing capability required by these emerging technologies, the role of semiconductor becomes very crucial. The manufacturers need to improve the overall performance of the end application products via the advanced process of the semiconductor while the blueprint of semiconductor scaling technology will create a great demand for the high end probe cards. MPI Corporation invests great R&D resources in the development of high end probe cards with the expectation to increase the market share in the high-end market and peripheral and key components and improve the customized service and flexibility for our customers. As for the self-manufactured machines, we will have continuous growth in the semiconductor engineering machine and temperature testing machines.

(II) Revenue and profitability analysis

Unit: NTD thousands

Item		Year			
		2017	2018	Change (%)	
Revenue	Net Sales	4,448,454	5,386,356	21.08%	
	Gross profit	1,759,911	2,140,251	21.61%	
	Profit or loss after tax	149,267	337,628	126.19%	
Profitability	ROA (%)	2.19	4.48	104.57%	
	ROE (%)	3.85	8.55	122.08%	
	Operating Income to Paid-in capital ratio (%)	22.49	40.46	79.90%	
	EBT to Paid-in capital ratio (%)	25.64	49.76	94.07%	
	Net profit margin (%)	3.36	6.27	86.61%	
	EPS (NT\$)	before retroactive adjustment	1.83	4.19	128.96%
		after retroactive adjustment	1.83	4.19	128.96%

(III) Research and development

Research and development findings in 2018:

1. Photoelectric precision automated equipment:
 - A. Full automatic 8-inch LED wafer probing system.
 - B. Full automatic wafer level probing system with high power 6-inch laser diode and VCSEL.
 - C. All-in-one test station (LIV, FF and NF) with related probing equipment for VCSEL.
 - D. Micro LED wafer level optoelectronic measuring system.
2. Wafer probe card:
 - A. The Company continues to develop vertical type MEMS probe cards to meet the need for fine-pitch technology of IC scaling.
 - B. To meet the technology requirement for high-speed transmission of smart devices, we constantly develop the high-speed probe card to meet the probing need of high-speed transmission.
3. Semi-conductor component temperature testing series:

For the high-temperature and low-temperature testing system, we continue to develop sub-systems of peripheral applications to meet the customer need.
4. Semi-conductor engineering testing machine series:

We successfully introduce the full automatic high-frequency wafer prober and the probe station for automatic impedance matching test and continue to strengthen the

performance and applications of 200mm and 300mm testing machines.

II. Summary of 2019 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:

1. To satisfy the need for application of high-rank IC scaling, we continue to develop wafer level fine-pitch testing technology.
2. In response to the application demand of high performance computing, we continue to develop high current withstanding probe.
3. To meet the technology requirement for high-speed transmission of smart devices, we constantly develop the technology of the probe cards with higher speed.
4. We keep optimizing the multi-layer organic to correspond to the technical demand for higher specification applications in the future and strengthen the competitiveness of the probe card products.
5. For the photonics automation industry, we aim at four industrial fields of optical communication, sensing, micro display and LED to offer automated equipment with high optical, mechanical and electrical integration for measurement, sorting and optical inspection. By deeply cooperating with the leading customers of international technology, we adopt the providing of high value-added Turnkey solution for the photoelectric industry as our main development goal.
6. Regarding the application of the temperature control system for the environmental test of the semiconductor and fiber optics communication components, we continue to develop best products that corresponds to different testing temperature range to provide the customer with the best temperature testing solution.
7. In the application field of semiconductor engineering testing, we invest in the development of fill automatic 300mm engineering testing machine to satisfy the multiple application needs of the customers and enable the user to have a convenient, flexible, safe and precise operational environment.

(II) Vital production and sales policies

Looking into 2019, MPI Corporation will constantly invest in the R&D capacities, enhance the competitiveness and develop new products to expand our business. In the meanwhile, we will strengthen the support capacity of our overseas business locations to provide a more rapid and comprehensive technical service for the 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 the customers. Also, our main production and sales policy is to focus on the future demand of the customer to jointly develop the most 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 and imaging detection, provide complete testing application solutions to meet the need for mass production of the photoelectric and semi-conductor industries.
- (II) In the application field of semiconductor engineering testing, we develop more competitive products via the core technology of micro-signal, high-frequency and high power measurement with the support of the automatic wafer feeding technology.
- (III) With the core technology of 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 our competitiveness.

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

Under the impact of the Sino-American trade war and the uncertainty of the global economy, this year will be a year full of challenges for the semi-conductor industry. In the beginning of the year, most research institutions already predicted that the market scale will present a recession this year and the economy may show a sign of recovery in the second half of the year. Despite surrounded by many uncertainties in the overall environment, the evolution of technology still creates new industries and opportunities while the application fields such as the automobile electronics, 5G and cloud computing constantly bring new momentum to the development of semiconductor. Our profound R&D capabilities are the basis for the promotion of the semiconductor process to provide the customer the most comprehensive and precise testing service. We expect to maintain our leading role in the industry and bring the greatest investment value to our shareholders.

I wish joy and the best of luck

to every shareholder!

Chairman: Ko, Chang-Lin

President: Scott Kuo

Chief Accounting Officer: Rose Jao

MPI Corporation Supervisors' Audit Report

The Company's 2018 individual financial statement and consolidated financial statements submitted by the Board of Directors have been audited by Wu Kuei-Chen and Chen Tsai-Huang, CPAs of Nexia Sun Rise CPAs & Co. The statements was sufficient enough to present a fair view of the financial status, operating result and cash flow of the Company. We also reviewed the business report and motion for earnings allocation submitted together with the financial statements. We hereby recognize said report and statements after conducting the audit on them pursuant to Article 219 of the Company Act and Article 36 of Securities and Exchange Act.

To:
2019 General Shareholders' Meeting of MPI Corporation

MPI Corporation
Supervisor: Li, Tu-Cheng
Liu, Fang-Sheng
Tsai, Chang-Shou

March 18, 2019

Appendix III

Independent Auditor’s Audit Report

The Board of Directors and Shareholders

MPI Corporation

Opinion

We have audited the accompanying financial statements of MPI CORPORATION (the “Company”), which comprise the balance sheets as of December 31, 2018 and 2017, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2018. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters on the financial statements for the year ended December 31, 2018 were as follows:

1. Revenue Recognition

Matter Description

Regarding the accounting policy of revenue recognition, please refer to (24) of Note 4 of the Individual Financial Statements. Regarding relevant disclosure, please refer to Note 9 and Statements of Major Accounting Items - Statement of Operating Revenue.

Sales revenue is the major index for investors and the management to evaluate the finance or performance of MPI Corporation. As the point in time for revenue recognition and the amount of recognized revenue can make a big difference on the financial statements, the CPA(s) has also reviewed the accuracy of these two key factors during the audit.

Audit Procedures in Response

The CPA(s) has implemented audit procedures in response as summarized below:

- (1) Understood and tested the design and implementation efficiency of sales and receiving circulation control system.
- (2) Understood the major revenue type and trading terms of MPI Corporation to assess if the accounting policy of point in time for revenue recognition is appropriate.
- (3) Understood the product type and sales of the top 10 customers; sampled and reviewed the orders; assessed the influence of trading terms to revenue recognition; and confirmed if MPI Corporation has handled accounting relevant activities appropriately.
- (4) Evaluated if the number of days for turning over the sales revenue and payables; and analyzed changes to customers of this and last year at the same time point to see if there is any abnormality.
- (5) Implemented the detail test, where transactions of sales revenue before and after the financial statements within a specified period have been sampled to carry out the cut-off test and verify relevant certificates. Changes to the inventory in account books and transferred sales costs have been recorded during an appropriate period of period to evaluate the correctness of the period of recognizing the revenue, ensure if there is any abnormal revenue journal voucher, and understand if there is any grave refund or return after the period.

2. Inventory Valuation

Matter Description

Regarding the accounting policy of inventory valuation, please refer to (14) of Note 4 of Individual Financial Statements. Regarding significant accounting judgments, estimations, and assumptions of inventory valuation, please refer to Note 5 of Individual Financial Statements. Regarding descriptions of inventory accounting items, please refer to (4) of Note 6 of Individual Financial Statements. The Company recognize inventories amounting to NT\$2,720,892 thousand and

Allowance for inventories amounting to NT\$253,513 thousand. The book value of the Company's inventories as December 31, 2018 was NT\$2,467,379 thousand and accounted 30% of the total assets in the consolidated balance sheet.

MPI Corporation mainly engages in the manufacturing and sales of semiconductor production and testing equipment. Due to rapid technological changes, short life cycle and intense market competition of electronic products, there is a high tendency for inventory valuation loss and losses caused by outdated inventory. The inventory is evaluated by either the cost or net realizable value, depending on which one has the lower value. Inventories that exceed specific inventory age or are evaluated as outdated during individual assessment shall have the inventory loss evaluation conducted also based on the inventory age and future product demand during specific period of time. The information comes from the management's judgement on each product's net realizable value based on the inventory sales, age and quality conditions. As the amount of MPI Corporation's inventory is great; a number of items are included on the inventory list; and the valuation of inventories that have exceeded specific age or are outdated relies heavily on the management's subjective judgement and involves a high degree of uncertainty, the Account(s) believes that the inventory valuation and obsolescence loss is one of the key audit matters of the year.

Audit Procedures in Response

The CPA(s) has implemented the audit procedures in response as summarized below:

- (1) With the CPA's knowledge of the industry and MPI Corporation's operations, evaluated the soundness of the Corporation's policies concerning the allowance for inventory valuation loss and doubtful debts.
- (2) Understood MPI Corporation's inventory management procedures, reviewed its annual inventory plan, and participated in its annual inventory check to evaluate the management's judgement and control efficiency of outdated inventories.
- (3) Acquired the list of product inventory age, verified the appropriateness of reporting system logic, and confirmed the consistency of report information and adopted policies.
- (4) Evaluated the appropriateness of the methods of calculating inventory valuation impairment, including deciding the inventory classification based on the net realizable value, checking individual material number to verify the basic assumption of the calculation in relevant supporting document, and verify the accuracy of calculation.

Other Matter-Making Reference to the Audits of Component Auditors

As stated in the individual financial statements (5) of Note 6, Certain investments, which were accounted for under the equity method based on the financial statements of the investees, were audited

by other independent accountants. Respectively, the related shares of investment income from the subsidiaries amounted to NT\$(44,820) thousand and NT\$(37,967) thousand. Insofar as it related to the investments accounted for under the equity method balances of NT\$ (16,961) thousand and NT\$ 19,495 thousand as of December 31, 2018, December 31, 2017.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including supervisors, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures

that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2018 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Sun Rise CPAs & Company
Taipei, Taiwan, Republic of China
March 18, 2019

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

MPI CORPORATION
BALANCE SHEETS (ASSETS)
DECEMBER 31 ,2018 AND 2017

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

ASSETS	Note	December 31,2018		December 31,2017	
		Amounts	%	Amounts	%
NONCURRENT ASSETS					
Cash and cash equivalents	6(1)	\$ 722,973	9	\$ 297,363	4
Accounts receivable, net	6(3)	679,191	8	625,523	8
Accounts receivable -related parties, net	6(3).7	311,470	4	264,990	3
Other receivables		4,625	-	8,464	-
Other receivables -related parties	7	28,303	-	34,805	1
Income tax receivable		676	-	676	-
Inventories, net	6(4)	2,467,379	30	2,227,493	29
Prepayments		49,687	1	53,611	1
Other current assets	8	3,402	-	3,694	-
Total Current Assets		<u>4,267,706</u>	<u>52</u>	<u>3,516,619</u>	<u>46</u>
 NONCURRENT ASSETS					
Investments accounted for using equity method	6(5)	858,533	11	915,223	12
Property, plant and equipment	6(6).7.8	2,784,489	34	2,931,444	38
Intangible assets	6(7)	41,237	1	40,955	1
Deferred income tax assets	6(18)	81,149	1	72,002	1
Other noncurrent assets	6(8)	101,241	1	152,665	2
Total Noncurrent Assets		<u>3,866,649</u>	<u>48</u>	<u>4,112,289</u>	<u>54</u>
TOTAL ASSETS		<u>\$ 8,134,355</u>	<u>100</u>	<u>\$ 7,628,908</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 ,2018 AND 2017

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

LIABILITIES AND EQUITY	Note	December 31,2018		December 31,2017	
		Amounts	%	Amounts	%
CURRENT LIABILITIES					
Short-term loans	6(9)	\$ 818,000	10	\$ 1,170,000	15
Contract liabilities – current	6(16).7	854,750	11	-	-
Accounts payable		457,107	6	388,552	5
Accounts payable-related parties	7	2,972	-	8,656	-
Payables on equipment		19,530	-	82,660	1
Other payables	6(10)	625,550	8	444,972	6
Other payables-related parties	7	102,190	1	138,321	2
Income tax payable		40,709	1	-	-
Provisions	6(11)	4,859	-	3,210	-
Sales revenue received in advance	7	-	-	752,536	10
Current portion of long-term liabilities	6(13)	29,233	-	225,787	3
Other current liabilities		10,639	-	10,214	-
Total Current Liabilities		2,965,539	37	3,224,908	42
NONCURRENT LIABILITIES					
Non-current Financial liabilities at Fair Value	6(12)	9,266	-	-	-
Bonds payable	6(12)	892,843	11	-	-
Long-term loans	6(13)	39,230	-	572,909	8
Deferred income tax liabilities	6(18)	13,040	-	14,591	-
Accrued pension cost	6(14)	39,102	1	31,697	1
Credit balance of investments account for usin	6(5)	68,397	1	16,728	-
Other noncurrent liabilities		97	-	97	-
Total Other Liabilities		1,061,975	13	636,022	9
TOTAL LIABILITIES		4,027,514	50	3,860,930	51
EQUITY					
	6(15)				
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT					
Capital common stock		799,014	10	799,014	11
Capital surplus		977,255	12	909,204	12
Retained earnings					
Appropriated as legal capital reserve		563,093	7	548,516	7
Special reserve		42,308	-	30,177	-
Unappropriated earnings		1,779,401	22	1,523,376	20
Total Retained Earnings		2,384,802	29	2,102,069	27
Other					
Foreign currency translation adjustments		(54,230)	(1)	(42,309)	(1)
Total others		(54,230)	(1)	(42,309)	(1)
TOTAL EQUITY		4,106,841	50	3,767,978	49
TOTAL LIABILITIES AND EQUITY		\$ 8,134,355	100	\$ 7,628,908	100

