

Stock Code:6223

MPI Corporation

General Shareholders' Meeting 2019

Parliamentary Procedure Handbook

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

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

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MPI Corporation

Agenda of 2019 General Shareholders' Meeting

- I. Announcement of Session
- II. Address of Chairman
- III. Points of Report
- IV. Points of Ratification
- V. Points of Discussion
- VI. Extempore Motions
- VII. Adjournment of Meeting

MPI Corporation

Procedure of 2019 General Shareholders' Meeting

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

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

Chairperson Remarks

- I. Reports:
 - 1. 2018 Operation Review.
 - 2. 2018 Supervisors Review Report.
 - 3. The report on allocation of remuneration to employees and directors/supervisors in 2018.
 - 4. The report on the reasons and related matters regarding the raising of the 4th domestic unsecured convertible corporate bond by the Company.
- II. Points of ratification:
 - 1. 2018 Operation Review and Financial Statements.
 - 2. 2018 Motion for allocation of earnings.
- III. Points of discussion:
 - 1. Amendment to the "Articles of Incorporation" of the Company.
 - 2. Amendment to the "Procedure for the Acquisitions or Dispositions of Assets" of the Company.
 - 3. Amendment to the "Procedures for Engaging in Derivatives Trading" of the Company.
 - 4. Amendment to the "Operating Procedure for Loaning to Others" of the Company.
 - 5. Amendment to the "Operating Procedure for Making Endorsement/Guarantee" of the Company.
- IV. Extempore Motion
- V. Adjournment of Meeting

I. Reports

- 1. 2018 Operation Review.
 - Note: Refer to Appendix I on p. 7-10 and of this handbook for information on 2018 operation review, financial report, and prospect of operation.
- 2. 2018 Supervisors' Review Report.
 - Note: Refer to Appendix II on p. 11 of this handbook for information on 2018 Supervisors Review Report.
- 3. The report on allocation of remuneration to employees and directors/supervisors in 2018.
 - Note: (I) According to Article 20 of the Articles of Incorporation, where there is profit in any fiscal year, 0.1% to 15% of the profit shall be appropriated as remuneration for employees and no more than 3% of the profit as remuneration for directors and supervisors.
 - (II) The profit before tax, excluding the remuneration for employees, directors and supervisors, were NT\$424,516,438 in 2018. We appropriated NT\$34,144,000 as the remuneration for employees and NT\$9,603,000 to the directors and supervisors after the approval of the resolution by the Board of Directors on March 18, 2019. All were distributed in cash.
- 4. The report on the reasons and related matters regarding the raising of the 4th domestic unsecured convertible corporate bond by the Company.
 - Note: (I) The whole amount of fund raised by the 4th domestic unsecured convertible corporate bond by the Company will be used for the loan payment to the bank. The proposal was approved by the Board of Directors in May 7, 2018 and was approved by the Financial Supervisory Commission by issuing the Letter Jin-Guan-Zheng-Fa-Zi No. 1070325999 on July 26, 2018. The five-year domestic unsecured convertible bonds has a par value of NT\$100,000 per share and the total issued amount is NT\$1,000,000,000.
 - (II) As of the last reception date for conversion of corporate bond (April 12, 2019), 367 corporate bond were repurchased and canceled with the total amount of NT\$36,700,000, 10 convertible corporate bonds with the total amount of NT\$1,000,000 were converted into common stocks and the remaining unconverted corporate bonds was NT\$962,300,000.
- II. Points of Ratification

Motion No. 1

Submitted by the Board

Cause of motion: Proposal for the ratification of the 2018 operation review and financial

statements.

- Note: (I) The Board of Directors has prepared and passed the operation review and financial statements of individual entities (including the consolidated financial statements) for fiscal year 2018. The financial statements for fiscal year 2018 have been audited by Wu, Kuei-Chen and Chen, Tsan-Huang, CPAs of Nexia Sun Rise CPAs & Co., with the issuance of unqualified opinions, subject to the final review of the supervisors. For details, please refer to Appendix III and Appendix IV on p. 12-36 of this handbook.
 - (II) This motion was approved by the Board of Directors in the 2nd meeting in 2019.

Resolution:

Motion No. 2

Submitted by the Board

Cause of motion: Proposal for the ratification of the motion for allocation of earnings for fiscal year 2018.

- Note: (I) MPI Corporation had corporate earnings amounting to NT\$334,562,485 in fiscal year 2018. Enclosed therein is the proposal for the distribution of income. For further information, please refer to Appendix V on p. 37 of this report.
 - (II) In consideration of subsequent business development of the future, MPI Corporation plans to attribute NT\$159,802,776 from distributable earnings as cash dividend for FY 2018 and NT\$0 for stock dividend on the basis of the quantity of 79,901,388 shares outstanding on the day of the Board session. The earnings per share is tentatively set at NT\$2.
 - (III) If the total number of the outstanding shares of the Company is affected and the distribution yield of the shareholders is changed due to the change of the capital stock of the Company, we authorize the Board of Directors to handle the matter with full powers.
 - (IV) This motion was approved by the Board of Directors in the 2nd meeting in 2019.

Resolution:

III. Points of Discussion

Motion No. 1:Submitted by the BoardCause of motion: Proposal for the discussion of the amendment to the "Articles ofIncorporation" of MPI Corporation.

- Note: (I) According to the Hua-Zong-Yi-Jing-Zi No. 10700083291 of the Company Act on August 1, 2018, we planned to amend certain clauses of the "Articles of Incorporation".
 - (II) The comparison table of clauses before and after the amendment of the

"Articles of Incorporation" is attached for your information. Please refer to Appendix VI on p. 38-40 of this handbook.

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

Resolution:

Motion No. 2:Submitted by the BoardCause of motion: Proposal for the discussion of the amendment to the "Procedure for theAcquisitions or Dispositions of Assets" of MPI Corporation.

- Note: (I) Amendment to the "Procedure for the Acquisitions and Disposition of Assets" was made pursuant to the requirement of Financial Supervisory Commission Letter Jin-Guan-Zheng-Fa-Zi No. 1070341072 on November 26, 2018.
 - (II) The comparison table of clauses before and after the amendment of the "Procedure for the Acquisitions or Dispositions of Assets" is attached for your information. Please refer to Appendix VII on p. 41 of this handbook.
 - (III) This motion was approved by the Board of Directors in the 2nd meeting in 2019.

Resolution:

Motion No. 3:

Submitted by the Board

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

- Note: (I) Amendment to the "Procedures for Engaging in Derivatives Trading" was made pursuant to the requirement of Financial Supervisory Commission Letter Jin-Guan-Zheng-Fa-Zi No. 1070341072 on November 26, 2018.
 - (II) The comparison table of clauses before and after the amendment of the "Procedures for Engaging in Derivatives Trading" is attached for your information. Please refer to Appendix VIII on p. 63-67 of this handbook.
 - (III) This motion was approved by the Board of Directors in the 2nd meeting in 2019.

Resolution:

Motion No. 4:

Submitted by the Board

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

- Note: (I) Amendment to the "Operating Procedure for Loaning to Others" was made pursuant to the requirement of Financial Supervisory Commission Letter Jin-Guan-Zheng-Shen-Zi No. 1080304826 on March 7, 2019.
 - (II) The comparison table of clauses before and after the amendment of the "Operating Procedure for Loaning to Others" is attached for your information. Please refer to Appendix IX on p. 68-75 of this handbook.

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

Resolution:

Motion No. 5:Submitted by the BoardProposal: Proposal for the discussion of the amendment to the "Operating Procedure forMaking Endorsement/Guarantee" of MPI Corporation.

- Note: (I) Amendment to the "Operating Procedure for Making Endorsement/Guarantee" was made pursuant to the requirement of Financial Supervisory Commission Letter Jin-Guan-Zheng-Shen-Zi No. 1080304826 on March 7, 2019.
 - (II) The comparison table of clauses before and after the amendment of the "Operating Procedure for Making Endorsement/Guarantee" is attached for your information. Please refer to Appendix X on p. 75-85 of this handbook.
 - (III) This motion was approved by the Board of Directors in the 2nd meeting in 2019.

Resolution:

- IV. Extempore Motion
- V. Adjournment of Meeting

Appendix I

MPI Corporation Operation Review

I. 2018 Operation in review

(I) Business plan and result

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

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

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

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

(II) Revenue and profitability analysis

Unit: NTD thousands

Ite	m	Year	2017	2018	Change (%)
Ré	Net Sales		4,448,454	5,386,356	21.08%
Revenue	Gross profit		1,759,911	2,140,251	21.61%
ue	Profit or loss a	fter tax	149,267	337,628	126.19%
	ROA (%)		2.19	4.48	104.57%
	ROE (%)		3.85	8.55	122.08%
Pro	Operating Inco capital ratio (%		22.49	40.46	79.90%
Profitability	EBT to Paid-in	a capital ratio (%)	25.64	49.76	94.07%
abil	Net profit marg	gin (%)	3.36	6.27	86.61%
lity	EPS (NT\$)	before retroactive adjustment	1.83	4.19	128.96%
	EFS (N13)	after retroactive adjustment	1.83	4.19	128.96%

(III) Research and development

The research and development results of the Company in 2018 includes:

- 1. Photoelectric precision automated equipment:
 - A. Full automatic 8-inch LED wafer probing system.
 - B. Full automatic wafer level testing system with high power 6-inch Laser Diode and VCSEL.
 - C. All-in-one test station (LIV, FF and NF) with related probing equipment for VCSEL.
 - D. Micro LED wafer level optoelectronic measuring system.
- 2. Wafer probe card:
 - A. The Company continues to develop vertical type MEMS probe cards to meet the need for fine-pitch technology of IC scaling.
 - B. To meet the technology requirement for high-speed transmission of smart devices, we constantly develop the high-speed probe card to meet the probing need of high-speed transmission.
- Semi-conductor component temperature testing series:
 For the high-temperature and low-temperature testing system, we continue to develop sub-systems of peripheral applications to meet the customer need.
- 4. Semi-conductor engineering testing machine series: We successfully introduce the full automatic high-frequency wafer prober and the probe station for automatic impedance matching test and continue to strengthen the performance and applications of 200mm and 300mm testing machines.

II. Summary of 2019 Business Plan

(I) 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 undertakes the following strategic planning and commits its effort to sustain its competitive advantage:

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

Looking into 2019, MPI Corporation will constantly invest in the R&D capacities, enhance the competitiveness and develop new products to expand our business. In the meanwhile, we will strengthen the support capacity of our overseas business locations to provide a more rapid and comprehensive technical service for the customers and further increase the market share of our products. We will behold the core philosophy of assisting our customers to upgrade their competitiveness and thereby positions ourselves as the technology partners of the customers. Also, our main production and sales policy is to focus on the future demand of the customer to jointly develop the most suitable products and provide in-time technical services. Therefore, we offer the best solution for our customers.

III. The development strategy of the future

(I) Based on the five major technical areas including prober, sorting, photoelectric testing

and imaging detection, provide complete testing application solutions to meet the need for mass production of the photoelectric and semi-conductor industries.

- (II) In the application field of semiconductor engineering testing, we develop more competitive products via the core technology of micro-signal, high-frequency and high-power measurement with the support of the automatic wafer feeding technology.
- (III) With the core technology of temperature control, we continue to expand the environmental temperature testing market in the fields of semiconductor and fiber optics communication components. In the future, we will introduce this technology to the applications of component temperature testing.
- (IV) In response to the constant demand of the end consumption for higher performance computing, faster transmission, various functions and power saving and the rising market of intelligent technology application, we develop fine-pitch probe card as well as the high pin count and high speed probe card to upgrade the frequency in testing and efficiency for the customer needs to ensure our competitiveness.

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

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

I wish joy and the best of luck

to every shareholder!

Chairman: Ko, Chang-Lin

President: Scott Kuo

Chief Accounting Officer: Rose Jao

MPI Corporation Supervisors' Audit Report

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

To: 2019 General Shareholders' Meeting of MPI Corporation

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

March 18, 2019

Appendix III

Independent Auditor's Audit Report

The Board of Directors and Shareholders

MPI Corporation

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

1. Revenue Recognition

Matter Description

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

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

Audit Procedures in Response

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

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

2. Inventory Valuation

Matter Description

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

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

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

Audit Procedures in Response

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

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

Other Matter-Making Reference to the Audits of Component Auditors

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

BALANCE SHEETS (ASSETS)

DECEMBER 31 ,2018 AND 2017

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

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

BALANCE SHEETS (LIABILITIES AND EQUITY)

DECEMBER 31 ,2018 AND 2017

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

Note 6(9) 6(16).7 7	\$	Amounts	%	Amounts	%
6(16).7	\$	818 000			
6(16).7	\$	818 000			
		010,000	10	\$ 1,170,000	15
7		854,750	11	-	-
7		457,107	6	388,552	5
		2,972	-	8,656	-
		19,530	-	82,660	1
6(10)		625,550	8	444,972	6
7		102,190	1	138,321	2
		40,709	1	-	-
6(11)		4,859	-	3,210	-
7		-	-	752,536	10
6(13)		29,233	-	225,787	3
		10,639	-	10,214	-
		2,965,539	37	3,224,908	42
6(12)		9,266	-	-	-
6(12)		892,843	11	-	-
6(13)		39,230	-	572,909	8
6(18)		13,040	-	14,591	-
6(14)		39,102	1	31,697	1
		68,397	1	16,728	-
		97	-	97	-
		1,061,975	13	636,022	9
		4,027,514	50	3,860,930	51
6(15)					
F THE PARENT					
		799,014	10	799,014	11
		977,255	12	909,204	12
		563,093	7	548,516	7
		42,308	-	30,177	-
		1,779,401	22	1,523,376	20
		2,384,802	29	2,102,069	27
		(54,230)	(1)	(42,309)	(1)
		(54,230)	(1)	(42,309)	(1)
	. <u> </u>	4,106,841	50	3,767,978	49
	\$	8,134 355	100	\$ 7.628 908	100
	7 $6(11)$ 7 $6(13)$ $6(12)$ $6(12)$ $6(13)$ $6(18)$ $6(14)$ $6(5)$	7 6(11) 7 6(13) 6(12) 6(12) 6(12) 6(13) 6(18) 6(14) 6(5) 	$\begin{array}{ccccccc} 6(10) & 625,550 \\ 7 & 102,190 \\ & 40,709 \\ 6(11) & 4,859 \\ 7 & - \\ 6(13) & 29,233 \\ \hline 10,639 \\ \hline 2,965,539 \\ \hline \end{array} \\ \begin{array}{c} 6(12) & 9,266 \\ 6(12) & 892,843 \\ 6(13) & 39,230 \\ 6(18) & 13,040 \\ 6(14) & 39,102 \\ 6(5) & 68,397 \\ \hline 97 \\ \hline 1,061,975 \\ \hline \end{array} \\ \begin{array}{c} 4,027,514 \\ \hline \end{array} \\ \begin{array}{c} 6(15) \\ 0F \ THE \ PARENT \\ \end{array} \\ \begin{array}{c} 6(15) \\ 0F \ THE \ PARENT \\ \hline \end{array} \\ \begin{array}{c} 799,014 \\ 977,255 \\ \hline 563,093 \\ 42,308 \\ \hline 1,779,401 \\ \hline 2,384,802 \\ \hline \end{array} \\ \begin{array}{c} (54,230) \\ \hline (54,230) \\ \hline \end{array} \\ \begin{array}{c} (54,230) \\ \hline \end{array} \\ \end{array} $	$\begin{array}{ccccccccccccc} 6(10) & 625,550 & 8 \\ 7 & 102,190 & 1 \\ & 40,709 & 1 \\ 6(11) & 4,859 & - \\ 7 & - & - \\ 6(13) & 29,233 & - \\ \hline & & 10,639 & - \\ \hline & & 2,965,539 & 37 \\ \hline & & & 10,639 & - \\ \hline & & & & & \\ 6(12) & 9,266 & - \\ 6(12) & 892,843 & 11 \\ 6(13) & 39,230 & - \\ 6(18) & 13,040 & - \\ 6(14) & 39,102 & 1 \\ 6(14) & 39,102 & 1 \\ \hline & & & & \\ 6(15) & & & & \\ \hline & & & & & \\ 6(15) & & & & \\ \hline & & & & & \\ 6(15) & & & & \\ 6(15) & & & & \\ \hline & & & & & \\ 6(15) & & & & \\ \hline & & & & & \\ 6(15) & & & & \\ \hline & & & & & \\ 6(15) & & & & \\ \hline & & & & & \\ 6(15) & & & & \\ \hline & & & & & \\ 6(15) & & & & \\ \hline & & & & & \\ 6(15) & & & & \\ \hline & & & & & \\ 6(15) & & & & \\ \hline & & & & & \\ 6(15) & & & & \\ \hline & & & & & \\ 6(15) & & & & \\ \hline & & & & & \\ 6(15) & & & & \\ \hline & & & & & \\ 6(15) & & & & \\ \hline & & & & & \\ 6(15) & & & & \\ \hline & & & & & \\ 6(15) & & & & \\ \hline & & & & & \\ 6(15) & & & & \\ \hline & & & & \\ 6(15) & & & & \\ \hline & & & & \\ 6(15) & & & & \\ \hline & & & & \\ 6(15) & & & & \\ \hline & & & & \\ 6(15) & & & & \\ \hline & & & & \\ 6(15) & & & & \\ \hline & & & & \\ 6(15) & & & \\ \hline & & & & \\ 6(15) & & & \\ \hline & & & & \\ 6(15) & & & \\ \hline & & & & \\ 6(15) & & & \\ \hline & & & & \\ 6(15) & & & \\ \hline & & & \\ 6(15) & & & \\ \hline & & & \\ 6(15) & & & \\ \hline & & & \\ 6(15) & & & \\ \hline & & & \\ 6(15) & & & \\ \hline & & & \\ 6(15) & & & \\ \hline & & & \\ 6(15) & & & \\ \hline & & & \\ 6(15) & & & \\ \hline & & & \\ 6(15) & & & \\ \hline & & & \\ 6(15) & & & \\ \hline & & & \\ 6(15) & & & \\ \hline & & & \\ 6(15) & & & \\ \hline & & & \\ 6(15) & & & \\ \hline & & & \\ 6(15) & & & \\ \hline & & & \\ 6(15) & & & \\ \hline & & & \\ 6(15) & & & \\ \hline & & & \\ 6(15) & & & \\ \hline & & & \\ 6(15) & & & \\ 6(15) & & & \\ \hline & & & \\ 6(15) & & & \\ \hline & & & \\ 6(15) & & & \\ \hline & & & \\ 6(15) & & & \\ \hline & & & \\ 6(15) & & & \\ \hline & & & \\ 6(15) & & & \\ \hline & & & \\ 6(15) & & & \\ \hline & & \\ 6(15) & & & \\ \hline & & \\ 6(15) & & & \\ \hline & & \\ 6(15) & & & \\ \hline & & \\ 6(15) & & \\ \hline & & \\ 6$	$\begin{array}{cccccccccccccccccccccccccccccccccccc$

