

# **MPI Corporation**

2023 Annual General Meeting

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

Time: Thursday, June 15, 2023, 10:00 a.m.

Location: 2F., No. 26, Taiyuan St., Zhubei City, Hsinchu County (Conference Hall, Tai Yuen Hi-Tech Industrial Park) (Physical General Meeting)

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MPI Corporation  
2023 Annual General Meeting Procedures

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# MPI Corporation

## 2023 Annual General Meeting Agenda

Time: Thursday, June 15, 2023, 10:00 a.m.

Address: 2F., No. 26, Taiyuan St., Zhubei City, Hsinchu County (Conference Hall, Tai Yuen Hi-Tech Industrial Park) (Physical Shareholders' Meeting)

### Chairperson Remarks

#### I. Reports:

1. 2022 Business Report.
2. 2022 Audit Committee's Review Report on Final Accounting Books.
3. Report on Distribution of Remuneration to Employees and Directors for 2022.
4. Report on the 2022 Earnings Distribution in the form of Cash Dividend.

#### II. Points of ratification:

1. 2022 Business Report and Financial Statements.
2. 2022 Earnings Distribution.

#### III. Election:

1. Election of the Company's directors of 10th term (6 directors and 3 independent directors).

#### IV. Impromptu Motion

#### V. Adjournment of Meeting

## I. Reports

### 1. 2022 Business Report.

Explanation: Please kindly review the Company's 2022 Business Report, Financial Statements, and Future Outlook enclosed as Attachment I on Pages 6-8 of the Handbook.

### 2. 2022 Audit Committee's Review Report on Final Accounting Books.

Explanation: Please kindly review the Audit Committee's Review Report on Final Accounting Books for 2022 enclosed as Attachment II on Page 9 of the Handbook.

### 3. Report on Distribution of Remuneration to Employees and Directors for 2022.

Explanation: According to Article XIX of the Company's Articles of Incorporation, when the Company records a profit before tax in any fiscal year, an amount equal to 0.1%~15% thereof shall be appropriated as the remuneration to employees and an amount no more than 3% thereof as the remuneration to directors. The Company's net income before tax and the allocation of remuneration to employees and directors, was NT\$1,583,478,523 for the year 2022, and it is proposed to appropriate NT\$127,800,000 as the remuneration to employees and NT\$31,950,000 as the remuneration to directors, of which, both will be paid in cash.

### 4. Report on the 2022 Earnings Distribution in the form of Cash Dividend.

Remarks:

- (I) According to Article XIX of the Articles of Incorporation, the Company shall authorize the Board of Directors to resolve to distribute the dividend and bonus, in whole or in part in cash, and report the same to a shareholders' meeting.
- (II) A total of NT\$659,617,742 will be allocated as shareholders bonus and distributed in the form of cash dividend, equivalent to NT\$7 per share. The cash dividend payment will first be rounded down to the nearest whole dollar with any amount less than NT\$1 being forfeited. The fractional balance of cash dividends less than NT\$1 will be summed up and individually added to dividend payments in the order from large to small decimal points until the total amount is met.
- (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

### Agenda 1

**【Proposed by the Board】**

Subject: The Company's 2022 Business Report and Financial Statements are proposed for ratification.

Remarks:

- (I) The Company has prepared its 2022 Business Report and standalone financial statements (including consolidated financial statements), which were submitted to and approved by the Board of Directors. Among which, the standalone financial statements (including consolidated financial statements) have been audited by CPAs Chen, Chih-Ling and Chen, Yi-Ling of Nexia Sun Rise CPAs & Co., who have issued an auditors' report including an unqualified opinion, and submitted to and reviewed by the Audit Committee. Please refer to Attachments III and IV on Pages 10~31 of this Handbook.
- (II) This proposal was approved by a resolution in the 2nd Board of Directors' meeting in 2023.

Resolution:

### Agenda 2

**【Proposed by the Board】**

Subject: The Company's 2022 Earnings Distribution Plan is proposed for ratification.

Remarks:

- (I) The Company recorded a profit after tax of NT\$1,213,625,357 for the year 2022, and it has prepared the Earnings Distribution Plan enclosed as Attachment V on Page 32 of this Handbook.
- (II) In consideration of the future business development, it is proposed to appropriate NT\$659,617,742 from the distributable earnings for the year 2022 as cash dividend. Based on the number of the outstanding shares on the date of the Board of Directors' meeting amounting to 94,231,106 shares, the cash dividend per share to be distributed is tentatively set at NT\$7.
- (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 proposal was approved by a resolution in the 2nd Board of Directors' meeting in 2023.

Resolution:

## III. Election

### Agenda 1

**【Proposed by the Board】**

Subject: It is proposed to hold the election of the Company's directors for the 10th term (6 directors and 3 independent directors).

Remarks:

- (I) The term of office of the Company's 9th Board of Directors (including independent directors) is from June 15, 2020 to June 14, 2023, which will end soon, so it is proposed to hold a re-election in this Annual General Meeting.
- (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 12 of the Company's Articles of Incorporation. The directors (independent directors) shall be elected by shareholders from the name list of candidates.
- (III) An re-election of all 9 directors (including 3 independent directors) in the 2023 Annual General Meeting with the term of office from June 15, 2023 to June 14, 2026 is hereby proposed.
- (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	469,349

		Corporation Former post: Chain-Logic International Corp.	
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: Practicing Accountant, Qin Xin CPAs Firm 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: Managing Partner, Kao, Chin-Cheng Law Firm Former post: Hui Lin Law Office	162,414
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	N/A

Election results:

IV. Impromptu Motion

V. Adjournment of Meeting

## **MPI Corporation Operation Review**

### **I. 2022 Business Result**

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

For the year 2022, the Company generated a consolidated operating revenue of NT\$7.439 billion, an 14.29% increase in comparison to NT\$6.509 billion of 2021, a profit of NT\$1.214 billion for the year 2022, an 74.91% increase in comparison to NT\$694 million of 2021, and a earnings per share of NT\$12.89.

Since the second quarter of 2022, the inventory level of the semiconductor industry has increased while the consumer demands for PCs and smartphones have declined. According to the data of research institutes, the production value of global semiconductor industry in 2023 will be approximately US\$563 billion, a 6.5% decrease compared to 2022, and the overall capital expenditure has been cut by around 20~30%.

With respect to the fields of application, although semiconductors applied in telecommunication and computing are still the majority, their market shares have plunged. The decrease in demands has given a rise to the slowdown of growth in the smartphone segment, which accounted for nearly 70% of the telecommunication semiconductors. Research institutes have expected the short-term adjustment of inventory to be completed in 2024, hence the positive growth. Among the categories of semiconductors for computing, server the currently accounts for 31% with increasing demands in the fields of AI, HPC and Datacenter. According to research institutes, the size of growing automotive semiconductor market will likely exceed that of industrial semiconductor and consumer semiconductor markets in 2026 and become the third largest field of application with constant future growth.