(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, 2018 and 2017

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

Items	Note	January 1 ~ December 31, 2018		January 1 ~ December 31, 2017	
		Amounts	%	Amounts	%
OPERATING REVENUE, NET	6(16).7				
Sales revenue		\$ 4,670,536	99	\$ 3,902,167	100
Less: sales returns		(10,685)	-	(12,576)	-
sales discounts and allowances		(1,221)	-	(754)	-
Commission revenue		45,590	1	16,325	-
Operating Revenue, net		4,704,220	100	3,905,162	100
OPERATING COSTS	6(4).7	(2,838,717)	(60)	(2,381,221)	(61)
GROSS PROFIT		1,865,503	40	1,523,941	39
Realized (Unrealized) Gross profit on sales to subsidiaries and associates		22,094	-	12,525	-
GROSS PROFIT, NET		1,887,597	40	1,536,466	39
OPERATING EXPENSES	7				
Selling expenses		(460,427)	(10)	(425,681)	(11)
General & administrative expenses		(236,807)	(5)	(187,508)	(5)
Research and development expenses	6(7)	(869,002)	(18)	(803,594)	(20)
Expected Credit (loss) gains		(2,736)	-	(867)	-
Operating expense, net		(1,568,972)	(33)	(1,417,650)	(36)
OPERATING INCOME		318,625	7	118,816	3
NON-OPERATING INCOME AND EXPENSES					
Other gains and losses	6(17)	27,351	1	(9,236)	-
Finance costs	6(17)	(22,860)	(1)	(16,779)	-
Share of profits of subsidiaries and associates	6(5)	2,420	-	12,918	-
Interest income	7	1,006	-	707	-
Rent income	7	6,635	-	6,745	-
Other non-operating revenue-other items	7	47,592	1	59,233	2
Total Non-operating Income		62,144	1	53,588	2
INCOME BEFORE INCOME TAX		380,769	8	172,404	5
INCOME TAX BENEFIT(EXPENSE)	6(18)	(46,207)	(1)	(26,637)	(1)
NET INCOME		334,562	7	145,767	4
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that are not to be reclassified to profit or loss					
Re-measurements from defined benefit plans		(7,349)	-	(2,630)	-
Share of remeasurements of defined benefit plans of subsidiaries and associates		47	-	(2,069)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences arising on translation of foreign operations		(11,921)	-	(12,132)	(1)
Other comprehensive income for the year, net of income tax		(19,223)	-	(16,831)	(1)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		\$ 315,339	7	\$ 128,936	3
NET INCOME (LOSS) ATTRIBUTABLE TO :	6(19)				
Shareholders of the parent		\$ 4.19		\$ 1.83	
Noncontrolling interests		\$ 3.56		\$ 1.83	

(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 ,2018 and 2017
(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,1,2017	\$ 796,054	\$ 885,735	\$ 492,188	\$ -	\$ 1,803,156	\$ (30,177)	\$ 3,946,956
Legal capital reserve			56,328		(56,328)		-
Special capital reserve				30,177	(30,177)		-
Cash Dividends of Common Stock					(334,343)		(334,343)
Capital Reserve From Stock Warrants		(1,256)					(1,256)
Disposal of investments accounted for under the equity method							
Net Income in 2017					145,767		145,767
Other comprehensive income in 2017, net of income tax					(4,699)	(12,132)	(16,831)
Total comprehensive income in 2017					141,068	(12,132)	128,936
Issuance of stock from exercise of employee stock options	2,960	24,725					27,685
BALANCE,DECEMBER,31,2017	\$ 799,014	\$ 909,204	\$ 548,516	\$ 30,177	\$ 1,523,376	\$ (42,309)	\$ 3,767,978
BALANCE,JANUARY,1,2018	\$ 799,014	\$ 909,204	\$ 548,516	\$ 30,177	\$ 1,523,376	\$ (42,309)	\$ 3,767,978
Legal capital reserve			14,577		(14,577)		-
Special reserve				12,131	(12,131)		-
Cash Dividends of Common Stock					(39,951)		(39,951)
Capital Reserve From Stock Warrants		67,683					67,683
Other changes in capital surplus		368					368
Net Income in 2018					334,562		334,562
Other comprehensive income in 2018, net of income tax					(7,302)	(11,921)	(19,223)
Total comprehensive income in 2018					327,260	(11,921)	315,339
Difference between consideration paid and carrying amount of subsidiaries acquired					(4,576)		(4,576)
BALANCE,DECEMBER,31,2018	\$ 799,014	\$ 977,255	\$ 563,093	\$ 42,308	\$ 1,779,401	\$ (54,230)	\$ 4,106,841

(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, 2018 and 2017

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

Items	Jan 1 ~ Dec 31,2018	Jan 1 ~ Dec 31,2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 380,769	\$ 172,404
Adjustments to reconcile net income to net		
Depreciation	331,492	287,056
Amortization	49,697	45,568
Expected credit loss(gain)	2,736	867
Gains on Financial Assets (Liabilities) at Fair Value through Profit or Loss	3,200	55
Interest expense	22,860	16,779
Interest revenue	(1,006)	(707)
Loss (gain) on equity-method investments	(2,420)	(12,918)
(Gain) loss on disposal of property, plant and equipment	(5,669)	2,233
Gains on disposal of investments	-	(15,557)
(Realized) Unrealized gross profit on sales to subsidiaries and associates	(22,094)	(12,525)
(Gain) on repurchase of convertible bonds	(1,564)	-
Adjustments-exchange (Gain) loss on prepayments for equipment	(334)	2,032
Net changes in operating assets and liabilities		
Net changes in operating assets		
Decrease (Increase) in notes receivable	-	5
Decrease (Increase) in accounts receivable	(56,402)	(83,486)
Decrease (Increase) in accounts receivable-related parties	(46,480)	(79,423)
Decrease (Increase) in other receivables	3,845	4,343
Decrease (Increase) in other receivables-related parties	6,502	(6,552)
Decrease (Increase) in inventories	(239,887)	(307,170)
Decrease (Increase) in prepayments	3,924	(1,814)
Decrease (Increase) in other current assets	317	(1)
Net changes in operating liabilities		
(Decrease) Increase in contract liabilities	102,214	-
(Decrease) Increase in accounts payable	68,555	(16,874)
(Decrease) Increase in accounts payable-related parties	(5,684)	7,909
(Decrease) Increase in other accounts payable	180,942	(157,950)
(Decrease) Increase in other accounts payable-related parties	(36,131)	52,350
(Decrease) Increase in provision of liabilities	1,649	615
(Decrease) Increase in sales revenue received in advance	-	103,742
(Decrease) Increase in other current liabilities	425	329
Decrease(Increase) in accrued pension cost	56	1,613
Cash generated from operations	<u>741,512</u>	<u>2,923</u>
Interest received	999	708
Cash dividends received	17,605	12,175
Interest (excluding capitalization of interest)	(17,290)	(6,278)
Cash dividends	(39,951)	(334,343)
Income taxes paid	(16,195)	(73,473)
Net cash Provided By Operating Activities	<u>686,680</u>	<u>(398,288)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition of investments accounted for using equity method	(13,861)	(98,061)
Disposal of investments accounted for using equity method	4	18,918
Proceeds from capital return of investments accounted for using equity method	112,675	4,677
Additions to property, plant and equipment	(251,814)	(657,061)
Proceeds from sale of property, plant and equipment	10,151	1
Intangible assets	(25,960)	(29,605)
Increase in other financial assets	(25)	5,775
Decrease in other non-current assets	27,405	210,880
Net cash Provided Used In Investing Activities	<u>(141,425)</u>	<u>(544,476)</u>

(Continue)

MPI CORPORATION
STATEMENTS OF CASH FLOWS
From January 1 to December 31, 2018 and 2017
(All amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Items	Jan 1 ~ Dec 31,2018	Jan 1 ~ Dec 31,2017
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	-	790,000
(decrease) in short-term loans	(352,000)	-
Issuance of corporate bonds	995,618	-
Repurchase of convertible bonds	(33,030)	(574,000)
Increase in long-term borrowings	-	548,728
Repayments of long-term loans	(730,233)	-
Net cash (Used In) Financing Activities	<u>(119,645)</u>	<u>764,728</u>
Net increase in cash and cash equivalents	425,610	(178,036)
Cash and cash equivalents at beginning of year	297,363	475,399
Cash and cash equivalents at end of year	<u>\$ 722,973</u>	<u>\$ 297,363</u>

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

Appendix IV

Independent Auditor's Audit Report

The Board of Directors and Shareholders

MPI Corporation

Opinion

We have audited the accompanying consolidated financial statements of **MPI CORPORATION** (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2018. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters on the consolidated financial statements for the year ended December 31, 2018 were as follows:

I. Revenue Recognition

Matter Description

Regarding the accounting policy of revenue recognition, please refer to (25) of Note 4 of the Consolidated Financial Statements.

Sales revenue is the major index for investors and the management to evaluate the finance or performance of MPI Group. As the point in time for revenue recognition and the amount of recognized revenue can make a big difference on the financial statements, the CPA(s) has also reviewed the accuracy of these two key factors during the audit.

Audit Procedures in Response

The CPA(s) has implemented audit procedures in response as summarized below:

- (1) Understood and tested the design and implementation efficiency of sales and receiving circulation control system.
- (2) Understood the major revenue type and trading terms of MPI Group to assess if the accounting policy of point in time for revenue recognition is appropriate.
- (3) Understood the product type and sales of the top 10 customers; sampled and reviewed the orders; assessed the influence of trading terms to revenue recognition; and confirmed if MPI Group has handled accounting relevant activities appropriately.
- (4) Evaluated if the number of days for turning over the sales revenue and payables; and analyzed changes to customers of this and last year at the same time point to see if there is any abnormality.
- (5) Implemented the detail test, where transactions of sales revenue before and after the financial statements within a specified period have been sampled to carry out the cut-off test and verify relevant certificates. Changes to the inventory in account books and transferred sales costs have

been recorded during an appropriate period of period to evaluate the correctness of the period of recognizing the revenue, ensure if there is any abnormal revenue journal voucher, and understand if there is any grave refund or return after the period.

2. Inventory Valuation

Matter Description

Regarding the accounting policy of inventory valuation, please refer to (16) of Note 4 of Consolidated Financial Statements. Regarding significant accounting judgments, estimations, and assumptions of inventory valuation, please refer to Note 5 of Individual Financial Statements. Regarding descriptions of inventory accounting items, please refer to (4) of Note 6 of Individual Financial Statements. The Group recognize inventories amounting to NT\$2,810,763 thousand and Allowance for inventories amounting to NT\$255,711 thousand. The book value of the Group's inventories as December 31, 2018 was NT\$2,555,052 thousand and accounted 31% of the total assets in the consolidated balance sheet.

MPI Group mainly engages in the manufacturing and sales of semiconductor production and testing equipment. Due to rapid technological changes, short life cycle and intense market competition of electronic products, there is a high tendency for inventory valuation loss and losses caused by outdated inventory. The inventory is evaluated by either the cost or net realizable value, depending on which one has the lower value. Inventories that exceed specific inventory age or are evaluated as outdated during individual assessment shall have the inventory loss evaluation conducted also based on the inventory age and future product demand during specific period of time. The information comes from the management's judgement on each product's net realizable value based on the inventory sales, age and quality conditions. As the amount of MPI Corporation's inventory is great; a number of items are included on the inventory list; and the valuation of inventories that have exceeded specific age or are outdated relies heavily on the management's subjective judgement and involves a high degree of uncertainty, the Account(s) believes that the inventory valuation and obsolescence loss is one of the key audit matters of the year.

Audit Procedures in Response

The CPA(s) has implemented the audit procedures in response as summarized below:

- (1) With the CPA's knowledge of the industry and MPI Group's operations, evaluated the soundness of the Corporation's policies concerning the allowance for inventory valuation loss and doubtful debts.
- (2) Understood MPI Group's inventory management procedures, reviewed it's annul inventory plan,

and participated in its annual inventory check to evaluate the management's judgement and control efficiency of outdated inventories.

- (3) Acquired the list of product inventory age, verified the appropriateness of reporting system logic, and confirmed the consistency of report information and adopted policies.
- (4) Evaluated the appropriateness of the methods of calculating inventory valuation impairment, including deciding the inventory classification based on the net realizable value, checking individual material number to verify the basic assumption of the calculation in relevant supporting document, and verify the accuracy of calculation.

Other Matter-Making Reference to the Audits of Component Auditors

Information on the subsidiaries of MPI Corporation included in the aforementioned statements covering the period of 2018 and 2017. And the information on direct investment as disclosed in note 13 is valued as audited by other public accountants. Said subsidiaries' total assets of are NT\$191,134 thousand and NT\$149,613 thousand or accounted for 2.33% and 1.94% of the consolidated total assets as of December 31, 2018 and 2017, respectively. As of January 1 to December 31, 2018 and 2017, had net operating revenue amounted to NT\$556,498 thousand and NT\$181,678 thousand, or accounted for 10.33% and 4.08% of the consolidated net operating revenue, respectively.

