

# **MPI Corporation**

2020 Annual General Meeting

# **Parliamentary Procedure** **Handbook**

Date and time: June 15, 2020 (Monday), 10:00 am

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

## Table of Contents

One.	Parliamentary Procedure.....	1
Two.	Agenda.....	2
	I. Reports.....	3
	II. Points of Ratification.....	3
	III. Points of Discussion .....	4
	IV. Elections .....	7
Three.	Attachments	
	I. Operation Review.....	10
	II. Supervisors’ Review Report.....	15
	III. Independent Auditor’s Audit Report .....	16
	IV. Independent Auditor’s Audit Report .....	28
	V. Disposition of Net Earnings .....	41
	VI. Comparison Table of Clauses Before and After the Amendment of the “Articles of Incorporation” .....	42
	VII. Comparison Table of the “Parliamentary Rules for Shareholders’ Meetings” Before and After Amendments .....	47
	VIII. Comparison Table of the “Regulations for Election of Directors/Supervisors” Before and After Amendments .....	53
	IX. Comparison Table of the “Procedures for Acquisition or Disposal of Assets” Before and After Amendments .....	57
	X. Comparison Table of the “Procedures for Engaging in Derivatives Trading” Before and After Amendments .....	62
	XI. Comparison Table of Clauses Before and After the Amendment of the “Operating Procedure for Loaning Funds to Others” .....	64
	XII. Comparison Table of the “Operating Procedure for Making of Endorsement/Guarantee” Before and After Amendments .....	66
	XIII. Parliamentary Rules for Supervisors’ Meeting .....	68

Four.	Appendix	
I.	MPI Corporation Articles of Incorporation .....	69
II.	Parliamentary Procedure for General Meeting of Shareholders .....	75
III.	Regulations for Election of Directors/Supervisors.....	82
IV.	Shareholding of all Directors and Supervisors and the minimum requirement of shareholding.....	84
V.	The effect of stock dividend as proposed in this General Meeting on the operation performance and earnings per share of the Company .....	85

MPI Corporation  
Parliamentary Procedure of the 2020 Annual General  
Meeting

- I. Announcement of Session
- II. Address of Chairman
- III. Reports
- IV. Points of Ratification
- V. Points of Discussion
- VI. Motions for Election
- VII. Extraordinary Motions
- VIII. Dismissal

# MPI Corporation

## 2020 Annual General Meeting Agenda

Date and time: June 15, 2020 (Monday), 10:00 am

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

### Chairperson Remarks

#### I. Reports:

1. 2019 Operation Review.
2. 2019 Supervisors' Review Report.
3. Report on allocation of remuneration to employees and directors/supervisors in 2019.
4. Report on 2019 allocation of cash dividend from earnings.

#### II. Points of Ratification:

1. 2019 Operation Review and Financial Statements.
2. 2019 Motion for allocation of earnings.

#### III. Points of Discussion:

1. Amendment to the "Articles of Incorporation" of the Company.
2. Amendments to the Company's "Parliamentary Rules for Shareholders' Meetings."
3. Amendments to the Company's "Regulations for Election of Directors/Supervisors."
4. Amendments to the "Procedure for Acquisition or Disposal of Assets" of the Company."
5. Amendment to the "Procedures for Engaging in Derivatives Trading" of the Company.
6. Amendments to the "Operating Procedure for Loaning Funds to Others" of the Company.
7. Amendment to the "Operating Procedure for Making of Endorsement/Guarantee" of the Company.
8. Revocation of the Company's "Parliamentary Rules for Supervisors' Meetings."

#### IV. Elections:

1. Election of the Company's directors of 9th term (6 directors and 3 independent directors).

#### V. Extraordinary Motions

#### VI. Adjournment

## I. Reports

### 1. 2019 Operation Review.

Remark: Refer to Attachment I to the Handbook on Pages 10~14 for the information about 2019 operation review, financial statements, and prospect of operation.

### 2. 2019 Supervisors' Review Report.

Remark: Refer to Attachment II to the Handbook on Page 15 for the information about 2019 Supervisors' Review Report.

### 3. Report on allocation of remuneration to employees and directors/supervisors in 2019.

Remark: According to Article XX of the Company's Articles of Incorporation, where there are earnings before tax in any fiscal year, 0.1%~15% thereof shall be appropriated as remuneration to employees and no more than 3% thereof as remuneration to directors/supervisors. The earnings before tax, excluding the remuneration to employees, directors and supervisors was NT\$536,892,370 in 2019. The Company plans to appropriate NT\$43,950,000 as the remuneration to employees and NT\$9,920,000 as the remuneration to directors and supervisors. All were distributed in cash.

### 4. Report on 2019 allocation of cash dividend from earnings.

Remarks:

- (I) According to Article XX of the Articles of Incorporation, the Company shall authorize the Board of Directors to resolve to distribute the dividend and bonus, in whole or in part, in cash and report the same to a shareholders' meeting.
- (II) The bonus amounting to NT\$199,896,815 was allocated to shareholders at NT\$2.5 per share in cash. The amount of cash dividend will be truncated to the nearest dollar. Fractional amounts of less than NT\$1 will be summed up and allocated based on the size of decimals in descending order until the total amount of cash dividend is allocated.
- (III) The motion has been approved upon resolution by the Board meeting, and the Chairman was authorized to determine the ex-dividend date, date of distribution and other related matters. In the event that the total quantity of the Company's outstanding shares is changed and the dividends to shareholders are being affected, the Chairman shall be authorized to deal with it with full power.

## II. Points of Ratification

Motion No. 1

Submitted by the Board

Cause of motion: Proposal for the ratification of the Company's 2019 operation review and financial statements.

Remarks:

- (I) The Board of Directors has prepared and passed the operation review and financial statements of individual entities (including the consolidated financial statements) for the fiscal year 2019. The financial statements of individual entities (including the consolidated financial statements) have been audited by Chen, Chih-Ling and Chen, Yi-Ling, CPAs of Nexia Sun Rise CPAs & Co., with the issuance of unqualified opinions, subject to the final review of the supervisors. For details, please refer to Attachment III and Attachment IV hereto on Pages 16~40 of the Handbook.
- (II) This motion was approved by the Board of Directors at the 2nd Board meeting in 2020.  
Resolution:

Motion No. 2

Submitted by the Board

Cause of motion: Proposal for the ratification of the motion for allocation of earnings for the 2019 fiscal year.

Remarks:

- (I) The Company had earnings after tax amounting to NT\$428,370,370 in the 2019 fiscal year. Enclosed therein is the proposal for the earnings distribution table. For further information, please refer to Attachment V on Page 41 of the Handbook.
- (II) In consideration of the future business development, the Company plans to attribute NT\$199,896,815 from distributable earnings as cash dividend for FY 2019 on the basis of the quantity of 79,958,726 shares outstanding on the day of the Board meeting. The earnings per share is tentatively set at NT\$2.5.
- (III) In the event that the total quantity of the Company's outstanding shares is affected due to any changes of the Company's capital stock and thereby the dividends to shareholders are being changed, the Board of Directors shall be authorized to deal with it with full power.
- (IV) This motion was approved by the Board of Directors at the 2nd Board meeting in 2020.  
Resolution:

### III. 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.

Remarks:

- (I) In response to the Company Act and establishment of the Audit Committee in place of a supervisor's function, the motion for amendments to certain provisions of the Company's "Articles of Incorporation" is submitted accordingly.
- (II) The Comparison Table of the "Articles of Incorporation" before and after amendments is attached for your information. Please refer to Attachment VI on Pages 42~46 of the

Handbook.

(III) This motion was approved by the Board of Directors at the 2nd Board meeting in 2020.  
Resolution:

Motion No. 2: Submitted by the Board

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

Remarks:

- (I) The amendments to the Company's "Parliamentary Rules for Shareholders' Meetings" were made pursuant to the Financial Supervisory Commission (FSC) Letter Jin-Guan-Zheng-Shen-Zi No. 1080339900 on December 31, 2019 and in response to establishment of the Audit Committee in place of a supervisor's functions.
- (II) The Comparison Table of the "Parliamentary Rules for Shareholders' Meetings" before and after amendments is attached for your information. Please refer to Attachment VII on Pages 47~52 of the Handbook.
- (III) This motion was approved by the Board of Directors at the 2nd Board meeting in 2020.  
Resolution:

Motion No. 3: Submitted by the Board

Cause of motion: Proposal for the discussion of the amendment to the Company's  
"Regulations for Election of Directors/Supervisors."

Remarks:

- (I) According to Article 14-4 of the Securities and Exchange Act, the Company has established the Audit Committee in place of a supervisor's functions since 2020. Therefore, the "Regulations for Election of Directors/Supervisors" was renamed as the "Regulations for Election of Directors," and the provisions of the "Regulations for Election of Directors" were amended accordingly.
- (II) The Comparison Table of the "Regulations for Election of Directors" before and after amendments is attached for your information. Please refer to Attachment VIII on Pages 53~56 of the Handbook.
- (III) This motion was approved by the Board of Directors at the 2nd Board meeting in 2020.  
Resolution:

Motion No. 4: Submitted by the Board

Cause of motion: Proposal for the discussion of the amendment to the "Procedures for  
Acquisition or Disposal of Assets" of MPI Corporation.

Remarks:

- (I) In response to establishment of the Audit Committee in place of a supervisor's function, the motion for amendments to the Company's "Procedure for Acquisition or Disposal of Assets" is submitted accordingly.
- (II) The Comparison Table of the "Procedure for Acquisition or Disposal of Assets" before



and after amendments is attached for your information. Please refer to Attachment IX on Pages 57~61 of the Handbook.

(III) This motion was approved by the Board of Directors at the 2nd Board meeting in 2020.  
Resolution:

Motion No. 5: Submitted by the Board  
Cause of motion: Proposal for the discussion of the amendment to the “Procedures for Engaging in Derivatives Trading” of MPI Corporation.

Remarks:

- (I) In response to establishment of the Audit Committee in place of a supervisor’s function, the motion for amendments to the Company’s “Procedures for Engaging in Derivatives Trading” is submitted accordingly.
- (II) The Comparison Table of the “Procedures for Engaging in Derivatives Trading” before and after amendments is attached for your information. Please refer to Attachment X on Page 62 of the Handbook.
- (III) This motion was approved by the Board of Directors at the 2nd Board meeting in 2020.  
Resolution:

Motion No. 6: Submitted by the Board  
Cause of motion: Proposal for the discussion of the amendment to the “Operating Procedure for Loaning Funds to Others” of MPI Corporation.

Remarks:

- (I) In response to establishment of the Audit Committee in place of a supervisor’s function, the motion for amendments to the Company’s “Operating Procedure for Loaning Funds to Others” is submitted accordingly.
- (II) The Comparison Table of the “Operating Procedure for Loaning Funds to Others” before and after amendments is attached for your information. Please refer to Attachment XI on Page 64~65 of the Handbook.
- (III) This motion was approved by the Board of Directors at the 2nd Board meeting in 2020.  
Resolution:

Motion No. 7: Submitted by the Board  
Proposal: Proposal for the discussion of the amendment to the “Operating Procedure for Making of Endorsement/Guarantee” of MPI Corporation.

Remarks:

- (I) In response to establishment of the Audit Committee in place of a supervisor’s function, the motion for amendments to the Company’s “Operating Procedure for Making of Endorsement/Guarantee” is submitted accordingly.
- (II) The Comparison Table of the “Operating Procedure for Making of Endorsement/Guarantee” before and after amendments is attached for your information. Please refer to Attachment XII on Page 66~67 of the Handbook.

(III) This motion was approved by the Board of Directors at the 2nd Board meeting in 2020.  
Resolution:

Motion No. 8:

Submitted by the Board

Cause of motion: Proposal for the discussion of revocation of the Company's "Parliamentary Rules for Supervisors' Meetings."

Remarks:

- (I) In response to establishment of the Audit Committee in place of a supervisor's function, the motion for revocation of the Company's "Parliamentary Rules for Supervisors' Meetings" is submitted accordingly.
- (II) The Comparison Table of the "Parliamentary Rules for Supervisors' Meetings" before and after amendments is attached for your information. Please refer to Attachment XIII on Page 68 of the Handbook.
- (III) This motion was approved by the Board of Directors at the 2nd Board meeting in 2020.  
Resolution:

#### IV. Elections

Cause of motion: Proposal for election of the Company's directors of the 9th term (6 directors and 3 independent directors).

Submitted by the Board

Remarks:

- (I) Upon expiration of the term of office served by the Company's directors/supervisors of the 8th term, from June 13, 2017 until June 12, 2020, a motion for re-election is hereby submitted at this meeting. Meanwhile, in response to Article 14-4 of the Securities and Exchange Act and FSC's requirements, the Audit Committee is scheduled to be established in place of a supervisor's functions since the 9th-term Board meeting. Therefore, no supervisors will be elected at this meeting. The Audit Committee shall consist of all independent directors.
- (II) The election of the Company's directors (including independent directors) is subject to the nomination system under Article 192-1 of the Company Act and Article XII of the Company's Articles of Incorporation. The directors (independent directors) shall be elected by shareholders from the name list of candidates.
- (III) The Company plans to re-elect all of the 9 directors (including 3 independent directors) at the 2020 annual general meeting. The new directors shall serve the term of office from June 15, 2020 until June 14, 2023.
- (IV) The name list of candidates nominated for directors (including independent directors) by the Company's Board of Directors and information related thereto are stated as following. The same will be delivered to the parliamentary unit of the Board of Directors and presented by the unit during the submission period for nomination. The details about the name list of candidates for directors (including independent directors) are stated as following:

Type of Candidate	Name of Candidate	Major Experience (Academic Degree)	Number of shareholding (share)
Director	Institutional Representative of MPI Investment Co., Ltd.: Ko, Chang-Lin	EMBA, College of Management, National Chiao Tung University Current post: Chairman of MPI Corporation Former post: Electronics Research & Service Organization, Industrial Technology Research Institute	8,334,626
Director	Institutional Representative of MPI Investment Co., Ltd.: Steve Chen	National Taiwan University, Department of Mechanical Engineering, Master Program Current post: Consultant of MPI Corporation Former post: Material and Chemical Research Laboratories, Industrial Technology Research Institute	8,334,626
Director	Institutional Representative of MPI Investment Co., Ltd.: Scott Kuo	University of South Florida, Department of Mechanical Engineering, Master Program Current post: President of MPI Corporation Former post: Mechanical and Systems Research Laboratories, Industrial Technology Research Institute	8,334,626
Director	Li, Tu-Cheng	Dept. of Business Administration, Feng Chia University Current post: Chairman of Zen Voce Corporation Former post: Chain-Logic International Corp.	539,349
Director	Liu, Fang-Sheng	Kaohsiung Medical University, School of Dentistry Current post: Dentist, Li Cheng Dental Clinic Former post: Taipei City Hospital	255,471
Director	Tsai, Chang-Shou	Chinese Culture University, Department of Accounting Current post: Shang Ho CPA Office, CPA Former post: Bureau of Accounting & Statistics, Provincial Government of Taiwan	21,630
Independent Director	Hsu, Mei-Fang	Ming Chuan University, Accounting Department Current post: Responsible person of Dayar CPA Firm Former post: Baker Tilly Clock & CO	244,441
Independent Director	Kao, Chin-Cheng	Master, Graduate Institute of Law, National Chung Hsing University Current post: Attorney-at-Law, Lian	162,414

		Cheng Law Office Former post: Hui Lin Law Office	
Independent Director	Liao, Da-Ying	Doctor of Philosophy (Ph.D.), Kobe University Current post: Professor, the College of Law, Tunghai University Former post: Professor, Department of Law, National Chung Hsing University	0

### **Reasons for Nomination of Independent Directors to Serve Three Terms of Office**

Name	Reasons
Hsu, Mei-Fang	Considering that Ms. Hsu, Mei-Fang is held qualified in terms of her professional background and very familiar with the laws and regulations related to financial accounting, she is capable of supervising the Board of Directors timely and exercising the functions as an independent director. Therefore, she is nominated as an independent director again at this meeting. The Company expects that she may play a professional and objective role dedicated to providing the supervision and suggestions needed by the Company.
Kao, Chin-Cheng	Considering that Mr. Kao, Chin-Cheng has an expertise in practicing laws and is specialized in laws & regulations, he provides legal opinion at the Board meetings and with respect to corporate governance. Therefore, he is nominated as an independent director again at this meeting. The Company expects that he may keep supervising the validity of business decisions made by the Company and mitigate the risk over violations of laws and regulations.
Liao, Da-Ying	Not applicable, as Mr. Liao, Da-Ying is nominated for the first time.