Human evolution is linked with the development of electronics while electronic products require semiconductor process, and chips thereof produced are subsequently tested by probe cards for quality. Despite the short-term inventory adjustment at the user end, the semiconductor industry will regain its growth momentum in the mid-to-long run. Given this trend, the future growth of probe cards is highly expectable. MPI Corporation as a leader in the global probe card industry will continue its focus on improving the service quality and competitiveness of its products for higher profitability and maximum return on investment for its shareholders.

## (II) Revenue and profitability analysis

Unit: NTD thousands

Item		Year		
		2021	2022	Change (%)
Financial receipts and expenditures	Net Sales	6,508,725	7,439,175	14.30
	Gross profit	2,743,416	3,408,079	24.23
	Profit or loss after tax	693,851	1,213,625	74.91
Profitability	ROA (%)	7.44	11.78	58.33
	ROE (%)	11.89	18.73	57.53
	Operating Income to Paid-in	85.85	131.91	53.65
	EBT to Paid-in capital ratio	88.09	152.91	73.58
	Net profit margin (%)	10.69	16.30	52.48
	EPS (NT\$)	7.44	12.89	73.25

Research and development findings in 2022 include:

1. Wafer probe card:
  - A. In response to the market demands for AI and high-speed high-performance computing, the Company continues to develop the high-frequency and high-current-withstanding probe cards catering for consumer demands in wafer testing.
  - B. Following the electrification of automobiles, the demands for automotive ICs has increased with time, so the Company has developed the products with high pin counts and large coverage to address the demands for higher capacity of customers in the automotive IC field.
  - C. It has also developed the all new 40um full array technology that supports the testing application in the miniaturization of electronics.
2. Development of photoelectric precision automated equipment:
  - A. 8-inch Micro LED multi-channel high-speed low-current measuring equipment.
  - B. Wafer-level test systems with nanosecond-pulsed high-power laser diode and VCSEL, including the automated platforms that provide tri-temperature and ambient and high temperature testing environments.
  - C. Automated mass production equipment for compound semiconductors.
3. Semi-conductor component temperature test series:

The Company has developed the models for various applications of testing temperature range and current to provide the best solutions for mass production and engineering.
4. Semi-conductor engineering test machine series:

It has successfully introduced the automated multi-functional probing system

compatible for both 8-inch and 12-inch wafers, which has massively increased the test efficiency in the application of Wafer-Level Reliability (WLR).

## **II. Summary of 2023 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, MPI Corporation upholds its core philosophy to assist its clients in enhancing competitiveness and undertakes the following strategic planning and commits its efforts to sustain its competitive advantage:

1. To satisfy the needs for application of high-rank IC scaling, we continue to develop wafer level fine-pitch testing technology.
2. With respect to the application demand for high performance computing, we continue to develop high-current-withstanding probe cards.
3. The Company has also invested more resources in the R&D to develop wafer probe cards with higher speed that meet the technical requirements of higher transmission speed in the future smartphone application.
4. In response to customers' needs to improve test efficiency with higher DUT counts, the Company continues to develop probe card technology covering large probing area.
5. Regarding multi-layer organic substrates, the Company constantly focuses on the improvement of the demand-driven technology for precision and number of layers so as to meet customer demands for higher specification application and strengthen the competitiveness of its probe card products.
6. For the photonics automation industry, we are aimed at four industrial fields of optical communication, sensing & LiDar, micro display, and LED to offer automated equipment with high optical, mechanical, and electrical integration for measurement, sorting, and optical inspection. By deeply cooperating with leading customers of international technology, we continue to provide high value-added Turnkey solutions for the photoelectric industry as our main development goal.
7. In terms of component temperature test systems, it aims at a wider range of product lines, including the development of laboratory desktop cooling and heating system that meets the requirements of fast engineering. For temperature tests in both mass productions or laboratories, it continuously expands and designs various product series in the expectation to provide the best corresponding products for all applications.
8. In the field of semiconductor engineering test application, it will focus on the function enhancement of all existing products by making them easier to use and wider in application, hence the accelerated engineering experiments.

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

Facing the rising demand of power semiconductors driven by smart living, contactless economy, electronic vehicles and carbon reduction, and the emerging

application market of the metaverse, multi-sense, online merging of offline and smart human-computer interaction, the Company pays close attention on the development trends of emerging technology and sets technical blueprints in order to precisely allocate resources to the development of new products and hence expands business. We also constantly improve our supporting capability of foreign operations with the goal providing our customers comprehensive technical support in a faster and more precise manner, thereby increasing our market share.

The Company will uphold our core philosophy of assisting our customers to upgrade their competitiveness and thereby position the Company as technology partners of our customers. The Company's main production and sales policy is also focused on customers' future demand, joint development of the most suitable products and provision of in-time technical services. Therefore, the Company will offer the best solutions for its customers.

### **III. Future development strategy**

- (I) Based on the five major technical areas including probers, sorting, photoelectric testing, imaging detection and automated equipment, we provide complete testing application solutions to meet the need for mass production of new leading products of the photoelectric and semiconductor industries.
- (II) In the application field of semiconductor engineering testing, the Company capitalizes on its core technologies of micro-signal, high frequency, high power and high-temperature/low-temperature measurement to attain more advanced and higher level technologies in its products, thereby increasing product competitiveness.
- (III) It continues to explore the semiconductor market with its core temperature control technology and extends the temperature test systems to non-electronic markets such as aerospace, automobile, 5G/RF telecommunication, sensor, optical fiber for data center, etc.
- (IV) In line with the growth of multi-functional chips that address the user-end demands for faster, multi-functional, intelligent and more energy-efficient electronic products, the Company has set the technology development roadmap to satisfy market demands and ensure competitiveness with the development of high-pin-count and low-pin-pressure probe cards and the high-current-withstanding fast-transmission fine-pitch probe cards.

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

The geopolitical issues have led the semiconductor industry from globalization to regionalization where governments introduce policies to incentivize local production of semiconductors. Not only did the US enact the Chips and Science Act that aims to strengthen the local production and R&D of semiconductors in the US and increase its self-production rate, but the EU is expected to introduce the European Chips Act and seek partnership with third countries to ensure supply of semiconductors within EU and its leadership in technology. As the US-China trade war lasts, China has redirected to increase its domestic self-production rate of semiconductors, posing different levels of impact on the

semiconductor industry. MPI Corporation as an internationally renowned probe card manufacturer will emphasize on opportunities in the globe by increasing the number of overseas sales offices. It is currently seeing a growing trend in its market shares and visibility of all product lines in the global market. MPI Corporation is therefore able to gain a better understanding about customers' needs through this comprehensive globalization strategy and provide more stable and higher quality customization services to its customers.