Other Matter

We have also audited the parent Group only financial statements of MPI CORPORATION as of and for the years ended December 31, 2018 and 2017 on which we have issued an unqualified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the

Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including supervisors, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to

continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2018 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Sun Rise CPAs & Company
Taipei, Taiwan, Republic of China

March 18, 2019

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

MPI CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (ASSETS)

DECEMBER 31, 2018 AND 2017

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

ASSETS	Note	December 31, 2018		December 31, 2017	
		Amounts	%	Amounts	%
CURRENT LIABILITIES					
Cash and cash equivalents	6(1)	\$ 1,110,694	14	\$ 656,829	9
Current financial assets at amortised cost	6(2)	49,313	1	-	-
Notes receivable, net	6(3)	100,753	1	6,995	-
Accounts receivable, net	6(3)	945,429	12	947,622	12
Accounts receivable -related parties, net	6(3).7	-	-	758	-
Other receivables		6,038	-	9,303	-
Income tax receivable		676	-	814	-
Inventories, net	6(4)	2,555,052	31	2,274,469	30
Prepayments		110,690	1	94,101	1
Non-current assets held for sale	6(5)	-	-	71,302	1
Other current assets	8	10,548	-	4,763	-
Total Current Assets		<u>4,889,193</u>	<u>60</u>	<u>4,066,956</u>	<u>53</u>
NONCURRENT ASSETS					
Investments accounted for using equity method	6(5)	-	-	29,999	-
Property, plant and equipment	6(6).7.8	3,030,643	37	3,294,748	43
Intangible assets	6(7)	41,575	-	41,424	-
Deferred income tax assets	6(18)	93,708	1	72,726	1
Other noncurrent assets	6(8)	135,079	2	201,826	3
Total Noncurrent Assets		<u>3,301,005</u>	<u>40</u>	<u>3,640,723</u>	<u>47</u>
TOTAL ASSETS		<u>\$ 8,190,198</u>	<u>100</u>	<u>\$ 7,707,679</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, 2018 AND 2017

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

LIABILITIES AND EQUITY	Note	December 31, 2018		December 31, 2017	
		Amounts	%	Amounts	%
CURRENT LIABILITIES					
Short-term loans	6(9)	\$ 818,000	10	\$ 1,170,000	15
Contract liabilities—current	6(16),7	940,903	12	-	-
Notes payable		6,097	-	-	-
Accounts payable		478,605	6	414,918	5
Accounts payable-related parties	7	-	-	3,673	-
Payables on equipment		22,722	-	87,846	1
Other payables	6(10)	679,283	8	496,645	7
Other payables-related parties	7	-	-	4,875	-
Income tax payable		49,516	1	10,110	-
Provisions	6(11)	4,859	-	3,210	-
Sales revenue received in advance	7	-	-	797,292	10
Current portion of long-term liabilities	6(13)	29,233	-	225,787	3
Lease obligations payable—current	6(6)	15,883	-	16,229	-
Other current liabilities		13,926	-	36,770	1
Total Current Liabilities		3,059,027	37	3,267,355	42
NONCURRENT LIABILITIES					
Non-current Financial liabilities at Fair Value through Profit or Loss	6(12)	9,266	-	-	-
Bonds payable	6(12)	892,843	11	-	-
Long-term loans	6(13)	39,230	1	572,909	8
Deferred income tax liabilities	6(18)	14,166	-	14,591	-
Lease obligations payable—noncurrent	6(6)	15,883	-	32,459	-
Accrued pension cost	6(14)	42,527	1	35,257	1
Other noncurrent liabilities		325	-	207	-
Total Other Liabilities		1,014,240	13	655,423	9
TOTAL LIABILITIES		4,073,267	50	3,922,778	51
EQUITY					
	6(15)				
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT					
Capital common stock		799,014	10	799,014	10
Capital surplus		977,255	12	909,204	12
Retained earnings					
Appropriated as legal capital reserve		563,093	7	548,516	7
Special reserve		42,308	-	30,177	-
Unappropriated earnings		1,779,401	22	1,523,376	20
Total Retained Earnings		2,384,802	29	2,102,069	27
Other					
Foreign currency translation adjustments		(54,230)	(1)	(42,309)	-
Total others		(54,230)	(1)	(42,309)	-
Equity attributable to shareholders of the parent		4,106,841	50	3,767,978	49
NONCONTROLLING INTERESTS		10,090	-	16,923	-
TOTAL EQUITY		4,116,931	50	3,784,901	49
TOTAL LIABILITIES AND EQUITY		\$ 8,190,198	100	\$ 7,707,679	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, 2018 and 2017

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

Items	Note	January 1 ~ December 31, 2018		January 1 ~ December 31, 2017	
		Amounts	%	Amounts	%
OPERATING REVENUE, NET	6(16).7				
Sales revenue		\$ 5,037,372	93	\$ 4,078,376	92
Less: sales returns		(10,401)	-	(15,136)	(1)
sales discounts and allowances		(12,428)	-	(1,117)	-
Commission revenue		52,576	1	28,638	1
Processing Fees revenue		319,237	6	357,693	8
Operating Revenue, net		5,386,356	100	4,448,454	100
OPERATING COSTS	6(4).7	(3,246,105)	(60)	(2,688,543)	(60)
GROSS PROFIT		2,140,251	40	1,759,911	40
Realized (Unrealized) Gross profit on sales to subsidiaries and associates		-	-	276	-
GROSS PROFIT, NET		2,140,251	40	1,760,187	40
OPERATING EXPENSES	7				
Selling expenses		(609,772)	(11)	(493,155)	(12)
General & administrative expenses		(322,447)	(6)	(284,549)	(6)
Research and development expenses	6(7)	(885,934)	(17)	(803,458)	(18)
Expected Credit (loss) gains	6(3)	1,184	-	654	-
Operating expense, net		(1,816,969)	(34)	(1,580,508)	(36)
OPERATING INCOME		323,282	6	179,679	4
NON-OPERATING INCOME AND EXPENSES					
Other gains and losses	6(17)	63,486	1	(8,752)	-
Finance costs	6(17)	(23,493)	-	(17,474)	-
Share of profits of subsidiaries and associates	6(5)	151	-	9,782	-
Interest income	7	2,844	-	1,831	-
Rent income	7	2,813	-	2,902	-
Other non-operating revenue-other items	7	28,535	-	36,862	1
Total Non-operating Income		74,336	1	25,151	1
INCOME BEFORE INCOME TAX		397,618	7	204,830	5
INCOME TAX BENEFIT(EXPENSE)	6(18)	(59,990)	(1)	(55,563)	(2)
NET INCOME		337,628	6	149,267	3
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that are not to be reclassified to profit or loss					
Re-measurements from defined benefit plans		(7,303)	-	(4,699)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences arising on translation of foreign operations		(12,534)	-	(11,535)	-
Other comprehensive income for the year, net of income tax		(19,837)	-	(16,234)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		\$ 317,791	6	\$ 133,033	3
NET INCOME(LOSS) ATTRIBUTABLE TO :					
Shareholders of the parent		\$ 334,562	6	\$ 145,767	3
Noncontrolling interests		3,066	-	3,500	-
		\$ 337,628	6	\$ 149,267	3
TOTAL COMPREHENSIVE INCOME(LOSS)					
Shareholders of the parent		\$ 315,339	6	\$ 128,936	3
Noncontrolling interests		2,452	-	4,097	-
		\$ 317,791	6	\$ 133,033	3
EARNINGS PER COMMON SHARE(NTD)	6(19)				
Basic earnings per share		\$ 4.19		\$ 1.83	
Diluted earnings per share		\$ 3.56		\$ 1.83	

(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, 2018 and 2017

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

Items	Capital-		Retained Earnings			Others	Total	controlling Interests	Total Equity
	Common Stock	Capital Surplus	Legal Capital Reserve	Special Reserve	Capital Reserve	Unappropriated Earnings			
BALANCE, JANUARY, 1, 2017	\$ 796,054	\$ 885,735	\$ 492,188	\$ -	\$ 1,803,156	\$ (30,177)	\$ 3,946,956	\$ 12,826	\$ 3,959,782
Legal capital reserve			56,328		(56,328)		-		-
Special capital reserve				30,177	(30,177)				
Cash dividends of common stock					(334,343)		(334,343)		(334,343)
Capital reserve from stock warrants		(1,256)					(1,256)		(1,256)
Net Income in 2017					145,767		145,767	3,500	149,267
Other comprehensive income in 2017, net of income tax					(4,699)	(12,132)	(16,831)	597	(16,234)
Total comprehensive income in 2017	-	-	-	-	141,068	(12,132)	128,936	4,097	133,033
Issuance of stock from exercise of employee stock options	2,960	24,725					27,685		27,685
BALANCE, DECEMBER, 31, 2017	\$ 799,014	\$ 909,204	\$ 548,516	\$ 30,177	\$ 1,523,376	\$ (42,309)	\$ 3,767,978	\$ 16,923	\$ 3,784,901
BALANCE, JANUARY, 1, 2018	\$ 799,014	\$ 909,204	\$ 548,516	\$ 30,177	\$ 1,523,376	\$ (42,309)	\$ 3,767,978	\$ 16,923	\$ 3,784,901
Legal capital reserve			14,577		(14,577)		-		-
Special reserve				12,131	(12,131)		-		-
Cash dividends of common stock					(39,951)		(39,951)		(39,951)
Capital reserve from stock warrants		67,683					67,683		67,683
Other changes in capital surplus		368					368		368
Net Income in 2018					334,562		334,562	3,066	337,628
Other comprehensive income in 2018, net of income tax					(7,302)	(11,921)	(19,223)	(614)	(19,837)
Total comprehensive income in 2018	-	-	-	-	327,260	(11,921)	315,339	2,452	317,791
Difference between consideration paid and carrying amount of subsidiaries acquired					(4,576)		(4,576)		(4,576)
Changes in percentage of ownership interest in subsidiaries								(9,285)	(9,285)
BALANCE, DECEMBER, 31, 2018	\$ 799,014	\$ 977,255	\$ 563,093	\$ 42,308	\$ 1,779,401	\$ (54,230)	\$ 4,106,841	\$ 10,090	\$ 4,116,931

(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, 2018 and 2017

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

Items	Jan 1 ~ Dec 31,2018	Jan 1 ~ Dec 31,2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 397,618	\$ 204,830
Adjustments to reconcile net income to net		
Depreciation	476,374	417,423
Amortization	65,911	59,265
Expected credit loss(gain)	1,184	654
Gains on Financial Assets (Liabilities) at Fair Value through Profit or Loss	3,200	55
Interest expense	23,493	17,474
Interest revenue	(2,844)	(1,831)
Loss (gain) on equity-method investments	(151)	(9,782)
(Gain) loss on disposal of property, plant and equipment	(30,664)	2,246
Gains on disposal of investments	-	(1,870)
Loss (gain) on disposal of equity-method investments	(10,941)	(15,557)
(Realized) Unrealized gross profit on sales to subsidiaries and associates	-	(276)
(Gain) on repurchase of convertible bonds	(1,564)	-
Adjustments-exchange (Gain) loss on prepayments for equipment	(334)	2,032
Net changes in operating assets and liabilities		
Net changes in operating assets		
Decrease (Increase) in notes receivable	(93,757)	11,006
Decrease (Increase) in accounts receivable	1,107	(174,656)
Decrease (Increase) in accounts receivable-related parties	758	36,303
Decrease (Increase) in other receivables	3,271	5,639
Decrease (Increase) in inventories	(280,583)	(319,783)
Decrease (Increase) in prepayments	(16,589)	7,569
Decrease (Increase) in other current assets	344	1,066
Net changes in operating liabilities		
(Decrease) Increase in contract liabilities	143,612	-
(Decrease) Increase in notes payable	6,097	-
(Decrease) Increase in accounts payable	63,686	(10,856)
(Decrease) Increase in accounts payable-related parties	(3,673)	3,581
(Decrease) Increase in other accounts payable	183,002	(144,423)
(Decrease) Increase in other accounts payable-related parties	(4,875)	4,533
(Decrease) Increase in provision of liabilities	1,649	615
(Decrease) Increase in sales revenue received in advance	-	100,425
(Decrease) Increase in other current liabilities	(22,843)	10,744
Decrease(Increase) in accrued pension cost	(33)	1,487
Cash generated from operations	902,455	207,913
Interest received	2,838	1,833
Cash dividends received	861	554
Interest (excluding capitalization of interest)	(17,922)	(6,973)
Cash dividends	(39,951)	(334,343)
Income taxes paid	(41,854)	(95,097)
Net cash Provided By Operating Activities	806,427	(226,113)

(Continue)

MPI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

From January 1 to December 31, 2018 and 2017

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

Items	Jan 1 ~ Dec 31, 2018	Jan 1 ~ Dec 31, 2017
CASH FLOWS FROM INVESTING ACTIVITIES		
Financial asset measured at amortised cost	(49,313)	-
Proceeds from disposal of equity-method investments	111,442	18,918
Proceeds from disposal of Subsidiary Company	-	1,870
Proceeds from disposal of financial assets measured at cost	(318,359)	(814,894)
Proceeds from sale of property, plant and equipment	47,666	18
Intangible assets	(25,996)	(29,605)
Increase in other financial assets	(6,130)	-
Decrease in other non-current assets	-	5,766
Decrease in other non-current assets	25,952	196,265
Net Cash Provided Used In Investing Activities	(214,738)	(621,662)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	-	785,949
(decrease) in short-term loans	(352,000)	-
Issuance of corporate bonds	995,618	-
Repurchase of convertible bonds	(33,030)	(574,000)
Increase in long-term borrowings	-	548,728
Repayments of long-term loans	(730,233)	-
Payment of partial acquisition of interests in subsidiaries	(13,861)	-
Increase in other noncurrent liabilities	119	110
Increase (decrease) in noncontrolling interests	(614)	597
Net cash (Used In) Financing Activities	(134,001)	761,384
Effects of exchange rate change on cash	(3,823)	(6,007)
Net increase in cash and cash equivalents	453,865	(92,398)
Cash and cash equivalents at beginning of year	656,829	749,227
Cash and cash equivalents at end of year	\$ 1,110,694	\$ 656,829

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

Appendix V

MPI Corporation
Disposition of Net Earnings
2018

Unit: NTD \$

Item	Amount	
	Subtotal	Total
Opening undistributed earnings		\$ 1,456,717,376
Less: Other consolidated income (actuarial income under defined benefit plan in 2018)	(7,302,735)	
Add: net profit after tax	334,562,485	
Less: Difference between actual price of the acquisition or disposition of subsidiary stock and the book value	(4,576,520)	
Subtotal:		1,779,400,606
Provision:		
Less: Provision of 10% legal reserve	(33,456,249)	
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.)	(11,920,912)	
Subtotal of allocable earnings:		1,734,023,445
Distributable items:		
Shareholder bonus - cash	(159,802,776)	
Shareholder bonus - stock	(0)	
Unappropriated retained earnings		\$ 1,574,220,669

Chairman: Ko, Chang-Lin

President: Scott Kuo

Chief Accounting Officer: Rose Jao

Appendix VI

MPI Corporation

Comparison Table of Clauses Before and After the Amendment of the “Articles of Incorporation”

Clause	Before amendment	After amendment	Cause of amendment
Article I	The Company has been duly incorporated in accordance with the Company Act and titled MPI Corporation.	The Company has been duly incorporated in accordance with the Company Act and titled MPI Corporation. <u>The English name is MPI CORPORATION.</u>	The English name is newly added.
Article VI	The stocks of the Company are registered. They shall be signed by or affixed with the stamps of at least three directors. The stocks may be issued only after being authenticated in accordance with relevant laws. The Company may also issue shares without printing physical stock, or consolidated all the outstanding shares for printing stock for the issuance of the aforementioned shares and shall register these shares with a securities depository body.	The Company may issue shares. The issuance of shares by the Company complies with Article 162 of the Company Act. The Company may issue <u>shares</u> without printing physical stock, and shall register these <u>issued shares with a securities depository body in accordance with the regulations of such body.</u>	In response to the amendment of the Company Act.
Article IX	Any shareholder who is unable to attend the shareholders’ meeting in person may appoint a proxy to attend each session of the General Meeting by presenting the authorization of proxy document prepared by the Company indicating the scope of authorization.	For any shareholder who is unable to attend the shareholders’ meeting in person, the usage of the authorization of proxy shall comply with the “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies” by the competent authority.	In response to the amendment of the Company Act.
Article XII	The Company shall appoint 5 directors and 3 supervisors for a term of 3 years via the candidate nomination system. They shall be elected by the shareholders’ meeting from the list of candidates and may be reelected for a second term of office. (Omitted)	The Company shall appoint <u>5 to 11</u> directors and 3 supervisors for a term of 3 years via the candidate nomination system. They shall be elected by the shareholders’ meeting from the list of candidates and may be reelected for a second term of office. (Omitted)	Increase in the number of directors.