STATEMENTS OF COMPREHENSIVE INCOME

From January 1 to December 31, 2018 and 2017

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

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

STATEMENTS OF CHANGES IN EQUITY

From January 1 to December 31,2018 and 2017

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

	Capital				Retained Earnings							Others		
Items	Con	mon Stock	Cap	Capital Surplus		gal Capital Reserve		cial Capital Reserve		appropriated Earnings	Foreign Currency Translation Reserve			Total Equity
BALANCE, JANUARY, 1, 2017	\$	796,054	\$	885,735	\$	492,188	\$	-	\$	1,803,156	\$	(30,177)	\$	3,946,956
Legal capital reserve						56,328				(56,328)				-
Special capital reserve								30,177		(30,177)				-
Cash Dividends of Common Stock										(334,343)				(334,343)
Capital Reserve From Stock Warrants				(1,256)										(1,256)
Disposal of investments accounted for under the equity method														
Net Income in 2017										145,767				145,767
Other comprehensive income in 2017, net of income tax										(4,699)		(12,132)		(16,831)
Total comprehensive income in 2017		-		-		-		-		141,068		(12,132)		128,936
Issuance of stock from exercise of employee stock options		2,960		24,725										27,685
BALANCE, DECEMBER, 31, 2017	\$	799,014	\$	909,204	\$	548,516	\$	30, 177	\$	1,523,376	\$	(42,309)	\$	3,767,978
	<u>_</u>	5 00.014	<u>_</u>		¢	540 544	¢	20.455	¢	1 500 051	¢.	(12,200)	*	
BALANCE, JANUARY, 1, 2018	\$	799,014	\$	909,204	\$	548,516	\$	30,177	\$	1,523,376	\$	(42,309)	\$	3,767,978
Legal capital reserve						14,577				(14,577)				-
Special reserve								12,131		(12,131)				-
Cash Dividends of Common Stock										(39,951)				(39,951)
Capital Reserve From Stock Warrants				67,683										67,683
Other changes in capital surplus				368										368
Net Income in 2018										334,562				334,562
Other comprehensive income in 2018, net of income tax										(7,302)		(11,921)		(19,223)
Total comprehensive income in 2018								_		327,260		(11,921)		315,339
Difference between consideration paid and carrying amount of subsidiaries acquired										(4,576)				(4,576)
BALANCE, DECEMBER, 31, 2018	\$	799,014	\$	977,255	\$	563,093	\$	42,308	\$	1,779,401	\$	(54,230)	\$	4,106,841

MPI CORPORATION STATEMENTS OF CASH FLOWS

From January 1 to December 31, 2018 and 2017

Tom January 1 to December 51, 2010 and 2017

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

Items	Jan 1 -	- Dec 31,2018	Jan 1 -	- Dec 31,2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	\$	380,769	\$	172,404
Adjustments to reconcile net income to net				
Depreciation		331,492		287,056
Amortization		49,697		45,568
Expected credit loss(gain)		2,736		867
Gains on Financial Assets (Liabilities) at Fair Value through Profit or Loss		3,200		55
Interest expense		22,860		16,779
Interest revenue		(1,006)		(707)
Loss (gain) on equity-method investments		(2,420)		(12,918)
(Gain) loss on disposal of property, plant and equipment		(5,669)		2,233
Gains on disposal of investments		-		(15,557)
(Realized) Unrealized gross profit on sales to subsidiaries and associates		(22,094)		(12,525)
(Gain) on repurchase of convertible bonds		(1,564)		-
Adjustments-exchange (Gain) loss on prepayments for equipment		(334)		2,032
Net changes in operating assets and liabilities				
Net changes in operating assets				
Decrease (Increase) in notes receivable		-		5
Decrease (Increase) in accounts receivable		(56,402)		(83,486)
Decrease (Increase) in accounts receivable-related parties		(46,480)		(79,423)
Decrease (Increase) in other receivables		3,845		4,343
Decrease (Increase) in other receivables-related parties		6,502		(6,552)
Decrease (Increase) in inventories		(239,887)		(307,170)
Decrease (Increase) in prepayments		3,924		(1,814)
Decrease (Increase) in other current assets		317		(1)
Net changes in operating liabilities				~ /
(Decrease) Increase in contract liabilities		102,214		-
(Decrease) Increase in accounts payable		68,555		(16,874)
(Decrease) Increase in accounts payable-related parties		(5,684)		7,909
(Decrease) Increase in other accounts payable		180,942		(157,950)
(Decrease) Increase in other accounts payable-related parties		(36,131)		52,350
(Decrease) Increase in provision of liabilities		1,649		615
(Decrease) Increase in sales revenue received in advance		-		103,742
(Decrease) Increase in other current liabilities		425		329
Decrease (Increase) in accrued pension cost		56		1,613
Cash generated from operations		741,512		2,923
Interest received		999		708
Cash dividends received		17,605		12,175
		(17,290)		
Interest (excluding capitalization of interest) Cash dividends				(6,278)
		(39,951)		(334,343)
Income taxes paid		(16,195)		(73,473)
Net cash Provided By Operating Activities		686,680		(398,288)
CASH FLOWS FROM INVESTING ACTIVITIES				
Addition of investments accounted for using equity method		(13,861)		(98,061)
Disposal of investments accounted for using equity method		4		18,918
Proceeds from capital return of investments accounted for using equity method		112,675		4,677
Additions to property, plant and equipment		(251,814)		(657,061)
Proceeds from sale of property, plant and equipment		10,151		1
Intangible assets		(25,960)		(29,605)
Increase in other financial assets		(25)		5,775
Decrease in other non-current assets		27,405		210,880
Net cash Provided Used In Investing Activities		(141,425)		(544,476)
The cash i i of face of the information for the of the		(11,120)		(011,110)

STATEMENTS OF CASH FLOWS

From January 1 to December 31, 2018 and 2017

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

Items	Jan 1 ~ Dec 31,201	8 Jan 1 ~ Dec 31,201
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	-	790,000
(decrease) in short-term loans	(352,000	- 0)
Issuance of corporate bonds	995,618	- 8
Repurchase of convertible bonds	(33,030	0) (574,000
Increase in long-term borrowings	-	548,728
Repayments of long-term loans	(730,233	3) -
Net cash (Used In) Financing Activities	(119,645	5) 764,728
Net increase in cash and cash equivalents	425,610	0 (178,036
Cash and cash equivalents at beginning of year	297,363	3 475,399
Cash and cash equivalents at end of year	\$ 722,973	3 \$ 297,363

Appendix IV

Independent Auditor's Audit Report

The Board of Directors and Shareholders

MPI Corporation

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

I. Revenue Recognition

Matter Description

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

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

Audit Procedures in Response

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

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

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

2. Inventory Valuation

Matter Description

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

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

Audit Procedures in Response

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

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

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

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

Other Matter-Making Reference to the Audits of Component Auditors

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

Other Matter

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

March 18, 2019

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

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

CONSOLIDATED BALANCE SHEETS (ASSETS)

DECEMBER 31 ,2018 AND 2017

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

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

CONSOLIDATED BALANCE SHEETS (LIABILITIES AND EQUITY)

DECEMBER 31 ,2018 AND 2017

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

		December 31	,2018	December 31,2	2017
LIABILITIES AND EQUITY	Note	Amounts	%	Amounts	%
CURRENT LIABILITIES					
Short-term loans	6(9)	\$ 818,000	10	\$ 1,170,000	15
Contract liabilities-current	6(16).7	940,903	12	-	-
Notes payable		6,097	-	-	-
Accounts payable		478,605	6	414,918	5
Accounts payable-related parties	7	-	-	3,673	-
Payables on equipment		22,722	-	87,846	1
Other payables	6(10)	679,283	8	496,645	7
Other payables-related parties	7	-	-	4,875	-
Income tax payable		49,516	1	10,110	-
Provisions	6(11)	4,859	-	3,210	-
Sales revenue received in advance	7	-	-	797,292	10
Current portion of long-term liabilities	6(13)	29,233	-	225,787	3
Lease obligations payable – current	6(6)	15,883	-	16,229	-
Other current liabilities		13,926	-	36,770	1
Total Current Liabilities		3,059,027	37	3,267,355	42
NONCURRENT LIABILITIES					
NONCORRENT LIABILITIES Non-current Financial liabilities at Fair Value through Profit or Loss	6(12)	9,266	_	_	_
Bonds payable	6(12)	892,843	- 11	_	
Long-term loans	6(12) 6(13)	39,230	1	572,909	8
Deferred income tax liabilities	6(13) 6(18)	14,166	1	14,591	0
Lease obligations payable – noncurrent	6(6)	15,883	-	32,459	_
Accrued pension cost	6(14)	42,527	- 1	35,257	- 1
Other noncurrent liabilities	0(14)	325	-	207	-
Total Other Liabilities		1,014,240	13	655,423	- 9
TOTAL LIABILITIES		4,073,267	50	3,922,778	51
EQUITY	6(15)				
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	7				
Capital common stock		799,014	10	799,014	10
Capital surplus		977,255	12	909,204	12
Retained earnings					
Appropriated as legal capital reserve		563,093	7	548,516	7
Special reserve		42,308	-	30,177	-
Unappropriated earnings		1,779,401	22	1,523,376	20
Total Retained Earnings		2,384,802	29	2,102,069	27
Other					
Foreign currency translation adjustments		(54,230)	(1)	(42,309)	-
Total others		(54,230)	(1)	(42,309)	-
Equity attributable to shareholders of the parent		4,106,841	50	3,767,978	49
NONCONTROLLING INTERESTS		10,090	-	16,923	-
TOTAL EQUITY		4,116,931	50	3,784,901	49
TOTAL LIABILITIES AND EQUITY		\$ 8,190,198	100	\$ 7,707,679	100