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 Audit Committee's Review Report

The Company's 2022 standalone financial statements and consolidated financial statements submitted by the Board of Directors have been audited by CPAs Chen, Chih-Ling and Chen, Yi-Ling of Nexia Sun Rise CPAs & Co., who believe that these statements present fairly, in all material respects, the financial position, the financial performance and the cash flows of the Company. We, the Audit Committee, also reviewed the business report and motion for earnings allocation submitted together with the financial statements. We hereby recognize said report and statements after conducting the audit on them pursuant to Article 219 of the Company Act and Article 14-4 of Securities and Exchange Act.

To:  
MPI Corporation 2022 Annual General Meeting

MPI Corporation

Convener of Audit Committee: Hsu, Mei-Fang

March 10, 2023

## Attachment III

# Independent Accountants' Audit Report

## To the Board of Directors and Stockholders of MPI Corporation

### Opinion

We have audited the accompanying financial statements of MPI CORPORATION (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021 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, 2022 and 2021, 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 the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Accountants' 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 accountants, 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, 2022. 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, 2022 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 (18) of Note 6 and Note 9 Statement 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 (15) 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 (5) of Note 6 of Individual Financial Statements. The Company recognize inventories amounting to NT\$3,050,415 thousand and allowance for inventories amounting to NT\$500,137 thousand. The book value of the Company's inventories as December 31, 2022 was NT\$2,550,278 thousand and accounted 24% of the total assets in the parent company only 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 CPA(s) believes that the inventory valuation and obsolescence loss is one of the key audit matters of the year.

#### Audit Procedures in Response

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

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

#### **Other Matter-Making Reference to the Audits of Component Auditors**

As stated in the individual financial statements (6) 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\$(12,724) thousand and NT\$(66,487) thousand. Insofar as it related to the investments accounted for under the equity method balances of NT\$86,875 thousand and NT\$92,892 thousand as of December 31, 2022 and December 31, 2021.

#### **Responsibilities of Management and Those Charged with Governance for the Parent Company Only 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 audit committee, are responsible for overseeing the Company's financial reporting process.

#### **Accountants' 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 accountants' 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 Standards on Auditing of 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 the Standards on Auditing of 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 accountants' 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 accountants' 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, 2022 and are therefore the key audit matters. We describe these matters in our accountants' 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.

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NEXIA Sun Rise CPAs & Company  
Taipei, Taiwan, Republic of China  
March 10, 2023

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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 accountants' 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 accountants' report and financial statements shall prevail.

**MPI CORPORATION**  
**BALANCE SHEETS (ASSETS)**  
**DECEMBER 31, 2022 AND 2021**

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

ASSETS	Note	December 31, 2022		December 31, 2021	
		Amounts	%	Amounts	%
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	6(1)	\$ 1,352,540	13	\$ 657,007	7
Financial assets at fair value through profit or loss – current	6(14)	-	-	68	-
Accounts receivable, net	6(4)	436,997	4	607,289	6
Accounts receivable -related parties, net	6(4).7	1,101,914	11	911,176	10
Other receivables		14,896	-	11,394	-
Other receivables -related parties	7	41,169	1	36,877	-
Inventories, net	6(5)	2,550,278	24	2,424,715	25
Prepayments		40,835	-	43,262	1
Other current assets		380	-	252	-
Total Current Assets		<u>5,539,009</u>	<u>53</u>	<u>4,692,040</u>	<u>49</u>
<b>NONCURRENT ASSETS</b>					
Financial assets at fair value through other comprehensive income – non-current	6(2)	185,738	2	166,460	2
Investments accounted for using equity method	6(6)	1,075,734	10	956,974	10
Property, plant and equipment	6(7).7.8	3,243,863	31	3,315,712	35
Right-of-use assets	6(8)	108,737	1	114,654	1
Intangible assets	6(9)	33,697	-	19,943	-
Deferred income tax assets	6(20)	128,440	1	118,926	1
Other noncurrent assets	6(10).8	234,269	2	169,845	2
Total Noncurrent Assets		<u>5,010,478</u>	<u>47</u>	<u>4,862,514</u>	<u>51</u>
<b>TOTAL ASSETS</b>		<u>\$ 10,549,487</u>	<u>100</u>	<u>\$ 9,554,554</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, 2022 AND 2021**

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

LIABILITIES AND EQUITY	Note	December 31, 2022		December 31, 2021	
		Amounts	%	Amounts	%
<b>CURRENT LIABILITIES</b>					
Short-term loans	6(11)	\$ -	-	\$ 100,000	1
Contract liabilities – current	6(18).7	554,316	5	573,317	6
Accounts payable		498,628	5	531,016	6
Accounts payable-related parties	7	12,760	-	10,831	-
Payables on equipment		60,029	1	59,870	1
Other payables	6(12)	989,091	10	779,209	8
Other payables-related parties	7	28,431	-	23,881	-
Income tax payable		217,435	2	115,673	1
Provisions-current	6(13)	12,696	-	11,955	-
Lease liabilities – current	6(8)	42,070	-	39,049	1
Corporate bonds payable – current portion	6(14)	-	-	9,536	-
Current portion of long-term loans	6(15)	103,740	1	6,978	-
Other current liabilities		13,703	-	14,817	-
Total Current Liabilities		<u>2,532,899</u>	<u>24</u>	<u>2,276,132</u>	<u>24</u>
<b>NONCURRENT LIABILITIES</b>					
Long-term loans	6(15)	1,024,162	10	1,127,902	12
Provisions-non-current	6(13)	1,317	-	2,684	-
Deferred income tax liabilities	6(20)	9,525	-	10,292	-
Lease liabilities – non-current	6(8)	67,675	1	76,530	1
Net defined benefit liability	6(16)	26,985	-	21,343	-
Other noncurrent liabilities		1,457	-	1,356	-
Total Noncurrent Liabilities		<u>1,131,121</u>	<u>11</u>	<u>1,240,107</u>	<u>13</u>
<b>TOTAL LIABILITIES</b>		<u>3,664,020</u>	<u>35</u>	<u>3,516,239</u>	<u>37</u>
<b>EQUITY</b>					
6(17)					
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT</b>					
Capital common stock		942,311	9	940,738	10
Capital surplus		1,744,545	17	1,736,500	18
Retained earnings					
Appropriated as legal capital reserve		779,739	7	710,848	7
Appropriated as special capital reserve		80,205	1	79,234	1
Unappropriated earnings		3,418,520	32	2,651,200	28
Total Retained Earnings		<u>4,278,464</u>	<u>40</u>	<u>3,441,282</u>	<u>36</u>
Other					
Foreign currency translation adjustments		(55,687)	(1)	(78,665)	(1)
Unrealized gain(loss) on financial assets at fair value through other comprehensive income-parent company	6(2)	(23,302)	-	(1,540)	-
Unrealized gain(loss) on financial assets at fair value through other comprehensive income-subsidiaries accounted for using equity method	6(6)	(864)	-	-	-
Total others		<u>(79,853)</u>	<u>(1)</u>	<u>(80,205)</u>	<u>(1)</u>
<b>TOTAL EQUITY</b>		<u>6,885,467</u>	<u>65</u>	<u>6,038,315</u>	<u>63</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>\$ 10,549,487</u>	<u>100</u>	<u>\$ 9,554,554</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, 2022 and 2021