Clause	Before amendment	After amendment	Cause of amendment
Article XX	<p>(Omitted)</p> <p>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.</p> <p>The remuneration for employees may be paid in the form of stock or in cash. Employees entitled to receive the distribution includes those of the affiliated companies who meet specified requirements.</p> <p>If the Company has a profit in the total final account of a fiscal year, it shall first pay the taxes, make up any losses from past years, and then make contribution of 10% as the statutory reserve unless the statutory reserve reaches the amount of the Company paid-in capital. After appropriating or reversing a special reserve in accordance with the laws and regulations, the proposal for the distribution of the profits concerning the balance along with the accumulative undistributed profit is formulated by the Board of Directors and <u>submitted to the shareholder's meeting to decide the distribution or reservation.</u></p>	<p>(Omitted)</p> <p>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.</p> <p>The remuneration for employees may be paid in the form of stock or in cash. Employees entitled to receive the distribution includes those of the <u>holding or the</u> affiliated companies who meet specified requirements <u>established by the authorized Chairman.</u></p> <p>If the Company has a profit in the total final account of a fiscal year, it shall first pay the taxes, make up any losses from past years, and then make contribution of 10% as the statutory reserve unless the statutory reserve reaches the amount of the Company paid-in capital. After appropriating or reversing a special reserve in accordance with the laws and regulations, the proposal for the distribution of the profits concerning the balance along with the accumulative undistributed profit is formulated by the Board of Directors. <u>If balance is distributed by issuing new shares, it shall be made upon approval at the shareholder's meeting.</u></p> <p><u>Based on the resolution of a majority of directors at the meeting attended by two-thirds of the total number of directors, the Company shall distribute the dividend and bonus, in whole or in part, in the form of cash and report to the shareholders' meeting.</u></p>	In response to the amendment of the Company Act.

Clause	Before amendment	After amendment	Cause of amendment
Article XXII	The Articles of Incorporation were instituted on July 20, 1995. Amendment was made for the 1st instance on September 20, 1996. (Omitted)	The Articles of Incorporation were instituted on July 20, 1995. Amendment was made for the 1st instance on September 20, 1996. (Omitted) <u>The 22nd amendment was made on June 11, 2019.</u>	Addition of the date of the last amendment.

Appendix VII

MPI Corporation

Comparison table of clauses before and after the amendment of the “Procedure for the Acquisitions and Dispositions of Assets”

Clause	Before amendment	After amendment	Note
Article III	<p>The scope of application for assets as stated in this Procedure</p> <p>I. Investment in stocks, government bonds, corporate bonds, bank debentures, fund certificates, depository receipts, call (put) warrants, beneficiary certificates, and asset-backed securities.</p> <p>II. Real property (including land, houses and buildings, investment property, right to use land, construction enterprise inventory) and equipment.</p> <p>III. Memberships.</p> <p>IV. Patents, copyrights, trademarks, franchise and others intangible assets.</p> <p>V. Debts of financial institutions (including account receivables, discounts for exchange and loans, accounts for collection).</p> <p>VI. Derivatives.</p> <p>VII. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with laws.</p> <p>VIII. Other major assets.</p>	<p>The scope of application for assets as stated in this Procedure</p> <p>I. Investment in stocks, government bonds, corporate bonds, bank debentures, fund certificates, depository receipts, call (put) warrants, beneficiary certificates, and asset-backed securities.</p> <p>II. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.</p> <p>III. Memberships.</p> <p>IV. Patents, copyrights, trademarks, franchise and others intangible assets.</p> <p>V. <u>Right-of-use assets.</u></p> <p>VI. Debts of financial institutions (including account receivables, discounts for exchange and loans, accounts for collection).</p> <p>VII. Derivatives.</p> <p>VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.</p> <p>IX. Other major assets.</p>	<p>Amendment is made in compliance with the requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1070341072.</p>
Article VII	<p>The Company may acquire non-operating real estate or securities. The total investment amount shall not exceed 30% of the total assets and the securities investment shall not exceed the 20% of total assets. The amount of investment in purchasing respective securities shall not exceed 10% of the total assets.</p>	<p>The Company may acquire non-operating real estate and <u>right-of-use assets</u> or securities. The total investment amount shall not exceed 30% of the total assets and the securities investment shall not exceed the 20% of total assets. The amount of investment in purchasing respective securities shall not exceed 10% of the total assets.</p>	<p>Amendment is made in compliance with the requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1070341072.</p>
Article VIII	<p>In the event of any of the followings in the acquisition and disposition of assets, the Company shall publicly</p>	<p>In the event of any of the followings in the acquisition and disposition of assets, the Company shall publicly</p>	<p>Amendment is made in compliance with the</p>

Clause	Before amendment	After amendment	Note
	<p>announce and report the relevant information in appropriate format on the website designated by Financial Supervisory Commission within 2 days after action has been taken depending on the nature of the assets:</p> <p>I. Acquisition or disposal of real property or any assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more. The trading of government bonds, bonds under repurchase, subscription or redemption of money market funds issued by domestic securities investment trust enterprises are excluded.</p> <p>II. Engaged in mergers, demergers, acquisitions or assignment of shares.</p> <p>III. Loss in derivative trade at the upper limit of the total or individual contracts as set forth in the procedure governing derivative trade.</p> <p>IV. Where equipment for business use are acquired or disposed, the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>(I) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>(II) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>V. The acquisition or disposal of real property issued for construction use of a public company in the construction business and the trading counterpart is not a related party, and the amount</p>	<p>announce and report the relevant information in appropriate format on the website designated by Financial Supervisory Commission within 2 days after action has been taken depending on the nature of the assets:</p> <p>I. Acquisition or disposal of real property or <u>right-of-use assets</u> thereof from or to a related party, or acquisition or disposal of <u>right-of-use assets</u> thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more. The trading of <u>domestic</u> government bonds, bonds under repurchase, subscription or redemption of money market funds issued by domestic securities investment trust enterprises are excluded.</p> <p>II. Engaged in mergers, demergers, acquisitions or assignment of shares.</p> <p>III. Loss in derivative trade at the upper limit of the total or individual contracts as <u>set forth</u> in the procedure governing derivative trade.</p> <p>IV. Where equipment or <u>right-of-use assets</u> thereof for business use are acquired or disposed, the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>(I) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>(II) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>V. The acquisition or disposal of real property or <u>right-of-use</u></p>	<p>requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1070341072.</p>

Clause	Before amendment	After amendment	Note
	<p>of transactions falls below NT\$500 million.</p> <p>VI. Where acquisition of real property through the construction on property land by commissioned builder, construction on property land by commissioned builder, joint venture of construction for sharing of built premises, joint ventures of construction with sharing of proceeds, and joint venture of construction with separate selling of the premises, the planned investment of the Company falls below NT\$500 million.</p> <p>VII. Where an asset transaction further to those referred in the preceding 6 paragraphs, a disposal of creditor right by financial institutions, or investments in Mainland China reaches 20% or more of the paid-in capital of the Company or NT\$300 million or more. This shall not apply to the following circumstances:</p> <p>(I) Government bond trade.</p> <p>(II) Where conducted by the professional investors-securities trading on securities exchanges or OTC markets at home and abroad, or subscription to the ordinary corporate bonds or general bank debentures without equity characteristics that are offered and issued in the domestic primary market, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange (TPEX) of the Republic of China.</p> <p>(III) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market</p>	<p>assets thereof issued for construction use of a public company in the construction business and the trading counterpart is not a related party, and the amount of transactions falls below NT\$500 million; <u>among such cases, if the public company has paid-in capital of NT\$10 billion or more, and has disposal of real property from a completed construction project constructed by itself, and the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.</u></p> <p>VI. Where acquisition of real property through the construction on property land by commissioned builder, construction on property land by commissioned builder, joint venture of construction for sharing of built premises, joint ventures of construction with sharing of proceeds, and joint venture of construction with separate selling of the premises, <u>and furthermore the transaction counterparty is not a related party,</u> the planned investment of the Company falls below NT\$500 million.</p> <p>VII. Where an asset transaction further to those referred in the preceding 6 paragraphs, a disposal of creditor right by financial institutions, or investments in Mainland China reaches 20% or more of the paid-in capital of the Company or NT\$300 million or more. This shall not apply to the following circumstances:</p> <p>(I) <u>Domestic</u> government bond trade.</p> <p>(II) Where conducted by the professional investors-securities trading on securities exchanges or OTC markets at home and abroad, or subscription to the</p>	

Clause	Before amendment	After amendment	Note
	<p>funds issued by domestic securities investment trust enterprises.</p> <p>The aforementioned amounts shall be calculated in the following methods:</p> <p>I. The amount of each transaction.</p> <p>II. The accumulated amount for transactions with particular counterparty for the acquisition or disposition of subject of trade of the same nature in one year.</p> <p>III. The accumulated amount of the acquisitions or dispositions (calculated separately) of the same project of real property within one year.</p> <p>IV. The accumulated amount of acquisitions or dispositions (calculated separately) of particular security within the preceding year.</p> <p>One year as referred to shall be the period from the date of deed moving backward for one year in retrospect. The portion of trade already declared as required in this procedure could be exempted from calculation.</p> <p>The Company shall declare all information of derivative trade conducted by itself and subsidiaries, which are not domestic public companies to the end of the previous month in designated format to designated website of FSC by the 10th day of each month.</p> <p>Where the Company, at the time of public announcement, makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two (2) days counting inclusively from the date of knowing of such error or omission.</p> <p>In acquisition of disposition of</p>	<p>ordinary corporate bonds or general bank debentures without equity characteristics that are offered and issued in the primary market (<u>excluding subordinated debts</u>), or <u>subscription to or redemption of securities investment trust funds or futures trust funds</u>, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange (TPEX) of the Republic of China.</p> <p>(III) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>The aforementioned amounts shall be calculated in the following methods:</p> <p>I. The amount of each transaction.</p> <p>II. The accumulated amount for transactions with particular counterparty for the acquisition or disposition of subject of trade of the same nature in one year.</p> <p>III. The accumulated amount of acquisitions and dispositions (cumulated respectively) of the same project of real property <u>or right-of-use assets</u> thereof within the one year.</p> <p>IV. The accumulated amount of acquisitions or dispositions (calculated separately) of particular security within the preceding year.</p> <p>One year as referred to shall be the period from the date of deed moving backward for one year in retrospect. The portion of trade already declared as required in this procedure could be exempted from calculation.</p>	

Clause	Before amendment	After amendment	Note
	<p>assets, the Company shall keep a copy of related contracts, minutes of meetings on record, record books, appraisal reports, opinions issued by certified public accountants, lawyers or securities underwriters and retain such documents for at least 5 years unless otherwise specified by law.</p>	<p>The Company shall declare all information of derivative trade conducted by itself and subsidiaries, which are not domestic public companies to the end of the previous month in designated format to designated website of FSC by the 10th day of each month.</p> <p>Where the Company, at the time of public announcement, makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two (2) days counting inclusively from the date of knowing of such error or omission.</p> <p>In acquisition or disposition of assets, the Company shall keep a copy of related contracts, minutes of meetings on record, record books, appraisal reports, opinions issued by certified public accountants, lawyers or securities underwriters and retain such documents for at least 5 years unless otherwise specified by law.</p>	
Article X	<p>With the exception of transactions with government institutions, construction on property land by commissioned builders, construction on leased land by commission builders, or the acquisition or disposition of machinery and equipment for business purpose, any acquisition or disposition of real property or equipment where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p>	<p>With the exception of transactions with <u>domestic</u> government institutions, construction on property land by commissioned builders, construction on leased land by commission builders, or the acquisition or disposition of machinery and equipment or <u>right-of-use assets thereof held</u> for business purpose, any acquisition or disposition of real property, equipment or <u>right-of-use assets thereof</u>, where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall obtain an appraisal report prior to the date of occurrence of the event from a</p>	<p>Amendment is made in compliance with the requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1070341072.</p>

Clause	Before amendment	After amendment	Note
	<p>I. Where the limit price, fixed price or specific price is taken as reference for setting the transaction price due to specific reasons, the resolution of the Board of Directors shall be necessary before the transaction. The same procedure is applicable to any change in the terms and conditions of subsequent transactions.</p> <p>II. The transaction amount exceeds NT\$1 billion shall be subject to the appraisal of at least 2 professional appraisal firms.</p> <p>III. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (hereinafter referred to as the ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(I) The difference between the appraisal value and the transaction amount exceeds more than 20% of the transaction amount.</p> <p>(II) The appraisal values presented by 2 or more professional appraisal firms showed variation of more than 10% of the transaction value.</p> <p>IV. The date on which the professional appraisal firms</p>	<p>professional appraiser and shall further comply with the following provisions:</p> <p>I. Where the limit price, fixed price or specific price is taken as reference for setting the transaction price due to specific reasons, the resolution of the Board of Directors shall be necessary before the transaction. The <u>same procedures</u> shall also be <u>followed whenever</u> there is any subsequent change to the terms and conditions of the transaction.</p> <p>II. The transaction amount exceeds NT\$1 billion shall be subject to the appraisal of at least 2 professional appraisal firms.</p> <p>III. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (hereinafter referred to as the ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(I) The difference between the appraisal value and the transaction amount exceeds more than 20% of the transaction amount.</p> <p>(II) The appraisal values presented by 2 or more professional appraisal firms</p>	

Clause	Before amendment	After amendment	Note
	issued the appraisal reports shall not fall beyond 3 months from the contract execution date. If the announced present value in the same period is applicable and is falling within 6 months, the original appraisal firms shall present a statement of opinion.	showed variation of more than 10% of the transaction value. IV. The date on which the professional appraisal firms issued the appraisal reports shall not fall beyond 3 months from the contract execution date. If the announced present value in the same period is applicable and is falling within 6 months, the original appraisal firms shall present a statement of opinion.	
Article XII	In acquisition or disposition of memberships or intangible assets where the transaction amount exceeds 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall retain a certified public accountant prior to the date of occurrence of the fact to render an opinion on the rationality of the transaction price except a transaction with a government agency. The Certified Public Accountant shall comply with the provisions of Statement of General Auditing Procedures No. 20 published by the ARDF.	In acquisition or disposition of intangible assets or <u>the right-of-use assets and memberships</u> and the transaction amount exceeds 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall retain a certified public accountant prior to the date of occurrence of the fact to render an opinion on the rationality of the transaction price except a transaction with a <u>domestic</u> government agency. The Certified Public Accountant shall comply with the provisions of Statement of General Auditing Procedures No. 20 published by the ARDF.	Amendment is made in compliance with the requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1070341072.
Article XIV	Those professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall not be a related party of any party involved in the transaction.	Those professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions <u>shall satisfy the following requirements:</u> <u>I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Securities and Exchange Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud,</u>	Amendment is made in compliance with the requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1070341072.