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

From January 1 to December 31, 2018 and 2017

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

Iems Note Amounts %e Amounts %e Amounts %e OPERATING ENVENUE INT 6(10).7 \$ 5.007.372 93 \$ 4.078.376 92 Lets: sales returns (10.401) - (10.401) - (10.401) - Subscription (12.228) - (1.117) - Commission revune - 32.2576 1 2.86.383 1 Operating Revenue, net - 32.66 - - 2.76.9 - - 2.76.9 - - 2.76.9 -			Jan	uary 1 ~ December	31,2018	Janua	ary 1 ~ December 3	1,2017
Set symme S 5077.72 9. S 4.078.376 92 Lax: take stremums (10.401) - (15.136) (1) sets discounts and allowances (22.28) - (1.117) - Commission revenue 52.576 1 236.88 11 Processig Fer streame 5310.37 6 337.693 8 OPERATING CSTS 640.7 (2.42.83) 40 (1.279.91) 40 ORDSS PROFIT 2.140.251 40 (1.799.91) 40 (2.44.82.44) (00 CROSS PROFIT C.1 2.140.251 40 (1.799.91) 40 OPERATING EXPENSES 7 2.140.251 40 (1.799.91) 40 OPERATING EXPENSES 7 (2.44.91) (0) (2.44.92) (0) Reacach and development capreses 6(7) (2.88.393) (17) (2.84.49) (0) Development capreses 6(17) 6.5.486 1 (4.87.2) -	Items	Note		Amounts	%		Amounts	%
Less sales cranas (10,401) - (15,136) (1) site discums and allowances (12,428) - (1,117) - Commission normul 330,237 6 337,003 8 1 28,668 1 Processing Feer revence - 310,237 6 24,868 1 OPERATING COSTS (64),7 (3,246,105) (60) - 4,484,844 100 OPERATING COSTS (64),7 (3,246,105) (60) - 7,76 - - 7,76 - - 7,76,834,845 (10) (10,93,155) (12) (11) (49,155) (12) (12) (11) (49,155) (12) (11) (19,155) (12) (17) (83,459) (0) (13) (13,163,000) (13) (14,153) (17) (13,163,000) (11) (19,155) (12) (11) (19,155) (12) (17) (13,163,000) (13) (14,153) (12) (13) (13,163,000) (13) (14,153)	OPERATING REVENUE, NET	6(16).7						
sele discourts and allowances (1,2,28) . (1,117) . Commission revenue 32,257 1 323,03 8 OPERATING COSTS 6(4).7 (2,24,03) (60) (2,84,85,44) (10) QROSS PROTT 2,140,251 40 1,739,911 40 CROSS PROTT 2,140,251 40 1,739,911 40 CROSS PROTT 2,140,251 40 1,739,911 40 OPERATING EXPENSES 7 2,140,251 40 1,739,911 40 OPERATING EXPENSES 7 5 6(9),772 (11) (2,84,349) 6(9) GROSS PROFT 1,766,187 40 1,736,187 40 OPERATING EXPENSES 7 6 1,766,185 6(17) (2,84,49) 6(0) 6(17) (2,84,94) (11) 5 (4) NON-OPERATING INCOME 322,282 6 1,79,79 4 1,747,11 - NON-OPERATING INCOME AND EXPENSES 0 1,234,13 - 1,741,1	Sales revenue		\$	5,037,372	93	\$	4,078,376	92
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Less: sales returns			(10,401)	-		(15,136)	(1)
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	sales discounts and allowances			(12,428)	-		(1,117)	-
Operating Revenue, net 5.386,356 100 4.448,454 100 OPERATING COSTS 6(4),7 (2,46,251) 40 (2,598,104) (60) RCROS PROFIT 2,140,251 40 1,759,911 40 RCROS PROFIT, NET 2,140,251 40 1,750,187 40 OPERATING EXPENSES 7 5 5 10 (493,155) (12) General & administrative expenses (609,772) (11) (493,155) (12) General & administrative expenses (617) (88,594) (17) (803,458) (18) Expected Credit (loss) gains 6(3) 1.184 - 664 - Operating expense, net (23,282) 6 179,679 4 ONNOPERATING INCOME 233,282 6 179,679 4 ONNOPERATING INCOME 233,282 6 179,679 4 ONNOPERATING INCOME 233,282 6 179,479 - Other non-operating revence-other items 7 2,844 1,153,1	Commission revenue			52,576	1		28,638	1
OPERATING COTIS 6(4).7 (3.246.105) (60) (2.688.543) (60) QROSS PROFIT 2.140.251 40 1.759.911 40 GROSS PROFIT. NET 2.140.251 40 1.759.911 40 OPERATING EXPENSES 7 2.140.251 40 1.760.187 40 OPERATING EXPENSES 7 (609,772) (11) (493.155) (12) General & administrative expenses 6.77 (885.943) (17) (803.458) (18) Experied Credit (loss) gains 6.31 1.184 - 6.54 - OPERATING INCOME 323.282 6 1.79.679 4 NON-OPERATING INCOME AND EXPENSES - (1.816.900) (34) (1.580.586) (35) Other gains and loses 6(17) 63.486 1 (8.752) - Incore operating revenue-other items 7 2.844 - 1.831 - Non-OPERATING INCOME AND EXPENSES - 7 2.843 - 1.6409 - 1.6	Processing Fees revenue			319,237	6		357,693	8
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $	Operating Revenue, net			5,386,356	100		4,448,454	100
Realized (Unrealized) Gross profit on sales to subsidiaries and associates $ -$ <td>OPERATING COSTS</td> <td>6(4).7</td> <td></td> <td>(3,246,105)</td> <td>(60)</td> <td></td> <td>(2,688,543)</td> <td>(60)</td>	OPERATING COSTS	6(4).7		(3,246,105)	(60)		(2,688,543)	(60)
GROSS PROFT, NET $2,140,251$ 40 1.760,187 40 OPERATING EXPENSES 7 5 5 5 5 5 10 (49,155) (12) General & administrative expenses 6(3) 1,184 - 664 - 5 (15) (12) (13) (12) (13) (12) (13) (14) (15) (13) (14) (14) (15) (16) (17) (14) (15) (16) (17) (14) (15) (16) (17) (14) (15) (17) (14) (15) (17) (14) (15) (16) (17) (14) (15) (16) (17) (14) (15) (16) (15) (16) (16) (16) (16) (16) (16)	GROSS PROFIT			2,140,251	40		1,759,911	40
OPERATING EXPENSES 7 Selling expenses (609,772) (11) (493,155) (12) General & administrive expenses 6(7) (885,934) (17) (803,458) (18) Expected Craft (loss) gains 6(3) 1,144 - 654 - Operating expense, net (1,150,090) (34) (1,580,508) (36) OPERATING INCOME 323,282 6 179,679 4 NON-OPERATING INCOME 323,282 6 199,679 4 NON-OPERATING INCOME 323,283 - 171,474) - Share of profits of subidiatines and associates 6(5) 151 - 9,782 - Interest income 7 2,843 - <td>Realized (Unrealized) Gross profit on sales to subsidiaries and associates</td> <td></td> <td></td> <td>-</td> <td>-</td> <td></td> <td>276</td> <td>-</td>	Realized (Unrealized) Gross profit on sales to subsidiaries and associates			-	-		276	-
Selling expenses (609,772) (11) (493,155) (12) General & administrative expenses (322,447) (6) (284,549) (6) Research and development expenses 6(7) (88,534) (17) (683,458) (8) Expected Credit (loss) gains 6(3) 1.184 - 654 - Operating expense, net (1316,969) (33) (1.580,508) (36) OPERATING INCOME 232,822 6 179,679 4 NON-OPERATING INCOME 323,282 6 179,679 4 NON-OPERATING INCOME 323,282 6 179,679 4 NON-OPERATING INCOME 323,282 6 179,679 4 NON-OPERATING INCOME AND EXPENSES 0 11 9,782 - Interest income 7 2,844 1,831 - Ret income 7 2,844 1,831 - Total Non-operating income 74,336 1 22,902 - Other non-operating income 74,336 1 204,840 5 INCOME EFORE, INCOME TAX	GROSS PROFIT, NET			2,140,251	40		1,760,187	40
General & administrative expenses $(322,447)$ (6) $(284,549)$ (6) Research and development expenses $6(7)$ $(885,934)$ (17) $(803,488)$ (18) Depending expense, net $(1,516,969)$ (34) $(1,580,508)$ (26) OPERATING INCOME $323,282$ 6 $179,679$ 4 NON-OPERATING INCOME $323,228$ 6 $179,679$ 4 NON-OPERATING INCOME $323,228$ 6 $179,679$ 4 NON-OPERATING INCOME AND EXPENSES (17) $63,486$ $(17,474)$ $.$ Timance costs $6(17)$ $(23,493)$ $.$ $(17,474)$ $.$ Stare of profits of subsidiaries and associates $6(5)$ 151 $.$ $9,782$ $.$ Interest income 7 $2,844$ $.$ $1,831$ $.$ Rent income 7 $2,813$ $.$ 2902 $.$ Total Non-operating income $72,8436$ $125,563$ 2992 $.$ <	OPERATING EXPENSES	7						
Research and development expenses 6(7) (885.934) (17) (803.458) (18) Expected Credit (0ss) gains 6(3) 1.184 - 654 - Operating expense, net (1316.969) (34) (1580.508) (35) OPERATING INCOME 323.282 6 179.679 4 NON-OPERATING INCOME AND EXPENSES - - 6(77) (23.493) - (17,474) - Oher gains and losses 6(17) (23.493) - (17,474) - 1.831 - - 9.782 - - 1.831 - 1.831 - 1.831 - 1.97.679 4 Non-operating revenue-other items 7 2.844 - 1.831 - 1.831 - 1.97.673 - 1.97.673 - 1.97.673 - 1.97.673 - 1.97.673 - 1.97.673 - 1.97.673 - 1.97.673 - 1.97.673 - 1.97.673 - 1.97.673 - 1.97.673 - 1.97.673 - 1.97.673 - 1.97.673	Selling expenses			(609,772)	(11)		(493,155)	(12)
Expected Credit (loss) gains 6(3) 1,184 - 654 Operating expense, net (1,516,599) (34) (1,580,508) (35) OPERATING INCOME 323,282 6 179,679 4 NON-OPERATING INCOME 323,282 6 179,679 4 NON-OPERATING INCOME 323,282 6 179,679 4 NON-OPERATING INCOME AND EXPENSES 6(17) 63,486 1 (8,752) - Interest income 7 2,844 - 1,831 - Interest income 7 2,843 - 20,972 - Other ono-operating revolue-other items 7 2,843 - 1,831 - Interest income 7 2,844 - 1,831 - 1,831 - Interest income 7 2,843 - 2,642 - 1,902 - 0,655,533 (1) 0,909,90 1,01,655,533 (2) NET INCOME TOXENE TAX 337,628 6 149,267 <td>General & administrative expenses</td> <td></td> <td></td> <td>(322,447)</td> <td>(6)</td> <td></td> <td>(284,549)</td> <td>(6)</td>	General & administrative expenses			(322,447)	(6)		(284,549)	(6)
Operating expense, net (1.816,969) (34) (1.580,508) (36) OPERATING INCOME $323,282$ 6 179,679 4 NON-OPERATING INCOME AND EXPENSES 0ther gains and losses 6(17) 63,486 1 (8,752) - Other gains and losses 6(17) (23,493) - (17,474) - Share of profits of subsidiaries and associates 6(5) 151 - 9,782 - Interest income 7 2,844 - 1,831 - Retrincome 7 28,535 - 36,662 1 1 25,151 1 NOME DEPORE INCOME TAX 137,628 1 25,151 1 1 NOME DEPORE INCOME TAX 337,628 6 149,267 3 0 144,267 3 0 1 (15,563) (2) . 1 <td>Research and development expenses</td> <td>6(7)</td> <td></td> <td>(885,934)</td> <td>(17)</td> <td></td> <td>(803,458)</td> <td>(18)</td>	Research and development expenses	6(7)		(885,934)	(17)		(803,458)	(18)
OPERATING INCOME 323,282 6 179,679 4 NON-OPERATING INCOME AND EXPENSES Other gains and losses 6(17) 63,486 1 (8,752) - Finance costs 6(17) (23,493) - (17,474) - Share of profits of subsidiaries and associates 6(5) 151 - 9,782 - Interest income 7 2,844 - 1,831 - 2,902 - Other non-operating revenue-other items 7 2,843 - 2,902 - Total Non-operating Income 7 2,843 1 25,151 1 INCOME EACOME TAX 397,618 7 204,830 5 INCOME TAX BENETICENENESIS 6(18) (39,990) (1) (55,563) (2) NET INCOME Interest that are not to be reclassified to profit or loss Re-measurements from defined benefit plans (7,303) - (4,699) - Items that are not to be reclassified to profit or loss 119,837) - (116,234) -	Expected Credit (loss) gains	6(3)		1,184	-		654	-
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Operating expense, net			(1,816,969)	(34)		(1,580,508)	(36)
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	OPERATING INCOME			323,282	6		179,679	4
Finance costs $6(17)$ $(23,493)$ - $(17,474)$ - Share of profits of subsidiaries and associates $6(5)$ 151 - $9,782$ - Interest income 7 $2,844$ - 1.831 - Rent income 7 $2,844$ - 2.902 - Other non-operating revenue-other items 7 2.8535 - 36.862 1 Total Non-operating Income 74.336 1 225.151 1 INCOME BENEFIT(EXPENSE) $6(18)$ $397,618$ 7 204.830 5 INCOME 337,628 6 149,267 3 OTHER COMPREHENSIVE INCOME (LOSS) Items that are not to be reclassified to profit or loss $(7,303)$ - $(4,699)$ - Items that are not to be reclassified to profit or loss $(12,534)$ - $(11,535)$ - Other comprehensive income for the year, net of income tax $(19,837)$ - $(16,234)$ - TOTAL COMPREHENSIVE INCOME FOR THE YEAR \$ $317,791$ 6 \$ $145,267$ 3 Noncontrol	NON-OPERATING INCOME AND EXPENSES							
Share of profits of subsidiaries and associates $6(5)$ 151 - $9,782$. Interest income 7 $2,844$ - 1.831 . Rent income 7 $2,813$ - 2.902 . Other non-operating revenue-other items 7 $28,335$ - $36,862$ 1 Total Non-operating Income 74.336 1 $25,151$ 1 INCOME BEFORE INCOME TAX $397,618$ 7 204.830 5 INCOME TAX BENETTICENENSE) $6(18)$ $(59,990)$ (1) $(55,563)$ (2) NET INCOME LOOME $337,628$ 6 $149,267$ 3 OTHER COMPREHENSIVE INCOME (LOSS) Items that are not to be reclassified to profit or loss $(7,303)$ - $(4,699)$. Items that may be reclassified subsequently to profit or loss $(12,534)$ - $(11,535)$. Other comprehensive income for the year, net of income tax $(12,534)$ - $(11,6234)$. TOTAL COMPREHENSIVE INCOME (LOSS) S $337,628$ 6 S $149,267$ 3 <	Other gains and losses	6(17)		63,486	1		(8,752)	-
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	-	6(17)		(23,493)	-		(17,474)	-
Rent income 7 2.813 - 2.902 - Other non-operating revenue-other items 7 28,535 - 36,862 1 Total Non-operating Income 74,336 1 22,151 1 INCOME BEFORE INCOME TAX 397,618 7 204,830 5 INCOME TAX BENEFIT(EXPENSE) 6(18) (59,990) (1) (55,563) (2) NET INCOME 337,628 6 149,267 3 OTHER COMPREHENSIVE INCOME (LOSS) Items that are not to be reclassified to profit or loss Re-measurements from defined benefit plans (7,303) - (4,699) - Items that may be reclassified subsequently to profit or loss \$ 317,791 6 \$ 133,033 3 Other comprehensive income for the year, net of income tax (11,535) - (16,234) - (11,535) - OTHAL COMPREHENSIVE INCOME FOR THE YEAR \$ 317,791 6 \$ 149,267 3 Noncontrolling interests \$ 337,628 6 \$	Share of profits of subsidiaries and associates	6(5)		151	-		9,782	-
Other non-operating revenue-other items7 $28,535$ 1 . $36,862$ 1 1Total Non-operating Income $74,336$ 1 $25,151$ 1INCOME BEFORE INCOME TAX $397,618$ 7 $204,830$ 5INCOME TAX BENEFIT(EXPENSE) $6(18)$ $(59,990)$ (1) $(55,563)$ (2) NET INCOME $337,628$ 6 $149,267$ 3OTHER COMPREHENSIVE INCOME (LOSS) $337,628$ 6 $149,267$ 3Items that are not to be reclassified to profit or loss $(7,303)$ - $(4,699)$ -Items that may be reclassified subsequently to profit or loss $(12,534)$ - $(11,535)$ -Exchange differences arising on translation of foreign operations $(12,534)$ - $(11,535)$ -Other comprehensive income for the year, net of income tax $(19,837)$ - $(16,234)$ -TOTAL COMPREHENSIVE INCOME FOR THE YEAR $$$ $314,562$ 6 $$$ $145,767$ 3 Noncontrolling interests $$$ $337,628$ 6 $$$ $149,267$ 3 TOTAL COMPREHENSIVE INCOME(LOSS) $$$ $$$ $315,339$ 6 $$$ $149,267$ 3 Shareholers of the parent $$$ $$$ $$$ $$$ $$$ $$$ $$$ $$$ Noncontrolling interests $$$ $$$ $$$ $$$ $$$ $$$ $$$ $$$ Shareholers of the parent $$$ $$$ $$$ $$$ $$$ $$$ $$$ $$$ $$$ $$$ </td <td>Interest income</td> <td>7</td> <td></td> <td>2,844</td> <td>-</td> <td></td> <td>1,831</td> <td>-</td>	Interest income	7		2,844	-		1,831	-