Election results:

V. Extraordinary Motions

VI. Adjournment

# **MPI Corporation**

## **Operation Review**

### **I. 2019 Operating Results**

#### **(I) Business Plan and Result**

In FY 2019, the Group generated the net consolidated operating revenue amounting to NT\$5.515 billion, which was an increase by 2% compared to NT\$5.386 billion in 2018. The earnings in FY 2019 amounted to NT\$428 million in 2019, an increase of 28% from NT\$335 million in 2018 with earnings after tax per share of NT\$5.36.

In consideration of the COVID-19 spreading internationally, SEMI adjusted the forecast output value downward from 7.7% to 5% YoY this year. Meanwhile, it also adjusted the industry's capital expenditure downward. The epidemic also resulted in the sluggish demand for consumable electronic products. Most companies in the same industry believe that the output value of the whole semiconductor industry is still likely to be adjusted downward.

Permanently, the semiconductor industry has been identified as a leader in the global technological development. Though the demand in the whole semiconductor industry is interrupted by the COVID-19 prevailing all over the world temporarily, and affected to a certain extent. Notwithstanding, in terms of the industrial development, most of the research institutions believe that the semiconductor industry will keep growing stably, primarily driven by 5G communications, AI, self-driving cars, IoT, and increase in the market share of the semiconductor industry in China.

The high computing capability required by said emerging technologies, such as 5G, AI and IoT, needs to rely on the advanced process of the semiconductor to improve the overall performance of end application products. The advanced process of the semiconductor also lays the sound demand for advanced probe cards. MPI Corporation insists on investing the high R&D momentum to keep developing the advanced probe cards, with the expectation to enhance its own competitiveness in the high-end market and peripheral and key components and also improve the customized service and flexibility for its customers. As for the self-manufactured machines, the Company expects to have continuous growth in the semiconductor engineering machine and temperature testing machine.

(II) Revenue and profitability analysis

Unit: NTD thousands

Item		Year		
		2018	2019	Change (%)
Financial Revenue	Net Sales	5,386,356	5,515,200	2.39%
	Gross profit	2,140,251	2,228,901	4.14%
	Profit or loss after tax	334,562	428,370	28.04%
Profitability	ROA (%)	4.48	5.48	22.32%
	ROE (%)	8.55	10.07	17.78%
	Operating Income to Paid-in capital ratio (%)	40.46	59.69	47.53%
	EBT to Paid-in capital ratio (%)	49.76	61.16	22.91%
	Net profit margin (%)	6.27	7.76	23.76%
	EPS (NT\$)	before retroactive adjustment	4.19	5.36
	after retroactive adjustment	4.19	5.36	27.92%

(III) Research and development

Research and development findings in 2019:

1. Photoelectric precision automated equipment:
  - A. Mini LED and Micro LED wafer photoelectric probing system.
  - B. Wafer level probing system with high power Flip-chip type Laser Diode and VCSEL.
  - C. High-resolution VCSEL wafer-level AOI system.
  - D. Photo-diode multi-color responsive wafer-level measuring system.
2. Wafer probe card:
  - A. The Company continues to develop the vertical type fine-pitch probe card to meet the need for fine-pitch technology of miniaturization of IC process.
  - B. To meet the technology requirement for high-speed transmission of smart devices, the Company continues to improve the high-speed probe card to satisfy customers' need for more high-speed transmission.
3. Semi-conductor component temperature testing series:

In response to customers' needs for different testing conditions, the Company develops the product series to satisfy the customers' needs optimally.
4. Semi-conductor engineering testing machine series:

Develop the full automatic wafer prober for engineering purpose successfully to support the automatic scheduling of the test on different sized wafers and provide

users with an environment in which they may operate the test more conveniently, flexibly, safely, and precisely.

## **II. Summary of 2020 Business Plan**

### **(I) Operational guidelines**

Technology is essential to maintain competitiveness. In light of the development of the microelectronic industry and technology requirements in the future, the Company undertakes the following strategic planning and commits its effort to sustain its competitive advantage:

1. In response to demand of high performance computing, the Company continues to develop high current withstanding probe cards.
2. To satisfy the evolution of advanced IC scaling, the Company continues to develop and improve the fine-pitch probe card technology.
3. To meet the technology requirement for high-speed transmission of smart devices, we constantly develop probe cards with higher speed.
4. The Company keeps optimizing the multi-layer organic substrate process technology in response to the technical demand for higher specification applications in the future and strengthen the competitiveness of probe card products.
5. For the photonics automation industry, the Company focuses on four industrial fields including 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 deepening the cooperation with customers leading the global technology, the Company adopts the supply of high value-added Turnkey Solution for the photoelectric industry as its main development goal.
6. Regarding the application of the temperature control system for the environmental test of the semiconductor and fiber optics communication components, the Company continues to develop the best products that correspond to different testing temperature ranges applicable to mass production and engineering, in order to provide customers with the best temperature testing solution.
7. In the application field of semiconductor engineering testing, the Company continues to optimize the full automated functions, adopts the modular design concept to satisfy customers' need for phased upgrading, and keeps adding adequate functions to various models subject to the customers' application.

### **(II) Key production and sales policies**

Looking forward to 2020, the Company will adopt the following policies:

1. Constantly invest in the R&D capacities and enhance the competitiveness of products.
2. Define the blueprint of technology in line with the application trend in the market to

implement the R&D technology in new products rapidly and precisely for the purpose of business expansion.

3. The Company will strengthen the support capacity of its overseas business locations to provide a more rapid and comprehensive technical service for the customers and further increase the market share of its products.
4. The Company will uphold the core philosophy of assisting its customers to upgrade their competitiveness and thereby positions the Company as technology partners of its customers. Also, the Company's main production and sales policy focuses on the customers' future demand to jointly develop the most suitable products and provide in-time technical services. Therefore, the Company may offer the best solution for its customers.

### **III. The development strategy of the future**

- (I) Based on the five major technical areas including prober, sorting, photoelectric testing, imaging detection and automated equipment provide complete testing application solutions to meet the need for mass production of the photoelectric and semiconductor industries.
- (II) In the application field of semiconductor engineering testing, the Company strengthens the competitiveness of products via the core technologies, such as micro-signal, high-frequency and high power measurement, and by continuing to enhance and integrate various testing systems.
- (III) In the application of the temperature control, the Company continues to develop the markets in the areas of semiconductor and fiber optics communications. In the meantime, the Company will use the core technology for temperature control to develop the application of temperature test of other components to increase the product application range.
- (IV) In response to the constant demand of the end consumers for higher performance computing, faster transmission, various functions and power saving and the rising market of intelligent technology application, the Company develops fine-pitch probe cards as well as the high pin count and high speed probe cards to upgrade the frequency in testing and efficiency, satisfy customers' needs and ensure the Company's competitiveness.

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

Given the sluggish demand caused by COVID-19 spreading internationally, most research institutions have downward adjusted their forecast about output value of the semiconductor industry this year. It is also believed that the demand is still likely to be adjusted downward again. In the most recent years, the global economy has been full of highly uncertain factors. Notwithstanding, following the evolution of technology to 5G application, self-driving cars, AI, and industrial automation resulting in the IOT development



and booming demand for automobile electronics, the Company continues to boost the growth of the semiconductor industry. With the profound R&D capabilities, the Company continues to expect itself to provide its customers with the most comprehensive and precise testing service in the semiconductor process and to maintain its leading role in the industry while bringing the greatest investment value to its shareholders.

Ladies and gentlemen

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

Chairman: Ko, Chang-Lin

President: Scott Kuo

Chief Accountant: Rose Jao

## MPI Corporation Supervisors' Review Report

The Company's 2019 standalone financial statement and consolidated financial statements submitted by the Board of Directors have been audited by Chen, Chih-Ling and Chen, Yi-Ling, CPAs of Nexia Sun Rise CPAs & Co, who believe that the statements should be sufficient to present a fair view of the financial status, operating 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 the Securities and Exchange Act.

To:  
2020 Annual General Meeting of MPI Corporation

MPI Corporation

Supervisor: Li, Tu-Cheng

Liu, Fang-Sheng

Tsai, Chang-Shou

March 26, 2020

## Attachment 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, 2019 and 2018, 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, 2019 and 2018, 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, 2019. 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, 2019 were as follows:

## **1. Revenue Recognition**

### Matter Description

Regarding the accounting policy of revenue recognition, please refer to (26) of Note 4 of the Individual Financial Statements. Regarding relevant disclosure, please refer to (17) of Note 6 and Note 9 of 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\$2,437,109 thousand and Allowance for inventories amounting to NT\$306,914 thousand. The book value of the Company's inventories as December 31, 2019 was NT\$2,130,195 thousand and accounted 27% 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 it's 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\$(61,888) thousand and NT\$(44,820) thousand. Insofar as it related to the investments accounted for under the equity method balances of NT\$ (79,016) thousand and NT\$ (16,961) thousand as of December 31, 2019, December 31, 2018.

### **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, 2019 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.

---

NEXIA Sun Rise CPAs & Company  
Taipei, Taiwan, Republic of China  
March 26, 2020

---

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 ,2019 AND 2018**

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

ASSETS	Note	December 31,2019		December 31,2018	
		Amounts	%	Amounts	%
<b>NONCURRENT ASSETS</b>					
Cash and cash equivalents	6(1)	\$ 397,726	5	\$ 722,973	9
Accounts receivable, net	6(3)	930,119	12	679,191	8
Accounts receivable -related parties, net	6(3).7	459,453	6	311,470	4
Other receivables		1,253	-	4,625	-
Other receivables -related parties	7	57,246	1	28,303	-
Income tax receivable		-	-	676	-
Inventories, net	6(4)	2,130,195	27	2,467,379	30
Prepayments		47,404	1	49,687	1
Other current assets	8	4,898	-	3,402	-
Total Current Assets		<u>4,028,294</u>	<u>52</u>	<u>4,267,706</u>	<u>52</u>
<b>NONCURRENT ASSETS</b>					
Investments accounted for using equity method	6(5)	802,648	10	858,533	11
Property, plant and equipment	6(5).7.8	2,768,524	35	2,784,489	34
Right-of-use assets	6(7)	90,934	1	-	-
Intangible assets	6(8)	34,449	-	41,237	1
Deferred income tax assets	6(19)	104,640	1	81,149	1
Other noncurrent assets	6(9)	100,189	1	101,241	1
Total Noncurrent Assets		<u>3,901,384</u>	<u>48</u>	<u>3,866,649</u>	<u>48</u>
<b>TOTAL ASSETS</b>		<u>\$ 7,929,678</u>	<u>100</u>	<u>\$ 8,134,355</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 ,2019 AND 2018**

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

LIABILITIES AND EQUITY	Note	December 31,2019		December 31,2018	
		Amounts	%	Amounts	%
<b>CURRENT LIABILITIES</b>					
Short-term loans	6(10)	\$ 500,000	6	\$ 818,000	10
Contract liabilities – current	6(17).7	628,423	8	854,750	11
Accounts payable		344,165	4	457,107	6
Accounts payable-related parties	7	3,843	-	2,972	-
Payables on equipment		65,720	1	19,530	-
Other payables	6(11)	637,442	8	625,550	8
Other payables-related parties	7	22,465	-	102,190	1
Income tax payable		46,300	1	40,709	1
Lease liabilities – current	6(7)	45,256	1	-	-
Provisions	6(12)	6,572	-	4,859	-
Current portion of long-term liabilities	6(14)	-	-	29,233	-
Other current liabilities		13,476	-	10,639	-
Total Current Liabilities		<u>2,313,662</u>	<u>29</u>	<u>2,965,539</u>	<u>37</u>
<b>NONCURRENT LIABILITIES</b>					
Non-current Financial liabilities at Fair Value	6(13)	384	-	9,266	-
Bonds payable	6(13)	902,485	11	892,843	11
Long-term loans	6(14)	142,208	2	39,230	-
Deferred income tax liabilities	6(19)	5,454	-	13,040	-
Lease liabilities – noncurrent	6(7)	46,372	1	-	-
Accrued pension cost	6(15)	29,324	-	39,102	1
Credit balance of investments account for usin	6(5)	118,988	2	68,397	1
Other noncurrent liabilities		97	-	97	-
Total Other Liabilities		<u>1,245,312</u>	<u>16</u>	<u>1,061,975</u>	<u>13</u>
<b>TOTAL LIABILITIES</b>		<u>3,558,974</u>	<u>45</u>	<u>4,027,514</u>	<u>50</u>
<b>EQUITY</b>					
6(16)					
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT</b>					
Capital common stock		799,587	10	799,014	10
Capital surplus		980,325	12	977,255	12
Retained earnings					
Appropriated as legal capital reserve		596,549	8	563,093	7
Special reserve		54,229	1	42,308	-
Unappropriated earnings		2,008,491	25	1,779,401	22
Total Retained Earnings		<u>2,659,269</u>	<u>34</u>	<u>2,384,802</u>	<u>29</u>
Other					
Foreign currency translation adjustments		(68,477)	(1)	(54,230)	(1)
Total others		<u>(68,477)</u>	<u>(1)</u>	<u>(54,230)</u>	<u>(1)</u>
<b>TOTAL EQUITY</b>		<u>4,370,704</u>	<u>55</u>	<u>4,106,841</u>	<u>50</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>\$ 7,929,678</u>	<u>100</u>	<u>\$ 8,134,355</u>	<u>100</u>