Clause	Before amendment	After amendment	Note
		<p><u>breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</u></p> <p><u>II. May not be a related party or de facto related party of any party to the transaction.</u></p> <p><u>III. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</u></p> <p><u>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</u></p> <p><u>I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</u></p> <p><u>II. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</u></p> <p><u>III. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</u></p> <p><u>IV. They shall issue a statement attesting to the professional</u></p>	

Clause	Before amendment	After amendment	Note
		<u>competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</u>	
Article XV	<p>When a public company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10% or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the laws.</p> <p>The amount of transaction mentioned in the preceding paragraph shall be duly counted based on Article 12-1.</p> <p>When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p>	<p>When a public company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10% or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of <u>this procedure</u>.</p> <p>The amount of transaction mentioned in the preceding paragraph shall be duly counted based on Article 12-1.</p> <p>When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p>	Amendment is made in compliance with the requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1070341072.
Article XVI	<p>When the Company acquires or disposes of real property or any assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following</p>	<p>When the Company acquires or disposes real property <u>or right-of-use assets</u> thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property <u>or right-of-use assets</u> thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of <u>domestic</u> government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic</p>	Amendment is made in compliance with the requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1070341072.

Clause	Before amendment	After amendment	Note
	<p>matters have been approved by the Board of Directors and recognized by the supervisors:</p> <p>I. The purpose, necessity, and expected return of/from the acquisition or disposition of assets.</p> <p>II. The reason for choosing a related party as the counterparty.</p> <p>III. Information on assessment of the reasonableness of the expected terms and conditions of transactions to justify the acquisition of real property from a related party.</p> <p>IV. Information on the original date of acquisition of the assets by the related party and the price, the counterparty and its relation to the related party and the Company.</p> <p>V. The projection of cash flows from the month the agreement is made in one year ahead with assessment of the necessity of the transaction and the reasonableness of capital utilization.</p> <p>VI. The appraisal reports issued by professional appraisal firms or opinions of certified public accountants as required in Article 15.</p> <p>VII. Restrictions and other important covenants for the transaction concerned.</p> <p>The calculation of the amount as stated in the preceding paragraph shall be done in accordance with Article 8. One year as referred to shall be the period from the date of deed moving backward for one year in retrospect. The amount that has been ratified by the Board of Directors and Supervisors as required by this standard can be excluded from the calculation.</p> <p>The acquisition or disposition of equipment for business purpose between the Company and its parent or subsidiaries shall be</p>	<p>securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors and recognized by the supervisors:</p> <p>I. The purpose, necessity, and expected return of/from the acquisition or disposition of assets.</p> <p>II. The reason for choosing a related party as the counterparty.</p> <p>III. With respect to the acquisition of real property <u>or right-of-use assets</u> thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with <u>Article 17 and Article 17-1.</u></p> <p>IV. Information on the original date of acquisition of the assets by the related party and the price, the counterparty and its relation to the related party and the Company.</p> <p>V. The projection of cash flows from the month the agreement is made in one year ahead with assessment of the necessity of the transaction and the reasonableness of capital utilization.</p> <p>VI. The appraisal reports issued by professional appraisal firms or opinions of certified public accountants as required in Article 15.</p> <p>VII. Restrictions and other important covenants for the transaction concerned.</p> <p>The calculation of the amount as stated in the preceding paragraph shall be done in accordance with Article 8. One year as referred to shall be the period from the date of deed moving backward for one year in retrospect. The amount that has been ratified by</p>	

Clause	Before amendment	After amendment	Note
	<p>subject to the final approval of the Board pursuant to Subparagraph 1 of Article whereby the Chairman shall be authorized to make decision within specific limit and presented in the most recent meeting of the Board for ratification.</p> <p>Where the position of independent director has been created in accordance with the provisions of Securities and Exchange Act, when a matter is submitted for discussion to the Board of Directors pursuant to Paragraph 1, the Board of Directors shall take into full consideration each independent director’s opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</p> <p>Where an Auditing Committee may have been established in accordance with the Securities and Exchange Act whereby the recognition of the Supervisors is necessary, the approval by a simple majority of all members of the Auditing Committee is required before presenting to the Board for resolution.</p> <p>The requirement of 10% of the total assets in this procedure shall be based on the amount of total assets as stated in the parent company only or individual financial statements prepared in accordance with the Criteria for Compilation of Financial Reports by Securities Issuers in the most recent fiscal period.</p> <p>If there is no face value for the Company shares, or the face value per each share is not NTD10, the requirement of 20% of the paid-in capital as stated in this procedure shall be based on the 10% of the shareholders’</p>	<p>the Board of Directors and Supervisors as required by this <u>procedure</u> can be excluded from the calculation.</p> <p>Any transactions listed below to be entered into between the Company and its parent or subsidiaries, or between the subsidiaries <u>in which it directly or indirectly holds 100% of the issued shares or authorized capital</u>, shall be subject to the final approval of the Board pursuant to Subparagraph 1 of Article 5 whereby the Chairman shall be authorized to make decision within specific limit and presented in the most recent meeting of the Board for ratification:</p> <p><u>I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</u></p> <p><u>II. Acquisition or disposal of real property right-of-use assets held for business use.</u></p> <p>Where the position of independent director has been created in accordance with the provisions of Securities and Exchange Act, when a matter is submitted for discussion to the Board of Directors pursuant to Paragraph 1, the Board of Directors shall take into full consideration each independent director’s opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</p> <p>Where an Auditing Committee may have been established in accordance with the Securities and Exchange Act whereby the recognition of the Supervisors is necessary, the approval by a simple majority of all members of the Auditing Committee is required before presenting to the Board for resolution.</p>	

Clause	Before amendment	After amendment	Note
	equity attributable to the parent company.	The requirement of 10% of the total assets in this procedure shall be based on the amount of total assets as stated in the parent company only or individual financial statements prepared in accordance with the Criteria for Compilation of Financial Reports by Securities Issuers in the most recent fiscal period. If there is no face value for the Company shares, or the face value per each share is not NTD10, the requirement of 20% of the paid-in capital as stated in this procedure shall be based on the 10% of the shareholders' equity attributable to the parent company. <u>The requirement of the transition amount of the paid-in capital reaches NT\$10 billion as stated in this procedure, shall be based on NT\$20 billion of the shareholders' equity attributable to the parent company.</u>	
Article XVII	Where the Company acquires real property from a related party, the Company shall evaluate reasonableness of the costs of transaction based on the following methods: I. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. Necessary interest on funding is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance. II. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have	Where the Company acquires real property <u>or right-of-use assets thereof</u> from a related party, the Company shall evaluate reasonableness of the costs of transaction based on the following methods: I. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. Necessary interest on funding is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance. II. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the	Amendment is made in compliance with the requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1070341072.

Clause	Before amendment	After amendment	Note
	<p>been 70 percent or more of the financial institution’s appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this is not applicable if the financial institution and counterparty are related.</p> <p>For the joint purchase of the same underlying land and house, the transaction costs of land and house can be assessed by any of the methods referred to above.</p> <p>Where the Company acquires real property from a related party and appraises the cost of the real property in accordance with the Paragraphs 1 and 2, shall also engage a CPA to check the appraisal and render a specific opinion.</p> <p>Where the Company acquires real property from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Article 16 and the preceding three paragraphs do not apply:</p> <p>I. The related party acquired the real property through inheritance or as a gift.</p> <p>II. A related party’s contracting for the acquisition of real estate is more than five years from the date of the trade contract signing.</p> <p>III. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company’s own land or on rented land.</p>	<p>financial institution shall have been 70 percent or more of the financial institution’s appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this is not applicable if the financial institution and counterparty are related.</p> <p>For the joint purchase <u>or lease</u> of the same underlying land and house, the transaction costs of land and house can be assessed by any of the methods referred to above.</p> <p>Where the Company acquires real property <u>or right-of-use assets thereof</u> from a related party and appraises the cost of the real property <u>or right-of-use assets thereof</u> in accordance with the <u>preceding</u> two paragraphs, shall also engage a CPA to check the appraisal and render a specific opinion.</p> <p>Where the Company acquires real property <u>or right-of-use assets thereof</u> from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the <u>preceding</u> paragraph and the preceding four paragraphs do not apply:</p> <p>I. The related party acquired the real property <u>or right-of-use assets</u> through inheritance or as a gift.</p> <p>II. A related party’s contracting for the acquisition of real estate <u>or right-of-use assets</u> is more than five years from the date of the trade contract signing.</p> <p>III. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company’s own land or on rented land.</p> <p><u>IV. The real property right-of-use</u></p>	

Clause	Before amendment	After amendment	Note
		<u>assets for business use are acquired by the public company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital.</u>	
Article XVII-1	<p>In the event that the appraisal prices conducted pursuant to Article 17-1, 2 falls below the transaction price, the matter shall be handled in accordance with Article 18. The followings are exception on condition that the professional appraisal firms and the certified public accountants have presented their opinions on the reasonableness of the transaction on the real property:</p> <p>I. If the related party has acquired undeveloped land or leased land for construction, any of the following conditions shall be met with evidence:</p> <p>(I) Undeveloped land shall be assessed in accordance with the means in the preceding article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. Reasonable construction profit as referred to shall be the average gross margin of the related party's construction segment over the last 3 years, or the latest gross margin for the construction industry as announced by the Ministry of Finance, whichever is lower.</p> <p>(II) Transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market</p>	<p>In the event that the appraisal prices conducted pursuant to Article 17-1, 2 falls below the transaction price, the matter shall be handled in accordance with Article 18. The followings are exception on condition that the professional appraisal firms and the certified public accountants have presented their opinions on the reasonableness of the transaction on the real property:</p> <p>I. If the related party has acquired undeveloped land or leased land for construction, any of the following conditions shall be met with evidence:</p> <p>(I) Undeveloped land shall be assessed in accordance with the means in the preceding article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. Reasonable construction profit as referred to shall be the average gross margin of the related party's construction segment over the last 3 years, or the latest gross margin for the construction industry as announced by the Ministry of Finance, whichever is lower.</p> <p>(II) <u>Completed transactions</u> by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard</p>	<p>Amendment is made in compliance with the requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1070341072.</p>

Clause	Before amendment	After amendment	Note
	<p>sale practices.</p> <p>(III) Transactions of other stories in the same building of the same land with unrelated parties within the preceding year, and the transaction terms are similar after calculation of reasonable price discrepancies among floors in accordance with standard property leasing market practices.</p> <p>II. The Company can prove with evidence that the real property purchased from the related party are conducted with terms and conditions similar to the transactions completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value. Transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction. The term within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property.</p>	<p>property market sale <u>or leasing</u> practices.</p> <p>(III) Transactions of other stories in the same building of the same land with unrelated parties within the preceding year, and the transaction terms are similar after calculation of reasonable price discrepancies among floors in accordance with standard property leasing market practices.</p> <p>II. The Company can prove with evidence that the real property purchased <u>or the real property right-of-use assets obtained through leasing</u> from the related party are conducted with terms and conditions similar to the <u>successful transactions</u> completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. <u>Completed transactions</u> involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value. <u>Completed transactions</u> involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction. The term within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property <u>or obtainment of the right-of-use assets</u> thereof.</p>	
Article XVIII	For the acquisition of real property from related parties by the Company, if the appraisal value performed pursuant to Article 17 and Article 17-1 falls	For the acquisition of real property or <u>right-of-use assets thereof</u> from related parties by the Company, if the appraisal value performed pursuant to the	Amendment is made in compliance with the requirement

Clause	Before amendment	After amendment	Note
	<p>below the transaction price, the following measures shall be taken:</p> <p>I. Recognize the difference between the transaction price and the appraisal value of the real property in transaction as special reserve pursuant to Article 41-1 of the Securities and Exchange Act, and such amount in difference cannot be distributed or used for capital increase or issuance of bonus shares. If the public company has its investments in the Company valued under the equity method, a special reserve should be appropriated proportionately to the shareholding ratio with respect to the appropriated amount in accordance with Paragraph 1 of Article 41 of the Securities and Exchange Act.</p> <p>II. The Supervisors shall be subject to Article 218 of the Company Act.</p> <p>III. Report the status as stated in Subparagraph 1 and Subparagraph 2 to the Shareholders' Meeting, and disclose the transaction details in the annual report and the prospectus.</p> <p>For the special reserve being recognized by the Company in accordance with the requirement of preceding paragraphs, it may be utilize only after the assets purchased at high price has been recognized for loss due to falling price or disposition, or under appropriate compensation, or recovery to original condition, or being proved as not unreasonable with evidence and at the approval of FSC.</p> <p>If the acquisition of real property from a related party by the</p>	<p><u>preceding two</u> Articles falls below the transaction price, the following measures shall be taken:</p> <p>I. Recognize the difference between the transaction price and the appraisal value of the real property or right-of-use assets in transaction as special reserve pursuant to Article 41-1 of the Securities and Exchange Act, and such amount in difference cannot be distributed or used for capital increase or issuance of bonus shares. If the public company has its investments in the Company valued under the equity method, a special reserve should be appropriated proportionately to the shareholding ratio with respect to the appropriated amount in accordance with Paragraph 1 of Article 41 of the Securities and Exchange Act.</p> <p>II. The Supervisors shall be subject to Article 218 of the Company Act. <u>Where an audit committee has been established in accordance with the provisions of the Act, the preceding part of this subparagraph shall apply to the independent director members of the audit committee.</u></p> <p>III. Report the status as stated in the <u>two preceding</u> subparagraphs to the Shareholders' Meeting, and disclose the transaction details in the annual report and the prospectus.</p> <p>For the special reserve being recognized by the Company in accordance with the requirement of preceding paragraphs, it may be utilize only after the assets purchased <u>or leased</u> at high price has been recognized for loss due to falling price or disposition, <u>or the termination of the leasing contract</u>, or under appropriate compensation, or recovery to</p>	<p>of Letter Jin-Guan-Zheng-Fa-Zi No. 1070341072.</p>

Clause	Before amendment	After amendment	Note
	<p>Company proved to be not being conducted under the arm's-length principle with evidence, proceed to the requirements as stated in the two preceding paragraphs.</p>	<p>original condition, or being proved as not unreasonable with evidence and at the approval of FSC.</p> <p>If the acquisition of real property or right-of-use assets thereof from a related party by the Company proved to be not being conducted under the arm's-length principle with evidence, proceed to the requirements as stated in the two preceding paragraphs.</p>	
Article XX	<p>The Company that conducts a merger, demerger, acquisition, or acceptance of transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a Certified Public Accountant, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by a public company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital. When participating in a merger, demerger, acquisition, or transfer of shares, a public report shall be prepared for the shareholders detailing the important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders' meeting and it</p>	<p>The Company that conducts a merger, demerger, acquisition, or acceptance of transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a Certified Public Accountant, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by a public company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital. When participating in a merger, demerger, acquisition, or transfer of shares, <u>the Company shall</u> prepare a public report to shareholders detailing the important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders'</p>	<p>Amendment is made in compliance with the requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1070341072.</p>

Clause	Before amendment	After amendment	Note
	<p>shall be included along with the expert opinion referred to in the preceding paragraph when sending shareholders notification of the shareholders' meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.</p> <p>Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.</p>	<p>meeting and include it along with the expert opinion referred to in the preceding paragraph when sending shareholders notification of the shareholders' meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.</p> <p>Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.</p>	
Article XXI	<p>The Company shall convene a Board of Directors meeting and shareholders' meeting on the same day of the transaction to resolve issues relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the Financial Supervisory Commission, Executive Yuan is notified in advance of extraordinary circumstances and grants consent.</p> <p>A company participating in a transfer of shares shall call a Board of Directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.</p> <p>When participating in a merger,</p>	<p>The Company shall convene a Board of Directors meeting and shareholders' meeting on the same day of the transaction to resolve issues relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the Financial Supervisory Commission, Executive Yuan is notified in advance of extraordinary circumstances and grants consent.</p> <p>A company participating in a transfer of shares shall call a Board of Directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.</p> <p>When participating in a merger,</p>	Amendment is made in compliance with the requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1070341072.