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

Items	Note	January 1 ~ December 31, 2022		January 1 ~ December 31, 2021	
		Amounts	%	Amounts	%
<b>OPERATING REVENUE, NET</b>	6(18).7				
Sales revenue		\$ 6,247,577	100	\$ 5,566,991	100
Less: sales returns		(2,026)	-	(7,530)	-
sales discounts and allowances		(144)	-	(475)	-
Operating Revenue, net		6,245,407	100	5,558,986	100
<b>OPERATING COSTS</b>	6(5).7	(3,510,128)	(56)	(3,301,503)	(59)
<b>GROSS PROFIT</b>		2,735,279	44	2,257,483	41
Unrealized Gross profit on sales to subsidiaries and associates		(11,898)	-	(20,534)	-
Realized Gross profit on sales to subsidiaries and associates		19,589	-	19,064	-
<b>GROSS PROFIT, NET</b>		2,742,970	44	2,256,013	41
<b>OPERATING EXPENSES</b>					
Selling expenses		(610,669)	(10)	(492,924)	(9)
General & administrative expenses		(361,509)	(6)	(327,454)	(6)
Research and development expenses	6(9)	(708,047)	(11)	(722,154)	(13)
Expected Credit (losses) gains	6(4)	560	-	3,999	-
Operating expenses, net		(1,679,665)	(27)	(1,538,533)	(28)
<b>OPERATING INCOME</b>		1,063,305	17	717,480	13
<b>NON-OPERATING INCOME AND EXPENSES</b>					
Other gains and losses, net	6(19)	132,360	2	(18,256)	-
Finance costs	6(19)	(11,436)	-	(5,402)	-
Share of profits of subsidiaries and associates	6(6)	126,980	2	11,452	-
Interest income	6(19)	2,901	-	682	-
Rent income	6(8)	20,111	-	14,783	-
Dividend income		1,399	-	-	-
Other non-operating revenue-other items		88,108	1	74,369	1
Total Non-operating Income and Expenses		360,423	5	77,628	1
<b>INCOME BEFORE INCOME TAX</b>		1,423,728	22	795,108	14
<b>INCOME TAX EXPENSE</b>	6(20)	(210,103)	(3)	(101,257)	(2)
<b>NET INCOME</b>		1,213,625	19	693,851	12
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>					
Items that are not to be reclassified to profit or loss					
Re-measurements from defined benefit plans		(129)	-	(9,902)	-
Unrealized gain(losses) on valuation of equity instruments at fair value through other comprehensive income	6(2)	(21,762)	-	(1,540)	-
Share of re-measurements from defined benefit plans of subsidiaries and associates		-	-	4,955	-
Share of Unrealized gain(losses) on valuation of equity instruments at fair value through other comprehensive income of subsidiaries and associates	6(6)	(864)	-	-	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences arising on translation of foreign operations		22,978	-	569	-
Other comprehensive income (loss) for the year, net of income tax		223	-	(5,918)	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		\$ 1,213,848	19	\$ 687,933	12
<b>EARNINGS PER COMMON SHARE(NTD)</b>	6(21)	After-tax		After-tax	
Basic earnings per share		\$ 12.89		\$ 7.44	
Diluted earnings per share		\$ 12.74		\$ 7.38	

(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 ,2022 and 2021  
(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	Unrealised gain(losses) on financial assets at fair value through other comprehensive income	
BALANCE,JANUARY,1,2021	\$ 920,802	\$ 1,630,283	\$ 639,975	\$ 68,477	\$ 2,459,642	\$ (79,234)	\$ -	\$ 5,639,945
Legal capital reserve			70,873		(70,873)			-
Special capital reserve				10,757	(10,757)			-
Cash Dividends of Common Stock					(415,716)			(415,716)
Capital Reserve From Stock Warrants		115,466						115,466
Other changes in capital surplus		(9,249)						(9,249)
Net Income in 2021					693,851			693,851
Other comprehensive income (loss) in 2021, net of income tax					(4,947)	569	(1,540)	(5,918)
Total comprehensive income (loss) in 2021					688,904	569	(1,540)	687,933
Convertible Bonds Transferred To Common Stock	19,936				-			19,936
BALANCE,DECEMBER,31,2021	\$ 940,738	\$ 1,736,500	\$ 710,848	\$ 79,234	\$ 2,651,200	\$ (78,665)	\$ (1,540)	\$ 6,038,315
BALANCE,JANUARY,1,2022	\$ 940,738	\$ 1,736,500	\$ 710,848	\$ 79,234	\$ 2,651,200	\$ (78,665)	\$ (1,540)	\$ 6,038,315
Legal capital reserve			68,891		(68,891)			-
Special reserve				971	(971)			-
Cash Dividends of Common Stock					(376,314)			(376,314)
Capital Reserve From Stock Warrants		8,732						8,732
Other changes in capital surplus		(687)						(687)
Net Income in 2022					1,213,625			1,213,625
Other comprehensive income (loss) in 2022, net of income tax					(129)	22,978	(22,626)	223
Total comprehensive income (loss) in 2022					1,213,496	22,978	(22,626)	1,213,848
Convertible Bonds Transferred To Common Stock	1,573							1,573
BALANCE,DECEMBER,31,2022	\$ 942,311	\$ 1,744,545	\$ 779,739	\$ 80,205	\$ 3,418,520	\$ (55,687)	\$ (24,166)	\$ 6,885,467