Total Non-operating Income 74.336 1 $25,151$ 1INCOME BEFORE INCOME TAX $397,618$ 7 $204,830$ 5INCOME TAX BENEFIT(EXPENSE) $6(18)$ $(59,990)$ (1) $(55,563)$ (2) NET INCOME $337,628$ 6 $149,267$ 3OTHER COMPREHENSIVE INCOME (LOSS) $337,628$ 6 $149,267$ 3Items that are not to be reclassified to profit or loss $7,303$ $ (4,699)$ $-$ Items that may be reclassified subsequently to profit or loss $(12,534)$ $ (11,535)$ $-$ Other comprehensive income for the year, net of income tax $(19,837)$ $ (16,234)$ $-$ TOTAL COMPREHENSIVE INCOME FOR THE YEAR $$334,562$ 6 $$149,267$ 3 Net INCOME(LOSS) ATTRIBUTABLE TO :Shareholers of the parent $$334,562$ 6 $$149,267$ 3 Shareholers of the parent $$334,562$ 6 $$149,267$ 3 Noncontrolling interests $$337,628$ 6 $$149,267$ 3 TOTAL COMPREHENSIVE INCOME(LOSS) $$337,628$ 6 $$149,267$ 3 Shareholers of the parent $$315,339$ 6 $$128,936$ 3 Noncontrolling interests $$2,452$ $ 4,097$ $-$ Shareholers of the parent $$317,791$ 6 $$133,033$ 3 Noncontrolling interests $$2,452$ $ $4,097$ $-$ Shareholers of the parent $$317,791$ 6 $$133,033$ 3 Dea	Rent income	7		2,813	-		2,902	-
Total Non-operating Income $74,336$ 1 $25,151$ 1INCOME BEFORE INCOME TAX $397,618$ 7 $204,830$ 5INCOME TAX BENEFIT(EXPENSE) $6(18)$ $(59,990)$ (1) $(55,563)$ (2) NET INCOME $337,628$ 6 $149,267$ 3OTHER COMPREHENSIVE INCOME (LOSS) $337,628$ 6 $149,267$ 3Items that are not to be reclassified to profit or loss $(7,303)$ - (4.699) -Items that may be reclassified subsequently to profit or loss $(12,534)$ - $(11,535)$ -Other comprehensive income for the year, net of income tax $(19,837)$ - $(16,234)$ -TOTAL COMPREHENSIVE INCOME FOR THE YEAR 5 $317,791$ 6 5 $133,033$ 3 NET INCOME(LOSS)Afterest $3,066$ - $3,500$ -Shareholers of the parent 5 $315,339$ 6 5 $149,267$ 3 Noncontrolling interests $2,452$ - $4,097$ -Noncontrolling interests $2,452$ - $4,097$ -S $317,791$ 6 5 $133,033$ 3 TOTAL COMPREHENSIVE INCOME(LOSS) 5 $317,791$ 6 5 $128,936$ 3 Noncontrolling interests $2,452$ - $4,097$ - 5 $317,791$ 6 5 $133,033$ 3 TOTAL COMPREHENSIVE INCOME(LOSS) 5 $317,791$ 6 5 $133,033$ 3 3 Basic e	Other non-operating revenue-other items	7		28,535	-		36,862	1
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Total Non-operating Income			74,336	1		25,151	1
NET INCOME $337,628$ 6 $149,267$ 3OTHER COMPREHENSIVE INCOME (LOSS)Items that are not to be reclassified to profit or lossRe-measurements from defined benefit plans $(7,303)$ - $(4,699)$ -Items that may be reclassified subsequently to profit or lossExchange differences arising on translation of foreign operations $(12,534)$ - $(11,535)$ -Other comprehensive income for the year, net of income tax $(19,837)$ - $(16,234)$ -TOTAL COMPREHENSIVE INCOME FOR THE YEAR\$ $317,791$ 6\$ $133,033$ 3NET INCOME(LOSS) ATTRIBUTABLE TO :Shareholers of the parent\$ $337,628$ 6\$ $149,267$ 3Shareholers of the parent\$ $334,562$ 6\$ $149,267$ 3Noncontrolling interests $337,628$ 6\$ $149,267$ 3TOTAL COMPREHENSIVE INCOME(LOSS)Shareholers of the parent\$ $315,339$ 6\$ $128,936$ 3Noncontrolling interests $2,452$ - $4,097$ -\$ $317,791$ 6\$ $133,033$ 3EARNINGS PER COMMON SHARE(NTD) $6(19)$ 5 $4,19$ 5 1.83 1.83	INCOME BEFORE INCOME TAX			397,618	7		204,830	5
NET INCOME $337,628$ 6 $149,267$ 3OTHER COMPREHENSIVE INCOME (LOSS)Items that are not to be reclassified to profit or loss $337,628$ 6 $149,267$ 3Items that are not to be reclassified to profit or lossRe-measurements from defined benefit plans $(7,303)$ - $(4,699)$ -Items that may be reclassified subsequently to profit or lossExchange differences arising on translation of foreign operations $(12,534)$ - $(11,535)$ -Other comprehensive income for the year, net of income tax $(19,837)$ - $(16,234)$ TOTAL COMPREHENSIVE INCOME FOR THE YEAR\$ $317,791$ 6\$ $133,033$ 3NET INCOME(LOSS) ATTRIBUTABLE TO :Shareholers of the parent\$ $337,628$ 6\$ $149,267$ 3Shareholers of the parent\$ $337,628$ 6\$ $149,267$ 3Noncontrolling interests $337,628$ 6\$ $149,267$ 3TOTAL COMPREHENSIVE INCOME(LOSS)Shareholers of the parent\$ $315,339$ 6\$ $128,936$ 3Noncontrolling interests $2,452$ - $4,097$ -\$ $317,791$ 6\$ $133,033$ 3EARNINGS PER COMMON SHARE(NTD)6(19)\$ $4,19$ \$ 1.83 1.83	INCOME TAX BENEFIT(EXPENSE)	6(18)		(59,990)	(1)		(55,563)	(2)
Items that are not to be reclassified to profit or loss Re-measurements from defined benefit plans $(7,303)$ - $(4,699)$ -Items that may be reclassified subsequently to profit or loss $(12,534)$ - $(11,535)$ -Other comprehensive income for the year, net of income tax $(19,837)$ - $(16,234)$ -TOTAL COMPREHENSIVE INCOME FOR THE YEAR\$ $317,791$ 6\$ $133,033$ 3NET INCOME(LOSS) ATTRIBUTABLE TO : Shareholers of the parent\$ $334,562$ 6\$ $145,767$ 3Noncontrolling interests $3,066$ - $3,500$ 3TOTAL COMPREHENSIVE INCOME(LOSS)\$ $315,339$ 6\$ $128,936$ 3Noncontrolling interests $2,452$ - $4,007$ -Shareholers of the parent\$ $315,339$ 6\$ $128,936$ 3Noncontrolling interests $2,452$ - $4,007$ -Shareholers of the parent\$ $315,339$ 6\$ $128,936$ 3Noncontrolling interests $2,452$ - $4,007$ -Shareholers of the parent\$ $315,339$ 6\$ $128,936$ 3Noncontrolling interests $2,452$ - $4,007$ -Shareholers of the parent\$ $317,791$ 6\$ $133,033$ 3EARNINGS PER COMMON SHARE(NTD) $6(19)$ \$ 1.83 1.83 1.83	NET INCOME			337,628	6		149,267	
Re-measurements from defined benefit plans $(7,30)$ $(4,69)$ $-$ Items that may be reclassified subsequently to profit or loss $(12,534)$ $ (11,535)$ $-$ Exchange differences arising on translation of foreign operations $(12,534)$ $ (11,535)$ $-$ Other comprehensive income for the year, net of income tax $(19,837)$ $ (16,234)$ $-$ TOTAL COMPREHENSIVE INCOME FOR THE YEAR $$$ $317,791$ 6 $$$ $133,033$ 3 NET INCOME(LOSS) ATTRIBUTABLE TO : Shareholers of the parent $$$ $334,562$ 6 $$$ $145,767$ 3 Noncontrolling interests $$$ $337,628$ 6 $$$ $149,267$ 3 TOTAL COMPREHENSIVE INCOME(LOSS) $$$ $$$ $315,339$ 6 $$$ $128,936$ 3 Noncontrolling interests $$$ $$$ $$$ $$$ $$$ $$$ $$$ $$$ Shareholers of the parent $$$ $$$ $$$ $$$ $$$ $$$ $$$ $$$ $$$ $$$ $$$ $$$ $$$ Shareholers of the parent $$$ <	OTHER COMPREHENSIVE INCOME (LOSS)							
Items that may be reclassified subsequently to profit or lossExchange differences arising on translation of foreign operations $(12,534)$ - $(11,535)$ -Other comprehensive income for the year, net of income tax $(19,837)$ - $(16,234)$ -TOTAL COMPREHENSIVE INCOME FOR THE YEAR\$ $317,791$ 6\$ $133,033$ 3NET INCOME(LOSS) ATTRIBUTABLE TO :\$ $334,562$ 6\$ $145,767$ 3Shareholers of the parent\$ $334,562$ 6\$ $149,267$ 3Noncontrolling interests $30,066$ - $3,500$ -Shareholers of the parent\$ $315,339$ 6\$ $128,936$ 3Noncontrolling interests $2,452$ - $4,097$ -Shareholers of the parent\$ $315,339$ 6\$ $128,936$ 3Noncontrolling interests $2,452$ - $4,097$ -Shareholers of the parent\$ $315,339$ 6\$ $128,936$ 3Noncontrolling interests $2,452$ - $4,097$ -Shareholers of the parent\$ $317,791$ 6\$ $133,033$ 3EARNINGS PER COMMON SHARE(NTD) Basic earnings per share6(19)\$ 1.83	Items that are not to be reclassified to profit or loss							
Exchange differences arising on translation of foreign operations $(12,534)$ - $(11,535)$ -Other comprehensive income for the year, net of income tax $(19,837)$ - $(16,234)$ -TOTAL COMPREHENSIVE INCOME FOR THE YEAR $$ 317,791$ $6$$ $$ 133,033$ 3 NET INCOME(LOSS) ATTRIBUTABLE TO : $$ 334,562$ $6$$ $$ 145,767$ 3 Shareholers of the parent $$ 3366$ - $3,500$ -Noncontrolling interests $$ 315,339$ $6$$ $$ 128,936$ 3 TOTAL COMPREHENSIVE INCOME(LOSS) $$ 315,339$ $6$$ $$ 128,936$ 3 Shareholers of the parent $$ 315,339$ $6$$ $$ 128,936$ 3 Noncontrolling interests $$ 2,452$ - $4,097$ -Shareholers of the parent $$ 317,791$ $6$$ $$ 133,033$ 3 Noncontrolling interests $$ 315,339$ $6$$ $$ 128,936$ 3 Moncontrolling interests $$ 317,791$ $6$$ $$ 133,033$ 3 EARNINGS PER COMMON SHARE(NTD) $6(19)$ $$ 4.19$ $$ 1.83$	Re-measurements from defined benefit plans			(7,303)	-		(4,699)	-
Other comprehensive income for the year, net of income tax TOTAL COMPREHENSIVE INCOME FOR THE YEAR $(19,837)$ $$ 317,791$ $(16,234)$ $$ 133,033$ $(16,234)$ $$ 33,033$ NET INCOME(LOSS) ATTRIBUTABLE TO : Shareholers of the parent $$ 334,562$ 6 $$ 145,767$ 3 $3,066$ Noncontrolling interests $$ 334,562$ 6 $$ 149,267$ 3 TOTAL COMPREHENSIVE INCOME(LOSS) Shareholers of the parent $$ 315,339$ 6 $$ 128,936$ 3 $2,452$ TOTAL COMPREHENSIVE INCOME(LOSS) Shareholers of the parent $$ 315,339$ 6 $$ 128,936$ 3 $2,452$ Comprehensive income tax $$ 317,791$ 6 $$ 133,033$ 3 Constraining interests $$ 317,791$ 6 $$ 133,033$ 3 Constraining interests $$ 4.19$ $$ 1.83$	Items that may be reclassified subsequently to profit or loss							
TOTAL COMPREHENSIVE INCOME FOR THE YEAR\$ $317,791$ 6\$ $133,033$ 3NET INCOME(LOSS) ATTRIBUTABLE TO : Shareholers of the parent\$ $334,562$ 6\$ $145,767$ 3Noncontrolling interests $3,066$ - $3,500$ - $3,066$ - $3,500$ - 5 $337,628$ 6\$ $149,267$ 3TOTAL COMPREHENSIVE INCOME(LOSS)\$ $315,339$ 6\$ $128,936$ 3Noncontrolling interests $2,452$ - $4,097$ - 8 $317,791$ 6\$ $133,033$ 3Comparison of the parent 8 $315,339$ 6\$ $128,936$ 3Noncontrolling interests $2,452$ - $4,097$ - 8 $317,791$ 6\$ $133,033$ 3EARNINGS PER COMMON SHARE(NTD) $6(19)$ 5 4.19 5 1.83	Exchange differences arising on translation of foreign operations			(12,534)	-		(11,535)	-
NET INCOME(LOSS) ATTRIBUTABLE TO : Shareholers of the parent\$ 334,5626\$ 145,7673Noncontrolling interests $3,066$ $ 3,500$ $ 3,066$ $ 3,500$ $ 3,066$ $ 3,500$ $ 3,066$ $ 3,500$ $ 3,066$ $ 3,500$ $ 3,066$ $ 3,500$ $ 3,066$ $ 3,500$ $ 3,066$ $ 3,500$ $ 3,066$ $ 3,500$ $ 3,066$ $ 3,500$ $ 3,066$ $ 3,500$ $ 3,066$ $ 3,500$ $ 3,066$ $ 3,500$ $ 3,066$ $ 3,500$ $ 3,066$ $ 3,500$ $ 3,066$ $ 3,500$ $ 3,066$ $ 3,500$ $ 3,066$ $ 2,452$ $ 2,452$ $ 4,097$ $ 3,17,791$ 6 $$ 133,033$ 3 EARNINGS PER COMMON SHARE(NTD) $6(19)$ $$$ $-$ Basic earnings per share $$ 4.19$ $$ 1.83$	Other comprehensive income for the year, net of income tax			(19,837)	-		(16,234)	-
Shareholers of the parent Noncontrolling interests\$ $334,562$ 6\$ $145,767$ 33,066-3,066-3,500-\$ $337,628$ 6\$ $149,267$ 3TOTAL COMPREHENSIVE INCOME(LOSS) Shareholers of the parent Noncontrolling interests\$ $315,339$ 6\$ $128,936$ 3 $2,452$ - $4,097$ - $\frac{2,452}{$}$ - $4,097$ -\$ $317,791$ 6\$ $133,033$ 3After-taxAfter-taxAfter-taxAfter-taxAfter-taxAfter-tax\$1.83	TOTAL COMPREHENSIVE INCOME FOR THE YEAR		\$	317,791	6	\$	133,033	3
Noncontrolling interests $3,066$ $ 3,500$ $-$ \$ $337,628$ 6 \$ $149,267$ 3 TOTAL COMPREHENSIVE INCOME(LOSS)Shareholers of the parent\$ $315,339$ 6 \$ $128,936$ 3 Noncontrolling interests $2,452$ $ 4,097$ $ $317,7916$133,0333After-taxAfter-taxEARNINGS PER COMMON SHARE(NTD)Basic earnings per share1.83	NET INCOME(LOSS) ATTRIBUTABLE TO :							
\$337,6286\$149,2673TOTAL COMPREHENSIVE INCOME(LOSS)Shareholers of the parentNoncontrolling interests\$315,3396\$128,9363 $2,452$ -4,097- $$317,7916$133,0333After-taxAfter-taxAfter-taxBasic earnings per share1.83	Shareholers of the parent		\$	334,562	6	\$	145,767	3
TOTAL COMPREHENSIVE INCOME(LOSS) Shareholers of the parent \$ 315,339 6 \$ 128,936 3 Noncontrolling interests 2,452 - 4,097 - \$ 317,791 6 \$ 133,033 3 After-tax After-tax After-tax Basic earnings per share \$ 4.19 \$ 1.83	Noncontrolling interests			3,066	-		3,500	-
Shareholers of the parent \$ 315,339 6 \$ 128,936 3 Noncontrolling interests 2,452 - 4,097 - \$ 317,791 6 \$ 133,033 3 EARNINGS PER COMMON SHARE(NTD) 6(19) \$ 4.19 \$ 1.83			\$	337,628	6	\$	149,267	3
Shareholers of the parent \$ 315,339 6 \$ 128,936 3 Noncontrolling interests 2,452 - 4,097 - \$ 317,791 6 \$ 133,033 3 EARNINGS PER COMMON SHARE(NTD) 6(19) \$ 4.19 \$ 1.83	TOTAL COMPREHENSIVE INCOME(LOSS)							
\$ 317,791 6 \$ 133,033 3 EARNINGS PER COMMON SHARE(NTD) 6(19) After-tax After-tax Basic earnings per share \$ 4.19 \$ 1.83	Shareholers of the parent		\$	315,339	6	\$	128,936	3
\$ 317,791 6 \$ 133,033 3 EARNINGS PER COMMON SHARE(NTD) 6(19) After-tax After-tax Basic earnings per share \$ 4.19 \$ 1.83	Noncontrolling interests			2,452	-		4,097	-
EARNINGS PER COMMON SHARE(NTD)6(19)Basic earnings per share\$ 4.19\$ 1.83			\$	317,791	6	\$	133,033	3
Basic earnings per share \$ 4.19 \$ 1.83				After-tax			After-tax	
	EARNINGS PER COMMON SHARE(NTD)	6(19)						
Diluted earnings per share\$3.56\$1.83	Basic earnings per share		\$	4.19		\$	1.83	
	Diluted earnings per share		\$	3.56		\$	1.83	