Clause	Before amendment	After amendment	Note
	<p>demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference in compliance with the regulation of the FSC:</p> <p>I. Basic identification data for related personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.</p> <p>II. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a Board of Directors meeting.</p> <p>III. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of Board of Directors meetings.</p> <p>When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the Board of Directors, report the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for reference in the prescribed format and via the</p>	<p>demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference in compliance with the regulation of the FSC:</p> <p>I. Basic identification data for related personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.</p> <p>II. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a Board of Directors meeting.</p> <p>III. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of Board of Directors meetings.</p> <p>When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the Board of Directors, report the information set out in Subparagraphs 1 and 2 of the preceding paragraph to the FSC for reference in the prescribed format and via the</p>	

Clause	Before amendment	After amendment	Note
	<p>Internet-based information system.</p> <p>Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company listed or has its shares traded shall sign an agreement with such company and the provisions of Paragraphs 3 and 4 shall apply.</p>	<p>Internet-based information system.</p> <p>Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company listed or has its shares traded shall sign an agreement with such company and the provisions of the <u>two preceding</u> paragraphs shall apply.</p>	
Article XXII	<p>The company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:</p> <p>Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.</p> <p>An action, such as a disposal of major assets, that affects the Company's financial operations.</p> <p>An event, such as a major disaster or major change in technology, that affects the shareholders equity or share price.</p> <p>An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.</p> <p>An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.</p>	<p>The company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:</p> <p>I. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.</p> <p>II. An action, such as a disposal of major assets, that affects the Company's financial operations.</p> <p>III. An event, such as a major disaster or major change in technology, that affects shareholders equity or share price.</p> <p>IV. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.</p> <p>V. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.</p>	<p>Amendment is made in compliance with the requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1070341072.</p>

Clause	Before amendment	After amendment	Note
	<p>Other terms and conditions that the contract stipulates may be altered and that have been publicly disclosed.</p> <p>An agreement regarding the key issues where the Company participates in merger, demerger, acquisition, or acceptance of share transfer shall expressly bear the key issues concerned so as to safeguard the Company's interests.</p>	<p>VI. Other terms and conditions that the contract stipulates may be altered and that have been publicly disclosed.</p> <p>An agreement regarding the key issues where the Company participates in merger, demerger, acquisition, or acceptance of share transfer shall expressly bear the key issues concerned so as to safeguard the Company's interests.</p>	
Article XXIII	<p>Regulations Governing the Acquisition and Disposal of Assets by Subsidiaries</p> <p>(I) The Company shall see to it that its subsidiaries adopt and implement the procedures for the acquisition or disposal of assets in compliance with these "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".</p> <p>(II) For a subsidiary that is not itself a public company in Taiwan having acquisitions and disposals of assets that meets the standard of public announcement and report specified in Article 8, the parent company shall report the required information on behalf.</p> <p>(III) In the standards/criteria for the public announcement and reporting by a subsidiary, the stated "provisions of 20% of the Company's paid-in capital or 10% of the Company's total assets" is based on the parent company's paid-in capital or total assets.</p>	<p>Regulations Governing the Acquisition and Disposal of Assets by Subsidiaries</p> <p>(I) The Company shall see to it that its subsidiaries adopt and implement the procedures for the acquisition or disposal of assets in compliance with these "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".</p> <p>(II) For a subsidiary that is not itself a public company in Taiwan <u>having</u> acquisitions and disposals of assets that meets the <u>standard regulation</u> of public announcement and report specified in Article 8, the <u>parent Company</u> shall report <u>the required information on behalf</u>.</p> <p>(III) In the standards/criteria applicable to the public announcement and reporting by a subsidiary in Article 8, <u>the stated</u> "provisions of 20% of the Company's paid-in capital or 10% of the total assets of the Company"; is based on the <u>parent Company's</u> paid-in capital or total assets.</p>	<p>Amendment is made in compliance with the requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1070341072.</p>

Appendix VIII

MPI Corporation

Comparison table of clauses before and after the amendment of the “Procedures for Engaging in Derivatives Trading”

Clause	Before amendment	After amendment	Note
Article II	The derivatives in the Procedure refer to the transaction contracts whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests (such as the forward contracts, options contracts, futures contracts, swap contracts and compound contracts combining the above products). Derivatives trading contains trading purposes and purposes other than trading. Trading purposes mean the purpose of holding or issuing derivatives is for the gaining of price difference from derivatives trading, including proprietary trading and trading measured at fair value and recognized in current profit or loss. Purposes other than trading means trading made besides the purpose mentioned above.	The derivatives referred to in the Procedures means <u>the forward contracts, options contracts, futures contracts, leverage contracts and swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term forward contracts does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.</u>	Amendment is made in compliance with the requirement of Letter Jin-Guan-Zhe ng-Fa-Zi No. 1070341072.
Article XI	Internal Control and Internal Audit Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement. Risk management shall address credit, market, liquidity, cash flow, operational, and legal risks. The position of derivatives held shall have regular assessment and submit the result to the senior management personnel authorized by the Board of Directors. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and immediately report	<u>Risk management measures: The Company engaging in derivatives trading shall adopt the following risk management measures:</u> <u>I. Risk management shall address credit, market, liquidity, cash flow, operational, and legal risks.</u> <u>II. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.</u> <u>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</u>	Amendment is made in compliance with the requirement of Letter Jin-Guan-Zhe ng-Fa-Zi No. 1070341072.

Clause	Before amendment	After amendment	Note
	to the Board of Directors; where a company has independent directors, an independent director shall be present at the meeting and express an opinion. The internal audit personnel of the Company shall periodically understand the suitability of the internal control over the trading of derivatives. Such personnel are required to conduct a monthly review of the accountability unit of the financial plans for its compliance with the derivatives trading procedure. In the event a material violation is found, the auditors shall immediately notify every supervisor in writing and impose penalties on related personnel based on the violation.	<u>with no responsibility for trading or position decision-making.</u> <u>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.</u> <u>V. Other important risk management measures.</u>	
<u>Article XII</u>	Article XI: Internal Control and Internal Audit (I) Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement. (II) Risk management shall address credit, market, liquidity, cash flow, operational, and legal risks. (III) The position of derivatives held shall have regular assessment and submit the result to the senior management personnel authorized by the Board of Directors. (IV) When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the Board of Directors; where a company has independent directors, an independent director shall be present at the meeting and express an opinion. (V) The internal audit personnel of the Company shall	Internal audit <u>system</u> : <u>(I)</u> The position of derivatives held shall have regular assessment and submit the result to the senior management personnel authorized by the Board of Directors. <u>(II)</u> When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the Board of Directors; where a company has independent directors, an independent director shall be present at the meeting and express an opinion. <u>(III)</u> The internal audit personnel of the Company shall periodically understand the suitability of the internal control over the trading of derivatives. Such personnel are required to conduct a monthly <u>audit</u> of the <u>trading department</u> for its compliance with the derivatives trading procedure <u>and make an audit report. In the event a material violation is found, the</u>	Amendment is made in compliance with the requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1070341072.

Clause	Before amendment	After amendment	Note
	<p>periodically understand the suitability of the internal control over the trading of derivatives. Such personnel are required to conduct a monthly audit of the accountability unit of the financial plans for its compliance with the derivatives trading procedure. In the event a material violation is found, the auditors shall immediately notify every supervisor in writing and impose penalties on related personnel based on the violation.</p>	<p>auditors shall immediately notify every supervisor in writing and impose penalties on related personnel based on the violation.</p>	
<p><u>Article XIII</u></p>	<p>(Addition)</p>	<p><u>When the Company engages in the transaction of derivatives, the Board of Directors shall supervise and manage strictly as follows:</u></p> <p><u>I. Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.</u></p> <p><u>II. Periodically assess whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the Company's permitted scope of tolerance.</u></p> <p><u>Senior management personnel authorized by the Board of Directors shall manage derivatives trading in accordance with the following principles:</u></p> <p><u>I. Periodically assess the risk management measures currently employed are appropriate and are faithfully conducted in accordance with this Procedure and the procedures for engaging in derivatives trading formulated by the Company.</u></p> <p><u>II. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the Board of Directors; where a company</u></p>	<p>Amendment is made in compliance with the requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1070341072.</p>

Clause	Before amendment	After amendment	Note
		<p><u>has independent directors, an independent director shall be present at the meeting and express an opinion.</u></p> <p><u>The Company shall report to the most recent meeting of the Board of Directors after it authorizes the relevant personnel to handle derivatives trading in accordance with its Procedures for Engaging in Derivatives Trading.</u></p>	
<p><u>Article XIV</u></p>	<p>(Addition)</p>	<p><u>Thy company engaging in derivatives trading shall prepare a log book in which details of the types and amounts of derivatives trading engaged in, Board of Directors approval dates, and the matters required to be carefully evaluated under Subparagraph 4 of Article 11 and Subparagraph 2 , Paragraph 1 and Subparagraph 1, Paragraph 2 of the preceding article shall be recorded in detail in the log book.</u></p> <p><u>Where independent directors have been appointed in accordance with the provisions of Securities and Exchange Act, for matters which shall be given to the supervisors pursuant to Article 12, the written notice of the matters shall also be given to the independent directors.</u></p> <p><u>Where an audit committee has been established in accordance with the provisions of the Securities and Exchange Act, the provisions of Article 12 relating to supervisors shall apply to the audit committee.</u></p>	<p>Amendment is made in compliance with the requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1070341072.</p>
<p><u>Article XV</u></p>	<p>The Procedure is implemented after the approval of the Board of Directors and submitted to the Shareholders’ meeting. The same procedure shall be followed when the Procedures are amended.</p>	<p>The Procedure is implemented after the approval of the Board of Directors , <u>delivered to each supervisor</u> and submitted to a shareholders’ meeting <u>for approval</u>. The same procedure shall be followed when the Procedures are amended.</p>	<p>In compliance with amendments to the laws and regulations.</p>

Appendix IX

MPI Corporation

Comparison Table of Clauses Before and After the Amendment of the “Operating Procedure for Loaning to Others”

Clause	Before amendment	After amendment	Note
Article II	<p>In accordance with Paragraph 1, Article 15 of the Company Act, the Company shall not loan funds to shareholders or any other persons except under the following circumstances.</p> <p>(I) Where an inter-company or inter-firm business transaction calls for a loan arrangement.</p> <p>(II) Short-term financing needed between companies and corporations. Financing amount shall not exceed 40% of the net value of the debtor.</p>	<p>In accordance with Paragraph 1, Article 15 of the Company Act, the <u>Company</u> shall not loan <u>the funds of the Company</u> to shareholders or any other persons except <u>under</u> the following circumstances:</p> <p>(I) Where an inter-company or inter-firm business transaction calls for a loan arrangement.</p> <p>(II) Short-term financing needed between companies and corporations. Financing amount shall not exceed 40% <u>of</u> the net value of the debtor.</p> <p><u>The short-term referred to in the preceding paragraph means one year or one operating cycle, in case the Company’s operating cycle exceeds one year.</u></p> <p><u>The term financing amount as used in Paragraph 1, Subparagraph 2 of this Article means the cumulative balance of the public company’s short-term financing.</u></p> <p><u>The restriction in Paragraph 1, Subparagraph 2 shall not apply to the inter-company loans of funds between overseas companies in which the public company holds, directly or indirectly, 100% of the voting shares, nor to loans of fund to the public company by any overseas company in which the public company holds, directly or indirectly, 100% of the voting shares. However, it shall be conducted in compliance with Article 3 and 4 of this Procedure.</u></p> <p><u>When a responsible person of the Company violates Paragraph 1 of the Procedure, the responsible person shall bear joint and several liability with</u></p>	<p>Amendment is made in compliance with the requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1080304826.</p>

Clause	Before amendment	After amendment	Note
		<u>the borrower for repayment; if the Company suffers damage, the responsible person also shall be liable for the damage compensation.</u>	
Article III:	The total amount of funds loaned to others by the Company shall not exceed 40% of the net value before distribution of the Company in the previous year. The limit of loans provided by the Company to a single company shall not exceed 50% of the total loanable fund of the Company and shall not exceed 20% of the paid-in capital of the borrower. (The amount of loan of the Company's subsidiaries is not subject to this Article).	The total amount of funds loaned to others by the Company shall not exceed 40% of the net value before distribution of the Company in the previous year <u>on the Company's most recent financial statements</u> . The limit of loans provided by the Company to a single company shall not exceed 50% of the total loanable fund of the Company <u>10% of the net value shown in the latest financial statements</u> and shall not exceed 20% of the paid-in capital of the borrower. (The amount of loan of the Company's subsidiaries are not subject to this Article <u>the restriction of 20% of the paid-in capital of the borrower</u>).	Amendment is made in compliance with the requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1080304826.
Article V:	Review procedure for loaning to others by the Company: (I) The borrowers that apply for the loaning of funds to the Company shall present a credit assessment report indicating the loan amount, loan terms, intended use, collateral and guarantees, basic information and financial information for the credit checking process. (II) If the loaning of funds will not be processed for borrowers with poor credit rating or for unreasonable purpose, the personnel in charge shall submit the reasons for rejection to the manager of the finance and accounting units for preliminary review and to the Chairman and president for the secondary review and then replied to the borrowers promptly. (III) For the borrower with good credit rating and reasonable intended use, the personnel in charge shall write the credit	<u>Before loaning funds to others, the Company shall carefully evaluate whether this loan complies with the regulations specified by the competent authority and the Operating Procedure for Loaning to Others of the Company.</u> Review procedure for loaning to others by the Company: (I) The borrowers that apply for the loaning of funds to the Company shall present a credit assessment report indicating the loan amount, loan terms, intended use, collateral and guarantees, basic information and financial information for the credit checking process. (II) If the loaning of funds will not be processed for borrowers with poor credit rating or for unreasonable purpose, the personnel in charge shall submit the reasons for rejection to the manager of the finance and accounting units for preliminary	Amendment is made in compliance with the requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1080304826.