(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, 2022 and 2021  
(All amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Items	Jan 1 ~ Dec 31, 2022	Jan 1 ~ Dec 31, 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 1,423,728	\$ 795,108
Adjustments to reconcile net income to net cash		
Depreciation	367,477	355,705
Amortization	49,774	52,875
Expected credit loss(gain)	(560)	(3,999)
(Gain) loss on Financial Assets (Liabilities) at Fair Value through Profit or Loss	48	241
Interest expense	11,436	5,402
Interest revenue	(2,901)	(682)
Dividend income	(1,399)	-
Loss (gain) on equity-method investments	(126,980)	(11,452)
(Gain) loss on disposal of property, plant and equipment	6,882	9,467
Unrealized gross profit on sales to subsidiaries and associates	11,898	20,534
Realized gross profit on sales to subsidiaries and associates	(19,589)	(19,064)
(Gain) loss on lease modification	(211)	(169)
Rent concessions	-	(479)
Net changes in operating assets and liabilities		
Net changes in operating assets		
Decrease (Increase) in accounts receivable	170,852	58,806
Decrease (Increase) in accounts receivable-related parties	(190,737)	(275,944)
Decrease (Increase) in other receivables	(2,919)	1,762
Decrease (Increase) in other receivables-related parties	(4,293)	1,476
Decrease (Increase) in inventories	(125,563)	(107,973)
Decrease (Increase) in prepayments	2,427	(3,229)
Decrease (Increase) in other current assets	(128)	123
Net changes in operating liabilities		
(Decrease) Increase in contract liabilities	(19,000)	89,744
(Decrease) Increase in accounts payable	(32,389)	51,965
(Decrease) Increase in accounts payable-related parties	1,929	8,511
(Decrease) Increase in other accounts payable	209,641	48,318
(Decrease) Increase in other accounts payable-related parties	6,421	8,504
(Decrease) Increase in provision of liabilities	(626)	4,146
(Decrease) Increase in other current liabilities	(1,114)	1,879
( Decrease)Increase in net defined benefit liability	5,512	(3,834)
Cash generated from operations	1,739,616	1,087,741
Interest received	2,319	674
Interest paid	(9,209)	(2,670)
Cash dividends paid	(376,314)	(415,716)
Income taxes paid	(118,621)	(105,870)
Net cash Provided By Operating Activities	1,237,791	564,159

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## **Independent Accountants' Audit Report**

### **TO the Board of Directors and Stockholders of 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, 2022 and 2021, 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, 2022 and 2021, 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 the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Accountants' 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. Base on our audits and the reports of other accountants, 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, 2022. 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, 2022 were as follows:

## **1. Revenue Recognition**

### Matter Description

Regarding the accounting policy of revenue recognition, please refer to (27) of Note 4 of the Consolidated Financial Statements. Regarding relevant disclosure, please refer to (17) of Note 6.

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 (17) of Note 4 of Consolidated Financial Statements. Regarding significant accounting judgments, estimations, and assumptions of inventory valuation, please refer to Note 5 of Consolidated Financial Statements. Regarding descriptions of inventory accounting items, please refer to (5) of Note 6 of consolidated Financial Statements. The

Group recognize inventories amounting to NT\$3,262,465 thousand and allowance for inventories amounting to NT\$515,066 thousand. The book value of the Group's inventories as December 31, 2022 was NT\$2,747,399 thousand and accounted 25% 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 Group'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 CPA(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 2022 and 2021. 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\$693,720 thousand and NT\$653,494 thousand or accounted for 6.36% and 6.63% of the consolidated total assets as of December 31, 2022 and 2021, respectively. As of January 1 to

December 31, 2022 and 2021, had net operating revenue amounted to NT\$1,232,875 thousand and NT\$917,927 thousand, or accounted for 16.57% and 14.10% 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, 2022 and 2021 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 audit committee, are responsible for overseeing the Group's financial reporting process.

### **Accountants' 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 accountants' 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 Standards on Auditing of 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 Standards on Auditing of 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 accountants' 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 accountants' 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, 2022 and are therefore the key audit matters. We describe these matters in our accountants' 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.

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

March 10, 2023

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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 accountants' 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 accountants' report and consolidated financial statements shall prevail.

## MPI CORPORATION AND SUBSIDIARIES

### CONSOLIDATED BALANCE SHEETS (ASSETS)

DECEMBER 31, 2022 AND 2021

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

ASSETS	Note	December 31, 2022		December 31, 2021	
		Amounts	%	Amounts	%
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	6(1)	\$ 2,382,315	22	\$ 1,324,292	14
Financial assets at fair value through profit or loss-current	6(13)	-	-	68	-
Notes receivable, net	6(3)	66,549	1	170,531	2
Accounts receivable, net	6(4)	1,056,816	10	1,213,429	12
Other receivables		17,083	-	12,480	-
Income tax receivable		2,626	-	27	-
Inventories, net	6(5)	2,747,399	25	2,574,596	26
Prepayments		101,942	1	119,654	1
Other current assets	8	33,663	-	14,977	-
Total Current Assets		<u>6,408,393</u>	<u>59</u>	<u>5,430,054</u>	<u>55</u>
<b>NONCURRENT ASSETS</b>					
Financial assets at fair value through other comprehensive income-non-curr	6(2)	195,026	2	166,460	2
Property, plant and equipment	6(6).8	3,427,432	31	3,532,459	36
Right-of-use assets	6(7)	184,836	2	160,287	2
Intangible assets	6(8)	287,792	3	253,555	2
Deferred income tax assets	6(19)	147,540	1	125,092	1
Other noncurrent assets	6(9).8	251,912	2	189,562	2
Total Noncurrent Assets		<u>4,494,538</u>	<u>41</u>	<u>4,427,415</u>	<u>45</u>
<b>TOTAL ASSETS</b>		<u>\$ 10,902,931</u>	<u>100</u>	<u>\$ 9,857,469</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, 2022 AND 2021**

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

LIABILITIES AND EQUITY	Note	December 30, 2022		December 31, 2021	
		Amounts	%	Amounts	%
<b>CURRENT LIABILITIES</b>					
Short-term loans	6(10)	\$ -	-	\$ 100,000	1
Contract liabilities – current	6(17)	659,714	6	677,836	7
Notes payable		4,112	-	5,765	-
Accounts payable		523,838	5	556,434	5
Payables on equipment		60,141	1	61,003	1
Other payables	6(11)	1,095,552	10	896,463	9
Income tax payable		239,093	2	130,842	1
Provisions – current	6(12)	12,696	-	11,955	-
Lease liabilities – current	6(7)	70,387	1	59,883	1
Corporate bonds payable-current portion	6(13)	-	-	9,536	-
Current portion of long-term loans	6(14)	110,676	1	10,605	-
Other current liabilities		17,709	-	17,746	-
Total Current Liabilities		<u>2,793,918</u>	<u>26</u>	<u>2,538,068</u>	<u>25</u>
<b>NONCURRENT LIABILITIES</b>					
Long-term loans	6(14)	1,038,813	10	1,134,893	12
Provisions – non-current	6(12)	1,317	-	2,684	-
Deferred income tax liabilities	6(19)	29,708	-	10,921	-
Lease liabilities – non-current	6(7)	116,740	1	101,708	1
Net defined benefit liability	6(15)	26,985	-	20,037	-
Other noncurrent liabilities		1,457	-	1,356	-
Total Noncurrent Liabilities		<u>1,215,020</u>	<u>11</u>	<u>1,271,599</u>	<u>13</u>
<b>TOTAL LIABILITIES</b>		<u>4,008,938</u>	<u>37</u>	<u>3,809,667</u>	<u>38</u>
<b>EQUITY</b>	6(16)				
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT</b>					
Capital common stock		942,311	9	940,738	10
Capital surplus		1,744,545	16	1,736,500	18
Retained earnings					
Appropriated as legal capital reserve		779,739	7	710,848	7
Appropriated as special capital reserve		80,205	1	79,234	1
Unappropriated earnings		3,418,520	31	2,651,200	27
Total Retained Earnings		<u>4,278,464</u>	<u>39</u>	<u>3,441,282</u>	<u>35</u>
Others					
Foreign currency translation adjustments		(55,687)	(1)	(78,665)	(1)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	6(2)	(24,166)	-	(1,540)	-
Total others		<u>(79,853)</u>	<u>(1)</u>	<u>(80,205)</u>	<u>(1)</u>
Equity attributable to shareholders of the parent		<u>6,885,467</u>	<u>63</u>	<u>6,038,315</u>	<u>62</u>
<b>NONCONTROLLING INTERESTS</b>		8,526	-	9,487	-
<b>TOTAL EQUITY</b>		<u>6,893,993</u>	<u>63</u>	<u>6,047,802</u>	<u>62</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>\$ 10,902,931</u>	<u>100</u>	<u>\$ 9,857,469</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, 2022 and 2021