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

From January 1 to December 31, 2018 and 2017

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

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

MPI CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

From January 1 to December 31, 2018 and 2017

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

CASH FLOWS FROM OPERATING ACTIVITIES \$ 97,618 \$ 92,628,90 Adjustments to reconcile net income to net . . Depreciation 476,374 .417,423 Amortization .65,911 .59,2265 Expected credit loss(gain) .11,84 .664 Gains on Financial Assets (Liabilities) at Fair Value through Profit or Loss .20,403 .17,474 Interest expense .23,493 .17,474 Interest revenue .28,443 .01,831) Loss (gain) on equity-method investments .01,615 .22,464 Gains on disposal of property, plant and equipment .30,664 .22,324 C(Gain) on equichase of convertible bonds .01,670	Items	Jan 1 ~	Dec 31,2018	Jan 1 ~ I	Dec 31,2017
Adjustments to reconcile net income to net. Depreciation 476,374 417,423 Amontization 65,911 59,265 Expected credit loss(gain) 1,1184 664 Gains on Financial Assets (Liabilities) at Fair Value through Profit or Loss 3,200 55 Interest expense 23,493 17,474 Interest revenue (2,844) (1,831) Loss (gain) on equity-method investments (15) (9,782) (Gain) loss on disposal of property, plant and equipment (30,664) 2,246 Gains on disposal of equity-method investments (10,941) (15,577) (Realized) Unrealized gross profit on sales to subsidiaries and associates . (276) (Gain) on repurchase of convertible bonds (1,564) . . Net changes in operating assets . (276) . . Decrease (Increase) in accounts receivable 1,107 . . . Decrease (Increase) in accounts receivable 1,107 . . . Decrease (Increase) in other current assets 3,211 . . . Decrease (Increases) in other current assets	CASH FLOWS FROM OPERATING ACTIVITIES				
Depreciation 476,374 417,423 Amorization 65,911 59,265 Expected credit loss(gain) 1,184 654 Gains on Financial Assets (Liabilities) at Fair Value through Profit or Loss 3,200 555 Interest expense (2,844) (1,831) Loss (gain) on equity-method investments (151) (9,782) (Gains on disposal of reperty, plant and equipment (30,664) 2,246 Gains on disposal of reperty, plant and equipment (30,664) 2,246 Gains on disposal of reperty plant and equipment (30,664) 2,246 Gains on disposal of reperty plant and equipment (30,664) 2,246 Gains on disposal of reperty plant and equipment (30,664) 2,246 CGain on repurchase of convertible bonds (1,564) - Adjustments-exchange (Gain) loss on prepayments for equipment (334) 2,032 Net changes in operating assets 93,757) 11,006 Decrease (Increase) in accounts receivable 1,107 (174,656) Decrease (Increase) in other receivable related parties 3,271 5,639 Decrease (Incr	Income before income tax	\$	397,618	\$	204,830
Amorization 65,911 59,265 Expected credit loss(gain) 1,184 654 Gains on Financial Assets (Liabilities) at Fair Value through Profit or Loss 3,200 55 Interest expense 23,493 17,474 Interest revenue (2,844) ((1,831) Loss (gain) on equity-method investments (151) (9,782) (Gain) son disposal of property, plant and equipment (30,664) 2,246 Gains on disposal of equity-method investments (10,941) (15,557) Loss (gain) on repurchase of convertible bonds (1,564) - Adjustments-exchange (Gain) loss on prepayments for equipment (334) 2,032 Net changes in operating assets 11,007 (174,656) Decrease (Increase) in notes receivable 1,107 (174,656) Decrease (Increase) in intextorices 2,232 (319,783) Decrease (Increase) in accounts receivable 1,107 (174,656) Decrease (Increase) in other creceivable 3,271 5,639 Decrease (Increase) in other creceivable 3,271 5,639 Decrease (Increase) in other current assets	Adjustments to reconcile net income to net				
Expected credit loss(gain)1.184654Gains on Financial Assets (Liabilities) at Fair Value through Profit or Loss3.20055Interest expense23,49317,474Interest expense23,49317,474Interest revenue(2,844)(1,831)Loss (gain) on equity-method investments(151)(9,782)(Gain) loss on disposal of property, plant and equipment(30,664)2,246Gains on disposal of equity-method investments-(1,870)Loss (gain) on disposal of equity-method investments(10,941)(15,557)(Realized) Unrealized gross profit on sales to subsidiaries and associates-(276)(Gain) on repurchase of convertible bonds(1,564)-Adjustments-exchange (Gain) loss on prepayments for equipment(334)2,032Net changes in operating assetsDecrease (Increase) in accounts receivable(9,7,57)11,006Decrease (Increase) in accounts receivable1,107(174,656)Decrease (Increase) in accounts receivable3,2715,639Decrease (Increase) in intertories(280,633)(319,783)Decrease (Increase) in other current assets3441,006Net changes in operating liabilities143,612-(Decrease) Increase in accounts payable6,097-(Decrease) Increase in other accounts payable6,0697-(Decrease) Increase in other accounts payable16,4554,533(Decrease) Increase in other accounts payable6,607-(Decrease) Increase in other accounts	Depreciation		476,374		417,423
Gains on Financial Assets (Liabilities) at Fair Value through Profit or Loss3.20055Interest expense23,49317,474Interest expense(2,844)(1,831)Loss (gain) on equip-method investments(151)(9,782)(Gain) loss on disposal of property, plant and equipment(30,664)2.246Gains on disposal of investments(10,941)(15,577)(Realized) Unrealized gross profit on sales to subsidiaries and associates.(276)(Gain on reparchase of convertible bonds(1,564).Adjustments-exchange (Gain) loss on prepayments for equipment(334)2.032Net changes in operating assetsDecrease (Increase) in accounts receivable1,107(174,656)Decrease (Increase) in accounts receivable3,271Decrease (Increase) in other receivable3,271Decrease (Increase) in other receivables3,271Decrease (Increase) in other current assetsDecrease (Increase) in other current assets(Decrease) Increase in onter current assets(Decrease) Increase in onter accounts payable(Decrease) Increase in other accounts payable(Decrease) Increase in other accounts payable(Decrease) Increase in other accounts payable(Decrease) Increase in ot	Amortization		65,911		59,265
Interest expense23,49317,474Interest revenue(2,844)(1,831)Loss (gain) on equity-method investments(151)(9,782)(Gain) loss on disposal of property, plant and equipment(30,664)2,246Gains on disposal of investments(10,941)(15,557)(Realized) Unrealized gross profit on sales to subsidiaries and associates.(276)(Gain) on repurchase of convertible bonds(1,164)Adjustments-exchange (Gain) loss on prepayments for equipment(334)2,032Net changes in operating assets and liabilities11,007(174,656)Decrease (Increase) in accounts receivable1,107(174,656)Decrease (Increase) in accounts receivable3,2715,639Decrease (Increase) in accounts receivable3,2715,639Decrease (Increase) in other receivables3,2715,639Decrease (Increase) in other current assets3441,066Net changes in operating liabilities143,612-(Decrease) Increase in nortex traibilities143,612-(Decrease) Increase in nortex traibilities143,612-(Decrease) Increase in nortex payable6,097-(Decrease) Increase in ontext payable6,3666(10,856)(Decrease) Increase in accounts payable16,409615(Decrease) Increase in other accounts payable16,49615(Decrease) Increase in other accounts payable-related parties2,4831,483(Decrease) Increase in other current liabilities16,49<	Expected credit loss(gain)		1,184		654
Interest revenue(2,844)(1,831)Loss (gain) on equity-method investments(151)(9,782)(Gain) loss on disposal of property, plant and equipment(30,664)2,246Gains on disposal of equity-method investments(10,941)(15,557)(Realized) Unrealized gross profit on sales to subsidiaries and associates(276)(Gain) on repurchase of convertible bonds(1,564)(20,22)Adjustments-exchange (Gain) loss on prepayments for equipment(334)2,032Net changes in operating assets and liabilities(93,757)11,006Decrease (Increase) in notes receivable1,107(174,656)Decrease (Increase) in notes receivable3,2715,639Decrease (Increase) in other receivables3,2715,639Decrease (Increase) in other creceivables3,2715,639Decrease (Increase) in other current assets3441,066Net changes in operating liabilities143,612-(Decrease) Increase in accounts payable63,686(10,856)Operease (Increase) in other current assets3441,066Net changes in accounts payable63,686(10,853)(Decrease) Increase in accounts payable63,686(10,853)(Decrease) Increase in accounts payable1,649615(Decrease) Increase in other accounts payable63,686(10,853)(Decrease) Increase in other accounts payable1,649615(Decrease) Increase in other accounts payable1,649615(Decrease) Increase in other accounts payable1,	Gains on Financial Assets (Liabilities) at Fair Value through Profit or Loss	8	3,200		55
Loss (gain) on equity-method investments(151)(0.782)(Gain) loss on disposal of property, plant and equipment(30.664)2.246Gains on disposal of investments(10.941)(15.57)(Realized) Unrealized gross profit on sales to subsidiaries and associates-(276)(Gain) on repurchase of convertible bonds(1.564)-Adjustments-exchange (Gain) loss on prepayments for equipment(334)2.032Net changes in operating assets-(1.664)-Decrease (Increase) in notes receivable(1.107)(174.656)Decrease (Increase) in accounts receivable1.107(174.656)Decrease (Increase) in accounts receivable3.2715.639Decrease (Increase) in inventories(280.583)(319.783)Decrease (Increase) in other receivables3.2715.639Decrease (Increase) in other receivables3.2715.639Decrease (Increase) in other receivables3.2715.639Decrease (Increase) in other receivables3.2715.639Decrease (Increase) in other current assets3.441.066Net changes in operating liabilities143,612-(Decrease) Increase in notes payable63.686(10.856)(Decrease) Increase in other accounts payable63.686(10.856)(Decrease) Increase in other accounts payable1.649615(Decrease) Increase in other accounts payable1.649615(Decrease) Increase in other accounts payable-related parties(3.673)3.581(Decrease) Increase in	Interest expense		23,493		17,474
(Gain) loss on disposal of property, plant and equipment(30,664)2,246Gains on disposal of equity-method investments(10,41)(15,557)(Realized) Unrealized gross profit on sales to subsidiaries and associates.(276)(Gain) on repurchase of convertible bonds(1,564).Adjustments-exchange (Gain) loss on prepayments for equipment(334)2.032Net changes in operating assets and liabilitiesDecrease (Increase) in accounts receivable(93,757)11,006Decrease (Increase) in accounts receivable-related parties.3271.6339Decrease (Increase) in accounts receivable-related parties.3271.5639Decrease (Increase) in other receivable-related parties.3271.6369Decrease (Increase) in other current assets.344.1.066Net changes in operating liabilities(Decrease) Increase in accounts receivable.6.097(Decrease) Increase in contract liabilities.143,612(Decrease) Increase in accounts payable.6.097(Decrease) Increase in accounts payable.6.3686	Interest revenue		(2,844)		(1,831)
Gains on disposal of investments.(1,370)Loss (gain) on disposal of equity-method investments(10,941)(15,557)(Realized) Unrealized gross profit on sales to subsidiaries and associates.(276)(Gain) on repurchase of convertible bonds(1,564).Adjustments-exchange (Gain) loss on prepayments for equipment(334)2.032Net changes in operating assets and liabilitiesNet changes in operating assetsDecrease (Increase) in notes receivable1,107(174,656)Decrease (Increase) in notes receivable3.2715.639Decrease (Increase) in other receivables3.2715.639Decrease (Increase) in other receivables3.2715.639Decrease (Increase) in other receivables3.2715.639Decrease (Increase) in other receivables(Decrease) Increase in inventories(280,583)(319,783)Decrease (Increase) in other current assets(Decrease) Increase in other accounts payable6.097.(Decrease) Increase in other accounts payable(Decrease) Increase in notes payable(Decrease) Increase in notes payable(Decrease) Increase in other accounts payable-related parties(Decrease) Increase in other accounts payable(Decrease) Increase in other accounts payable(Decrease) Increase in other accounts payable-related pa	Loss (gain) on equity-method investments		(151)		(9,782)
Loss (gain) on disposal of equity-method investments(10,941)(15,57)(Realized) Unrealized gross profit on sales to subsidiaries and associates.(276)(Gain) on repurchase of convertible bonds(1,564).Adjustments-exchange (Gain) loss on prepayments for equipment(334)2.032Net changes in operating assetsDecrease (Increase) in notes receivable(93,757)11,006Decrease (Increase) in accounts receivable-related parties75836,303Decrease (Increase) in other receivables3.2715,639Decrease (Increase) in other receivables3.2715,639Decrease (Increase) in other receivables3.2715,639Decrease (Increase) in other receivables3.2715,639Decrease (Increase) in other current assets3.441,066Net changes in operating liabilities(16,589)7,569Decrease (Increase) in other current assets143,612.(Decrease) Increase in contract liabilities143,612.(Decrease) Increase in other sequents payable6,097.(Decrease) Increase in other accounts payable-related parties(3,673)3,581(Decrease) Increase in other accounts payable184,002(144,423)(Decrease) Increase in other accounts payable16,49615(Decrease) Increase in other accounts payable-related parties(3,673)3,581(Decrease) Increase in other accounts payable16,49615(Decrease) Increase in other accounts payable16,49615 <t< td=""><td>(Gain) loss on disposal of property, plant and equipment</td><td></td><td>(30,664)</td><td></td><td>2,246</td></t<>	(Gain) loss on disposal of property, plant and equipment		(30,664)		2,246
(Realized) Unrealized gross profit on sales to subsidiaries and associates.(276)(Gain) on repurchase of convertible bonds(1.564).Adjustments-exchange (Gain) loss on prepayments for equipment(334)2.032Net changes in operating assetsDecrease (Increase) in notes receivable(93,757)11.006Decrease (Increase) in accounts receivable1,107(174,656)Decrease (Increase) in accounts receivable3,2715,539Decrease (Increase) in other receivables3,2715,539Decrease (Increase) in inventories(280,583)(319,783)Decrease (Increase) in other current assets3441,066Net changes in operating liabilities(Decrease) Increase in onters payable6,097.(Decrease) Increase in notes payable6,3686(10,856)(Decrease) Increase in accounts payable-related parties(3,673)3,581(Decrease) Increase in accounts payable183,002(144,423)(Decrease) Increase in other accounts payable16,499615(Decrease) Increase in other accounts payable-related parties(4,875)4,533(Decrease) Increase in other accounts payable-related parties(2,843)10,744Decrease (Increase in other current liabilities1,649615(Decrease) Increase in other current liabilities2,8381,833(Decrease) Increase in other current liabilities2,8381,833(Decrease) Increase in other current liabilities2,8381,843(Decreas	Gains on disposal of investments		-		(1,870)
(Gain) on repurchase of convertible bonds(1.564)Adjustments-exchange (Gain) loss on prepayments for equipment(334)2.032Net changes in operating assetsDecrease (Increase) in notes receivable(93,757)11,006Decrease (Increase) in accounts receivable1,107(174,656)Decrease (Increase) in accounts receivable-related parties75836,303Decrease (Increase) in other receivable-related parties3,2715,639Decrease (Increase) in other receivables3,2715,639Decrease (Increase) in inventories(280,583)(319,783)Decrease (Increase) in other receivables3441,066Net changes in operating labilities(16,589)7,569Decrease (Increase) in other current assets3441,066Net changes in operating labilities143,612-(Decrease) Increase in counts payable6,097-(Decrease) Increase in ontes payable63,686(10,856)(Decrease) Increase in accounts payable-related parties(3,673)3,581(Decrease) Increase in other accounts payable183,002(144,423)(Decrease) Increase in other accounts payable-related parties(4,875)4,533(Decrease) Increase in other accounts payable-related parties(3,614)10,744Decrease (Increase) in other accounts payable-related parties(22,843)10,744Decrease (Increase) in other accounts payable-related parties(3,3)1,487Cash generated from operations902,455207,913Intere	Loss (gain) on disposal of equity-method investments		(10,941)		(15,557)
Adjustments-exchange (Gain) loss on prepayments for equipment(334)2.032Net changes in operating assetsDecrease (Increase) in notes receivable(93,757)11,006Decrease (Increase) in accounts receivable1,107(174,656)Decrease (Increase) in accounts receivable-related parties75836,303Decrease (Increase) in other receivables3,2715,639Decrease (Increase) in other receivables3,2715,639Decrease (Increase) in other receivables3,2715,639Decrease (Increase) in other receivables3,2441,066Net changes in operating liabilities(16,589)7,569Decrease (Increase) in other current assets3441,066Net changes in operating liabilities(143,612-(Decrease) Increase in notes payable6,097-(Decrease) Increase in contract liabilities143,612-(Decrease) Increase in contract liabilities143,602(144,423)(Decrease) Increase in contract liabilities143,002(144,423)(Decrease) Increase in other accounts payable183,002(144,423)(Decrease) Increase in other accounts payable-related parties4,875)4,533(Decrease) Increase in other current liabilities1,649615(Decrease) Increase in other current liabilities1,649615(Decrease) Increase in other current liabilities2,8381,833(Decrease) Increase in other current liabilities2,8381,833Cash generated from operations902,455<	(Realized) Unrealized gross profit on sales to subsidiaries and associates		-		(276)
Net changes in operating assets and liabilitiesNet changes in operating assetsDecrease (Increase) in notes receivable(93,757)11,006Decrease (Increase) in accounts receivable1,107(174,656)Decrease (Increase) in other receivables3,2715,639Decrease (Increase) in other receivables3,2715,639Decrease (Increase) in other receivables3,2715,639Decrease (Increase) in other current assets(16,589)7,569Decrease (Increase) in other current assets3441,066Net changes in operating liabilities(Decrease) Increase in contract liabilities(Decrease) Increase in accounts payable6,097-(Decrease) Increase in accounts payable6,087-(Decrease) Increase in other accounts payable100,425(Decrease) Increase in other accounts payable-related parties(3,673)3,581(Decrease) Increase in other accounts payable-related parties(4,875)4,533(Decrease) Increase in other accounts payable-related parties(16,49)6(155(Decrease) Increase in other accounts payable-related parties(28,33)(Decrease) Increase in other accounts payable-related parties(16,49)(Decrease) Increase in other current liabilities(22,843)(Decrease) Increase in other current liabilities(22,843)(Decrease) Increase in other current liabilities <tr< td=""><td>(Gain) on repurchase of convertible bonds</td><td></td><td>(1,564)</td><td></td><td>-</td></tr<>	(Gain) on repurchase of convertible bonds		(1,564)		-
Net changes in operating assetsDecrease (Increase) in notes receivable(93,757)11,006Decrease (Increase) in accounts receivable1,107(174,656)Decrease (Increase) in accounts receivable-related parties75836,303Decrease (Increase) in other receivables3,2715,639Decrease (Increase) in inventories(280,583)(319,783)Decrease (Increase) in prepayments(16,589)7,569Decrease (Increase) in other current assets3441,066Net changes in operating liabilities143,612-(Decrease) Increase in contract liabilities143,612-(Decrease) Increase in accounts payable63,086(10,856)(Decrease) Increase in accounts payable-related parties(3,673)3,581(Decrease) Increase in accounts payable-related parties(4,875)44,323)(Decrease) Increase in other accounts payable-related parties1,649615(Decrease) Increase in notes counts payable-related parties(4,875)4,533(Decrease) Increase in notes counts payable-related parties1,649615(Decrease) Increase in other current liabilities1,649615(Decrease) Increase in other current liabilities2,28381,833(Decrease) Increase in other current liabilities2,8381,833(Decrease) Increase in other current liabilities2,28381,833(Decrease) Increase in other current liabilities2,28381,833(Decrease) Increase in other current liabilities2,8381,833(Cash gen	Adjustments-exchange (Gain) loss on prepayments for equipment		(334)		2,032
Decrease (Increase) in notes receivable $(93,757)$ $11,006$ Decrease (Increase) in accounts receivable $1,107$ $(174,656)$ Decrease (Increase) in accounts receivable-related parties 758 $36,303$ Decrease (Increase) in other receivables $3,271$ $5,639$ Decrease (Increase) in inventories $(280,583)$ $(319,783)$ Decrease (Increase) in prepayments $(16,589)$ $7,569$ Decrease (Increase) in other current assets 344 $1,066$ Net changes in operating liabilities $(143,612)$ -(Decrease) Increase in contract liabilities $143,612$ -(Decrease) Increase in accounts payable $63,686$ $(10,856)$ (Decrease) Increase in accounts payable-related parties $(3,673)$ $3,581$ (Decrease) Increase in other accounts payable-related parties $(4,875)$ $4,533$ (Decrease) Increase in other accounts payable-related parties $(22,843)$ $10,744$ Decrease) Increase in other current liabilities $2,838$ $1,833$ Cash dividends received $2,838$ $1,833$ Cash dividends received 861 554 Interest received $2,838$ $1,833$ Cash dividends $(39,951)$ $(334,343)$ Income taxes paid $(41,854)$ $(95,097)$	Net changes in operating assets and liabilities				
Decrease (Increase) in accounts receivable1,107(174,656)Decrease (Increase) in accounts receivable-related parties75836,303Decrease (Increase) in other receivables3,2715,639Decrease (Increase) in inventories(280,583)(319,783)Decrease (Increase) in prepayments(16,589)7,569Decrease (Increase) in other current assets3441,066Net changes in operating liabilities143,612-(Decrease) Increase in contract liabilities6,097-(Decrease) Increase in accounts payable63,686(10,856)(Decrease) Increase in accounts payable-related parties(3,673)3,581(Decrease) Increase in other accounts payable183,002(144,423)(Decrease) Increase in other accounts payable-related parties(4,875)4,533(Decrease) Increase in other accounts payable-related parties1,649615(Decrease) Increase in other accounts payable-related parties(3,33)1,487(Decrease) Increase in other accounts payable-related parties(3,33)1,487(Decrease) Increase in other current liabilities(22,843)10,744Decrease(Increase) in accrued pension cost(33)1,487Cash generated from operations902,455207,913Interest received2,8381,833Cash dividends received861554Interest (excluding capitalization of interest)(17,922)(6,973)Cash dividends(39,951)(334,343)Income taxes paid(41,854)(95,09	Net changes in operating assets				
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Decrease (Increase) in other receivables $3,271$ $5,639$ Decrease (Increase) in inventories $(280,583)$ $(319,783)$ Decrease (Increase) in prepayments $(16,589)$ $7,569$ Decrease (Increase) in other current assets 344 $1,066$ Net changes in operating liabilities $143,612$ $-$ (Decrease) Increase in contract liabilities $6,097$ $-$ (Decrease) Increase in notes payable $63,686$ (10.856) (Decrease) Increase in accounts payable-related parties $(3,673)$ $3,581$ (Decrease) Increase in other accounts payable-related parties $(4,875)$ $4,533$ (Decrease) Increase in other accounts payable-related parties $(4,875)$ $4,533$ (Decrease) Increase in other accounts payable-related parties 1649 615 (Decrease) Increase in other accounts payable-related parties $1,649$ 615 (Decrease) Increase in other accounts payable-related parties $2,838$ $1,833$ (Decrease) Increase in other current liabilities $2,838$ $1,487$ Cash generated from operations $902,455$ $207,913$ Interest received 861 554 Interest (excluding capitalization of interest) $(17,922)$ $(6,973)$ Cash dividends $(39,951)$ $(334,343)$ $(65,07)$ Cash dividends $(39,951)$ $(344,343)$ $(65,07)$	Decrease (Increase) in accounts receivable		1,107		(174,656)
Decrease (Increase) in inventories(280,583)(319,783)Decrease (Increase) in prepayments(16,589)7,569Decrease (Increase) in other current assets3441,066Net changes in operating liabilities(Decrease) Increase in contract liabilities-(Decrease) Increase in notes payable6,097-(Decrease) Increase in accounts payable-related parties(3,673)3,581(Decrease) Increase in accounts payable-related parties(3,673)3,581(Decrease) Increase in other accounts payable-related parties(4,875)4,533(Decrease) Increase in other accounts payable-related parties1,649615(Decrease) Increase in other accounts payable-related parties1,649615(Decrease) Increase in other accounts payable-related parties1,649615(Decrease) Increase in other accounts payable-related parties2,84310,744Decrease (Increase in sales revenue received in advance-100,425(Decrease) Increase in other current liabilities(22,843)10,744Decrease(Increase) in acrued pension cost(33)1,487Cash generated from operations902,455207,913Interest received861554Interest (excluding capitalization of interest)(17,922)(6,973)Cash dividends received(39,951)(334,343)Income taxes paid(41,854)(95,097)	Decrease (Increase) in accounts receivable-related parties		758		36,303
Decrease (Increase) in prepayments(16,589)7,569Decrease (Increase) in other current assets3441,066Net changes in operating liabilities143,612-(Decrease) Increase in contract liabilities6,097-(Decrease) Increase in notes payable63,686(10,856)(Decrease) Increase in accounts payable63,686(10,856)(Decrease) Increase in accounts payable-related parties(3,673)3,581(Decrease) Increase in other accounts payable183,002(144,423)(Decrease) Increase in other accounts payable-related parties(4,875)4,533(Decrease) Increase in other accounts payable-related parties(4,875)4,533(Decrease) Increase in other accounts payable-related parties10,425100,425(Decrease) Increase in provision of liabilities1649615(Decrease) Increase in other current liabilities(22,843)10,744Decrease(Increase) in accrued pension cost(33)1,487Cash generated from operations902,455207,913Interest received861554Interest (excluding capitalization of interest)(17,922)(6,973)Cash dividends(39,951)(334,343)Income taxes paid(41,854)(95,097)	Decrease (Increase) in other receivables		3,271		5,639
Decrease (Increase) in other current assets3441,066Net changes in operating liabilities(Decrease) Increase in contract liabilities143,612-(Decrease) Increase in notes payable6,097-(Decrease) Increase in accounts payable63,686(10,856)(Decrease) Increase in accounts payable-related parties(3,673)3,581(Decrease) Increase in other accounts payable-related parties(3,673)3,581(Decrease) Increase in other accounts payable-related parties(4,875)4,533(Decrease) Increase in other accounts payable-related parties(4,875)4,533(Decrease) Increase in other accounts payable-related parties1,649615(Decrease) Increase in sales revenue received in advance-100,425(Decrease) Increase in other current liabilities(22,843)10,744Decrease(Increase) in accrued pension cost(33)1,487Cash generated from operations902,455207,913Interest received861554Interest (excluding capitalization of interest)(17,922)(6,973)Cash dividends(39,951)(334,343)Income taxes paid(41,854)(95,097)	Decrease (Increase) in inventories		(280,583)		(319,783)
Net changes in operating liabilities143,612(Decrease) Increase in contract liabilities143,612(Decrease) Increase in notes payable6,097(Decrease) Increase in accounts payable63,686(Decrease) Increase in accounts payable-related parties(3,673)(Decrease) Increase in other accounts payable-related parties(3,673)(Decrease) Increase in other accounts payable-related parties(4,875)(Decrease) Increase in other accounts payable-related parties(4,875)(Decrease) Increase in other accounts payable-related parties1,649(Decrease) Increase in provision of liabilities1,649(Decrease) Increase in sales revenue received in advance-(Decrease) Increase in other current liabilities(22,843)(Decrease) Increase in accrued pension cost(33)(Cash generated from operations902,455207,913Interest receivedInterest (excluding capitalization of interest)(17,922)(Gayra)(334,343)Income taxes paid(41,854)(95,097)	Decrease (Increase) in prepayments		(16,589)		7,569
(Decrease) Increase in contract liabilities143,612-(Decrease) Increase in notes payable6,097-(Decrease) Increase in accounts payable63,686(10,856)(Decrease) Increase in accounts payable-related parties(3,673)3,581(Decrease) Increase in other accounts payable-related parties(3,673)3,581(Decrease) Increase in other accounts payable-related parties(4,875)4,533(Decrease) Increase in other accounts payable-related parties(4,875)4,533(Decrease) Increase in other accounts payable-related parties1,649615(Decrease) Increase in sales revenue received in advance-100,425(Decrease) Increase in other current liabilities(22,843)10,744Decrease) Increase in other current liabilities(22,843)10,744Decrease) Increase in accrued pension cost(33)1,487Cash generated from operations902,455207,913Interest received861554Interest (excluding capitalization of interest)(17,922)(6,973)Cash dividends(39,951)(334,343)Income taxes paid(41,854)(95,097)	Decrease (Increase) in other current assets		344		1,066
(Decrease) Increase in notes payable6,097-(Decrease) Increase in accounts payable63,686(10,856)(Decrease) Increase in accounts payable-related parties(3,673)3,581(Decrease) Increase in other accounts payable183,002(144,423)(Decrease) Increase in other accounts payable-related parties(4,875)4,533(Decrease) Increase in other accounts payable-related parties(4,875)4,533(Decrease) Increase in provision of liabilities1,649615(Decrease) Increase in sales revenue received in advance-100,425(Decrease) Increase in other current liabilities(22,843)10,744Decrease(Increase) in accrued pension cost(33)1,487Cash generated from operations902,455207,913Interest received2,8381,833Cash dividends received861554Interest (excluding capitalization of interest)(17,922)(6,973)Cash dividends(39,951)(334,343)Income taxes paid(41,854)(95,097)	Net changes in operating liabilities				
(Decrease) Increase in accounts payable63,686(10,856)(Decrease) Increase in accounts payable-related parties(3,673)3,581(Decrease) Increase in other accounts payable183,002(144,423)(Decrease) Increase in other accounts payable-related parties(4,875)4,533(Decrease) Increase in provision of liabilities1,649615(Decrease) Increase in provision of liabilities1,649615(Decrease) Increase in sales revenue received in advance-100,425(Decrease) Increase in other current liabilities(22,843)10,744Decrease(Increase) in acrued pension cost(33)1,487Cash generated from operations902,455207,913Interest received861554Interest (excluding capitalization of interest)(17,922)(6,973)Cash dividends(39,951)(334,343)Income taxes paid(41,854)(95,097)	(Decrease) Increase in contract liabilities		143,612		-
(Decrease) Increase in accounts payable-related parties(3,673)3,581(Decrease) Increase in other accounts payable183,002(144,423)(Decrease) Increase in other accounts payable-related parties(4,875)4,533(Decrease) Increase in provision of liabilities1,649615(Decrease) Increase in sales revenue received in advance-100,425(Decrease) Increase in other current liabilities(22,843)10,744Decrease(Increase) in accrued pension cost(33)1,487Cash generated from operations902,455207,913Interest received2,8381,833Cash dividends received861554Interest (excluding capitalization of interest)(17,922)(6,973)Cash dividends(39,951)(334,343)Income taxes paid(41,854)(95,097)	(Decrease) Increase in notes payable		6,097		-
(Decrease) Increase in other accounts payable183,002(144,423)(Decrease) Increase in other accounts payable-related parties(4,875)4,533(Decrease) Increase in provision of liabilities1,649615(Decrease) Increase in sales revenue received in advance-100,425(Decrease) Increase in other current liabilities(22,843)10,744Decrease(Increase) in accrued pension cost(33)1,487Cash generated from operations902,455207,913Interest received2,8381,833Cash dividends received861554Interest (excluding capitalization of interest)(17,922)(6,973)Cash dividends(39,951)(334,343)Income taxes paid(41,854)(95,097)	(Decrease) Increase in accounts payable		63,686		(10,856)
(Decrease) Increase in other accounts payable-related parties(4,875)4,533(Decrease) Increase in provision of liabilities1,649615(Decrease) Increase in sales revenue received in advance-100,425(Decrease) Increase in other current liabilities(22,843)10,744Decrease(Increase) in accrued pension cost(33)1,487Cash generated from operations902,455207,913Interest received2,8381,833Cash dividends received861554Interest (excluding capitalization of interest)(17,922)(6,973)Cash dividends(39,951)(334,343)Income taxes paid(41,854)(95,097)	(Decrease) Increase in accounts payable-related parties		(3,673)		3,581
(Decrease) Increase in provision of liabilities1,649615(Decrease) Increase in sales revenue received in advance-100,425(Decrease) Increase in other current liabilities(22,843)10,744Decrease(Increase) in accrued pension cost(33)1,487Cash generated from operations902,455207,913Interest received2,8381,833Cash dividends received861554Interest (excluding capitalization of interest)(17,922)(6,973)Cash dividends(39,951)(334,343)Income taxes paid(41,854)(95,097)	(Decrease) Increase in other accounts payable		183,002		(144,423)
(Decrease) Increase in sales revenue received in advance-100,425(Decrease) Increase in other current liabilities(22,843)10,744Decrease(Increase) in accrued pension cost(33)1,487Cash generated from operations902,455207,913Interest received2,8381,833Cash dividends received861554Interest (excluding capitalization of interest)(17,922)(6,973)Cash dividends(39,951)(334,343)Income taxes paid(41,854)(95,097)	(Decrease) Increase in other accounts payable-related parties		(4,875)		4,533
(Decrease) Increase in other current liabilities(22,843)10,744Decrease(Increase) in accrued pension cost(33)1,487Cash generated from operations902,455207,913Interest received2,8381,833Cash dividends received861554Interest (excluding capitalization of interest)(17,922)(6,973)Cash dividends(39,951)(334,343)Income taxes paid(41,854)(95,097)	(Decrease) Increase in provision of liabilities		1,649		615
Decrease(Increase) in accrued pension cost(33)1,487Cash generated from operations902,455207,913Interest received2,8381,833Cash dividends received861554Interest (excluding capitalization of interest)(17,922)(6,973)Cash dividends(39,951)(334,343)Income taxes paid(41,854)(95,097)	(Decrease) Increase in sales revenue received in advance		-		100,425
Cash generated from operations902,455207,913Interest received2,8381,833Cash dividends received861554Interest (excluding capitalization of interest)(17,922)(6,973)Cash dividends(39,951)(334,343)Income taxes paid(41,854)(95,097)	(Decrease) Increase in other current liabilities		(22,843)		10,744
Interest received2,8381,833Cash dividends received861554Interest (excluding capitalization of interest)(17,922)(6,973)Cash dividends(39,951)(334,343)Income taxes paid(41,854)(95,097)	Decrease(Increase) in accrued pension cost		(33)		1,487
Cash dividends received861554Interest (excluding capitalization of interest)(17,922)(6,973)Cash dividends(39,951)(334,343)Income taxes paid(41,854)(95,097)	Cash generated from operations		902,455		207,913
Interest (excluding capitalization of interest) (17,922) (6,973) Cash dividends (39,951) (334,343) Income taxes paid (41,854) (95,097)	Interest received		2,838		1,833
Cash dividends (39,951) (334,343) Income taxes paid (41,854) (95,097)	Cash dividends received		861		554
Income taxes paid (41,854) (95,097)	Interest (excluding capitalization of interest)		(17,922)		(6,973)
	Cash dividends		(39,951)		(334,343)
	Income taxes paid		(41,854)		(95,097)
Net cash Provided By Operating Activities806,427(226,113)	Net cash Provided By Operating Activities		806,427		(226,113)