Clause	Before amendment	After amendment	Note
	<p>investigation report and opinions, draft the loaning of funds conditions for the preliminary review of the manager of the finance and accounting units through successive levels. After the secondary review of the president and the Chairman, it is submitted for the resolution of the Board of Directors without leaving the decision-making to others.</p> <p>(IV) Any loan agreement between the Company and its parent or subsidiaries or between subsidiaries shall be approved by the Board of Directors in accordance with the preceding regulation. The chairman of the Board may be authorized to, within one year and under a certain limit approved by the Board, loan the funds to the same borrower in installments or on a revolving basis.</p> <p>(V) The certain limit referred to in the preceding paragraph shall comply with Article 2 of the Procedure and be approved by the Board of Directors. In addition, the authorized amount of any loan from the Company or a subsidiary to a single company shall not exceed 10% of the net value shown in the latest financial statements of the Company or its subsidiaries.</p>	<p>review and to the Chairman and president for the secondary review and then replied to the borrowers promptly.</p> <p>(III) For the borrower with good credit rating and reasonable intended use, the personnel in charge shall write the credit investigation report and opinions, draft the loaning of funds conditions for the preliminary review of the managers of the finance and accounting unit through successive levels. After the secondary review of the president and the Chairman, it is submitted <u>along with the result of the assessment</u> for the resolution of the Board of Directors without leaving the decision-making to others.</p> <p>(IV) Any loan agreement between the Company and its parent or subsidiaries or between subsidiaries shall be approved by the Board of Directors in accordance with the preceding regulation. The chairman of the Board may be authorized to, within one year and under a certain limit approved by the Board, loan the funds to the same borrower in installments or on a revolving basis.</p> <p>(V) The certain limit referred to in the preceding paragraph shall not only <u>comply with Paragraph 4, Article 2 of the Procedure and be approved by the Board of Directors,</u> but also the authorized amount of any loan from the Company or a subsidiary to a single company shall not exceed 10% of the net value shown in the latest financial statements of the Company or its subsidiaries <u>the borrower.</u></p>	
Article VIII:	(I) For the loaning of funds, the finance and accounting unit shall specify the details in the subsidiary accounts, including	(I) For <u>managing the loaning of funds</u> , the finance and accounting unit shall <u>prepare a log book for the</u> specify the	Amendment is made in compliance with the

Clause	Before amendment	After amendment	Note
	<p>the name of the borrowing company, loan amount, dates of boards of directors resolutions, the dates of loaning of funds, the balance up to the end of the this month and the collateral. The unit shall prepare the monthly “Log Book for Funds Loaning”.</p> <p>(II) The internal auditors of the Company shall conduct audits at least quarterly on the Operating Procedure for Loaning to Others and the status of implementation. In the event a material violation is found, the auditors shall immediately notify the supervisors in writing. The Company shall impose penalties on the manager and the clerk depending on the status of violation.</p> <p>(III) If, due to change of circumstances, a borrower no longer meets the requirements of the Operating Procedure for Loaning to Others, or the loan balance exceeds the specified limit, the Company shall adopt a improvement plan and submit it to every supervisor. Improvement shall be completed within the schedule specified in the plan.</p>	<p>details in the subsidiary accounts, including the name of the borrowing company, loan amount borrower, loan amount, dates of boards of directors resolutions approvals and the dates of loaning of funds. the balance up to the end of the this month and the collateral. The unit shall prepare the monthly “Log Book for Funds Loaning”.</p> <p><u>These information shall be recorded in detail for reference in accordance with the matters required to be carefully evaluated under Article 5.</u></p> <p>(II) The internal auditors of the Company shall conduct audits at least quarterly on the Operating Procedure for Loaning to Others and the status of implementation, <u>and prepare written audit records.</u> In the event a material violation is found, the auditors shall immediately notify every supervisor in writing. The Company shall impose penalties on the manager and the clerk depending on the status of violation.</p> <p>(III) If, due to change of circumstances, a borrower no longer meets the requirements of the Operating Procedure for Loaning to Others, or the loan balance exceeds the specified limit, the Company shall adopt a improvement plan and then submit it to every supervisor. Improvement shall be completed within the schedule specified in the plan.</p>	<p>requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1080304826.</p>
Article X:	<p>The Procedures and any amendment hereto shall, after approved by the Board of Directors and delivered to each supervisor, be submitted to the shareholders’ meeting. Where any director expresses dissent which is recorded in the minutes or a written statement, it shall be delivered to each supervisor and</p>	<p><u>The Company established the Operating Procedure for Loaning to Others in accordance with the laws.</u> The Procedures and any amendment hereto shall, after approved by the Board of Directors and delivered to each supervisor, be submitted to the shareholders’ meeting. Where any director expresses dissent</p>	<p>Amendment is made in compliance with the requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1080304826.</p>

Clause	Before amendment	After amendment	Note
	<p>simultaneously submitted to the shareholders' meeting for discussion. The same procedure shall be followed when the Procedures are amended. When submitting the Operating Procedure for Loaning to Others to the Board of Directors for discussion based on the preceding paragraph, if independent directors are appointed, the Company shall adequately take into account the opinion of every independent director. Assenting and dissenting opinions and the reasons for the dissent shall be recorded in the minutes of the Board of Directors meeting.</p>	<p>which is recorded in the minutes or a written statement, it shall be delivered to each supervisor and simultaneously submitted to the shareholders' meeting for discussion. The same procedure shall be followed when the Procedures are amended. <u>Where the Company has appointed the independent directors, when submitting the Operating Procedure for Loaning to Others to the Board of Directors for discussion based on the preceding paragraph, if independent directors are appointed, the Company shall adequately take into account the opinion of every independent director. Assenting and dissenting opinions and the reasons for the dissent shall be recorded in the minutes of the Board of Directors meeting. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</u> <u>Where the Company has established an audit committee, when the Company adopts or amends its Operational Procedures for Loaning Funds to Others, the procedures or amended procedures shall require the approval of one-half or more of all audit committee members, and be submitted for a resolution by the Board of Directors. The provisions of Paragraph 2 shall not apply. The matters referred to in the previous paragraph without the consent of a majority of the Audit Committee shall be with the consent of more than two thirds of the board directors; also, the resolutions of the Audit Committee should be clearly stated in the minutes of the board meeting.</u></p>	

Clause	Before amendment	After amendment	Note
		<u>The terms all the Audit Committee members and all the directors in the Paragraph 4 3 shall be counted based on the actual number of such members or directors currently holding their positions.</u>	
Article X-I:	(Addition)	<u>Where the Company has appointed independent directors, for matters which shall be given to the supervisors the written notice of the matters shall also be given to the independent directors under Article 8, Paragraph 2. When a improvement plan is submitted to the supervisors it shall at the same time be submitted to the independent directors under Article 8, Paragraph 3. Where the Company has established an audit committee, the provisions of Article 8 relating to supervisors shall apply to the audit committee.</u>	Amendment is made in compliance with the requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1080304826.
Article XII	<p>The Company shall announce and report the previous month's balance of loans of itself and its subsidiaries by the 10th day of each month.</p> <p>Where the loaning of funds of the Company reaches one of the following levels, the Company shall announce and report such event within two days commencing immediately from the date of occurrence:</p> <p>The balance of loans of the Company and its subsidiaries to others reaches 20% or more of the public company's net value as stated in its latest financial statement.</p> <p>II. The balance of loans of the Company and its subsidiaries to a single enterprise reaches 10% or more of the Company's net value as stated in its latest financial statement.</p> <p>III. The amount of new loans of funds by the Company or its subsidiaries reaches NT\$10</p>	<p>The Company shall announce and report the previous month's balance of loans of itself and its subsidiaries by the 10th day of each month.</p> <p>Where the loaning of funds of the Company reaches one of the following levels, the Company shall announce and report such event within two days commencing immediately from the date of occurrence:</p> <p>The balance of loans of the Company and its subsidiaries to others reaches 20% or more of the <u>Company's</u> net value as stated in its latest financial statement.</p> <p>II. The balance of loans of the Company and its subsidiaries to a single enterprise reaches 10% or more of the Company's net value as stated in its latest financial statement.</p> <p>III. The amount of new loans of funds by the Company or its subsidiaries reaches NT\$10</p>	Amendment is made in compliance with the requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1080304826.

Clause	Before amendment	After amendment	Note
	<p>million or more, and reaches 2% or more of the Company's net value as stated in its latest financial statement.</p> <p>The Company shall announce and report on behalf of the subsidiaries thereof that is not a public company in Taiwan any matters that such subsidiary is required to announce and report pursuant to Subparagraph 3 of the preceding paragraph.</p> <p>Date of occurrence in the Procedures means the date of trade contract signing, date of payment, dates of Boards of Directors resolutions, or any other date that can confirm the counterpart and amount of the transaction, <u>whichever</u> date is earlier.</p>	<p>million or more, and reaches 2% or more of the Company's net value as stated in its latest financial statement.</p> <p>The Company shall announce and report on behalf of the subsidiaries thereof that is not a public company in Taiwan any matters that such subsidiary is required to announce and report pursuant to Subparagraph 3 of the preceding paragraph.</p> <p>Date of occurrence in the Procedures means the date of trade contract signing, date of payment, dates of Boards of Directors resolutions, or any other date that can confirm the transaction <u>borrower</u> and amount of the transaction loan, <u>whichever</u> date is earlier.</p>	

Appendix X

MPI Corporation

Comparison Table of Clauses Before and After the Amendment of the “Operating Procedure for Making Endorsement/Guarantee”

Clause	Before amendment	After amendment	Note
Article III	<p>The contents of the endorsements/guarantees as used in the Procedure are as follows:</p> <p>(I) Financing endorsement and guarantee includes the bill discount financing, endorsement or guarantee made to meet the financing needs of another company and the issuance of a separate negotiable instrument to a non-financial enterprise as guarantee to meet the financing needs of the Company.</p> <p>(II) Customs duty endorsement and guarantee means an endorsement or guarantee for the Company or another company with respect to customs duty matters.</p> <p>(III) Other endorsements and guarantees mean the endorsements or guarantees beyond the scope of the above two paragraphs.</p> <p>Any creation by the Company of a pledge or mortgage on its chattel or real property as security for the loans of another company shall also comply with the Procedure.</p>	<p>The contents of the term endorsements/guarantees as used in the Procedure <u>refers to the following:</u></p> <p><u>I. Financing endorsement and guarantee includes:</u></p> <p><u>(I) Bill discount financing.</u></p> <p><u>(II) Endorsement or guarantee made to meet the financing needs of another company.</u></p> <p><u>(III) Issuance of a separate negotiable instrument to a non-financial enterprise as <u>security</u> guarantee to meet the financing needs of the Company.</u></p> <p><u>II. Customs duty endorsement and guarantee means an endorsement or guarantee for the Company or another company with respect to customs duty matters.</u></p> <p><u>III. Other endorsements and guarantees means the endorsements or guarantees beyond the scope of the above two paragraphs subparagraphs.</u></p> <p>Any creation by the <u>Company</u> of a pledge or mortgage on its chattel or real property as security for the loans of another company shall also comply with the Procedure.</p>	<p>Amendment is made in compliance with the requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1080304826.</p>
Article IV	<p>Entities for which the Company may make endorsements/guarantees:</p> <p>(I) This applies to companies having business relationship with the Company. If necessary, the counterpart</p>	<p><u>The Company may provide endorsements and guarantees to the following companies:</u></p> <p><u>I. The Company engaging in business transaction.</u></p> <p><u>II. The subsidiary company in which the Company</u></p>	<p>Amendment is made in compliance with the requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1080304826.</p>

Clause	Before amendment	After amendment	Note
	<p>shall be requested to provide securities.</p> <p>(II) The subsidiary in which the Company directly or indirectly holds more than 50% of the voting rights.</p> <p>(III) The invested company in which the Company and subsidiaries directly or indirectly holds more than 50% of the voting rights together.</p> <p>Companies in which the Company directly or indirectly holds 90% or more of the voting shares may make endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net value of the Company. This restriction shall not apply to the endorsements/guarantees made between companies in which the Company directly or indirectly holds 100% of the voting shares.</p>	<p>directly or indirectly holds more than 50% of the voting <u>shares</u>.</p> <p>III. The invested company the Company and subsidiaries directly or indirectly holds more than 50% of the voting <u>shares together of the Company</u>.</p> <p>Companies in which the Company directly or indirectly holds 90% or more of the voting shares may make endorsements/guarantees for each other, and the amount of endorsements/guarantees may not exceed 10% of the net value of the Company. This restriction shall not apply to the endorsements/guarantees made between companies in which the Company directly or indirectly holds 100% of the voting shares.</p>	<p>ng-Fa-Zi No. 1080304826.</p>
Article VI	<p>Limits and authorization of the endorsements/guarantees: The total amount of endorsement/guarantee to other companies in the name of the Company and the amount of endorsement/guarantee for any single enterprise are as follows:</p> <p>(I) The total endorsements/guarantees amount shall not exceed 50% of the net value shown in the latest financial statements of the Company.</p> <p>(II) The endorsements/guarantees amount for a single enterprise shall not exceed 20% of the net value shown in the latest financial statements of the Company and shall not exceed 30% of the net value shown in the latest financial statements of the guarantee enterprise.</p>	<p>Before making an endorsement/guarantee for others, the Company shall carefully evaluate whether the endorsement/guarantee is in compliance with the regulations specified by the competent authority and the <u>Company's</u> Operational Procedures for Endorsements/Guarantees. The Company may shall make an endorsement/guarantee after the proposal <u>along with</u> the evaluation results have been submitted to and resolved upon by the Board of Directors. Or approved by the chairman, where the Board of Directors authorizes the chairman to decide within a specific amount. The chairman shall submit the decision to the next Board of Directors' meeting for ratification.</p> <p>Limits and authorization of the</p>	<p>Amendment is made in compliance with the requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1080304826.</p>