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

**MPI CORPORATION**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
From January 1 to December 31, 2019 and 2018

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

Items	Note	January 1 ~ December 31,2019		January 1 ~ December 31,2018	
		Amounts	%	Amounts	%
<b>OPERATING REVENUE, NET</b>	6(17).7				
Sales revenue		\$ 4,893,661	100	\$ 4,670,536	99
Less: sales returns		(12,164)	-	(10,685)	-
sales discounts and allowances		(579)	-	(1,221)	-
Commission revenue		-	-	45,590	1
Operating Revenue, net		4,880,918	100	4,704,220	100
<b>OPERATING COSTS</b>	6(5).7	(2,927,920)	(60)	(2,838,717)	(60)
<b>GROSS PROFIT</b>		1,952,998	40	1,865,503	40
Unrealized Gross profit on sales to subsidiaries and associates		(41,768)	(1)	(24,434)	(1)
Realized Gross profit on sales to subsidiaries and associates		60,705	1	46,528	1
<b>GROSS PROFIT, NET</b>		1,971,935	40	1,887,597	40
<b>OPERATING EXPENSES</b>	7				
Selling expenses		(503,410)	(10)	(460,427)	(10)
General & administrative expenses		(271,749)	(6)	(236,807)	(5)
Research and development expenses	6(8)	(700,653)	(14)	(869,002)	(18)
Expected Credit (loss) gains		(8,696)	-	(2,736)	-
Operating expense, net		(1,484,508)	(30)	(1,568,972)	(33)
<b>OPERATING INCOME</b>		487,427	10	318,625	7
<b>NON-OPERATING INCOME AND EXPENSES</b>					
Other gains and losses	6(18)	(13,961)	-	27,351	1
Finance costs	6(18)	(23,181)	-	(22,860)	(1)
Share of profits of subsidiaries and associates	6(5)	(57,995)	(1)	2,420	-
Interest income		1,500	-	1,006	-
Rent income		14,434	-	6,635	-
Other non-operating revenue-other items		74,798	1	47,592	1
Total Non-operating Income		(4,405)	-	62,144	1
<b>INCOME BEFORE INCOME TAX</b>		483,022	10	380,769	8
<b>INCOME TAX BENEFIT(EXPENSE)</b>	6(19)	(54,652)	(1)	(46,207)	(1)
<b>NET INCOME</b>		428,370	9	334,562	7
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>					
Items that are not to be reclassified to profit or loss					
Re-measurements from defined benefit plans		6,018	-	(7,349)	-
Share of remeasurements of defined benefit plans of subsidiaries and associates		(118)	-	47	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences arising on translation of foreign operations		(14,247)	-	(11,921)	-
Other comprehensive income for the year, net of income tax		(8,347)	-	(19,223)	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		\$ 420,023	9	\$ 315,339	7
<b>NET INCOME(LOSS) ATTRIBUTABLE TO :</b>	6(20)				
Shareholders of the parent		\$ 5.36		\$ 4.19	
Noncontrolling interests		\$ 4.54		\$ 3.56	

(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 ,2019 and 2018

(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,1,2018	\$ 799,014	\$ 909,204	\$ 548,516	\$ 30,177	\$ 1,523,376	\$ (42,309)	\$ 3,767,978
Legal capital reserve			14,577		(14,577)		-
Special capital 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
BALANCE,JANUARY,1,2019	\$ 799,014	\$ 977,255	\$ 563,093	\$ 42,308	\$ 1,779,401	\$ (54,230)	\$ 4,106,841
Legal capital reserve			33,456		(33,456)		-
Special reserve				11,921	(11,921)		-
Cash Dividends of Common Stock					(159,803)		(159,803)
Capital Reserve From Stock Warrants		3,465					3,465
Other changes in capital surplus		(395)					(395)
Net Income in 2019					428,370		428,370
Other comprehensive income in 2019, net of income tax					5,900	(14,247)	(8,347)
Total comprehensive income in 2019	-	-	-	-	434,270	(14,247)	420,023
Convertible Bonds Transferred To Common Stock	573	-					573
BALANCE,DECEMBER,31,2019	\$ 799,587	\$ 980,325	\$ 596,549	\$ 54,229	\$ 2,008,491	\$ (68,477)	\$ 4,370,704

(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, 2019 and 2018

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

Items	Jan 1 ~ Dec 31,2019	Jan 1 ~ Dec 31,2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 483,022	\$ 380,769
Adjustments to reconcile net income to net		
Depreciation	378,345	331,492
Amortization	49,425	49,697
Expected credit loss(gain)	8,696	2,736
Gains on Financial Assets (Liabilities) at Fair Value through Profit or Loss	(8,867)	3,200
Interest expense	23,181	22,860
Interest revenue	(1,500)	(1,006)
Loss (gain) on equity-method investments	57,995	(2,420)
(Gain) loss on disposal of property, plant and equipment	(4,978)	(5,669)
Unrealized gross profit on sales to subsidiaries and associates	41,768	24,434
Realized gross profit on sales to subsidiaries and associates	(60,705)	(46,528)
(Gain) on repurchase of convertible bonds	(82)	(1,564)
Adjustments-exchange (Gain) loss on prepayments for equipment	504	(334)
Adjustments-(Gain) loss on lease modification	1	-
Net changes in operating assets and liabilities		
Net changes in operating assets		
Decrease (Increase) in accounts receivable	(259,625)	(56,402)
Decrease (Increase) in accounts receivable-related parties	(147,983)	(46,480)
Decrease (Increase) in other receivables	3,365	3,845
Decrease (Increase) in other receivables-related parties	(28,944)	6,502
Decrease (Increase) in inventories	337,184	(239,887)
Decrease (Increase) in prepayments	2,284	3,924
Decrease (Increase) in other current assets	(762)	317
Net changes in operating liabilities		
(Decrease) Increase in contract liabilities	(226,327)	102,214
(Decrease) Increase in accounts payable	(112,942)	68,555
(Decrease) Increase in accounts payable-related parties	871	(5,684)
(Decrease) Increase in other accounts payable	12,083	180,942
(Decrease) Increase in other accounts payable-related parties	(79,726)	(36,131)
(Decrease) Increase in provision of liabilities	1,713	1,649
(Decrease) Increase in other current liabilities	2,836	425
Decrease(Increase) in accrued pension cost	(3,760)	56
Cash generated from operations	467,072	741,512
Interest received	1,507	999
Cash dividends received	53,054	17,605
Interest (excluding capitalization of interest)	(6,414)	(17,290)
Cash dividends	(159,803)	(39,951)
Income taxes paid	(79,462)	(16,195)
Net cash Provided By Operating Activities	275,954	686,680

(Continue)

**MPI CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
From January 1 to December 31, 2019 and 2018  
(All amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Items	Jan 1 ~ Dec 31,2019	Jan 1 ~ Dec 31,2018
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition of investments accounted for using equity method	-	(13,861)
Disposal of investments accounted for using equity method	-	4
Proceeds from capital return of investments accounted for using equity method	-	112,675
Additions to property, plant and equipment	(265,009)	(251,814)
Proceeds from sale of property, plant and equipment	11,558	10,151
Intangible assets	(25,410)	(25,960)
Increase in other financial assets	(734)	(25)
Increase in other non-current assets	(16,175)	-
Decrease in other non-current assets	-	27,405
Net cash Provided Used In Investing Activities	<u>(295,770)</u>	<u>(141,425)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Decrease in short-term loans	(318,000)	(352,000)
Issuance of corporate bonds	-	995,618
Repurchase of convertible bonds	(1,802)	(33,030)
Increase in long-term loans	73,745	-
Repayments of long-term loans	-	(730,233)
Repayments of lease principal	(59,374)	-
Net cash (Used In) Financing Activities	<u>(305,431)</u>	<u>(119,645)</u>
Net increase in cash and cash equivalents	(325,247)	425,610
Cash and cash equivalents at beginning of year	722,973	297,363
Cash and cash equivalents at end of year	<u>\$ 397,726</u>	<u>\$ 722,973</u>

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

## **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, 2019 and 2018, 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, 2019 and 2018, 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, 2019. 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, 2019 were as follows:

### **I. Revenue Recognition**

#### Matter Description

Regarding the accounting policy of revenue recognition, please refer to (27) 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\$2,565,293 thousand and Allowance for inventories amounting to NT\$310,777 thousand. The book value of the Group's inventories as December 31, 2019 was NT\$2,254,516 thousand and accounted 28% 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 judgment 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 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**

Information on the subsidiaries of MPI Corporation included the aforementioned statements covering the period of 2019 and 2018. 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\$195,154 thousand and NT\$191,134 thousand or accounted for 2.39% and 2.33% of the consolidated total assets as of December 31, 2019 and 2018, respectively. As of January 1 to December 31, 2019 and 2018, had net operating revenue amounted to NT\$558,969 thousand and NT\$556,498 thousand, or accounted for 10.14% and 10.33% 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, 2019 and 2018 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, 2019 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.

---

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

March 26, 2020

-----

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, 2019 AND 2018**

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

ASSETS	Note	December 31, 2019		December 31, 2018	
		Amounts	%	Amounts	%
<b>CURRENT LIABILITIES</b>					
Cash and cash equivalents	6(1)	\$ 1,103,311	14	\$ 1,110,694	14
Current financial assets at amortised cost	6(2)	-	-	49,313	1
Notes receivable, net	6(3)	96,074	1	100,753	1
Accounts receivable, net	6(3)	1,234,092	15	945,429	12
Other receivables		2,465	-	6,038	-
Income tax receivable		1	-	676	-
Inventories, net	6(4)	2,254,516	28	2,555,052	31
Prepayments		103,511	1	110,690	1
Other current assets	8	21,959	-	10,548	-
Total Current Assets		<u>4,815,929</u>	<u>59</u>	<u>4,889,193</u>	<u>60</u>
<b>NONCURRENT ASSETS</b>					
Investments accounted for using equity method	6(5)	-	-	-	-
Property, plant and equipment	6(6).7.8	2,933,943	36	3,030,643	37
Right-of-use assets	6(7)	146,710	2	-	-
Intangible assets	6(8)	34,803	-	41,575	-
Deferred income tax assets	6(19)	124,291	2	93,708	1
Other noncurrent assets	6(9)	123,225	1	135,079	2
Total Noncurrent Assets		<u>3,362,972</u>	<u>41</u>	<u>3,301,005</u>	<u>40</u>
<b>TOTAL ASSETS</b>		<u>\$ 8,178,901</u>	<u>100</u>	<u>\$ 8,190,198</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, 2019 AND 2018**

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

LIABILITIES AND EQUITY	Note	December 31, 2019		December 31, 2018	
		Amounts	%	Amounts	%
<b>CURRENT LIABILITIES</b>					
Short-term loans	6(10)	\$ 500,000	6	\$ 818,000	10
Contract liabilities – current	6(17).7	811,231	10	940,903	12
Notes payable		12,789	-	6,097	-
Accounts payable		379,978	4	478,605	6
Payables on equipment		65,720	1	22,722	-
Other payables	6(11)	708,834	9	679,283	8
Income tax payable		56,972	1	49,516	1
Provisions	6(12)	6,572	-	4,859	-
Lease liabilities – current	6(7)	84,235	1	-	-
Current portion of long-term liabilities	6(14)	-	-	29,233	-
Lease obligations payable – current	6(6)	-	-	15,883	-
Other current liabilities		20,019	-	13,926	-
Total Current Liabilities		<u>2,646,350</u>	<u>32</u>	<u>3,059,027</u>	<u>37</u>
<b>NONCURRENT LIABILITIES</b>					
Non-current Financial liabilities at Fair Value through Profit or Loss	6(13)	384	-	9,266	-
Bonds payable	6(13)	902,485	11	892,843	11
Long-term loans	6(14)	142,208	2	39,230	1
Deferred income tax liabilities	6(19)	7,012	-	14,166	-
Lease liabilities – noncurrent	6(7)	67,752	1	-	-
Lease obligations payable – noncurrent	6(6)	-	-	15,883	-
Accrued pension cost	6(15)	32,768	-	42,527	1
Other noncurrent liabilities		97	-	325	-
Total Other Liabilities		<u>1,152,706</u>	<u>14</u>	<u>1,014,240</u>	<u>13</u>
<b>TOTAL LIABILITIES</b>		<u>3,799,056</u>	<u>46</u>	<u>4,073,267</u>	<u>50</u>
<b>EQUITY</b>					
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT					
Capital common stock		799,587	10	799,014	10
Capital surplus		980,325	12	977,255	12
Retained earnings					
Appropriated as legal capital reserve		596,549	7	563,093	7
Special reserve		54,229	1	42,308	-
Unappropriated earnings		2,008,491	25	1,779,401	22
Total Retained Earnings		<u>2,659,269</u>	<u>33</u>	<u>2,384,802</u>	<u>29</u>
Other					
Foreign currency translation adjustments		(68,477)	(1)	(54,230)	(1)
Total others		<u>(68,477)</u>	<u>(1)</u>	<u>(54,230)</u>	<u>(1)</u>
Equity attributable to shareholders of the parent		<u>4,370,704</u>	<u>54</u>	<u>4,106,841</u>	<u>50</u>
<b>NONCONTROLLING INTERESTS</b>		9,141	-	10,090	-
<b>TOTAL EQUITY</b>		<u>4,379,845</u>	<u>54</u>	<u>4,116,931</u>	<u>50</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>\$ 8,178,901</u>	<u>100</u>	<u>\$ 8,190,198</u>	<u>100</u>