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

Items	Note	January 1 ~ December 31, 2022		January 1 ~ December 31, 2021	
		Amounts	%	Amounts	%
<b>OPERATING REVENUE, NET</b>	6(17)				
Sales revenue		\$ 7,238,461	97	\$ 6,155,664	94
Less: sales returns		(6,505)	-	(10,271)	-
sales discounts and allowances		(20,320)	-	(17,351)	-
Commission revenue		13,881	-	4,002	-
Processing Fees revenue		213,658	3	376,681	6
Operating Revenue, net		7,439,175	100	6,508,725	100
<b>OPERATING COSTS</b>	6(5)	(4,031,096)	(54)	(3,765,309)	(58)
<b>GROSS PROFIT, NET</b>		3,408,079	46	2,743,416	42
<b>OPERATING EXPENSES</b>					
Selling expenses		(897,710)	(12)	(728,840)	(11)
General & administrative expenses		(518,242)	(7)	(463,275)	(7)
Research and development expenses	6(8)	(747,551)	(10)	(744,766)	(12)
Expected Credit (losses)gains	6(4)	(1,573)	-	1,083	-
Operating expenses, net		(2,165,076)	(29)	(1,935,798)	(30)
<b>OPERATING INCOME</b>		1,243,003	17	807,618	12
<b>NON-OPERATING INCOME AND EXPENSES</b>					
Other gains and losses, net	6(18)	149,559	2	(25,103)	-
Finance costs	6(18)	(13,766)	-	(6,799)	-
Interest income	6(18)	5,177	-	5,558	-
Rent income	6(7)	16,356	-	10,924	-
Dividend income		1,399	-	-	-
Other non-operating revenue-other items		39,147	-	36,544	1
Total Non-operating Income and Expenses		197,872	2	21,124	1
<b>INCOME BEFORE INCOME TAX</b>		1,440,875	19	828,742	13
<b>INCOME TAX EXPENSE</b>	6(19)	(228,613)	(3)	(133,284)	(2)
<b>NET INCOME</b>		1,212,262	16	695,458	11
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>					
Items that are not to be reclassified to profit or loss					
Re-measurements from defined benefit plans		(129)	-	(4,947)	-
Unrealized gain (losses) on financial assets at fair value through other comprehensive income	6(2)	(22,626)	-	(1,540)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences arising on translation of foreign operations		23,380	-	(524)	-
Other comprehensive income (loss) for the year, net of income tax		625	-	(7,011)	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		\$ 1,212,887	16	\$ 688,447	11
<b>NET INCOME (LOSS) ATTRIBUTABLE TO :</b>					
Shareholders of the parent		\$ 1,213,625	16	\$ 693,851	11
Non-controlling interests		(1,363)	-	1,607	-
		\$ 1,212,262	16	\$ 695,458	11
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>					
Shareholders of the parent		\$ 1,213,848	16	\$ 687,933	11
Non-controlling interests		(961)	-	514	-
		\$ 1,212,887	16	\$ 688,447	11
<b>EARNINGS PER COMMON SHARE (NTD)</b>	6(20)				
Basic earnings per share		\$ 12.89		\$ 7.44	
Diluted earnings per share		\$ 12.74		\$ 7.38	

(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, 2022 and 2021

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

Items	Capital		Retained Earnings			Others		Total	Non-controlling Interests	Total Equity
	Common Stock	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Foreign Currency Translation Reserve	Unrealized gain (losses) on financial assets at fair value through other comprehensive income			
BALANCE, JANUARY, 1, 2021	\$ 920,802	\$ 1,630,283	\$ 639,975	\$ 68,477	\$ 2,459,642	\$ (79,234)	\$ -	\$ 5,639,945	\$ 8,973	\$ 5,648,918
Legal capital reserve			70,873		(70,873)			-		-
Special capital reserve				10,757	(10,757)			-		-
Cash Dividends of Common Stock					(415,716)			(415,716)		(415,716)
Capital Reserve From Stock Warrants		115,466						115,466		115,466
Other changes in capital surplus		(9,249)						(9,249)		(9,249)
Net Income in 2021					693,851			693,851	1,607	695,458
Other comprehensive income (loss) in 2021, net of income tax					(4,947)	569	(1,540)	(5,918)	(1,093)	(7,011)
Total comprehensive income (loss) in 2021	-	-	-	-	688,904	569	(1,540)	687,933	514	688,447
Convertible Bonds Transferred To Common Stock	19,936	-						19,936		19,936
BALANCE, DECEMBER, 31, 2021	\$ 940,738	\$ 1,736,500	\$ 710,848	\$ 79,234	\$ 2,651,200	\$ (78,665)	\$ (1,540)	\$ 6,038,315	\$ 9,487	\$ 6,047,802
BALANCE, JANUARY, 1, 2022	\$ 940,738	\$ 1,736,500	\$ 710,848	\$ 79,234	\$ 2,651,200	\$ (78,665)	\$ (1,540)	\$ 6,038,315	\$ 9,487	\$ 6,047,802
Legal capital reserve			68,891		(68,891)			-		-
Special capital reserve				971	(971)			-		-
Cash Dividends of Common Stock					(376,314)			(376,314)		(376,314)
Capital reserve from stock warrants		8,732						8,732		8,732
Other changes in capital surplus		(687)						(687)		(687)
Net Income in 2022					1,213,625			1,213,625	(1,363)	1,212,262
Other comprehensive income (loss) in 2022, net of income tax					(129)	22,978	(22,626)	223	402	625
Total comprehensive income (loss) in 2022	-	-	-	-	1,213,496	22,978	(22,626)	1,213,848	(961)	1,212,887
Convertible Bonds Transferred To Common Stock	1,573	-						1,573		1,573
BALANCE, DECEMBER, 31, 2022	\$ 942,311	\$ 1,744,545	\$ 779,739	\$ 80,205	\$ 3,418,520	\$ (55,687)	\$ (24,166)	\$ 6,885,467	\$ 8,526	\$ 6,893,993