(Continue)

MPI CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

From January 1 to December 31, 2018 and 2017

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

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

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

MPI Corporation Disposition of Net Earnings 2018

Unit: NTD \$

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

Chairman: Ko, Chang-Lin

President: Scott Kuo

Chief Accounting Officer: Rose Jao

Appendix VI

MPI Corporation

Comparison Table of Clauses Before and After the Amendment of the "Articles of Incorporation"

-			1
Clause	Before amendment	After amendment	Cause of amendment
Article I	The Company has been duly incorporated in accordance with the Company Act and titled MPI Corporation.	The Company has been duly incorporated in accordance with the Company Act and titled MPI Corporation. <u>The English name is MPI</u> CORPORATION.	The English name is newly added.
Article VI	The stocks of the Company are registered. They shall be signed by or affixed with the stamps of at least three directors. The stocks may be issued only after being authenticated- in accordance with relevant laws. The Company may also issue shares without printing physical stock, or- consolidated all the outstanding- shares for printing stock for the issuance of the aforementioned- shares and shall register these shares with a securities depository body.	The Company may issue shares. The issuance of shares by the Company complies with Article 162 of the Company Act. The Company may issue <u>shares</u> without printing physical	In response to the amendment of the Company Act.
Article IX	Any shareholder who is unable to attend the shareholders' meeting in person may appoint a proxy to attend- each session of the General Meeting- by presenting the authorization of- proxy document prepared by the- Company indicating the scope of- authorization.	e	In response to the amendment of the Company Act.
Article XII	The Company shall appoint 5 directors and 3 supervisors for a term of 3 years via the candidate nomination system. They shall be elected by the shareholders' meeting from the list of candidates and may be reelected for a second term of office. (Omitted)		Increase in the number of directors.

Clause	Before amendment	After amendment	Cause of
			amendment
Article XX	shall be resolved and approved by a majority of the directors present at a directors' meeting attended by more than two-thirds of the whole directors, and reported to a shareholders' meeting. The remuneration for employees may be paid in the form of stock or in cash. Employees entitled to receive	(Omitted) The allocation of remuneration to employees and directors/supervisors shall be resolved and approved by a majority of the directors present at a directors' meeting attended by more than two-thirds of the whole directors, and reported to a shareholders' meeting. The remuneration for employees may be paid in the form of stock or in cash. Employees entitled to receive the distribution includes those of the holding or the affiliated companies who meet specified requirements established by the authorized	In response to the amendment of the Company Act.
	total final account of a fiscal year, it shall first pay the taxes, make up any losses from past years, and then make contribution of 10% as the statutory reserve unless the statutory reserve reaches the amount of the Company paid-in capital. After appropriating or reversing a special reserve in accordance with the laws and regulations, the proposal for the distribution of the profits concerning the balance along with the accumulative undistributed profit is formulated by the Board of Directors	<u>Chairman</u> . If the Company has a profit in the total final account of a fiscal year, it shall first pay the taxes, make up any losses from past years, and then make contribution of 10% as the statutory reserve unless the statutory reserve reaches the amount of the	

Clause	Before amendment	After amendment	Cause of amendment
Article XXII	The Articles of Incorporation were instituted on July 20, 1995. Amendment was made for the 1st instance on September 20, 1996. (Omitted)	instituted on July 20, 1995.	the date of the

Appendix VII

MPI Corporation

Comparison table of clauses before and after the amendment of the "Procedure for

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

the Acquisitions and Dispositions of Assets"

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

Clause	Before amendment	After amendment	Note
	of real property issued for	whose paid-in capital is NT\$10	
	construction use of a public	billion or more, the transaction	
	company in the construction	amount reaches NT\$1 billion or	
	business and the trading	more.	
	1 1 2	V. The acquisition or disposal	
	and the amount of transactions	of real property or <u>right-of-use</u>	
	falls below NT\$500 million.	assets thereof issued for	
	VI. Where acquisition of real	construction use of a public	
	property through the	company in the construction	
	construction on property land by	business and the trading	
	commissioned builder,	counterpart is not a related party,	
	1 1 5 5	and the amount of transactions	
	commissioned builder, joint	falls below NT\$500 million;	
	venture of construction for	among such cases, if the public	
	sharing of built premises, joint	company has paid-in capital of	
	ventures of construction with	NT\$10 billion or more, and has	
	sharing of proceeds, and joint	disposal of real property from a	
	venture of construction with	completed construction project	
	separate selling of the premises,	constructed by itself, and the	
	the planned investment of the	transaction counterparty is not a	
	Company falls below NT\$500	related party, then the threshold	
	million.	shall be a transaction amount	
	VII. Where an asset transaction	reaching NT\$1 billion or more.	
	further to those referred in the	VI. Where acquisition of real	
	preceding 6 paragraphs,	property through the	
	a disposal of creditor right by	construction on property land by	
	financial institutions, or	commissioned builder,	
	investments in Mainland China	construction on property land by	
	reaches 20% or more of the	commissioned builder, joint	
	paid-in capital of the Company	venture of construction for	
	or NT\$300 million or more. This	• •	
	shall not apply to the following	ventures of construction with	
	circumstances:	sharing of proceeds, and joint	
	(I) Government bond trade.	venture of construction with	
	(II) Where conducted by the	separate selling of the premises,	
	professional investors-securities trading on securities exchanges	and furthermore the transaction	
	or OTC markets at home and	<u>counterparty is not a related</u> <u>party</u> , the planned investment of	
	abroad, or subscription to the	the Company falls below	
	ordinary corporate bonds or	NT\$500 million.	
		VII. Where an asset transaction	
	equity characteristics that are	further to those referred in the	
	offered and issued in the	preceding 6 paragraphs,	
	domestic primary market, or	a disposal of creditor right by	
	subscription by a securities firm	financial institutions, or	
	of securities as necessitated by	investments in Mainland China	
	its undertaking business or as an	reaches 20% or more of the	
	advisory recommending	paid-in capital of the Company	
	securities firm for an emerging	or NT\$300 million or more. This	
	stock company, in accordance	shall not apply to the following	
	stook company, in accordance	onan not apply to the following	1

Clause	Before amendment	After amendment	Note
	with the rules of the Taipei	circumstances:	
	Exchange (TPEx) of the	(I) <u>Domestic</u> government bond	
	Republic of China.	trade.	
	(III) Trading of bonds under	(II) Where conducted by the	
	repurchase and resale	professional investors-securities	
	agreements, or subscription or	trading on securities exchanges	
	redemption of money market	or OTC markets at home and	
	funds issued by domestic	abroad, or subscription to the	
	securities investment trust	ordinary corporate bonds or	
	enterprises.	general bank debentures without	
	The aforementioned amounts	equity characteristics that are	
	shall be calculated in the	offered and issued in the primary	
	following methods:	market (excluding subordinated	
	I. The amount of each	debts), or subscription to or	
	transaction.	redemption of securities	
	II. The accumulated amount	investment trust funds or futures	
	for transactions with particular	trust funds, or subscription by a	
	counterparty for the acquisition	securities firm of securities as	
	or disposition of subject of trade	necessitated by its undertaking	
	of the same nature in one year.	business or as an advisory	
	III. The accumulated amount of	recommending securities firm	
	the acquisitions or dispositions	for an emerging stock company,	
	(calculated separately) of the	in accordance with the rules of	
	same project of real property	the Taipei Exchange (TPEx) of	
	within one year.	the Republic of China.	
	IV. The accumulated amount of		
	acquisitions or dispositions	repurchase and resale	
	(calculated separately) of	agreements, or subscription or	
	particular security within the	redemption of money market	
	preceding year.	funds issued by domestic	
	One year as referred to shall be	securities investment trust	
	1	enterprises.	
	moving backward for one year in		
	retrospect. The portion of trade	shall be calculated in the	
		following methods:	
	this procedure could be	I. The amount of each	
	exempted from calculation.	transaction.	
	I J I I I I I I I I I I I I I I I I I I	II. The accumulated amount	
	information of derivative trade	for transactions with particular	
	conducted by itself and	counterparty for the acquisition	
	subsidiaries, which are not	or disposition of subject of trade	
	domestic public companies to	of the same nature in one year.	
	1	III. The accumulated amount of	
	designated format to designated	acquisitions and dispositions	
	website of FSC by the 10th day	(cumulated respectively) of the	
	of each month.	same project of real property <u>or</u>	
	Where the Company, at the time	right-of-use assets thereof within	
	of public announcement, makes	the one year.	
	an error or omission in an item	IV. The accumulated amount of	
	required by regulations to be	acquisitions or dispositions	

Clause	Before amendment		Note
	publicly announced and so is	(calculated separately) of	
	required to correct it, all the	particular security within the	
	items shall be again publicly	preceding year.	
	announced and reported in their	One year as referred to shall be	
	entirety within two (2) days	the period from the date of deed	
	counting inclusively from the	moving backward for one year in	
	date of knowing of such error or	retrospect. The portion of trade	
	omission.	already declared as required in	
	In acquisition of disposition of	this procedure could be	
	assets, the Company shall keep a	-	
	copy of related contracts,	The Company shall declare all	
	minutes of meetings on record,	information of derivative trade	
	record books, appraisal reports,	conducted by itself and	
	opinions issued by certified	subsidiaries, which are not	
	public accountants, lawyers or	domestic public companies to	
	securities underwriters and retain	1 1	
	such documents for at least 5	designated format to designated	
	years unless otherwise specified	website of FSC by the 10th day	
	by law.	of each month.	
		Where the Company, at the time	
		of public announcement, makes	
		an error or omission in an item	
		required by regulations to be	
		publicly announced and so is	
		required to correct it, all the	
		items shall be again publicly	
		announced and reported in their	
		entirety within two (2) days	
		counting inclusively from the	
		date of knowing of such error or	
		omission.	
		In acquisition of disposition of	
		assets, the Company shall keep a copy of related contracts,	
		1.	
		minutes of meetings on record,	
		record books, appraisal reports,	
		opinions issued by certified	
		public accountants, lawyers or	
		securities underwriters and retain	
		such documents for at least 5	
		years unless otherwise specified	
A	With the exception of	by law.	A res our dura the
Article X	With the exception of	With the exception of	Amendment is
	transactions with government	transactions with <u>domestic</u>	made in
	institutions, construction on	government institutions,	compliance
	property land by commissioned	construction on property land by	with the
	builders, construction on leased	commissioned builders,	requirement of
	land by commission builders, or	construction on leased land by	Letter
	the acquisition or disposition of	commission builders, or the	Jin-Guan-Zhe
	machinery and equipment for	acquisition or disposition of	ng-Fa-Zi No.