(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, 2019 and 2018

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

Items	Note	January 1 ~ December 31, 2019		January 1 ~ December 31, 2018	
		Amounts	%	Amounts	%
<b>OPERATING REVENUE, NET</b>	6(17).7				
Sales revenue		\$ 5,288,166	96	\$ 5,037,372	93
Less: sales returns		(11,058)	-	(10,401)	-
sales discounts and allowances		(9,454)	-	(12,428)	-
Lease revenue		2,209	-	-	-
Commission revenue		3,443	-	52,576	1
Processing Fees revenue		241,894	4	319,237	6
Operating Revenue, net		5,515,200	100	5,386,356	100
<b>OPERATING COSTS</b>	6(4).7	(3,286,299)	(59)	(3,246,105)	(60)
<b>GROSS PROFIT</b>		2,228,901	41	2,140,251	40
<b>OPERATING EXPENSES</b>	7				
Selling expenses		(651,494)	(12)	(609,772)	(11)
General & administrative expenses		(377,801)	(7)	(322,447)	(6)
Research and development expenses	6(8)	(710,627)	(13)	(885,934)	(17)
Expected Credit (loss) gains	6(3)	(11,731)	-	1,184	-
Operating expense, net		(1,751,653)	(32)	(1,816,969)	(34)
<b>OPERATING INCOME</b>		477,248	9	323,282	6
<b>NON-OPERATING INCOME AND EXPENSES</b>					
Other gains and losses	6(18)	(6,231)	-	63,486	1
Finance costs	6(18)	(25,174)	-	(23,493)	-
Share of profits of subsidiaries and associates	6(5)	-	-	151	-
Interest income		5,684	-	2,844	-
Rent income	6(7)	10,460	-	2,813	-
Other non-operating revenue-other items		27,044	-	28,535	-
Total Non-operating Income		11,783	-	74,336	1
<b>INCOME BEFORE INCOME TAX</b>		489,031	9	397,618	7
<b>INCOME TAX BENEFIT(EXPENSE)</b>	6(19)	(61,047)	(1)	(59,990)	(1)
<b>NET INCOME</b>		427,984	8	337,628	6
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>					
Items that are not to be reclassified to profit or loss					
Re-measurements from defined benefit plans		5,900	-	(7,303)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences arising on translation of foreign operations		(14,810)	-	(12,534)	-
Other comprehensive income for the year, net of income tax		(8,910)	-	(19,837)	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		\$ 419,074	8	\$ 317,791	6
<b>NET INCOME (LOSS) ATTRIBUTABLE TO :</b>					
Shareholders of the parent		\$ 428,370	8	\$ 334,562	6
Noncontrolling interests		(386)	-	3,066	-
		\$ 427,984	8	\$ 337,628	6
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>					
Shareholders of the parent		\$ 420,023	8	\$ 315,339	6
Noncontrolling interests		(949)	-	2,452	-
		\$ 419,074	8	\$ 317,791	6
<b>EARNINGS PER COMMON SHARE (NTD)</b>	6(20)				
Basic earnings per share		\$ 5.36		\$ 4.19	
Diluted earnings per share		\$ 4.54		\$ 3.56	

(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, 2019 and 2018

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

Items	Capital		Retained Earnings			Others	Total	Non-controlling	Total Equity
	Common Stock	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Foreign Currency Translation Reserve			
BALANCE, JANUARY, 1, 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 capital 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
BALANCE, JANUARY, 1, 2019	\$ 799,014	\$ 977,255	\$ 536,093	\$ 42,308	\$ 1,779,401	\$ (54,230)	\$ 4,106,841	\$ 10,090	\$ 4,116,931
Legal capital reserve			33,456		(33,456)		-		-
Special capital reserve				11,921	(11,921)		-		-
Cash dividends of common stock					(159,803)		(159,803)		(159,803)
Capital reserve from stock warrants		3,465					3,465		3,465
Other changes in capital surplus		(395)					(395)	-	(395)
Net Income in 2019					428,370		428,370	(386)	427,984
Other comprehensive income in 2019, net of income tax					5,900	(14,247)	(8,347)	(563)	(8,910)
Total comprehensive income in 2019	-	-	-	-	434,270	(14,247)	420,023	(949)	419,074
Convertible Bonds Transferred To Common Stock	573						573		573
BALANCE, DECEMBER, 31, 2019	\$ 799,587	\$ 980,325	\$ 569,549	\$ 54,229	\$ 2,008,491	\$ (68,477)	\$ 4,370,704	\$ 9,141	\$ 4,379,845

(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, 2019 and 2018

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

Items	Jan 1 ~ Dec 31,2019	Jan 1 ~ Dec 31,2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 489,031	\$ 397,618
Adjustments to reconcile net income to net		
Depreciation	520,909	476,374
Amortization	63,312	65,911
Expected credit loss(gain)	11,731	1,184
Gains on Financial Assets (Liabilities) at Fair Value through Profit or Loss	(8,867)	3,200
Interest expense	25,174	23,493
Interest revenue	(5,684)	(2,844)
Loss (gain) on equity-method investments	-	(151)
(Gain) loss on disposal of property, plant and equipment	(1,895)	(30,664)
Loss (gain) on disposal of equity-method investments	-	(10,941)
(Gain) on repurchase of convertible bonds	(82)	(1,564)
Adjustments-(Gain) loss on depreciation of assets leased to others	2,490	-
Adjustments-exchange (Gain) loss on prepayments for equipment	504	(334)
Adjustments-(Gain) loss on lease modification	(20)	-
Net changes in operating assets and liabilities		
Net changes in operating assets		
Decrease (Increase) in notes receivable	4,678	(93,757)
Decrease (Increase) in accounts receivable	(300,361)	1,107
Decrease (Increase) in accounts receivable-related parties	-	758
Decrease (Increase) in other receivables	3,567	3,271
Decrease (Increase) in inventories	300,536	(280,583)
Decrease (Increase) in prepayments	7,179	(16,589)
Decrease (Increase) in other current assets	(1,074)	344
Net changes in operating liabilities		
(Decrease) Increase in contract liabilities	(129,672)	143,612
(Decrease) Increase in notes payable	6,692	6,097
(Decrease) Increase in accounts payable	(98,628)	63,686
(Decrease) Increase in accounts payable-related parties	-	(3,673)
(Decrease) Increase in other accounts payable	29,742	183,002
(Decrease) Increase in other accounts payable-related parties	-	(4,875)
(Decrease) Increase in provision of liabilities	1,713	1,649
(Decrease) Increase in other current liabilities	6,093	(22,843)
Decrease(Increase) in accrued pension cost	(3,858)	(33)
Cash generated from operations	923,210	902,455
Interest received	5,691	2,838
Cash dividends received	-	861
Interest (excluding capitalization of interest)	(6,439)	(17,922)
Cash dividends	(159,803)	(39,951)
Income taxes paid	(90,654)	(41,854)
Net cash Provided By Operating Activities	672,005	806,427

(Continue)

**MPI CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

From January 1 to December 31, 2019 and 2018

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

Items	Jan 1 ~ Dec 31,2019	Jan 1 ~ Dec 31,2018
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Financial asset measured at amortised cost	(44,565)	(49,313)
Repayment of financial asset measured at amortised cost	93,718	-
Proceeds from disposal of equity-method investments	-	111,442
Proceeds from disposal of financial assets measured at cost	(328,795)	(318,359)
Proceeds from sale of property, plant and equipment	8,666	47,666
Intangible assets	(25,592)	(25,996)
Increase in other financial assets	(10,337)	(6,130)
Increase in other non-current assets	(19,235)	-
Decrease in other non-current assets	-	25,952
Net Cash Provided Used In Investing Activities	<u>(326,140)</u>	<u>(214,738)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Decrease in short-term loans	(318,000)	(352,000)
Issuance of corporate bonds	-	995,618
Repurchase of convertible bonds	(1,802)	(33,030)
Increase in long-term loans	73,745	-
Repayments of long-term loans	-	(730,233)
Repayments of lease principal	(94,153)	-
Increase in other non-current liabilities	-	119
Decrease in other non-current liabilities	(229)	-
Payment of partial acquisition of interests in subsidiaries	-	(13,861)
Increase (decrease) in noncontrolling interests	(563)	(614)
Net cash (Used In) Financing Activities	<u>(341,002)</u>	<u>(134,001)</u>
Effects of exchange rate change on cash	<u>(12,246)</u>	<u>(3,823)</u>
Net increase in cash and cash equivalents	(7,383)	453,865
Cash and cash equivalents at beginning of year	1,110,694	656,829
Cash and cash equivalents at end of year	<u>\$ 1,103,311</u>	<u>\$ 1,110,694</u>

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

**MPI Corporation**  
**Disposition of Net Earnings**  
2019

Unit: NTD \$

Items	Amount	
	Subtotal	Total
Unallocated earnings at the beginning		\$ 1,574,220,669
Add: Other consolidated income (actuarial income under defined benefit plan in 2019)	5,900,351	
Add: Net profit after tax in 2019	428,370,370	
Subtotal:		2,008,491,390
Provision:		
Less: Provision of legal reserve (10%)	( 43,427,072)	
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.)	( 14,247,191)	
Subtotal of allocable earnings:		1,950,817,127
Earnings to be allocated upon resolution of the Board of Directors:		
Distributable items:		
Shareholder bonus - cash	( 199,896,815)	
Shareholder bonus - stock	( 0)	
Unappropriated retained earnings at the ending		\$ 1,750,920,312

Chairman: Ko, Chang-Lin

President: Scott Kuo

Chief Accounting Officer: Rose Jao

Attachment VI

MPI Corporation

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

Clause	Before amendment	After amendment	Note
Chapter Four	Directors & <del>supervisors</del>	Directors and <u>Audit Committee</u>	The requirements applicable to supervisors are deleted in response to establishment of the Audit Committee in place of supervisors.
Article XII	<p>The Company shall appoint 5 to 11 directors and <del>3 supervisors</del> for a term of 3 years via the candidate nomination system. They shall be elected by the shareholders’ meeting from the list of candidates for directors <del>and supervisors</del> and may be reelected for a second term of office.</p> <p>Of all the seats of directors as mentioned, there shall be at least two (2) seats of independent directors who shall be elected from a nomination of candidates system and the number of seats for independent directors shall constitute at least 1/5 of the total seats of directors. The requirements for professional qualifications, shareholdings, part-time constraints, the nomination and election, and other binding matters for independent directors are handled in accordance with the governing provisions of the securities competent authorities.</p>	<p>The Company shall appoint 5 to 11 directors for a term of office for 3 years via the candidate nomination system. They shall be elected by the shareholders’ meeting from the list of candidates for directors and may be reelected for a second term of office.</p> <p>Of all the seats of directors as mentioned, there shall be at least two (2) seats of independent directors who shall be elected from a nomination of candidates system and the number of seats for independent directors shall constitute at least 1/5 of the total seats of directors. The requirements for professional qualifications, shareholdings, part-time constraints, the nomination and election, and other binding matters for independent directors are handled in accordance with the governing provisions of the securities competent authorities.</p> <p><u>The Company shall establish the Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee shall be composed of the entire number of independent directors. It shall</u></p>	The requirements applicable to supervisors are deleted in response to establishment of the Audit Committee in place of supervisors.

Clause	Before amendment	After amendment	Note
	<p>The Company shall take out for directors <del>and supervisors</del> the liability insurance with respect to liabilities resulting from exercising their duties during their term of office. The Board of Directors shall be authorized to handle the insurance matters with full power.</p>	<p><u>not be fewer than three persons in number, one of whom shall be the convener, and at least one of whom shall have accounting or financial expertise. The supervisors shall be discharged on the same date when the Audit Committee is established. The functions to be exercised by supervisors under the Company Act, Securities and Exchange Act, and other laws are passed on to the Audit Committee.</u></p> <p>The Company shall take out for all directors the liability insurance with respect to liabilities resulting from exercising their duties during their term of office. The Board of Directors shall be authorized to handle the insurance matters with full power.</p>	
Article XIV	<p>If the Chairman is unable to perform duties due to leave of absence or any reason, a delegate shall be appointed in accordance with Article 208 of the Company Act.</p> <p>The Directors shall attend the sessions of the Board in person, or appoint another Director to attend the meeting by issuing the written proxy and specifying the scope of authority with reference to the subjects to be discussed at the meeting. Each Director may appoint one Director to act as proxy in the meeting.</p> <p>The Board shall convene with the cause of the session specified in the notice 7 days in advance to the acknowledgment of all directors <del>and supervisors</del>. In case of emergency, the Board may call for a special session with notice in writing, fax, or e-mail.</p> <p>The Board may convene via teleconferencing and the Directors participating in the</p>	<p>If the Chairman is unable to perform duties due to leave of absence or any reason, a delegate shall be appointed in accordance with Article 208 of the Company Act.</p> <p>The Directors shall attend the sessions of the Board in person, or appoint another Director to attend the meeting by issuing the written proxy and specifying the scope of authority with reference to the subjects to be discussed at the meeting. Each Director may appoint one Director to act as proxy in the meeting.</p> <p>The Board shall convene with the cause of the session specified in the notice 7 days in advance to the acknowledgment of all directors. In case of emergency, the Board may call for a special session with notice in writing, fax, or e-mail.</p> <p>The Board may convene via teleconferencing and the Directors participating in the teleconference shall be deemed</p>	<p>The requirements applicable to supervisors are deleted in response to establishment of the Audit Committee in place of supervisors.</p>

Clause	Before amendment	After amendment	Note
	teleconference shall be deemed attending the Board session in person.	attending the Board session in person.	
Article XV -1	The remuneration to the Chairman, Vice Chairman, directors <del>and supervisors</del> shall commensurate with their level of participation and contribution to the operation of the Company with reference to domestic and international industry standard, and shall be determined by the Board under authorization.	The remunerations to the Chairman, Vice Chairman and directors shall commensurate with their level of participation and contribution to the operation of the Company with reference to domestic and international industry standard, and shall be determined by the Board under authorization.	The requirements applicable to supervisors are deleted in response to establishment of the Audit Committee in place of supervisors.
Article XVII	The supervisors shall perform the following functions: I. Review of the account settlement. II. Supervision of the operation and financial position of the Company, and may request the Board or the managers to report. III. Review and audit of the journal books and documents of the Company. IV. Calling for special shareholders' meetings in accordance with applicable laws where necessary. V. Supervision on any other issues as required by law.	(Deleted)	Deleted clause
Article XVIII	The Company shall employ several managers and the appointment, dismissal and remuneration of whom shall be carried out pursuant to Article 29 of the Company Act.	<u>Article XVII</u> The Company shall employ several managers and the appointment, dismissal and remuneration of whom shall be carried out pursuant to Article 29 of the Company Act.	Modification to the article order
Article XIX	At the end of the fiscal year, the Board shall prepare (I) Operation review; (II) Financial statements; (III) Motions for distribution of earnings or covering of loss carried forward and related document, <del>and forward these materials to the supervisors for review 30 days prior to the scheduled date of the General</del>	<u>Article XVIII</u> At the end of the fiscal year, the Board shall prepare (I) Operation review; (II) Financial statements; (III) Motions for distribution of earnings or covering of loss carried forward and related document, and submit it in the Annual General Meeting for ratification through the	Modification to the article order and text