(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, 2022 and 2021

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

Items	Jan 1 ~ Dec 31, 2022	Jan 1 ~ Dec 31, 2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 1,440,875	\$ 828,742
Adjustments to reconcile net income to net cash		
Depreciation	465,795	436,889
Amortization	59,454	59,761
Expected Credit loss (gain)	1,573	(1,083)
(Gain) loss on Financial Assets (Liabilities) at Fair Value through Profit or L	48	241
Interest expense	13,766	6,799
Interest revenue	(5,177)	(5,558)
Dividend income	(1,399)	-
(Gain) loss on disposal of property, plant and equipment	(297)	13,323
(Gain) loss on lease modification	(419)	(410)
Rent concessions	(138)	(479)
Net changes in operating assets and liabilities		
Net changes in operating assets		
Decrease (Increase) in notes receivable	103,982	(90,215)
Decrease (Increase) in accounts receivable	154,224	(111,723)
Decrease (Increase) in other receivables	(4,021)	4,428
Decrease (Increase) in inventories	(172,803)	(90,311)
Decrease (Increase) in prepayments	17,712	13,321
Decrease (Increase) in other current assets	(702)	(657)
Net changes in operating liabilities		
(Decrease) Increase in contract liabilities	(18,121)	(1,481)
(Decrease) Increase in notes payable	(1,653)	(10,758)
(Decrease) Increase in accounts payable	(32,596)	29,119
(Decrease) Increase in other accounts payable	198,849	92,465
(Decrease) Increase in provision for liabilities	(626)	4,146
(Decrease) Increase in other current liabilities	(36)	1,608
(Decrease) Increase in net defined benefit liability	6,818	(930)
Cash generated from operations	2,225,108	1,177,237
Interest received	4,595	5,551
Interest paid	(9,518)	(2,786)
Cash dividend paid	(376,314)	(415,716)
Income taxes paid	(126,622)	(122,946)
Net cash Provided By (Used In) Operating Activities	1,717,249	641,340

(Continue)

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

From January 1 to December 31, 2022 and 2021

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

Items	Jan 1 ~ Dec 31, 2022	Jan 1 ~ Dec 31, 2021
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of financial assets at fair value through other comprehensive income	(51,192)	(168,000)
Acquisition of subsidiaries (deduction of cash received)	-	(272,560)
Acquisition of property, plant and equipment	(291,410)	(762,140)
Proceeds from disposal of property, plant and equipment	21,132	8,475
Acquisition of intangible assets	(48,933)	(18,985)
Increase in other financial assets	(19,738)	(3,865)
Increase in other non-current assets	(79,896)	-
Decrease in other non-current assets	-	64,917
Cash dividends received	1,399	-
Net cash Provided By (Used In) Investing Activities	<u>(468,638)</u>	<u>(1,152,158)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term loans	-	100,000
Decrease in short-term loans	(100,000)	-
Issuance of long-term loans	3,991	370,339
Increase in Guarantee Deposits Received	101	1,260
Cash payments for the principal portion of the lease liability	(86,895)	(81,092)
Increase (decrease) in non-controlling interests	402	(1,093)
Net cash Provided By (Used In) Financing Activities	<u>(182,401)</u>	<u>389,414</u>
Effects of exchange rate change on cash	<u>(8,187)</u>	<u>429</u>
Net increase (decrease) in cash and cash equivalents	1,058,023	(120,975)
Cash and cash equivalents at beginning of year	<u>1,324,292</u>	<u>1,445,267</u>
Cash and cash equivalents at end of year	<u>\$ 2,382,315</u>	<u>\$ 1,324,292</u>

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

**MPI Corporation**  
**2022 Earnings Distribution Plan**

Unit: NTD \$

Items	Amount	
	Subtotal	Total
Unallocated earnings at the beginning		\$ 2,205,024,603
Less: Other comprehensive income (actuarial gains or losses on defined benefit plan for the year 2022)	(129,173)	
Add: Net profit after tax for the year 2022	1,213,625,357	
Subtotal:		3,418,520,787
Provision:		
Less: Provision of legal reserve (10%)	(121,349,618)	
Add: Reversal of special reserve (Addition to equity - exchange differences on translating foreign operations)	22,978,197	
Less: Provision of special reserve (Deduction of equity - unrealized gains or losses on valuation of financial assets at fair value through other comprehensive income)	(22,626,060)	
Subtotal of allocable earnings:		3,297,523,306
Earnings to be allocated upon resolution of the Board of Directors:		
Distributable items:		
Shareholder bonus - cash	(659,617,742)	
Shareholder bonus - stock	( 0)	
Unappropriated retained earnings		\$ 2,637,905,564

Chairman: Ko, Chang-Lin

President: Scott Kuo

Chief Accounting Officer: Rose Jao

## 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. JE01010 Rental and Leasing
  - 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's shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority. 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 Four Directors and Audit Committee

- Article XII: 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 re-elected. 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 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 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 to the Audit Committee. The Company shall take out directors 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. 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 and directors shall commensurate with their level of participation and contribution to the operation of the Company with reference to domestic and international industry standards, 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 general manger and deputy general managers.
  - XIII. Execution of the resolutions of the General Meeting of Shareholders.
  - XIV. Review and approval of the proposals from the general manager.
  - XV. Convention of the General Meeting of Shareholders and report on operation.
  - XVI. Any other duties to be performed under law.

## Chapter V Managers

- Article XVII: The Company may have several managers and the appointment and dismissal of whom shall be carried out pursuant to Article 29 of the Company Act.

## Chapter Six Accounting

- Article XVIII: At the end of the fiscal year, the Board shall prepare (I) Business Report; (II) Financial statements; (III) the proposal for earnings distribution or loss make-up, and submit them to the Annual General Meeting for ratification through the procedures

required by laws.

Article XIX: 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. The remuneration to employees may be paid in the form of stock or cash. Employees entitled to receive the distribution include 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 a 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.

If balance is distributed by issuing new shares, it shall be made upon approval by the shareholder's meeting.

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: 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 shareholders' meeting 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 Seven 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 for the 16th instance was made 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 instance was made on June 11, 2019.  
Amendment for the 23rd instance was made on June 15, 2020.  
Amendment for the 24th instance was made on June 15, 2022.

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.

Changes to how the Company convenes its shareholders meeting shall be resolved by the Board of Directors, and shall be made no later than when the shareholders meeting notice is mailed out.