Clause	Before amendment	After amendment	Note
	<p>(III) Where an endorsement/guarantee is made due to the business relationship with the enterprise, the accumulated endorsement/guarantee amount shall not exceed the aggregate amount of transactions between the Company and its trading counterpart in the most recent year.</p> <p>(IV) The total amount of endorsements/guarantees offered by the Company and subsidiaries shall not exceed 50% of the net value of the Company and the subsidiaries. The endorsements/guarantees amount for a single enterprise shall not exceed 20% of the net value shown in the latest financial statements of the Company and shall not exceed 30% of the net value shown in the latest financial statements of the guarantee enterprise.</p> <p>(V) The restriction in this Article shall not apply to the amount of endorsements/guarantees offered by subsidiaries of the Company.</p> <p>(VI) If the aggregate amount of endorsements/guarantees that is set as the ceiling for the Company and its subsidiaries as a whole reaches 50% or more of the net value of the Company, an explanation of the necessity and reasonableness thereof shall be given at the shareholders' meeting.</p> <p>(VII) The endorsement/guarantee of</p>	<p>endorsements/guarantees: The total amount of endorsement/guarantee to other companies in the name of the Company and the amount of endorsement/guarantee for any single enterprise are as follows:</p> <p>(I) The total endorsements/guarantees amount shall not exceed 50% of the net value shown in the latest financial statements of the Company.</p> <p>(II) The endorsements/guarantees amount for a single enterprise shall not exceed 20% of the net value shown in the latest financial statements of the Company and shall not exceed 30% of the net value shown in the latest financial statements of the guarantee enterprise.</p> <p>(III) Where an endorsement/guarantee is made due to the business relationship with the enterprise, the accumulated endorsement/guarantee amount shall not exceed the aggregate amount of transactions between the Company and its trading counterpart in the most recent year.</p> <p>(IV) The total amount of endorsements/guarantees offered by the Company and subsidiaries shall not exceed 50% of the net value of the Company and the subsidiaries. The endorsements/guarantees amount for a single enterprise shall not exceed 20% of the net value shown in the latest financial statements of the</p>	

Clause	Before amendment	After amendment	Note
	<p>the Company shall be made after the approval of the Board of Directors. Where independent directors has been appointed, the Company shall adequately take into account the opinion of every independent director. Assenting and dissenting opinions, and the reasons for the dissent, shall be recorded in the minutes of the Board of Directors meeting. To correspond to the timeliness, the Board of Directors authorizes the chairman to make decisions within a specific amount. The chairman shall submit the decision to the Board of Directors meeting for ratification and report the status of implementation to the shareholders' meeting for reference.</p> <p>(VIII) Any endorsement/ guarantee offered by a subsidiary in which the Company directly or indirectly holds at least 90% of the voting shares shall be submitted to the Board of Directors in accordance with the regulations. The endorsement/guarantee may be made only after the Board of Directors gives approval through a resolution. This restriction shall not apply to the endorsements/guarantees made between companies in which the Company directly or indirectly holds 100% of the voting shares.</p>	<p>Company and shall not exceed 30% of the net value shown in the latest financial statements of the guarantee enterprise.</p> <p>(V) The restriction in this Article shall not apply to the amount of endorsements/guarantees offered by subsidiaries of the Company.</p> <p>(VI) If the aggregate amount of endorsements/guarantees that is set as the ceiling for the Company and its subsidiaries as a whole reaches 50% or more of the net value of the Company, an explanation of the necessity and reasonableness thereof shall be given at the shareholders' meeting.</p> <p>(VII) The endorsement/ guarantee of the Company shall be made after the approval of the Board of Directors. Where independent directors has been appointed, the Company shall adequately take into account the opinion of every independent director. Assenting and dissenting opinions, and the reasons for the dissent, shall be recorded in the minutes of the Board of Directors meeting. To correspond to the timeliness, the Board of Directors authorizes the chairman to make decisions within a specific amount. The chairman shall submit the decision to the Board of Directors meeting for ratification and report the status of implementation to the shareholders' meeting for</p>	

Clause	Before amendment	After amendment	Note
		<p>reference.</p> <p>(VIII) Any endorsement/guarantee offered by a subsidiary in which the Company directly or indirectly holds at least 90% of the voting shares shall be submitted to the Board of Directors in accordance with the regulations. The endorsement/guarantee may be made only after the Board of Directors gives approval through a resolution. This restriction shall not apply to the endorsements/guarantees made between companies in which the Company directly or indirectly holds 100% of the voting shares.</p> <p>(IX) <u>Where the Company has appointed the independent directors, when it makes endorsements/guarantees for others, the Company shall adequately take into account the opinion of every independent director. Assenting and dissenting opinions and the reasons for the dissent shall be recorded in the minutes of the Board of Directors meeting.</u></p>	
Article VIII	For the endorsement/guarantee activities, the Company shall prepare a log book and record in detail about the title of entity for the endorsement/guarantee, the subject of the endorsement/guarantee, the result of risk assessment, the amount of the endorsement/guarantee, the content of collateral, and the criteria and date of discharging the liability of the endorser/guarantor.	For <u>the management of endorsement/guarantee activities, the Company shall prepare a log book, and record in detail about the title of entity for the endorsement/guarantee, the subject of the endorsement/guarantee, the result of risk assessment, the amount of the endorsement/guarantee, the content of collateral, and the criteria and date of discharging the liability of the endorser/guarantor.</u> <u>The date of passage by the Board of</u>	Amendment is made in compliance with the requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1080304826.

Clause	Before amendment	After amendment	Note
		<u>Directors or of authorization by the chairman of the board, the date the endorsement/guarantee is made, and the matters to be carefully evaluated under paragraph 1 of the preceding Article.</u>	
Article IX	<p>The Company and its subsidiaries shall announce and report the previous month's balance of endorsements/guarantees of itself and its subsidiaries by the 10th day of each month.</p> <p>Where the balance of endorsements/guarantees of the Company reaches one of the following criteria, the Company shall announce and report such event within two days commencing immediately from the date of occurrence:</p> <p>I. The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50% or more of the Company's net value as stated in its latest financial statement.</p> <p>II. The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20% or more of the Company's net value as stated in its latest financial statement.</p> <p>III. The aggregate amount of endorsements/guarantees offered by the Company and its subsidiaries to a single company is at least NT\$10 million, and the aggregate amount of all endorsements/guarantees for, investment of a long-term nature in, and balance of loans to such enterprise is at least 30% of the net value shown in the latest financial statements</p>	<p>The Company and its subsidiaries shall announce and report the previous month's balance of endorsements/guarantees of itself and its subsidiaries by the 10th day of each month.</p> <p>Where the balance of endorsements/guarantees of the Company reaches one of the following criteria, the Company shall announce and report such event within two days commencing immediately from the date of occurrence:</p> <p>I. The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50% or more of the Company's net value as stated in its latest financial statement.</p> <p>II. The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20% or more of the Company's net value as stated in its latest financial statement.</p> <p>III. The aggregate amount of endorsements/guarantees offered by the Company and its subsidiaries to a single company is at least NT\$10 million, and the aggregate amount of all endorsements/guarantees for, <u>carrying book value of equity method investment in investment of a long-term nature in</u>, and balance of loans to such enterprise is at least 30% of</p>	<p>Amendment is made in compliance with the requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1080304826.</p>

Clause	Before amendment	After amendment	Note
	<p>of the Company.</p> <p>IV. The amount of new endorsements/guarantees made by the public company or its subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the public company's net worth as stated in its latest financial statement.</p> <p>The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that the subsidiary is required to announce and report pursuant to subparagraph 4 of the preceding paragraph.</p> <p>Date of occurrence in the Procedures means the date of trade contract signing, date of payment, dates of Boards of Directors resolutions, or any other date that can confirm the counterpart and amount of the transaction, <u>whichever</u> date is earlier.</p>	<p>the net value shown in the latest financial statements of the Company.</p> <p>IV. The amount of new endorsements/guarantees made by the public company or its subsidiaries reaches NT\$30 million or more, and reaches 5 percent or more of the public company's net worth as stated in its latest financial statement.</p> <p>The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that <u>such</u> subsidiary is required to announce and report pursuant to subparagraph 4 of the preceding paragraph.</p> <p>Date of occurrence in the Procedures means the date of trade contract signing, date of payment, dates of Boards of Directors resolutions, or any other date that can confirm the transaction entity for the <u>endorsement/guarantee</u> and amount of the transaction, <u>whichever</u> date is earlier.</p>	
Article X	<p>The negotiable instruments and the Company seal shall be separately kept in the custody of a designated person and may be used to seal or issue in accordance with the regulations specified in the Company's operating procedures. The Board of Directors authorizes the chairman to appoint related personnel and prepare a register of the personnel. The seal of the Company registered with the Ministry of Economic Affairs shall be the exclusive seal for endorsement/guarantee.</p> <p>When making a guarantee for an overseas company, the Company shall have the Guarantee</p>	<p>The Company shall use the corporate chop registered with the Ministry of Economic Affairs as the dedicated chop for endorsements/guarantees. The chop shall be kept in the custody of a designated person approved by the Board of Directors and may be used to seal or issue negotiable instruments according to the procedures established by <u>the Company</u>.</p> <p>When making a guarantee for an overseas company, <u>the Company</u> shall have the Guarantee Agreement signed by a person authorized by the Board of Directors.</p>	Amendment is made in compliance with the requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1080304826.

Clause	Before amendment	After amendment	Note
	Agreement signed by a person authorized by the Board of Directors.		
Article XIII	<p>(I) The internal auditors of the Company shall conduct audits at least quarterly on the Operating Procedure for Making Endorsement/ Guarantee and the status of implementation. In the event a material violation is found, the auditors shall immediately notify the supervisors in writing.</p> <p>(II) The endorsements/ guarantees of the Company shall be made in accordance with Operating Procedure and the Company shall impose penalties on the manager and the personnel in charge depending on the status of violation.</p> <p>(III) If, due to change of circumstances, the entity for which an endorsement/guarantee is made no longer meets the requirements of the regulations, or the amount exceeds the specified limit, the Company shall adopt an improvement plan and complete it within the schedule specified in the plan.</p>	<p>(I) The internal auditors of the Company shall conduct audits at least quarterly on the Operating Procedure for Making Endorsement/ Guarantee and the status of implementation, <u>and prepare written audit records</u>. In the event a material violation is found, the auditors shall immediately notify the supervisors in writing.</p> <p>(II) The endorsements/ guarantees of the Company shall be made in accordance with Operating Procedure and the Company shall impose penalties on the manager and the personnel in charge depending on the status of violation.</p> <p>(III) If, due to change of circumstances, the entity for which an endorsement/ guarantee is made no longer meets the requirements of the regulations <u>Operating Procedure</u>, or the amount exceeds the specified limit, the Company shall adopt a improvement plan, <u>submit it to every supervisor</u> and complete it within the schedule specified in the plan.</p>	Amendment is made in compliance with the requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1080304826.
Article XIV	The Operating Procedure is delivered to each supervisor and submitted to the shareholders' meeting for approval after the approval of the Board of Directors. Where any director expresses dissent which is recorded in the minutes or a written statement, the Company shall deliver the opinion to each supervisor and simultaneously submit to the shareholders'	The <u>Company established the Operating Procedure for Making Endorsement/Guarantee in accordance with the laws</u> . The Procedures and any amendment hereto shall, after approved by the Board of Directors and delivered to each supervisor, be submitted to the shareholders' meeting. Where any director expresses dissent which is recorded in the minutes or a	Amendment is made in compliance with the requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1080304826.

Clause	Before amendment	After amendment	Note
	<p>meeting for discussion. The same procedure shall be followed when the Procedures are amended.</p>	<p>written statement, it shall be delivered to each supervisor and simultaneously submitted to the shareholders' meeting for discussion.</p> <p>Where the Company <u>has appointed independent directors</u>, when submitting the Operating Procedure for Making <u>Endorsement/Guarantee</u> to the Board of Directors for discussion in accordance with the regulations, the Company shall take into full consideration the opinions of each independent director. <u>If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</u></p> <p>Where the Company <u>has established an audit committee</u>, when the Company <u>adopts or amends the Operating Procedure for Making Endorsement/Guarantee</u>, the <u>procedures or amended procedures shall require the approval of one-half or more of all audit committee members, and be submitted for a resolution by the Board of Directors, and the provisions of paragraph 3 shall not apply.</u></p> <p><u>The matters referred to in the previous paragraph without the consent of a majority of the Audit Committee shall be with the consent of more than two thirds of the board directors; also, the resolutions of the Audit Committee should be clearly stated in the minutes of the board meeting.</u></p> <p><u>The terms "all audit committee members" in paragraph 4 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those</u></p>	

Clause	Before amendment	After amendment	Note
		<u>positions.</u>	
Article XIV-I (Addition)	<p>This Article was the original Paragraph II and III of Article XIV.</p> <p>Where the Company needs to exceed the limits set out in the Operating Procedure for Making Endorsement/Guarantee to satisfy its business requirements, and where the conditions set out in the Operating Procedure for Making Endorsement/Guarantee are complied with, it shall obtain approval from the Board of Directors and half or more of the directors shall act as joint guarantors for any loss that may be caused to the Company by the excess endorsement/guarantee. It shall also amend the Operating Procedure for Making Endorsement/Guarantee accordingly and submit the same to the shareholders' meeting for ratification after the fact. If the shareholders' meeting does not give consent, the Company shall adopt a plan to discharge the amount in excess within a given time limit.</p> <p>When submitting the Procedures to the Board of Directors for discussion in accordance with the preceding paragraph, the Company shall adequately take into account the opinion of every independent director. Assenting and dissenting opinions and the reasons for the dissent shall be recorded in the minutes of the board meeting.</p>	<p>Where the Company needs to exceed the limits set out in the Operating Procedure for Making Endorsement/Guarantee to satisfy its business requirements, and where the conditions set out in the Operating Procedure for Making Endorsement/Guarantee are complied with, it shall obtain approval from the Board of Directors and half or more of the directors shall act as joint guarantors for any loss that may be caused to the Company by the excess endorsement/guarantee. It shall also amend the Operating Procedure for Making Endorsement/Guarantee accordingly and submit the same to the shareholders' meeting for ratification after the fact. If the shareholders' meeting does not give consent, the Company shall adopt a plan to discharge the amount in excess within a given time limit.</p> <p><u>Where the Company has appointed independent directors,</u> during the discussion at the above-mentioned board meeting, when submitting the Procedures to the Board of Directors for discussion in accordance with the preceding paragraph, the Company shall take into full consideration the opinions of each independent directors. Assenting and dissenting opinions, and the reasons for the dissent, shall be recorded in the minutes of the board meeting.</p>	Amendment is made in compliance with the requirement of Letter Jin-Guan-Zheng-Fa-Zi No. 1080304826.
Article XIV-II	(Addition)	<u>Where the Company has appointed independent directors, for matters which shall be given to the supervisors the written notice of the matters shall also be given to the independent</u>	Amendment is made in compliance with the requirement of Letter

Clause	Before amendment	After amendment	Note
		<u>directors under Article 13, Paragraph 1. When an improvement plan is submitted to the supervisors it shall at the same time be submitted to the independent directors under Article 13, Paragraph 3. Where the Company has established an audit committee, the provisions of Article 8 relating to supervisors shall apply to the audit committee.</u>	Jin-Guan-Zhe ng-Fa-Zi No. 1080304826.