Clause	Before amendment	After amendment	Note
	<del>Shareholders' Meeting</del> and submit it in the Annual General Meeting for ratification.	procedures required by laws.	
Article XX	Where the Company retains income before tax after the account settlement, it shall allocate 0.1%~15% thereof as the remuneration to employees, and no more than 3% thereof as the remuneration to <del>directors/supervisors</del> . However, profits must first be taken to offset against cumulative losses, if any. The remainder, if any, shall be allocated as the remuneration to employees and <del>directors/supervisors</del> on a pro rata basis as referred to in the preceding paragraph. The allocation of remuneration to employees and <del>directors/supervisors</del> 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. (Omitted)	<u>Article XIX</u> Where the Company retains income before tax after the account settlement, it shall allocate 0.1%~15% thereof as the remuneration to employees, and no more than 3% thereof as the remuneration to directors. However, profits must first be taken to offset against cumulative losses, if any. The remainder, if any, shall be allocated as the remuneration to employees and directors on a pro rata basis as referred to in the preceding paragraph. The allocation of remuneration to employees and directors 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. (Omitted)	Modification to the article order and text
Article XX-I	The Company is now at the growth stage of industrial development. As such, the dividend policy shall be conditioned by the investment environment, capital needs, domestic and international competition, and capital budgeting of the Company at present and in the futures. Shareholders interest, balance of dividend payment and long-term financial planning shall also be considered with the Board of Directors to design the plans for income distribution annually as required by law, and present before a shareholders' meeting for ratification. The earnings will be allocated in	<u>Article XX</u> The Company is now at the growth stage of industrial development. As such, the dividend policy shall be conditioned by the investment environment, capital needs, domestic and international competition, and capital budgeting of the Company at present and in the futures. Shareholders interest, balance of dividend payment and long-term financial planning shall also be considered with the Board of Directors to design the plans for income distribution annually as required by law, and present before a shareholders' meeting for ratification.	Modification to the article order



Clause	Before amendment	After amendment	Note
	the form of cash dividend or stock dividend, subject to the funding demand and level of dilution of EPS. The cash dividend to be allocated, if any, shall be no less than 10% of the total stock dividend.	The earnings will be allocated in the form of cash dividend or stock dividend, subject to the funding demand and level of dilution of EPS. The cash dividend to be allocated, if any, shall be no less than 10% of the total stock dividend.	
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>Amendment for the 23rd instance was made on June 15, 2020.</u>	Addition of the date of the last amendment.

Attachment VII

MPI Corporation

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

Clause	Before amendment	After amendment	Note
Article II	<p>Unless otherwise specified by laws, shareholders’ meetings are to be convened by the Board of Directors.</p> <p>The Company shall prepare the electronic version of the notice of meeting, appointment of agent form, information on motions for ratification, discussion, the election or discharge of directors and <del>supervisors</del>, and the motions and causes of motions. The Company shall upload the aforementioned information to MOPS at least 30 days before a regular session of a shareholders’ meeting or at least 15 days before a special session of a shareholders’ meeting. In addition, the Company shall prepare the parliamentary procedure handbook and supplementary materials for the meeting in electronic version and upload the information to MOPS at least 21 days before a regular session or 15 days before a special session of a shareholders’ meeting is scheduled. The parliamentary procedure handbooks and supplementary materials of the current shareholders’ meeting shall be prepared 15 days before the date of the meeting for shareholders to read at any time. They shall also be displayed in the Company and in the professional shareholder service agent entrusted by the Company, and shall be distributed at the meeting.</p> <p>The aforementioned notice and announcement shall contain information on the cause of the session, and may be made in</p>	<p>Unless otherwise specified by laws, shareholders’ meetings are to be convened by the Board of Directors.</p> <p>The Company shall prepare the electronic version of the notice of meeting, appointment of agent form, information on motions for ratification, discussion, the election or discharge of directors, and the motions and causes of motions. The Company shall upload the aforementioned information to MOPS at least 30 days before a regular session of a shareholders’ meeting or at least 15 days before a special session of a shareholders’ meeting. In addition, the Company shall prepare the parliamentary procedure handbook and supplementary materials for the meeting in electronic version and upload the information to MOPS at least 21 days before a regular session or 15 days before a special session of a shareholders’ meeting is scheduled. The parliamentary procedure handbooks and supplementary materials of the current shareholders’ meeting shall be prepared 15 days before the date of the meeting for shareholders to read at any time. They shall also be displayed in the Company and in the professional shareholder service agent entrusted by the Company, and shall be distributed at the meeting.</p> <p>The aforementioned notice and announcement shall contain information on the cause of the session, and may be made in electronic form at the consent of</p>	<p>The requirements applicable to supervisors are deleted and relevant text is amended, in response to establishment of the Audit Committee in place of supervisors.</p>

Clause	Before amendment	After amendment	Note
	<p>electronic form at the consent of the respondents.</p> <p>Motions of election or discharge of directors/<del>supervisors</del>, alteration of the Articles of Incorporation, the dissolution/merger/demerger of the Company, or anything as stated in Article 185, Paragraph 1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be explicitly stated in the cause of convening and shall not be proposed as impromptu motions.</p> <p>Any shareholder holding 1% or more of the total outstanding shares of the Company may propose motions in an annual general meeting in writing. <u>However</u>, each such shareholder is permitted to propose one motion only. Any more motions will not be included into the agenda of the meeting. For proposal of motions pertinent to</p>	<p>the respondents.</p> <p>Election or dismissal of directors, amendment of Articles of Incorporation, <u>capital reduction, application for termination of public offering, relief of directors from non-competition restriction, recapitalization of earnings, recapitalization of capital surplus</u>, dismissal of the Company, merger, divestment, and any issues listed in Article 185, Paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, and Articles 56-1 and 60-2 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers, <u>and the main contents thereof</u>, must be notified in advance as part of the meeting agenda, and can not be raised in the form of an extraordinary motion. <u>The main content thereof may be posted on the website designated by the securities competent authority or the Company, and the website URL shall be specified in the notice too.</u> <u>Where the cause of convening the meeting has specified re-election of the whole directors and the date of appointment, the date of appointment may not be changed via an extraordinary motion or in any other manner at the same meeting upon completion of the re-election.</u></p> <p>A shareholder who holds more than 1% of the aggregate total outstanding shares may pose a motion <del>in writing</del> to the Company's annual general meeting but the proposal shall be confined to only one issue. Any more motions will not be included into the agenda of the</p>	

Clause	Before amendment	After amendment	Note
	<p>any conditions as specified in Article 172-1, Paragraph 4 of the Company Act may be declined by the Board for including into the agenda.</p> <p>The Company shall, by the book closure date before the date of the regular session of a shareholders' meeting, announce the opening of proposal submission from shareholders, where shareholders shall submit their proposals, and the submission period. The submission period shall be 10 or more days.</p> <p>(Omitted)</p>	<p>meeting, <u>unless the motions are submitted to urge the Company to enhance the public interest or fulfill its social responsibility.</u></p> <p>For proposal of motions pertinent to any conditions as specified in Article 172-1, Paragraph 4 of the Company Act may be declined by the Board for including into the agenda. The Company shall, by the book closure date before the date of an annual general meeting, announce the opening of proposal submission from shareholders, <u>acceptance of submission in writing or in an electronic form,</u> where shareholders shall submit their proposals, and the submission period. The submission period shall be 10 or more days.</p> <p>(Omitted)</p>	
Article IV	<p>The Company shall present the parliamentary handbook, annual report, attendance card, speech memo, ballots, and other materials for the meeting to shareholders attending the meeting. If there is an election of directors <del>and supervisors</del> to be held, attach a ballot for such purpose.</p> <p>(Omitted)</p>	<p>The Company shall present the parliamentary handbook, annual report, attendance card, speech memo, ballots, and other materials for the meeting to shareholders attending the meeting. If there is an election of directors to be held, attach a ballot for such purpose.</p> <p>(Omitted)</p>	<p>The requirements applicable to supervisors are deleted in response to establishment of the Audit Committee in place of supervisors.</p>
Article XI	<p>For a shareholders' meeting being called for by the Board of Directors, the Board of Directors shall prepare the agenda and the meeting shall be proceeded in accordance with the agenda unless otherwise the shareholders' meeting resolves to make change. Notwithstanding, if only the rearrangement of the orders of the agenda is required, the Chairman shall make such arrangement.</p>	<p>For a shareholders' meeting being called by the Board of Directors, the Board of Directors shall prepare the agenda, <u>related motions (including extraordinary motions and amendments to the original motions)</u> shall be subject <u>to the voting by poll,</u> and the meeting shall be proceeded in accordance with the agenda unless otherwise the shareholders' meeting resolved to make change. If only the rearrangement of the orders of the agenda is required, the Chairman shall make such</p>	<p>Modification to the text</p>

Clause	Before amendment	After amendment	Note
	<p>The provision referred to above is applicable even when the shareholders' meeting is convened by other than the Board of Directors.</p> <p>Besides motions listed in the agenda, any other motions, amendment or alternative motions of the original motions proposed by the shareholders shall have the support of other shareholders.</p> <p>Before the parliamentary procedure is accomplished in accordance with the agenda (including the impromptu motions) as stated in the preceding two paragraphs, the Chairman cannot announce for the adjournment of the meeting unless at the resolution of the shareholders in session.</p> <p>However, the Chairman may announce for the adjournment of the meeting for maintaining order of the session, or there is something that cannot allow for the smooth progress of the meeting.</p> <p>After the meeting is adjourned, shareholders cannot nominate another chairman or seek another venue for the continuation of the meeting.</p>	<p>arrangement.</p> <p>The provision referred to above is applicable even when the shareholders' meeting is convened by other than the Board of Directors.</p> <p>Besides motions listed in the agenda, any other motions, amendment or alternative motions of the original motions proposed by the shareholders shall have the support of other shareholders.</p> <p>Before the parliamentary procedure is accomplished in accordance with the agenda (including the impromptu motions) as stated in the preceding two paragraphs, the Chairman cannot announce for the adjournment of the meeting unless at the resolution of the shareholders in session.</p> <p>However, the Chairman may announce for the adjournment of the meeting for maintaining order of the session, or there is something that cannot allow for the smooth progress of the meeting.</p> <p>After the meeting is adjourned, shareholders cannot nominate another chairman or seek another venue for the continuation of the meeting.</p> <p><u>The chairperson shall offer adequate opportunities for explanation and discussion on the motions and amendments or extraordinary motions brought up by shareholders. Where the chairperson thinks the motions and amendments or extraordinary motions brought up by shareholders is ready to be voted, the chairperson may proclaim the closure of discussion and proceed to vote.</u></p>	
Article XVII	Shareholders are entitled to one voting right for the holding of	Shareholders are entitled to one voting right for the holding of	Delete the text.

Clause	Before amendment	After amendment	Note
	<p>each share except those who are under restriction or having no voting right as stated in Paragraph 2, Article 179 of the Company Act.</p> <p><del>When the shareholders' meeting is in session, votes can be cast in written or electronic means.</del></p> <p><del>Where the Company adopts an electronic means of voting pursuant to Paragraph 1, Article 177-1 of the Company Act in exception,</del> When the shareholders' meeting is in session, voting rights can be exercised using the electronic method or in writing.</p> <p>Instructions for exercising voting rights in writing or using the electronic form, if any, must be clearly stated in the notice for the shareholders' meeting.</p> <p>Shareholders casting their votes in written or electronic means shall be deemed attending the meeting in person but votes on impromptu motions or amendment to original motions shall be deemed their abstention from voting of these motions.</p> <p>(Omitted)</p>	<p>each share except those who are under restriction or having no voting right as stated in Paragraph 2, Article 179 of the Company Act.</p> <p>When the shareholders' meeting is in session, voting rights can be exercised using the electronic method or in writing.</p> <p>Instructions for exercising voting rights in writing or using the electronic form must be clearly stated on the shareholder meeting advice. Shareholders casting their votes in written or electronic means shall be deemed attending the meeting in person However, they are considered to have waived their rights to participate in any special motions or amendments to the original discussions that may arise during the shareholder meeting. <u>For this reason, the Company should avoid proposing extraordinary motions and amendments to the original motions where possible.</u></p> <p>(Omitted)</p>	
Article XXIII	<p>In the event that an election of directors <del>supervisors</del> is held in a session, the election shall follow the procedure and regulation of the Company and the election result shall be announced on the scene.</p> <p>(Omitted)</p>	<p>In the event that an election of directors is held in a session, the election shall follow the procedure and regulation of the Company and the election result shall be announced on the scene.</p> <p>(Omitted)</p>	<p>The requirements applicable to supervisors are deleted in response to establishment of the Audit Committee in place of supervisors.</p>
Article XXIV	<p>Shareholders' meeting resolutions shall be compiled into detailed minutes, and signed or sealed by the chairperson no later than 20 days after the meeting. The minutes may be prepared and distributed in</p>	<p>Shareholders' meeting resolutions shall be compiled into detailed minutes, and signed or sealed by the chairperson no later than 20 days after the meeting. The minutes may be prepared and distributed in</p>	<p>Modification to the text</p>

Clause	Before amendment	After amendment	Note
	<p>electronic form.</p> <p>The Company may distribute the minutes in the preceding Paragraph through public announcement on the MOPS.</p> <p>The content of the minutes of meeting on record shall contain information on the date, month, year, venue, name of chairperson, method of resolution, the process of discussion, the summary and result.</p> <p>The same shall be stored as the Company exists.</p> <p>(Omitted)</p>	<p>electronic form.</p> <p>The Company may distribute the minutes in the preceding Paragraph through public announcement on the MOPS.</p> <p>The content of the minutes of meeting on record shall contain information on the date, month, year, venue, name of chairperson, method of resolution, the process of discussion, the summary and <u>voting result (including statistic votes)</u>. <u>In the event of an election of directors, the number of votes won by each candidate shall be disclosed.</u> The same shall be stored as the Company exists.</p> <p>(Omitted)</p>	
Article XXVII	<p>The Rules were instituted on March 5, 2001 under the resolution of the Board of Directors and ratification of a shareholders' meeting for coming into full force. The same shall apply, where the Rules are amended.</p> <p>(Omitted)</p>	<p>The Rules were instituted on March 5, 2001 under the resolution of the Board of Directors and ratification of a shareholders' meeting for coming into full force. The same shall apply, where the Rules are amended.</p> <p>(Omitted)</p> <p><u>Amendment for the 7th instance was made on March 26, 2020, and presented to the shareholders' meeting for ratification on June 15, 2020.</u></p>	Addition of the date of the last amendment.