The Company shall compile an electronic file that contains the meeting advice, a proxy form, a detailed agenda of topics to be acknowledged or discussed during the meeting, and notes on the re-election or dismissal of directors and post it onto the Market Observation Post System (MOPS) at least 30 days before an annual general meeting, or 15 days before an extraordinary shareholder meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, the Company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby. The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

1. For physical shareholders meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

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. Election or dismissal of directors, amendments to Articles of Incorporation, capital reduction, application for termination of public offering, relief of directors from non-competition restriction, recapitalization of earnings, recapitalization of capital surplus, dissolution, merger or divestment of the Company, and any issues listed in Paragraph 1, Article 185 of The Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, and Articles 56-1 and 60-2 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers, and the main contents thereof, must be notified in advance as part of the meeting agenda, and can not be raised in the form of an extraordinary motion.

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.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. 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. Any proposal which the shareholder may submit to urge the Company to enhance the public interest or fulfill its social responsibility shall be confined to only one issue according to Article 172-1 of the Company Act procedurally. Additional proposals will not be included into the agenda of the meeting.

The Company shall, by the book closure date before the date of an annual general meeting, announce the opening of proposal submission from shareholders, acceptance of submission in writing or in an electronic form, 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. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company five days before the date of the shareholders meeting.

When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

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.

If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

**Article IV:** The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked

and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attending the shareholders meeting in person. 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. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. 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.

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

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article IV-I: To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
  - (1) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
  - (2) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
  - (3) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on a meeting agenda of that shareholders meeting.
  - (4) Actions to be taken if the outcome of all proposals has been announced and an extraordinary motion has not been carried out.

3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

Article V: Attendance at shareholders meetings shall be calculated based on the number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

Article VI: The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.  
The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

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 Company shall make an audio and video recording of the whole meeting, and the recorded materials shall be 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.  
Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.  
The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article X: The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article XI: If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting. However, any change to the order of the agenda may be made by the chair. 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. 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.

- 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 an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.  
Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulation in preceding paragraphs do not apply.  
As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.
- 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, voting rights can be exercised using the electronic method or in writing. Instructions for exercising voting rights in writing or using the electronic form must be clearly stated in the notice for the shareholders' meeting. Shareholders casting their votes in written or electronic means shall be deemed attending the meeting in person but votes on extraordinary motions or amendment to original motions shall be deemed their abstention from voting of these motions. For this reason, the Company should avoid proposing extraordinary motions and amendments to the original motions where possible.

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.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. 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: Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.  
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.  
When the Company convenes a virtual shareholders meeting, after the chair declares

the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 4 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

**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:** The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.

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:** The meeting minutes shall be signed or sealed by the chair of the meeting, and a copy shall be distributed to each shareholder within 20 days after the conclusion of 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 chairperson, method of resolution, the process of discussion, the summary and voting result (including statistic votes). In the event of an election of directors, the number of votes won by each candidate shall be disclosed. The same shall be stored as the Company exists.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters,

accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

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:** On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means,

and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform.

The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during 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:** In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article XXVIII: When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article XXIX: In the event of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve technical communication issues.

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Paragraph 4, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in the second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and no postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Paragraph 3, Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Paragraph 2, Article 44-5, Article 44-15, and Paragraph 1, Article 44-17 of the Regulations Governing the Administration of

Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

Article XXX: When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

Article XXXI: This Procedure was established and enforced on March 5, 2001 by the resolution of the Board of Directors and the ratification of the Shareholders' Meeting. Subsequent amendments thereto shall be effected in the same manner.

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.

Amendment for the 7th instance was made on March 26, 2020 under the resolution of the Board of Directors and presented to the shareholders' meeting for ratification on June 15, 2020.

Amendment for the 8th instance was made on March 24, 2021 under the resolution of the Board of Directors and presented to the shareholders' meeting for ratification on June 15, 2021.

Amendment for the 9th instance was made on March 24, 2022 under the resolution of the Board of Directors and presented to the shareholders' meeting for ratification on June 15, 2022.

## Appendix III

### MPI Corporation Regulations for Election of Directors

- Article I: Except as otherwise provided by the Company Act and Securities and Exchange Act or by the Company's Articles of Incorporation, elections of directors and independent directors shall be conducted in accordance with these Regulations.
- Article II: The election of the Company's directors and independent directors shall be carried out by a shareholders' meeting.  
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.
- Article III: The cumulative voting method shall be adopted for the election of directors and independent directors of the Company. Each share will have voting rights in number equal to the directors and 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 and independent directors, those receiving ballots representing the highest numbers of voting rights will be elected as directors and independent directors 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 chair drawing lots on behalf of any person not in attendance.
- Article V: Elections of directors and independent directors at the Company shall be conducted in accordance with the candidate nomination system. The shareholder's meeting shall then elect from the list of candidates for directors and independent directors.  
The Company shall, prior to the share transfer suspension date dedicated before the meeting date of a shareholders' meeting, announce in a public notice, the period for accepting the nomination of director candidates, the quota of directors to be elected, the place designated for accepting the roster of director candidates nominated, and other necessary matters. The length of the period for accepting the nomination of director candidates shall not be shorter than ten (10) days.  
The Company's Board of Directors or any shareholder holding 1% or more of the total number of outstanding shares issued by the Company may submit to the Company in

writing a roster of director candidates, provided that the total number of director candidates so nominated shall not exceed the quota of the directors 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 elections of independent and non-independent director shall be held at the same time with voting rights separately calculated.

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) Where a blank election ballot is dropped into the ballot box.
- (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 and enacted on March 5, 2001 by the resolution of the Board of Directors and the ratification of the Shareholders' meeting.  
Subsequent amendments thereto shall be effected in the same manner.  
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.

Amendment for the 3rd instance was made on March 26, 2020 under the resolution of the Board of Directors and presented to the shareholders' meeting for ratification on June 15, 2020.

## Appendix IV

### MPI Corporation Current Shareholding of Directors

1. The Company's paid-in capital is NT\$942,311,060 with 94,231,106 shares outstanding .
2. In accordance with Article 26 of the Securities and Exchange Act and Article 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the minimum number of shares required to be held by the entire bodies of directors is 7,538,488 shares.
3. The numbers of shares held by the directors individually and by the entire bodies thereof as recorded in the shareholders' register as of the book closure date for this shareholders' meeting on April 17, 2023 were as follows:

Job title	Name	Number of shareholding (share)	Proportion of shareholding
Chairman	MPI Investment Co., Ltd. Corporate representative: Ko, Chang-Lin	8,334,626	8.84%
Director	MPI Investment Co., Ltd. Corporate representative: Steve Chen	8,334,626	8.84%
Director	MPI Investment Co., Ltd. Corporate representative: Scott Kuo	8,334,626	8.84%
Director	Liu, Fang-Sheng	255,471	0.27%
Director	Li, Tu-Cheng	469,349	0.50%
Director	Tsai, Chang-Shou	21,630	0.02%
Independent director	Hsu, Mei-Fang	244,441	0.26%
Independent director	Kao, Chin-Cheng	162,414	0.17%
Independent director	Liao, Da-Ying	0	0.00%
Number (shares) and proportion of shareholding by all Directors		9,487,931	10.06%

## 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.