Clause	Before amendment	After amendment	Note
	business purpose, any	machinery and equipment or	1070341072.
	acquisition or disposition of real	right-of-use assets thereof held	
	property or equipment where the	for business purpose, any	
	transaction amount reaches 20%	acquisition or disposition of real	
	of the Company's paid-in capital	property, equipment or <u>right-of</u>	
	or NT\$300 million or more, the	<u>-use assets</u> thereof, where the	
	Company shall obtain an	transaction amount reaches 20%	
	appraisal report prior to the date	of the Company's paid-in capital	
	of occurrence of the event from a		
	professional appraiser and shall	Company shall obtain an	
	further comply with the	appraisal report prior to the date	
	following provisions:	of occurrence of the event from a	
	-	professional appraiser and shall	
	price or specific price is taken as	1.	
	reference for setting the	following provisions:	
	1 1	I. Where the limit price, fixed	
	reasons, the resolution of the	price or specific price is taken as	
	Board of Directors shall be	reference for setting the	
		transaction price due to specific	
	The same procedure is	reasons, the resolution of the	
	applicable to any change in the	Board of Directors shall be	
	terms and conditions of	necessary before the transaction.	
	subsequent transactions.	The <u>same procedures</u> shall also	
	II. The transaction amount $\mathbf{M} = \mathbf{M} + \mathbf{M} + \mathbf{M}$	be <u>followed whenever</u> there is	
	exceeds NT\$1 billion shall be	any subsequent change to the	
	subject to the appraisal of at least		
	2 professional appraisal firms.	transaction. II. The transaction amount	
	III. Where any one of the following circumstances applies	exceeds NT\$1 billion shall be	
	with respect to the professional	subject to the appraisal of at least	
	appraiser's appraisal results,	2 professional appraisal firms.	
	unless all the appraisal results	III. Where any one of the	
	for the assets to be acquired are	following circumstances applies	
	higher than the transaction	with respect to the professional	
	amount, or all the appraisal	appraiser's appraisal results,	
	results for the assets to be	unless all the appraisal results	
	disposed of are lower than the	for the assets to be acquired are	
	transaction amount, a certified	higher than the transaction	
	public accountant shall be	amount, or all the appraisal	
	engaged to perform the appraisal		
	in accordance with the	disposed of are lower than the	
	provisions of Statement of	transaction amount, a certified	
	Auditing Standards No. 20	public accountant shall be	
	published by the ROC	engaged to perform the appraisal	
	Accounting Research and	in accordance with the	
	Development Foundation	provisions of Statement of	
	(hereinafter referred to as the	Auditing Standards No. 20	
	ARDF) and render a specific	published by the ROC	
	opinion regarding the reason for	Accounting Research and	
	the discrepancy and the	Development Foundation	

Clause	Before amendment	After amendment	Note
	appropriateness of the	(hereinafter referred to as the	
	transaction price:	ARDF) and render a specific	
	(I) The difference between the	opinion regarding the reason for	
	appraisal value and the	the discrepancy and the	
	transaction amount exceeds	appropriateness of the	
	more than 20% of the transaction	transaction price:	
	amount.	(I) The difference between the	
	(II) The appraisal values	appraisal value and the	
	presented by 2 or more	transaction amount exceeds	
	professional appraisal firms	more than 20% of the transaction	
	showed variation of more than	amount.	
	10% of the transaction value.	(II) The appraisal values	
	IV. The date on which the	presented by 2 or more	
	professional appraisal firms	professional appraisal firms	
		showed variation of more than	
	not fall beyond 3 months from	10% of the transaction value.	
	the contract execution date. If	IV. The date on which the	
	the announced present value in	professional appraisal firms	
	the same period is applicable and	issued the appraisal reports shall	
	is falling within 6 months, the	not fall beyond 3 months from	
	original appraisal firms shall	the contract execution date. If	
	present a statement of opinion.	the announced present value in	
		the same period is applicable and	
		is falling within 6 months, the	
		original appraisal firms shall	
		present a statement of opinion.	
Article XII	In acquisition or disposition of	In acquisition or disposition of	Amendment is
	memberships or intangible assets	intangible assets or <u>the right-of</u>	made in
	where the transaction amount	use assets and memberships and	compliance
	exceeds 20% of the Company's	the transaction amount exceeds	with the
	paid-in capital or NT\$300	20% of the Company's paid-in	requirement of
	million or more, the Company	capital or NT\$300 million or	Letter
	shall retain a certified public	more, the Company shall retain a	
	accountant prior to the date of	1 1	ng-Fa-Zi No.
	occurrence of the fact to render	to the date of occurrence of the	1070341072.
	an opinion on the rationality of	fact to render an opinion on the	
	the transaction price except a	rationality of the transaction	
	transaction with a government	price except a transaction with a	
	agency. The Certified Public	domestic government agency.	
	Accountant shall comply with	The Certified Public Accountant	
	the provisions of Statement of	shall comply with the provisions	
	-	of Statement of General Auditing	
	20 published by the ARDF.	Procedures No. 20 published by	
		the ARDF.	
Article	Those professional appraisers	Those professional appraisers	Amendment is
XIV	and their officers, certified	and their officers, certified	made in
	public accounts, attorneys, and	public accounts, attorneys, and	compliance
	securities underwriters that	securities underwriters that	with the
	provide public companies with	provide public companies with	requirement of
1	appraisal reports, certified public	appraisal reports, certified public	Letter

Clause	Before amendment	After amendment	Note
		1 , 5	Jin-Guan-Zhe
	opinions, or underwriter's	opinions, or underwriter's	ng-Fa-Zi No.
	opinions shall not be a related	opinions shall satisfy the	1070341072.
	party of any party involved in	following requirements:	
	the transaction.	I. May not have previously	
		received a final and	
		unappealable sentence to	
		imprisonment for 1 year or	
		longer for a violation of the	
		Act, the Securities and Exchange	
		Act, the Company Act, the	
		Banking Act of The Republic of	
		China, the Insurance Act, the	
		Financial Holding Company Act,	
		or the Business Entity	
		Accounting Act, or for fraud,	
		breach of trust, embezzlement,	
		forgery of documents, or	
		occupational crime. However,	
		this provision does not apply if 3	
		years have already passed since	
		completion of service of the	
		sentence, since expiration of the	
		period of a suspended sentence,	
		or since a pardon was received.	
		II. May not be a related party	
		or de facto related party of any	
		party to the transaction.	
		III. If the Company is required	
		to obtain appraisal reports from	
		two or more professional	
		appraisers, the different	
		professional appraisers or appraisal officers may not be	
		related parties or de facto related	
		parties of each other.	
		When issuing an appraisal report	
		or opinion, the personnel	
		referred to in the preceding	
		paragraph shall comply with the	
		following:	
		I. Prior to accepting a case,	
		they shall prudently assess their	
		own professional capabilities,	
		practical experience, and	
		independence.	
		II. When examining a case,	
		they shall appropriately plan and	
		execute adequate working	
		procedures, in order to produce a	
		procedures, in order to produce a	

Clause	Before amendment	After amendment	Note
		conclusion and use the	
		conclusion as the basis for	
		issuing the report or opinion.	
		The related working procedures,	
		data collected, and conclusion	
		shall be fully and accurately	
		specified in the case working	
		papers.	
		III. They shall undertake an	
		item-by-item evaluation of the	
		comprehensiveness, accuracy,	
		and reasonableness of the	
		sources of data used, the	
		parameters, and the information,	
		as the basis for issuance of the	
		appraisal report or the opinion.	
		IV. They shall issue a statement	
		attesting to the professional	
		competence and independence of	
		the personnel who prepared the	
		report or opinion, and that they	
		have evaluated and found that	
		the information used is	
		reasonable and accurate, and that	
		they have complied with	
		applicable laws and regulations.	
Article XV	When a public company engages	** *	Amendment is
			made in
	assets from or to a related party,	assets from or to a related party,	compliance
	in addition to ensuring that the	in addition to ensuring that the	with the
	-	necessary resolutions are	requirement of
	5	adopted and the reasonableness	Letter
	of the transaction terms is	of the transaction terms is	Jin-Guan-Zhe
	appraised, if the transaction	appraised, if the transaction	ng-Fa-Zi No.
		amount reaches 10% or more of	1070341072.
	the Company's total assets, the	the Company's total assets, the	
	Company shall also obtain an	Company shall also obtain an	
	appraisal report from a	appraisal report from a	
	professional appraiser or a CPA's		
	opinion in compliance with the	opinion in compliance with the	
	laws.	provisions of <u>this procedure</u> .	
	The amount of transaction	The amount of transaction	
	mentioned in the preceding	mentioned in the preceding	
		paragraph shall be duly counted	
	based on Article 12-1.	based on Article 12-1.	
	When judging whether a	When judging whether a	
	transaction counterparty is a	transaction counterparty is a	
		related party, in addition to legal	
		formalities, the substance of the	
	relationship shall also be	relationship shall also be	

Clause	Before amendment	After amendment	Note
	considered.	considered.	
Article	When the Company acquires or	When the Company acquires or	Amendment is
XVI	disposes of real property or any	disposes real property <u>or</u>	made in
	assets other than real property	right-of-use assets thereof from	compliance
		or to a related party, or when it	with the
	transaction amount reaches 20	intends to acquire or dispose of	requirement of
	percent or more of paid-in	assets other than real property or	Letter
	capital, 10 percent or more of the		Jin-Guan-Zhe
	Company's total assets, or	or to a related party and the	ng-Fa-Zi No.
	NT\$300 million or more, except	transaction amount reaches 20	1070341072.
	in trading of government bonds	percent or more of paid-in	
	or bonds under repurchase and	capital, 10 percent or more of the	
	resale agreements, or	Company's total assets, or	
	subscription or redemption of	NT\$300 million or more, except	
	money market funds issued by	in trading of <u>domestic</u>	
	domestic securities investment	government bonds or bonds	
	trust enterprises, the Company	under repurchase and resale	
	may not proceed to enter into a	agreements, or subscription or	
	transaction contract or make a	redemption of money market	
	payment until the following	funds issued by domestic	
	matters have been approved by	securities investment trust	
	the Board of Directors and	enterprises, the Company may	
	recognized by the supervisors:	not proceed to enter into a transaction contract or make a	
	I. The purpose, necessity, and expected return of/from the		
	acquisition or disposition of	payment until the following matters have been approved by	
	assets.	the Board of Directors and	
	II. The reason for choosing a	recognized by the supervisors:	
	related party as the counterparty.	I. The purpose, necessity, and	
	III. Information on assessment	expected return of/from the	
	of the reasonableness of the	acquisition or disposition of	
	expected terms and conditions of		
	transactions to justify the	II. The reason for choosing a	
	5 5	related party as the counterparty.	
	a related party.	III. With respect to the	
	IV. Information on the original	acquisition of real property or	
	date of acquisition of the assets	right-of-use assets thereof from a	
	by the related party and the	related party, information	
	price, the counterparty and its	regarding appraisal of the	
	relation to the related party and	reasonableness of the	
	the Company.	preliminary transaction terms in	
	V. The projection of cash	accordance with <u>Article 17 and</u>	
	flows from the month the	Article 17-1.	
	agreement is made in one year	IV. Information on the original	
	ahead with assessment of the	date of acquisition of the assets	
	necessity of the transaction and	by the related party and the	
	the reasonableness of capital	price, the counterparty and its	
	utilization.	relation to the related party and	
	VI. The appraisal reports issued		
	by professional appraisal firms	V. The projection of cash	

Clause	Before amendment	After amendment	Note
	or opinions of certified public	flows from the month the	
	accountants as required in	agreement is made in one year	
	Article 15.	ahead with assessment of the	
	VII. Restrictions and other	necessity of the transaction and	
	important covenants for the	the reasonableness of capital	
	transaction concerned.	utilization.	
	The calculation of the amount as	VI. The appraisal reports issued	
	stated in the preceding paragraph	by professional appraisal firms	
	shall be done in accordance with	or opinions of certified public	
	Article 8. One year as referred to	accountants as required in	
	shall be the period from the date	Article 15.	
	of deed moving backward for	VII. Restrictions and other	
	one year in retrospect. The	important covenants for the	
	amount that has been ratified by	transaction concerned.	
	the Board of Directors and	The calculation of the amount as	
	Supervisors as required by this	stated in the preceding paragraph	
	standard can be excluded from	shall be done in accordance with	
	the calculation.	Article 8. One year as referred to	
	The acquisition or disposition of	shall be the period from the date	
	equipment for business purpose	of deed moving backward for	
	between the Company and its	one year in retrospect. The	
	parent or subsidiaries shall be	amount that has been ratified by	
	subject to the final approval of	the Board of Directors and	
	the Board pursuant to	Supervisors as required by this	
	Subparagraph 1 of Article 5	procedure can be excluded from	
	whereby the Chairman shall be	the calculation.	
	authorized to make decision	Any transactions listed below to	
	within specific limit and	be entered into between the	
	presented in the most recent	Company and its parent or	
	meeting of the Board for	subsidiaries, or between the	
	ratification.	subsidiaries in which it directly	
	Where the position of	or indirectly holds 100% of the	
	independent director has been	issued shares or authorized	
	created in accordance with the	capital, shall be subject to the	
	provisions of Securities and	final approval of the Board	
	Exchange Act, when a matter is	pursuant to Subparagraph 1 of	
	submitted for discussion to the	Article 5 whereby the Chairman	
	Board of Directors pursuant to	shall be authorized to make	
	Paragraph 1, the Board of	decision within specific limit and	
	Directors shall take into full	presented in the most recent	
	consideration each independent	meeting of the Board for	
	director's opinions. If an	ratification:	
	independent director objects to	I. Acquisition or disposal of	
	or expresses reservations about	equipment or right-of-use assets	
	any matter, it shall be recorded	thereof held for business use.	
	in the minutes of the Board of	II. Acquisition or disposal of	
	Directors meeting.	real property right-of-use assets	
	Where an Auditing Committee	held for business use.	
	may have been established in	Where the position of	
	accordance with the Securities	independent director has been	

Clause	Before amendment	After amendment	Note
	and Exchange Act whereby the	created in accordance with the	
	recognition of the Supervisors is	provisions of Securities and	
	necessary, the approval by a	Exchange Act, when a matter is	
	simple majority of all members	submitted for discussion to the	
	of the Auditing Committee is	Board of Directors pursuant to	
	required before presenting to the	Paragraph 1, the Board of	
	Board for resolution.	Directors shall take into full	
	The requirement of 10% of the	consideration each independent	
	total assets in this procedure	director's opinions. If an	
	shall be based on the amount of	independent director objects to	
	total assets as stated in the parent	or expresses reservations about	
	company only or individual	any matter, it shall be recorded	
	financial statements prepared in	in the minutes of the Board of	
	accordance with the Criteria for	Directors meeting.	
	Compilation of Financial	Where an Auditing Committee	
	Reports by Securities Issuers in	may have been established in	
	the most recent fiscal period.	accordance with the Securities	
	If there is no face value for the	and Exchange Act whereby the	
	Company shares, or the face	recognition of the Supervisors is	
	value per each share is not	necessary, the approval by a	
	-	simple majority of all members	
	1 1	of the Auditing Committee is	
	this procedure shall be based on	required before presenting to the	
	the 10% of the shareholders'	Board for resolution.	
	equity attributable to the parent	The requirement of 10% of the	
	company.	total assets in this procedure	
		shall be based on the amount of	
		total assets as stated in the parent	
		company only or individual	
		financial statements prepared in	
		accordance with the Criteria for	
		Compilation of Financial	
		Reports by Securities Issuers in	
		the most recent fiscal period.	
		If there is no face value for the	
		Company shares, or the face	
		value per each share is not	
		NTD10, the requirement of 20%	
		of the paid-in capital as stated in this procedure shall be based on	
		the 10% of the shareholders'	
		equity attributable to the parent	
		company. The requirement of the	
		transition amount of the paid-in	
		capital reaches NT\$10 billion as	
		stated in this procedure, shall be	
		based on NT\$20 billion of the	
		shareholders' equity attributable	
		to the parent company.	
Article	Where the Company acquires	Where the Company acquires	Amendment is
mucie	where the company acquires	mere me company acquires	¹ smenument 18

Clause	Before amendment	After amendment	Note
XVII	real property from a related	real property or right-of-use	made in
	party, the Company shall	assets thereof from a related	compliance
	evaluate reasonableness of the	party, the Company shall	with the
	costs of transaction based on the	evaluate reasonableness of the	requirement of
	following methods:	costs of transaction based on the	Letter
	I. Based upon the related	following methods:	Jin-Guan-Zhe
	party's transaction price plus	I. Based upon the related	ng-Fa-Zi No.
	necessary interest on funding	party's transaction price plus	1070341072.
	and the costs to be duly borne by	necessary interest on funding	
	the buyer. Necessary interest on	and the costs to be duly borne by	
	funding is imputed as the	the buyer. Necessary interest on	
	weighted average interest rate on	funding is imputed as the	
	borrowing in the year the	weighted average interest rate on	
	Company purchases the	borrowing in the year the	
	property; provided, it may not be	Company purchases the	
	higher than the maximum	property; provided, it may not be	
	non-financial industry lending	higher than the maximum	
	rate announced by the Ministry	non-financial industry lending	
	of Finance.	rate announced by the Ministry	
	II. Total loan value appraisal	of Finance.	
	from a financial institution	II. Total loan value appraisal	
	where the related party has	from a financial institution	
	previously created a mortgage on	1 0	
	the property as security for a	previously created a mortgage on	
	loan; provided, the actual	the property as security for a	
	cumulative amount loaned by the	-	
	financial institution shall have	cumulative amount loaned by the	
	been 70 percent or more of the	financial institution shall have	
	financial institution's appraised	been 70 percent or more of the	
	loan value of the property and	financial institution's appraised	
	the period of the loan shall have	loan value of the property and	
	been 1 year or more. However,	the period of the loan shall have	
	this is not applicable if the	been 1 year or more. However,	
	financial institution and	this is not applicable if the	
	counterparty are related.	financial institution and	
	For the joint purchase of the	counterparty are related.	
		For the joint purchase <u>or lease</u> of	
	the transaction costs of land and	the same underlying land and	
	house can be assessed by any of	house, the transaction costs of	
	the methods referred to above.	land and house can be assessed	
	Where the Company acquires	by any of the methods referred to	
	real property from a related party		
	and appraises the cost of the real	Where the Company acquires	
	property in accordance with the	real property <u>or right-of-use</u>	
	Paragraphs 1 and 2, shall also	assets thereof from a related	
	engage a CPA to check the	party and appraises the cost of	
	appraisal and render a specific	the real property <u>or right-of-use</u>	
	opinion.	assets thereof in accordance with	
	Where the Company acquires	the <u>preceding</u> two paragraphs,	
	real property from a related party	shall also engage a CPA to check	