## Attachment VIII

## MPI Corporation

## Comparison Table of the “Regulations for Election of Directors/Supervisors” Before and After Amendments

Clause	Before amendment	After amendment	Note
Name of the Regulations	Regulations for Election of Directors <del>and Supervisors</del>	Regulations for Election of Directors	Amendment to Name of the Regulations
Article I	The election of the Company’s directors (including independent directors) <del>and supervisors</del> shall be conducted in accordance with the Regulations, unless otherwise provided in the Company Act, Securities and Exchange Act and the Company’s Articles of Incorporation.	The election of the Company’s directors and independent directors shall be conducted in accordance with the Regulations, unless otherwise provided in the Company Act, Securities and Exchange Act and the Company’s Articles of Incorporation.	The requirements applicable to supervisors are deleted in response to establishment of the Audit Committee in place of supervisors.
Article II	The election of the Company’s directors (including independent directors) <del>and supervisors</del> shall be carried out by a shareholders’ meeting. The Company shall produce and identify the ballots for directors (including independent directors) <del>and supervisors</del> , and count the voting rights.	The election of the Company’s directors <u>and</u> independent directors shall be carried out by a shareholders’ meeting. <u>The Board of Directors shall work out election ballots in the number equivalent to the numbers of directors and independent directors to be elected and shall fill out the voting rights and distribute them to the present shareholders. Attendance card numbers printed on the ballots may be used in place of recording the names of voting shareholders. The number of directors and independent directors will be as specified in the Company’s Articles of Incorporation, with voting rights separately calculated for directors and independent directors. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes.</u>	The requirements applicable to supervisors are deleted in response to establishment of the Audit Committee in place of supervisors.
Article III	The cumulative voting method shall be used for election of the directors (including independent	The cumulative voting method shall be used for election of the directors of the Company. Each	The requirements applicable to



Clause	Before amendment	After amendment	Note
	directors) <del>and supervisors</del> of the Company. Each share will have voting rights in number equal to be elected, and may be cast for a single candidate or split among multiple candidates.	share will have voting rights <u>in number equal to the directors</u> to be elected, and may be cast for a single candidate or split among multiple candidates.	supervisors are deleted in response to establishment of the Audit Committee in place of supervisors.
Article IV	In the election of the Company's directors (including independent directors) <del>and supervisors</del> , those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chairperson drawing lots on behalf of any person not in attendance. <del>Where the same shareholder is elected as a director (including independent director) or supervisor at the same time, he/she shall decide whether he/she should serve as the director (including independent director) or supervisor to his/her sole discretion. The vacancy thereof shall be filled by the one winning the second high votes.</del>	In the election of the Company's directors <u>and independent directors</u> , those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. <u>When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chairperson drawing lots on behalf of any person not in attendance.</u>	The requirements applicable to supervisors are deleted in response to establishment of the Audit Committee in place of supervisors.
Article V	The Company shall appoint directors <del>and supervisors</del> via the candidate nomination system. They shall be elected by the shareholders' meeting from the list of candidates for directors <del>and supervisors</del> . The Company shall, by the book closure date before the date of the regular session of a shareholders' meeting, announce the opening of nomination of candidates for directors <del>and supervisors</del> , quota to be elected, where nomination shall be submitted, and other	The Company shall appoint directors and <u>independent directors</u> via the candidate nomination system. They shall be elected by the shareholders' meeting from the list of candidates for directors and <u>independent directors</u> . The Company shall, by the book closure date before the date of the regular session of a shareholders' meeting, announce the opening of nomination of candidates for directors and <u>independent directors</u> , quota to	The requirements applicable to supervisors are deleted in response to establishment of the Audit Committee in place of supervisors.

Clause	Before amendment	After amendment	Note
	<p>necessary notes. The submission period shall be 10 or more days. The Company's Board of Directors or any shareholder holding 1% or more of the total outstanding shares of the Company may nominate the list of candidates for directors <del>and supervisors</del> as the reference for election of directors <del>and supervisors</del>. Notwithstanding, the number of nominated candidates shall be no more than the quota of directors <del>and supervisors</del> to be elected. The other binding matters are handled in accordance with the Company Act and governing provisions of the securities competent authorities.</p>	<p>be elected, where nomination shall be submitted, and other necessary notes. The submission period shall be 10 or more days. The Company's Board of Directors or any shareholder holding 1% or more of the total outstanding shares of the Company may nominate the list of candidates for directors <u>and independent directors</u> as the reference for election of directors <u>and independent directors</u>. Notwithstanding, the number of nominated candidates shall be no more than the quota of directors and <u>independent directors</u> to be elected. The other binding matters are handled in accordance with the Company Act and governing provisions of the securities competent authorities.</p>	
Article X	<p>An election ballot is null and void if meeting any of the circumstances listed below:</p> <p>(I) The ballot is not dropped into the ballot cabinet (box).</p> <p>(II) The ballot is not prepared by the Company.</p> <p><u>(III) The ballot is blank, as no voter completed it.</u></p> <p>(IV) The candidate's account name and shareholder account number do not conform with those given in the roster of shareholders.</p> <p>(V) Other words or marks are entered in addition to the candidate's account name or shareholder account number and the number of voting rights allotted.</p> <p>(VI) The writing is unclear and indecipherable.</p> <p>(VII) Either of the candidate's account name or shareholder account</p>	<p>An election ballot is null and void if meeting any of the circumstances listed below:</p> <p>(I) The ballot is not dropped into the ballot cabinet (box).</p> <p>(II) The ballot is not prepared by the Company.</p> <p><u>(III) Where a blank election ballot is dropped into the ballot box.</u></p> <p>(IV) The candidate's account name and shareholder account number do not conform with those given in the roster of shareholders.</p> <p>(V) Other words or marks are entered in addition to the candidate's account name or shareholder account number and the number of voting rights allotted.</p> <p>(VI) The writing is unclear and indecipherable.</p> <p>(VII) Either of the candidate's account name or</p>	Modification to the text

Clause	Before amendment	After amendment	Note
	<p>number or the number of voting rights allotted is altered.</p> <p>(VIII) The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number is provided in the ballot to identify such individual.</p>	<p>shareholder account number or the number of voting rights allotted is altered.</p> <p>(VIII) The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number is provided in the ballot to identify such individual.</p>	
Article XII	<p>The Regulations were instituted on March 5, 2001 under the resolution of the Board of Directors and <del>ratification</del> of reported to a shareholders' meeting for coming into full force. The same shall apply, where the Regulations are amended.</p> <p>(Omitted)</p>	<p>The Regulations were instituted on March 5, 2001 under the resolution of the Board of Directors and <u>approval</u> of a shareholders' meeting for coming into full force. The same shall apply, where the Regulations are amended.</p> <p>(Omitted)</p> <p>Amendment for the 3rd instance was made on March 26, 2020 under the approval of the Board of Directors and presented to the shareholders' meeting for ratification on June 15, 2020.</p>	Modification to the text and addition of the date of the last amendment.

Attachment IX

MPI Corporation

Comparison Table of the “Procedures for Acquisition or Disposal of Assets” Before and After Amendments

Clause	Before amendment	After amendment	Note
Article XVI	<p>When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets 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 domestic 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 matters have been approved by the Board of Directors and <u>recognized by the supervisors</u>:</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 or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 17 and Article 17-1.</p> <p>IV. Information on the original</p>	<p>When the Company acquires or disposes real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets 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 domestic 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 matters have been <u>approved by the Audit Committee and the Board of Directors</u>:</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 or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 17 and Article 17-1.</p> <p>IV. Information on the original</p>	<p>The requirements applicable to supervisors are deleted in response to establishment of the Audit Committee in place of supervisors.</p>

Clause	Before amendment	After amendment	Note
	<p>date of acquisition of the assets by the related party and the price, the counterpart 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 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 <u>and supervisors</u> as required by this procedure 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 in which it directly or indirectly holds 100% of the issued shares or authorized capital, shall be subject to the final approval of the Board pursuant to Article 5-1 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>I. Acquisition or disposal of</p>	<p>date of acquisition of the assets by the related party and the price, the counterpart 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 certified public accountants as required in Article 15.</p> <p>VII. Restrictions and other important covenants for the transaction concerned.</p> <p>The amounts of transactions mentioned in the preceding Paragraph shall be duly counted based on Article 8. The term “within the preceding year” as set forth herein denotes the one-year-period preceding the date of occurrence of the current transaction. Items which have been submitted to the <u>Audit Committee for review and to the Board of Directors for resolution</u> as required by the procedure need not be counted toward the transaction amount.</p> <p>Any transactions listed below to be entered into between the Company and its parent or subsidiaries, or between the subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, shall be subject to the final approval of the Board pursuant to Article 5-1 whereby the Chairman shall be authorized to make decision within specific limit and presented in the most</p>	

Clause	Before amendment	After amendment	Note
	<p>equipment or right-of-use assets thereof held for business use.</p> <p>II. Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>Where the position of independent director has been created in accordance with the provisions of the 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 Audit Committee may have been established in accordance with the Securities and Exchange Act <u>whereby the recognition of the supervisors is necessary</u>, the approval by a simple majority of all members of the Audit Committee is required before presenting to the Board for resolution.</p> <p>(Omitted)</p>	<p>recent meeting of the Board for ratification:</p> <p>I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>II. Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>Where the position of independent director has been created in accordance with the provisions of the 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 Audit Committee may have been established in accordance with the Securities and Exchange Act, the approval by a simple majority of all members of the Audit Committee is required before presenting to the Board for resolution.</p> <p>(Omitted)</p>	
Article XVIII	<p>For the acquisition of real property or right-of-use assets thereof from related parties by the Company, if the appraisal value performed pursuant to the preceding two 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</p>	<p>For the acquisition of real property or right-of-use assets thereof from related parties by the Company, if the appraisal value performed pursuant to the preceding two 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</p>	<p>The requirements applicable to supervisors are deleted in response to establishment of the Audit Committee in place of supervisors.</p>

Clause	Before amendment	After amendment	Note
	<p>reserve pursuant to Article 41, Paragraph 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 Article 41, Paragraph 1 of the Securities and Exchange Act.</p> <p>II. <u>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.</p> <p>III. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus. 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 or leased at high price has been recognized for loss due to</p>	<p>reserve pursuant to Article 41, Paragraph 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 Article 41, Paragraph 1 of the Securities and Exchange Act.</p> <p>II. 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.</p> <p>III. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus. 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 or leased at high price has been recognized for loss due to falling price or disposition, or the termination of the</p>	

Clause	Before amendment	After amendment	Note
	<p>falling price or disposition, or the termination of the leasing contract, 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 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>	<p>leasing contract, 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 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 XXV	<p>Date of Enforcement</p> <p>The Operating Procedure is delivered to each supervisor and submitted to the shareholders' meeting for approval after the approval of the Board of Directors. The same shall apply, where the Procedure is amended. If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to <u>each supervisor</u>.</p> <p>(Omitted)</p>	<p>Date of Enforcement</p> <p>The Operating Procedure is delivered to the <u>Audit Committee for approval</u> and submitted to the shareholders' meeting for approval after the approval of the Board of Directors. The same shall apply, where the Procedure is amended. If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to <u>the Audit Committee</u>.</p> <p>(Omitted)</p>	<p>The requirements applicable to supervisors are deleted in response to establishment of the Audit Committee in place of supervisors.</p>



Attachment X

MPI Corporation

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

Clause	Before amendment	After amendment	Note
Article XII	<p>Internal audit system:</p> <p>(I) The position of derivatives held shall have regular assessment and submit the result to the senior management personnel authorized by the Board of Directors.</p> <p>(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 the Company has appointed independent directors, an independent director shall be present at the meeting and express an opinion.</p> <p>(III) The internal auditors 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 audit of the trading department for its compliance with the Procedures for Engaging in Derivatives Trading and make an audit report. In the event a material violation is found, the auditors shall immediately notify <u>every supervisor</u> in writing and impose penalties on related personnel based on the violation.</p>	<p>Internal audit system:</p> <p>(I) The position of derivatives held shall have regular assessment and submit the result to the senior management personnel authorized by the Board of Directors.</p> <p>(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 the Company has appointed independent directors, an independent director shall be present at the meeting and express an opinion.</p> <p>(III) The internal auditors 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 audit of the trading department for its compliance with the Procedures for Engaging in Derivatives Trading and make an audit report. In the event a material violation is found, the auditors shall immediately notify <u>the Audit Committee</u> in writing and impose penalties on related personnel based on the violation.</p>	<p>The requirements applicable to supervisors are deleted in response to establishment of the Audit Committee in place of supervisors.</p>
Article XIV	<p>A public company engaging in derivatives trading shall prepare a log book in which details of the types and amounts of derivatives trading engaged in,</p>	<p>A public company engaging in derivatives trading shall prepare a log book in which details of the types and amounts of derivatives trading engaged in,</p>	<p>The requirements applicable to supervisors are deleted in</p>

Clause	Before amendment	After amendment	Note
	<p>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.</p> <p>Where independent directors have been appointed in accordance with the provisions of Securities and Exchange Act, for matters which shall be given to <u>each supervisor</u>, the written notice of the matters shall also be given to each independent director.</p> <p><del>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.</del></p>	<p>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.</p>	<p>response to establishment of the Audit Committee in place of supervisors.</p>
Article XV	<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 for approval. The same procedure shall be followed when the Procedures are amended.</p>	<p>The Operating Procedure is <u>delivered to the Audit Committee for approval</u> and submitted to the shareholders' meeting for approval after the approval of the Board of Directors. The same shall apply, where the Procedure is amended.</p>	<p>The requirements applicable to supervisors are deleted in response to establishment of the Audit Committee in place of supervisors.</p>

Attachment XI

MPI Corporation

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

Clause	Before amendment	After amendment	Note
Article VIII	(I) For managing the loaning of funds, the finance and accounting unit shall prepare a log book for the specify the details, including the borrower, loan amount, dates of board of directors resolutions, and dates of loaning of funds. The information shall be recorded in detail for reference in accordance with the matters required to be carefully evaluated under Article 5.	(I) For managing the loaning of funds, the finance and accounting unit shall prepare a log book for the specify the details, including the borrower, loan amount, dates of board of directors resolutions, and dates of loaning of funds. The information shall be recorded in detail for reference in accordance with the matters required to be carefully evaluated under Article 5.	The requirements applicable to supervisors are deleted in response to establishment of the Audit Committee in place of supervisors.
	(II) The internal auditors of the Company shall conduct audits at least quarterly on the Operating Procedure for Loaning Funds to Others and the status of implementation, and prepare written audit records. In the event a material violation is found, the auditors shall immediately notify <u>every supervisor</u> in writing. The Company shall impose penalties on the manager and the personnel in charge depending on the status of violation.	(II) The internal auditors of the Company shall conduct audits at least quarterly on the Operating Procedure for Loaning Funds to Others and the status of implementation, and prepare written audit records. In the event a material violation is found, the auditors shall immediately notify <u>the Audit Committee</u> in writing. The Company shall impose penalties on the manager and the personnel in charge depending on the status of violation.	
	(III) If, due to change of circumstances, a borrower no longer meets the requirements of the Operating Procedure for Loaning Funds to Others, or the loan balance exceeds the specified limit, the Company shall adopt a improvement plan and then submit it to <u>every supervisor</u> . Improvement shall be completed within	(III) If, due to change of circumstances, a borrower no longer meets the requirements of the Operating Procedure for Loaning Funds to Others, or the loan balance exceeds the specified limit, the Company shall adopt a improvement plan and then submit it to <u>the Audit Committee</u> . Improvement shall be completed within	

Clause	Before amendment	After amendment	Note
	the schedule specified in the plan.	the schedule specified in the plan.	
Article X	<p>The Company established the Operating Procedure for Loaning Funds to Others in accordance with the laws. The Procedures and any amendment hereto shall, after approved by the Board of Directors and delivered to <u>each supervisor</u>, be submitted to the shareholders' meeting for ratification. Where any director expresses dissent which is recorded in the minutes or a written statement, it shall be delivered to <u>each supervisor</u> and simultaneously submitted to the shareholders' meeting for discussion.</p> <p>(Omitted)</p>	<p>The Company established the Operating Procedure for Loaning Funds to Others in accordance with the laws. The Procedures and any amendment hereto shall, after approved by <u>the Audit Committee</u> and the Board of Directors, be submitted to the shareholders' meeting for ratification. Where any director expresses dissent which is recorded in the minutes or a written statement, it shall be delivered to <u>the Audit Committee</u> and simultaneously submitted to the shareholders' meeting for discussion.</p> <p>(Omitted)</p>	The requirements applicable to supervisors are deleted in response to establishment of the Audit Committee in place of supervisors.
Article X-I:	<p>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.</p> <p>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.</p> <p>Where the Company has established an audit committee, the provisions of Article 8 relating to supervisors shall apply to the audit committee.</p>	(Deleted)	Deleted clause

Attachment XII

MPI Corporation  
 Comparison Table of the “Operating Procedure for Making of  
 Endorsement/Guarantee” Before and After Amendments

Clause	Before amendment	After amendment	Note
Article XIII	<p>(I) The internal auditors of the Company shall conduct audits at least quarterly on the Operating Procedure for Making of Endorsement/Guarantee and the status of implementation, and prepare written audit records. In the event a material violation is found, the auditors shall immediately notify <u>each supervisor</u> 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 Operating Procedure, 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>	<p>(I) The internal auditors of the Company shall conduct audits at least quarterly on the Operating Procedure for Making of Endorsement/Guarantee and the status of implementation, and prepare written audit records. In the event a material violation is found, the auditors shall immediately notify the <u>Audit Committee</u> 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 Operating Procedure, or the amount exceeds the specified limit, the Company shall adopt a improvement plan, <u>submit it to the Audit Committee</u> and complete it within the schedule specified in the plan.</p>	<p>The requirements applicable to supervisors are deleted in response to establishment of the Audit Committee in place of supervisors.</p>
Article XIV	<p>The Company established the Operating Procedure for Making of Endorsement/Guarantee in accordance with the laws. The Procedures and any amendment hereto shall, after approved by the Board of Directors and</p>	<p>The Company established the Operating Procedure for Making of Endorsement/Guarantee in accordance with the laws. The Procedures and any amendment hereto shall, after approved by <u>the Audit Committee</u> and the</p>	<p>The requirements applicable to supervisors are deleted in response to establishment</p>

Clause	Before amendment	After amendment	Note
	<p>delivered to <u>each supervisor</u>, 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 <u>each supervisor</u> and simultaneously submitted to the shareholders' meeting for discussion. (Omitted)</p>	<p>Board of Directors, 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 the <u>Audit Committee</u> and simultaneously submitted to the shareholders' meeting for discussion. (Omitted)</p>	<p>of the Audit Committee in place of supervisors.</p>
<p>Article XIV -II</p>	<p>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 13, Paragraph 1. When an improvement plan is submitted to <u>each supervisor</u> it shall at the same time be submitted to the independent directors under Article 13, Paragraph 3. <del>Where the Company has established an audit committee, the provisions of Article 8 relating to supervisors shall apply to the audit committee.</del></p>	<p>Where the Company has appointed independent directors, for matters which shall be given to the <u>Audit Committee</u> the written notice of the matters shall also be given to the independent directors under Article 13, Paragraph 1. When an improvement plan is submitted to the <u>Audit Committee</u>, it shall at the same time be submitted to the independent directors under Article 13, Paragraph 3.</p>	<p>The requirements applicable to supervisors are deleted in response to establishment of the Audit Committee in place of supervisors.</p>

## Attachment XIII

# MPI Corporation Parliamentary Rules for Supervisors' Meeting

- Article I. The Rules are enacted in accordance with Article 50 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. The Company's supervisors' meetings shall proceed in accordance with the Rules herein.
- Article II. The Company's supervisors may exercise their authority to supervise individually. Where the supervisors consider that it should be necessary to exchange opinion, in terms of the Company's and shareholders' equity, they may convene a meeting, periodically or from time to time.
- Article III. A sign-in book shall be prepared for the supervisors' meeting and to the supervisors present at the meeting.
- The supervisors may convene the meeting via teleconferencing and the supervisor participating in the teleconference shall be deemed attending the meeting in person.
- Article IV. The minutes of the supervisors' meeting shall be kept on record by voice recording or videotaping. Such minutes shall be retained for at least 1 year.
- Article V. The summary, method of resolution, and results of various motions proposed at a supervisors' meeting shall be detailed honestly and sufficiently per related requirements. The minute meetings shall be signed by the supervisors present at the meeting and the minute taker.
- Article VI. Supervisors' meeting resolutions shall be compiled into detailed minutes, and disseminated to each supervisor by no later than 20 days after the meeting.
- Article VII. Any matters not covered herein shall be implemented in accordance with the Company Act, Articles of Incorporation and other related laws & regulations.
- Article VIII. The Rules shall be enforced upon approval of the supervisors and ratification of a shareholders' meeting. The same shall apply, where the Rules are amended.

## Appendix I

# MPI Corporation Articles of Incorporation

## Chapter One General Provisions

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

## Chapter Two Share Capital

- Article V: The Company has stated capital of NT\$ 1.2 billion (NT\$1,200,000,000) equally divided into 100 million shares (100,000,000) at face value of NT\$ 10 per share. The Board of Directors has been authorized to issue the shares in tranches.  
The amount of NT\$ 50 million (NT\$50,000,000) will be retained and this amount is equally split up into 5 million shares (5,000,000) at face value of NT\$ 10 per share for the issuance of stock options. The Board of Directors has been authorized to issue the stock options in tranches.
- Article V-I: In the event the Company shall repurchase its outstanding shares as dictated by law, the Board of Directors shall be authorized for the repurchase.
- Article VI: The Company may issue shares. The issuance of shares by the Company complies with Article 162 of the Company Act. The Company may issue shares without



printing physical stock, and shall register these issued shares with a securities depository body in accordance with the regulations of such body.

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

## Chapter Three Shareholders' Meetings

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

Article IX: 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.

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

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

## Chapter IV Directors and Supervisors

Article XII: The Company shall appoint 5~11 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.

Of all the seats of directors as mentioned, there shall be at least two (2) seats of independent directors who shall be elected from a nomination of candidates system and the number of seats for independent directors shall constitute at least 1/5 of the total seats of directors. The requirements for professional qualifications, shareholdings, part-time constraints, the nomination and election, and other binding matters for independent directors are handled in accordance with the governing provisions of the securities competent authorities.

The Company shall take out directors and supervisors liability insurance with respect to liabilities resulting from exercising their duties during their term of office. The Board of Directors shall be authorized to handle the insurance matters with full power.

- Article XIII: The Board of Directors shall be organized by the Directors, one of whom shall be elected as the Chairman in a session with the presence of at least two-thirds of the Directors and the consent under a simple majority. A vice chairman shall also be elected likewise. The Chairman shall preside over the sessions of the General Meeting and the Board internally and represents the Company externally.
- Article XIV: In the absence of the Chairman or the Chairman is unable to perform its duties, the proxy shall act in accordance with Article 208 of the Company Act.
- The Directors shall attend the sessions of the Board in person, or appoint another Director to attend the meeting by issuing the written proxy and specifying the scope of authority with reference to the subjects to be discussed at the meeting. Each Director may appoint one Director to act as proxy in the meeting.
- The Board shall convene with the cause of the session specified in the notice 7 days in advance to the acknowledgment of all Directors and Supervisors. In case of emergency, the Board may call for a special session with notice in writing, fax, or e-mail.
- The Board may convene via teleconferencing and the Directors participating in the teleconference shall be deemed attending the Board session in person.
- Article XV: Unless the Company Act specifies otherwise, resolutions of the Board may be made by a session with the presence of at least half of the seats of Directors and by a simple majority of these Directors.
- Article XV-I: The remunerations to the Chairman, Vice Chairman, Directors, and Supervisors shall commensurate with their level of participation and contribution to the operation of the Company with reference to domestic and international industry standard, and shall be determined by the Board under authorization.
- Article XVI: The Board of Directors shall perform the following functions:
- I. Review and approval of the corporate policy and the development plan in the mid to long term.
  - II. Review and supervision of the execution of annual business plan.
  - III. Review and approval of budget and account settlement.
  - IV. Review and approval of the plan of capitalization and decapitalization of the Company.
  - V. Review and approval of the proposal for income distribution or covering loss carried forward.
  - VI. Review and approval essential contracts with external parties.
  - VII. Review and approval of the Articles of Incorporation and amendment thereto.
  - VIII. Review and approval of the Articles of Incorporation and important rules and regulations of the Company.
  - IX. Approval of the establishment, reorganization, and revocation of branches.
  - X. Approval of major capital spending plans.
  - XI. Planning for the acquisition and disposition of vital assets of the Company.
  - XII. The appointment and dismissal of the president and vice presidents.

- XIII. Execution of the resolutions of the General Meeting of Shareholders.
- XIV. Review and approval of the proposals from the president.
- XV. Convention of the General Meeting of Shareholders and report on operation.
- XVI. Any other duties to be performed under law.

Article XVII: The Supervisors shall perform the following functions:

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

## Chapter V Managers

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

## Chapter VI Accounting

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

Article XX: Where the Company retains income before tax after the account settlement, it shall allocate 0.1%~15% thereof as the remuneration to employees, and no more than 3% thereof as the remuneration to directors/supervisors. However, profits must first be taken to offset against cumulative losses, if any. The remainder, if any, shall be allocated as the remuneration to employees and directors/supervisors on a pro rata basis as referred to in the preceding paragraph.

The allocation of remuneration to employees and directors/supervisors shall be resolved and approved by a majority of the directors present at a directors' meeting attended by more than two-thirds of the whole directors, and reported to a shareholders' meeting.

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 holding or the affiliated companies who meet specified requirements established by the Board of Directors with authorization.

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 submitted to the shareholder's meeting for resolution, if issuance of new shares is adopted.

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.

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

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

## Chapter VII Supplementary Provisions

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

Article XXII: Instituted on July 20, 1995.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Amendment for the 17th instance was made on June 17, 2014.  
Amendment for the 18th instance was made on June 12, 2015.  
Amendment for the 19th instance was made on June 16, 2016.  
Amendment for the 20th instance was made on June 13, 2017.  
Amendment for the 21st instance was made on June 12, 2018.  
Amendment for the 22nd amendment was made on June 11, 2019.

MPI Corporation  
Chairman: Ko, Chang-Lin

## Appendix II

# MPI Corporation

## Parliamentary Procedure for General Meeting of Shareholders

Article I: The shareholders' meeting shall be governed by this Procedure unless the law otherwise specified.

Article II: Unless otherwise specified by laws, shareholders' meetings are to be convened by the Board of Directors.

The Company shall prepare the electronic version of the notice of meeting, appointment of agent form, information on motions for ratification, discussion, the election or discharge of Directors and Supervisors, and the motions and causes of motions. The Company shall upload the aforementioned information to MOPS at least 30 days before a regular session of a shareholders' meeting or at least 15 days before a special session of a shareholders' meeting. In addition, the Company shall prepare the parliamentary procedure handbook and supplementary materials for the meeting in electronic version and upload the information to MOPS at least 21 days before a regular session or 15 days before a special session of a shareholders' meeting is scheduled. The parliamentary procedure handbooks and supplementary materials of the current shareholders' meeting shall be prepared 15 days before the date of the meeting for shareholders to read at any time. They shall also be displayed in the Company and in the professional shareholder service agent entrusted by the Company, and shall be distributed at the meeting.

The aforementioned notice and announcement shall contain information on the cause of the session, and may be made in electronic form at the consent of the respondents.

Motions of election or discharge of Directors/Supervisors, alteration of the Articles of Incorporation, the dissolution/merger/demerger of the Company, or anything as stated in Article 185, Paragraph 1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be explicitly stated in the cause of convening and shall not be proposed as impromptu motions.

Any shareholder holding 1% or more of the total outstanding shares of the Company may propose motions in a regular session of the shareholders' meeting in writing. Each such shareholder is permitted to propose one motion only. Any more motions will not be included into the agenda of the meeting. For proposal of motions pertinent to any conditions as specified in Article 172-1, Paragraph 4 of the Company Act may be declined by the Board for including into the agenda.

The Company shall, by the book closure date before the date of the regular session of a shareholders' meeting, announce the opening of proposal submission from shareholders, where shareholders shall submit their proposals, and the submission period. The submission period shall be 10 or more days.

Each motion is limited to 300 words or it will not be included into the agenda. Shareholders shall attend the regular session of a shareholders' meeting in person or appoint a proxy to attend and engaged in the discussion of the motion being proposed.

The Company shall inform any shareholder who has submitted a proposal of the result of review of the proposal before the date when the notice of the shareholders'

meeting is sent, and list the motions meeting the requirements of this Article into the meeting notice. For motions proposed by shareholders not being listed into the agenda, the Board shall explain the reasons for excluding such motions as a part of the agenda.

Article III: Each shareholder may present the authorization of proxy document prepared by the Company with the scope of authorization defined to appoint a proxy to attend each session of the shareholders' meeting. One shareholder may appoint one proxy and present one authorization of proxy and such document shall be delivered to the Company 5 days prior to the scheduled date of the shareholders' meeting. Where duplicate copies of the authorization of proxy are delivered, the earliest one delivered shall prevail unless a declaration is made to cancel the earlier appointment of proxy. After the delivery of the authorization of proxy to the Company, any shareholder who desires to attend the meeting in person or cast the vote in written or electronic form shall inform the Company for the revocation of the authorization in writing 2 days prior to the scheduled date of the meeting. In the event of any such notice sent beyond the time limit, votes cast by the proxy at the meeting shall prevail.

Notice to the Company for revocation of the authorization of proxy shall be made in writing. For the expression of such intent beyond the deadline, the vote cast by the proxy in the meeting under the authorization shall prevail.

Article IV: The Company shall present the parliamentary handbook, annual report, attendance card, speech memo, ballots, and other materials for the meeting to shareholders attending the meeting. If there is an election of Directors and Supervisors to be held, attach a ballot for such purpose.

The shareholders shall bring with them the attendance card, sign-in card, or other certificates of attendance. The Company shall not arbitrarily require any additional identification documents as certificates of attendance from the shareholders.

Persons requesting for authorization of proxy shall bring their ID documents for confirmation.

Where the shareholders may be the government or institutions, more than one representative may be assigned to attend the meeting.

Article V: Shares and votes shall be the basis for counting the attendees at a shareholders' meeting. The quantity of shares represented by the shareholders attending the meeting shall be based on the information of the sign-in book or the sign-in cards being surrendered, plus the votes representing the shares cast in written or electronic means.

Article VI: The place for the shareholders' meeting shall be at the locality of the Company or a place convenient for the shareholders to attend. The time for the meeting shall not be earlier than 9:00 am or later than 3:00 pm of the day.

Article VII: Where the Board of Directors may call for the shareholders' meeting, the Chairman shall preside over the meeting. In the absence of the Chairman or the Chairman cannot perform its duties, the Vice Chairman shall act on behalf of and in the name of the Chairman to preside over the meeting. Where there is no seat of a vice chairman, in the absence of the Vice Chairman or where the Vice Chairman cannot perform his duties, the Chairman shall appoint an

agent to preside over the meeting, or, the Directors shall nominate one among themselves to preside over the meeting.

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

Article VIII: The Company may appoint attorneys, certified public accountants or related personnel to attend the shareholders' meeting as observers.

Personnel administering the shareholders' meeting shall wear ID badge or arm badge at the venue of the meeting.

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

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

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

Article XI: For a shareholders' meeting being called by the Board of Directors, the Board of Directors shall prepare the agenda and the meeting shall be proceeded in accordance with the agenda unless otherwise the shareholders' meeting resolved to make change. If only the rearrangement of the orders of the agenda is required, the Chairman shall make such arrangement.

The provision referred to above is applicable even when the shareholders' meeting is convened by other than the Board of Directors.

Besides motions listed in the agenda, any other motions, amendment or alternative motions of the original motions proposed by the shareholders shall have the support of other shareholders.

Before the parliamentary procedure is accomplished in accordance with the agenda (including the impromptu motions) as stated in the preceding two paragraphs, the Chairman cannot announce for the adjournment of the meeting unless at the resolution of the shareholders in session. However, the Chairman may announce for the adjournment of the meeting for maintaining order of the session, or there is something that cannot allow for the smooth progress of the meeting.



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

- Article XII: Before a shareholder who is present in the meeting may take the floor, he or she shall prepare the speech memo by specify the summary and the shareholder account number (or attendance card number) and account title. The Chairman shall then arrange for the priority of the shareholders to deliver their speeches. Shareholders who have just prepared the speech memo without taking the floor for delivery of speech shall be deemed no delivery of speech. In case the content of the speech delivered on the floor is irrelevant with the content in the speech memo, the latter shall prevail. When a shareholder has the floor, all other shareholders shall not interfere unless at the consent of the Chairman or the shareholder who is taking the floor. Any unrestrained action shall be discouraged by the Chairman.
- Article XIII: Each shareholder may express their opinion on a particular motion twice only, unless otherwise approved by the Chairman and the duration of each instance of expression of opinion shall be up to 5 minutes.
- The Chairman shall prevent further speech of a particular shareholder who violates the aforementioned requirements or where the content of the speech is irrelevant to the motion in point.
- Article XIV: Where a juridical person may be appointed as a proxy to attend the shareholders' meeting, it may appoint only one representative to attend the meeting.
- For corporate shareholders appointing two (2) or more representatives to the shareholder's meeting, only one representative may express opinions on the same motion.
- Article XV: After specific shareholder in the meeting has expressed an opinion, the Chairman may respond to the issue personally or appoint specific personnel to respond to the issue.
- Article XVI: Shares shall be the basis for counting the votes at a shareholders' meeting. For resolution of the shareholder's meeting, the number of shares held by shareholders without voting rights is excluded as a part of the total outstanding shares. For motions where specific shareholders have a conflict of interest with the Company, these shareholder shall be excused from voting and cannot acting as the proxy of another shareholder to exercise the voting right.
- The number of shares bearing no voting right is excluded from the quantity of shares represented by shareholders attending the meeting in the calculation. If particular person who has been appointed by two (2) or more shareholders as proxy to attend the meeting, the voting right being represented under the authorization of proxy shall not exceed 3% of the total number of outstanding shares bearing voting rights. Any excess voting rights shall not be counted.
- Article XVII: Shareholders are entitled to one voting right for the holding of each share except those who are under restriction or having no voting right as stated in Paragraph 2, Article 179 of the Company Act. When the shareholders' meeting is in session, votes can be cast in written or electronic means. Where the Company adopts an electronic means of voting pursuant to Paragraph 1, Article 177-1 of the Company Act in exception, it shall adopt both voting in written or electronic means. In so doing, the Company shall specify the detail of voting in written or electronic means in the

notice of the shareholders' meeting. Shareholders casting their votes in written or electronic means shall be deemed attending the meeting in person but votes on impromptu motions or amendment to original motions shall be deemed their abstention from voting of these motions. Instructions to exercise written and electronic votes shall be delivered to the Company at least 2 days before the shareholders' meeting. In the event of duplicate submissions, the earliest submission shall be taken into record. In case of repeated expression of intent, the initial intent so expressed shall stand unless declaration for the revocation of the previous expression of intent is made. Shareholders who wish to attend the shareholders' meeting in person after exercising their voting rights in writing or using electronic methods are required to withdraw their votes using the same method by which the vote was cast in the first place, and by no later than 2 days before the day of shareholder meeting. The written/electronic vote shall prevail if not withdrawn before the cutoff time. If an expression of intent to vote in written or electronic means has been made and at the same time, a proxy has been appointed to attend the meeting, the votes cast by the proxy in the meeting shall stand.

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

Article XIX: The Chairman shall appoint the staff to supervise the casting of votes and the counting of votes on condition that such staff is a shareholder.

The result of voting shall be announced in the meeting immediately and recorded.

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

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

At the point of voting, the Chairman or designated personnel shall announce the total number of voting rights represented by the shareholders before proceeding to voting.

For motions that have no adverse opinions from the present shareholders upon the inquiry of the Chairman, it shall be as having been passed and the effect shall be the same as casting votes for resolution. For motions that triggered adverse opinions, decision shall be made by voting as stated in preceding paragraphs.

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

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

Article XXIV: Shareholder meeting resolutions shall be compiled into detailed minutes, and signed or sealed by the chairperson, and disseminated to each shareholder by no later than 20 days after the meeting. The minutes may be prepared and distributed in electronic form.

The Company may distribute the minutes in the preceding Paragraph through public announcement on the MOPS.

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

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

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

Article XXVI: Administrative personnel of the shareholder’s meeting shall wear ID badge or arm badge at the venue of the meeting. The Chairman may command the marshals (or security guards) to assist with the maintenance of order. The marshals (or security guards) at the meeting venue assisting with maintenance of order shall wear armbands marked “Marshal.” Where the meeting place may be equipped with public address equipment, the Chairman shall stop any speech delivered by shareholders not using the equipment installed by the Company. In the event of insubordination to the correction of the Chairman, obstruction of the progress of the meeting and failure to take corrective action upon persuasion, the respective shareholder shall be escorted by the marshal or security guard to leave the venue on the order of the Chairman.

Article XXVII: This Procedure was instituted on March 5, 2001 under the resolution of the Board of Directors and the ratification of the shareholders’ meeting for coming into full force. The same procedure shall be applicable to any amendment thereto.

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

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

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

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

Amendment for the 6th instance was made on March 24, 2017 under the resolution of the Board of Directors and presented to the shareholders' meeting for ratification on June 13, 2017.

## Appendix III

### MPI Corporation Regulations for Election of Directors/Supervisors

- Article I: The election of the Company's directors (including independent directors) and supervisors shall be conducted in accordance with the Regulations, unless otherwise provided in the Securities and Exchange Act and the Company's Articles of Incorporation.
- Article II: The election of the Company's directors (including independent directors) and supervisors shall be carried out by a shareholders' meeting. The Company shall produce and identify the ballots for directors (independent directors) and supervisors, and count the voting rights.
- Article III: The cumulative voting method shall be used for election of the directors (including independent directors) and supervisors of the Company. Each share will have voting rights in number equal to the directors (including independent directors) to be elected, and may be cast for a single candidate or split among multiple candidates.
- Article IV: In the election of the Company's directors (independent directors) and supervisors, those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chairperson drawing lots on behalf of any person not in attendance. Where the same shareholder is elected as a director (including independent director) or supervisor at the time same, he/she shall decide whether he/she should serve as the director (including independent director) or supervisor to his/her sole discretion. The vacancy thereof shall be filled by the one winning the second high votes.
- Article V: The Company shall appoint directors and supervisors via the candidate nomination system. They shall be elected by the shareholders' meeting from the list of candidates for directors and supervisors and may be reelected for a second term of office. The Company shall, by the book closure date before the date of the regular session of a shareholders' meeting, announce the opening of nomination of candidates for directors and supervisors, quota to be elected, where nomination shall be submitted, and other necessary notes. The submission period cannot be less than 10 days.
- The Company's Board of Directors or any shareholder holding 1% or more of the total outstanding shares of the Company may nominate the list of candidates for directors and supervisors as the reference for election of directors and supervisors. Notwithstanding, the number of nominated candidates shall be no more than the quota of directors and supervisors to be elected.—
- The other binding matters are handled in accordance with the Company Act and governing provisions of the securities competent authorities
- Article VI: Before the election process is commenced, the chairperson shall assign a certain number of ballot scrutinizer(s) and vote counters to implement various duties. The scrutinizer(s) shall be appointed from and among the present shareholders.
- Article VII: The ballot cabinet (box) shall be prepared by the Company and shall be opened and

checked in public through the ballot scrutinizer(s).

Article VIII: On an election ballot, a voter or an elector shall specify the names of account of the candidates, account number and number of votes cast by him/her in the box of “candidates.” Where a candidate is a corporate shareholder, the voter or elector shall specify the full account name of such corporate shareholder or the name and representative’s name of such corporate shareholder.

Article IX: The independent directors shall be elected in the same package with the directors, with voting rights separately calculated for directors and independent directors.

Article XI: An election ballot is null and void if meeting any one among those circumstances enumerated below:

- (I) The ballot is not dropped into the ballot cabinet (box).
- (II) The ballot is not prepared by the Company.
- (III) The ballot is blank, as no voter completed it.
- (IV) The candidate’s account name and shareholder account number do not conform with those given in the roster of shareholders.
- (V) Other words or marks are entered in addition to the candidate’s account name or shareholder account number and the number of voting rights allotted.
- (VI) The writing is unclear and indecipherable.
- (VII) Either of the candidate’s account name or shareholder account number or the number of voting rights allotted is altered.
- (VIII) The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number is provided in the ballot to identify such individual.

Article XI: Upon completion of the ballot casting process, the ballots shall be opened on-the-spot and the chairperson shall announce on-the-spot the outcome of election.

Article XII: The Regulations were instituted on March 5, 2001 under the resolution of the Board of Directors and ratification of a shareholders’ meeting for coming into full force. The same shall apply, where the Regulations are amended.

Amendment for the 1st instance was made on March 9, 2007 under the resolution of the Board of Directors and presented to the shareholders’ meeting for ratification on June 15, 2007.

Amendment for the 2nd instance was made on March 24, 2017 under the resolution of the Board of Directors and presented to the shareholders’ meeting for ratification on June 13, 2017.

## Appendix IV

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

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

Outstanding shares of common stocks issued	79,958,726 shares
Minimum quantity of shareholding required for all Directors under law	6,396,698 (shares)
Minimum quantity of shareholding required for all Supervisors	639,670 (shares)

- II. As of April 17, 2020, the date of transfer suspension, all the Directors and Supervisors of MPI Corporation had the following number of shares in holding:

Job title	Name	Number of shareholding (share)	Proportion of shareholding
Chairman	MPI Investment Co., Ltd. Corporate representative: Ko, Chang-Lin	8,334,626	10.42%
Director	MPI Investment Co., Ltd. Corporate representative: Steve Chen	8,334,626	10.42%
Director	MPI Investment Co., Ltd. Corporate representative: Scott Kuo	8,334,626	10.42%
Independent director	Hsu, Mei-Fang	244,441	0.31%
Independent director	Kao, Chin-Cheng	162,414	0.20%
Supervisor	Liu, Fang-Sheng	255,471	0.32%
Supervisor	Li, Tu-Cheng	539,349	0.67%
Supervisor	Tsai, Chang-Shou	21,630	0.03%
Number (shares) and proportion of shareholding by all Directors		8,741,481	10.93%
Number (shares) and proportion of shareholding by all Supervisors		816,450	1.02%

## Appendix V

The effect of stock dividend as proposed in this General Meeting on the operation performance and earnings per share of the Company: N/A,

as no bonus share distribution was proposed at the meeting.