Clause	Before amendment	After amendment	Note
	and one of the following	the appraisal and render a	
	circumstances exists, the	specific opinion.	
	acquisition shall be conducted in	Where the Company acquires	
	accordance with Article 16 and	real property or right-of-use	
	the preceding three paragraphs	assets thereof from a related	
	do not apply:	party and one of the following	
	I. The related party acquired	circumstances exists, the	
	the real property through	acquisition shall be conducted in	
	inheritance or as a gift.	accordance with the preceding	
	II. A related party's	paragraph and the preceding four	
	contracting for the acquisition of	paragraphs do not apply:	
	real estate is more than five	I. The related party acquired	
	years from the date of the trade	the real property or right-of-use	
	contract signing.	assets through inheritance or as a	
	III. The real property is	gift.	
	acquired through signing of a	II. A related party's	
	joint development contract with	contracting for the acquisition of	
	the related party, or through	real estate or right-of-use assets	
		is more than five years from the	
	real property, either on the	date of the trade contract	
	Company's own land or on	signing.	
	rented land.	III. The real property is	
		acquired through signing of a	
		joint development contract with	
		the related party, or through	
		engaging a related party to build	
		real property, either on the	
		Company's own land or on	
		rented land.	
		IV. The real property	
		right-of-use assets for business	
		use are acquired by the public	
		company with its parent or	
		subsidiaries, or by its	
		subsidiaries in which it directly	
		or indirectly holds 100% of the	
		issued shares or authorized	
		<u>capital.</u>	
Article	In the event that the appraisal	In the event that the appraisal	Amendment is
XVII-I	prices conducted pursuant to	prices conducted pursuant to	made in
	Article 17-1, 2 falls below the	Article 17-1, 2 falls below the	compliance
	transaction price, the matter shall	transaction price, the matter shall	-
	be handled in accordance with	be handled in accordance with	requirement of
	Article 18. The followings are	Article 18. The followings are	Letter
	exception on condition that the	exception on condition that the	Jin-Guan-Zhe
	professional appraisal firms and	professional appraisal firms and	ng-Fa-Zi No.
	the certified public accountants	the certified public accountants	1070341072.
	have presented their opinions on	have presented their opinions on	
	the reasonableness of the	the reasonableness of the	
	transaction on the real property:	transaction on the real property:	

Clause	Before amendment	After amendment	Note
	I. If the related party has	I. If the related party has	
	acquired undeveloped land or	acquired undeveloped land or	
	leased land for construction, any	leased land for construction, any	
	of the following conditions shall	of the following conditions shall	
	be met with evidence:	be met with evidence:	
	(I) Undeveloped land shall be	(I) Undeveloped land shall be	
	assessed in accordance with the	assessed in accordance with the	
	means in the preceding article,	means in the preceding article,	
	and structures according to the	and structures according to the	
	related party's construction cost	related party's construction cost	
	plus reasonable construction	plus reasonable construction	
	profit are valued in excess of the	profit are valued in excess of the	
	actual transaction price.	actual transaction price.	
	Reasonable construction profit	Reasonable construction profit	
	as referred to shall be the	as referred to shall be the	
	average gross margin of the	average gross margin of the	
	related party's construction	related party's construction	
	segment over the last 3 years, or	segment over the last 3 years, or	
	the latest gross margin for the	the latest gross margin for the	
	construction industry as	construction industry as	
	announced by the Ministry of	announced by the Ministry of	
	Finance, whichever is lower.	Finance, whichever is lower.	
	(II) Transactions by unrelated	(II) <u>Completed transactions</u> by	
	parties within the preceding year	unrelated parties within the	
	involving other floors of the	preceding year involving other	
		floors of the same property or	
	closely valued parcels of land,	neighboring or closely valued	
	where the land area and	parcels of land, where the land	
	transaction terms are similar	area and transaction terms are	
	after calculation of reasonable	similar after calculation of	
	price discrepancies in floor or	reasonable price discrepancies in	
	±	floor or area land prices in	
	with standard property market	accordance with standard	
	sale practices.	property market sale or leasing	
		practices.	
		(III) Transactions of other stories	
	-	in the same building of the same	
	1	land with unrelated parties-	
	within the preceding year, and	within the preceding year, and	
	the transaction terms are similar	the transaction terms are similar-	
	after calculation of reasonable	after calculation of reasonable-	
	in accordance with standard	price discrepancies among floors in accordance with standard	
	property leasing market practices.	property leasing market- practices.	
	1	1	
	II. The Company can prove with evidence that the real	II. The Company can prove with evidence that the real	
		property purchased <u>or the real</u>	
	property purchased from the		
	related party are conducted with terms and conditions similar to	property right-of-use assets	
	terms and conditions similar to	obtained through leasing from	

Clause	Before amendment	After amendment	Note
	the transactions completed for	the related party are conducted	
	the acquisition of neighboring or	with terms and conditions	
	closely valued parcels of land of	similar to the <u>successful</u>	
	a similar size by unrelated	transactions completed for the	
	parties within the preceding year.	acquisition of neighboring or	
	Transactions involving	closely valued parcels of land of	
	neighboring or closely valued	a similar size by unrelated	
	parcels of land in the preceding	parties within the preceding year.	
	paragraph in principle refers to	Completed transactions	
	parcels on the same or an	involving neighboring or closely	
	adjacent block and within a	valued parcels of land in the	
	distance of no more than 500	preceding paragraph in principle	
	meters or parcels close in	refers to parcels on the same or	
	publicly announced current	an adjacent block and within a	
	value. Transactions involving	distance of no more than 500	
	similarly sized parcels in	meters or parcels close in	
	principle refers to transactions	publicly announced current	
	completed by unrelated parties	value. <u>Completed transactions</u>	
	for parcels with a land area of no	involving similarly sized parcels	
	less than 50 percent of the	in principle refers to transactions	
	property in the planned	completed by unrelated parties	
	transaction. The term within the	for parcels with a land area of no	
	preceding year refers to the year	less than 50 percent of the	
	preceding the date of occurrence	property in the planned	
	of the acquisition of the real	transaction. The term within the	
	property.	preceding year refers to the year	
		preceding the date of occurrence	
		of the acquisition of the real	
		property or obtainment of the	
		right-of-use assets thereof.	
Article	For the acquisition of real	For the acquisition of real	Amendment is
XVIII	property from related parties by	property or <u>right-of-use assets</u>	made in
	the Company, if the appraisal	thereof from related parties by	compliance
	value performed pursuant to	the Company, if the appraisal	with the
	Article 17 and Article 17-1 falls	value performed pursuant to the	requirement of
	below the transaction price, the	preceding two Articles falls	Letter
	following measures shall be	below the transaction price, the	Jin-Guan-Zhe
	taken:	following measures shall be	ng-Fa-Zi No.
		taken:	1070341072.
	I. Recognize the difference	I. Recognize the difference	
	between the transaction price	between the transaction price	
	and the appraisal value of the	and the appraisal value of the	
	real property in transaction as	real property or right-of-use	
	special reserve pursuant to	assets in transaction as special	
	Paragraph 1 of Article 41 of the	reserve pursuant to Paragraph 1	
	Securities and Exchange Act,	of Article 41 of the Securities	
	and such amount in difference	and Exchange Act, and such	
		amount in difference cannot be	
	capital increase or issuance of	distributed or used for capital	
	bonus shares. If the public	increase or issuance of bonus	

Clause	Before amendment	After amendment	Note
	company has its investments in	shares. If the public company	
	the Company valued under the	has its investments in the	
	equity method, a special reserve	Company valued under the	
	should be appropriated	equity method, a special reserve	
	proportionately to the	should be appropriated	
	shareholding ratio with respect	proportionately to the	
	to the appropriated amount in	shareholding ratio with respect	
	accordance with Paragraph 1 of	to the appropriated amount in	
	Article 41 of the Securities and	accordance with Paragraph 1 of	
	Exchange Act.	Article 41 1 of the Securities	
	II. The Supervisors shall be	and Exchange Act.	
	subject to Article 218 of the	II. The Supervisors shall be	
	Company Act.	subject to Article 218 of the	
		Company Act. Where an audit	
		committee has been established	
		in accordance with the	
		provisions of the Act, the	
		preceding part of this	
		subparagraph shall apply to the	
		independent director members of	
	III. Report the status as stated	the audit committee.	
	in Subparagraph 1 and	III. Report the status as stated	
	Subparagraph 2 to the	in the two preceding	
	Shareholders' Meeting, and	subparagraphs to the	
		Shareholders' Meeting, and	
	the annual report and the	disclose the transaction details in	
	prospectus.	the annual report and the	
	For the special reserve being	prospectus.	
	recognized by the Company in accordance with the requirement	For the special reserve being recognized by the Company in	
	-		
	of preceding paragraphs, it may be utilize only after the assets	accordance with the requirement	
	purchased at high price has been	of preceding paragraphs, it may be utilize only after the assets	
		purchased <u>or leased</u> at high price	
	price or disposition, or under	has been recognized for loss due	
	appropriate compensation, or	to falling price or disposition, <u>or</u>	
	recovery to original condition, or	• •	
	being proved as not	<u>contract</u> , or under appropriate	
	unreasonable with evidence and	compensation, or recovery to	
	at the approval of FSC.	original condition, or being	
	± ±	•	
	from a related party by the	evidence and at the approval of	
	Company proved to be not being		
	conducted under the	If the acquisition of real property	
	arm's-length principle with	or right-of-use assets thereof	
	evidence, proceed to the	from a related party by the	
	requirements as stated in the two	Company proved to be not being	
	preceding paragraphs.	conducted under the	
		arm's-length principle with	
		evidence, proceed to the	

Clause	Before amendment	After amendment	Note
		requirements as stated in the two	
		preceding paragraphs.	
Article XX	The Company that conducts a	The Company that conducts a	Amendment is
		merger, demerger, acquisition, or	made in
	acceptance of transfer of shares,	acceptance of transfer of shares,	compliance
	prior to convening the board of	prior to convening the board of	with the
	directors to resolve on the	directors to resolve on the	requirement of
	matter, shall engage a Certified	matter, shall engage a Certified	Letter
	Public Accountant, attorney, or	Public Accountant, attorney, or	Jin-Guan-Zhe
	securities underwriter to give an	securities underwriter to give an	ng-Fa-Zi No.
	opinion on the reasonableness of	opinion on the reasonableness of	1070341072.
	the share exchange ratio,	the share exchange ratio,	
	acquisition price, or distribution	acquisition price, or distribution	
	of cash or other property to	of cash or other property to	
		shareholders, and submit it to the	
	Board of Directors for	Board of Directors for	
	deliberation and passage.	deliberation and passage.	
	However, the requirement of	However, the requirement of	
	obtaining an aforesaid opinion	obtaining an aforesaid opinion	
	on reasonableness issued by an	on reasonableness issued by an	
	expert may be exempted in the	expert may be exempted in the	
	case of a merger by a public	case of a merger by a public	
	company of a subsidiary in	company of a subsidiary in	
	which it directly or indirectly	which it directly or indirectly	
	holds 100 percent of the issued	holds 100 percent of the issued	
	shares or authorized capital, and	shares or authorized capital, and	
	in the case of a merger between	in the case of a merger between	
	subsidiaries in which the public	subsidiaries in which the public	
	company directly or indirectly	company directly or indirectly	
	holds 100 percent of the	holds 100 percent of the	
	respective subsidiaries' issued	respective subsidiaries' issued	
	shares or authorized capital.	shares or authorized capital.	
	When participating in a merger,	When participating in a merger,	
	• •	demerger, acquisition, or transfer	
	of shares, a public report shall be		
	prepared for the shareholders	prepare a public report to	
	detailing the important	shareholders detailing the	
	contractual content and matters	important contractual content	
		and matters relevant to the	
	or acquisition prior to the	merger, demerger, or acquisition	
	shareholders' meeting and it	prior to the shareholders'	
	shall be included along with the	meeting and include it along	
	expert opinion referred to in the	with the expert opinion referred	
	preceding paragraph when	to in the preceding paragraph	
	sending shareholders notification		
	of the shareholders' meeting for	notification of the shareholders'	
	reference in deciding whether to	meeting for reference in deciding	
	approve the merger, demerger, or		
	acquisition. Provided, where a	demerger, or acquisition.	
	provision of another act exempts	Provided, where a provision of	

Clause	Before amendment	After amendment	Note
	a company from convening a	another act exempts a company	
	shareholders meeting to approve	from convening a shareholders	
	the merger, demerger, or	meeting to approve the merger,	
	acquisition, this restriction shall	demerger, or acquisition, this	
	not apply.	restriction shall not apply.	
	Where the shareholders meeting	Where the shareholders meeting	
	of any one of the companies	of any one of the companies	
	participating in a merger,	participating in a merger,	
	demerger, or acquisition fails to	demerger, or acquisition fails to	
	convene or pass a resolution due	convene or pass a resolution due	
	to lack of a quorum, insufficient	to lack of a quorum, insufficient	
	votes, or other legal restriction,	votes, or other legal restriction,	
	or the proposal is rejected by the	or the proposal is rejected by the	
	shareholders meeting, the	shareholders meeting, the	
	companies participating in the	companies participating in the	
	merger, demerger or acquisition	merger, demerger or acquisition	
	shall immediately publicly	shall immediately publicly	
	explain the reason, the follow-up	explain the reason, the follow-up	
	measures, and the preliminary	measures, and the preliminary	
	date of the next shareholders	date of the next shareholders	
	meeting.	meeting.	
Article XXI	The Company shall convene a	The Company shall convene a	Amendment is
	Board of Directors meeting and	Board of Directors meeting and	made in
	shareholders' meeting on the	shareholders' meeting on the	compliance
	same day of the transaction to	same day of the transaction to	with the
	resolve issues relevant to the	resolve issues relevant to the	requirement of
	merger, demerger, or acquisition,	merger, demerger, or acquisition,	Letter
	unless another act provides	unless another act provides	Jin-Guan-Zhe
	otherwise or the Financial	otherwise or the Financial	ng-Fa-Zi No.
	Supervisory Commission,	Supervisory Commission,	1070341072.
	Executive Yuan is notified in	Executive Yuan is notified in	
	advance of extraordinary	advance of extraordinary	
	circumstances and grants	circumstances and grants	
	consent.	consent.	
	A company participating in a	A company participating in a	
	transfer of shares shall call a	transfer of shares shall call a	
	Board of Directors meeting on	Board of Directors meeting on	
		the day of the transaction, unless	
		another act provides otherwise or	
		the FSC is notified in advance of	
		extraordinary circumstances and	
	grants consent.	grants consent.	
	When participating in a merger,	When participating in a merger,	
		demerger, acquisition, or transfer	
	of another company's shares, a	of another company's shares, a	
	company that is listed on an	company that is listed on an	
	-	exchange or has its shares traded	
		on an OTC market shall prepare	
	a full written record of the	a full written record of the	
	following information and retain	following information and retain	

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

Clause	Before amendment	After amendment	Note
	of another company's shares is	of another company's shares is	
	neither listed on an exchange nor	neither listed on an exchange nor	
	has its shares traded on an OTC	has its shares traded on an OTC	
	market, the Company listed or	market, the Company listed or	
	has its shares traded shall sign an	has its shares traded shall sign an	
	agreement with such company	agreement with such company	
	-	and the provisions of the two	
	3 and 4 shall apply.	preceding paragraphs shall	
		apply.	
Article	The company participating in a	The company participating in a	Amendment is
XXIII		merger, demerger, acquisition, or	made in
	transfer of shares may not	transfer of shares may not	compliance
	arbitrarily alter the share	arbitrarily alter the share	with the
	exchange ratio or acquisition	exchange ratio or acquisition	requirement of
	price unless under the	price unless under the	Letter
	below-listed circumstances, and	below-listed circumstances, and	Jin-Guan-Zhe
	shall stipulate the circumstances	shall stipulate the circumstances	ng-Fa-Zi No.
	permitting alteration in the	permitting alteration in the	1070341072.
	contract for the merger,	contract for the merger,	
	-	demerger, acquisition, or transfer	
	of shares:	of shares:	
	Cash capital increase, issuance	I. Cash capital increase,	
	of convertible corporate bonds,	issuance of convertible corporate	
	or the issuance of bonus shares,	bonds, or the issuance of bonus	
		shares, issuance of corporate	
	warrants, preferred shares with	bonds with warrants, preferred	
	warrants, stock warrants, or	shares with warrants, stock	
	other equity based securities.	warrants, or other equity based	
	An action, such as a disposal of	securities.	
	major assets, that affects the	II. An action, such as a	
	•	disposal of major assets, that	
	An event, such as a major	affects the Company's financial	
	disaster or major change in	operations.	
	technology, that affects the	III. An event, such as a major	
	shareholders equity or share	disaster or major change in	
	price.	technology, that affects	
	An adjustment where any of the	shareholders equity or share	
	companies participating in the	price.	
		IV. An adjustment where any of	
	transfer of shares from another	the companies participating in	
	company, buys back treasury	the merger, demerger,	
	stock.	acquisition, or transfer of shares	
	An increase or decrease in the	from another company, buys	
		back treasury stock.	
	participating in the merger,	V. An increase or decrease in	
	demerger, acquisition, or transfer		
	of shares.	companies participating in the	
	Other terms and conditions that	merger, demerger, acquisition, or	
	the contract stipulates may be	transfer of shares.	
	altered and that have been	VI. Other terms and conditions	
	unorou uno mat navo been		

Clause	Before amendment	After amendment	Note
	publicly disclosed.	that the contract stipulates may	
	An agreement regarding the key	be altered and that have been	
	issues where the Company	publicly disclosed.	
	participates in merger, demerger,	An agreement regarding the key	
	acquisition, or acceptance of	issues where the Company	
	share transfer shall expressly	participates in merger, demerger,	
	bear the key issues concerned so	acquisition, or acceptance of	
	as to safeguard the Company's	share transfer shall expressly	
	interests.	bear the key issues concerned so	
		as to safeguard the Company's	
		interests.	
Article	Regulations Governing the	Regulations Governing the	Amendment is
XXIII	Acquisition and Disposal of	Acquisition and Disposal of	made in
	Assets by Subsidiaries	Assets by Subsidiaries	compliance
	(I) The Company shall see to it	(1) The Company shall see to it	with the
	that its subsidiaries adopt and	that its subsidiaries adopt and	requirement of
	implement the procedures for the	implement the procedures for the	Letter
	acquisition or disposal of assets	acquisition or disposal of assets	Jin-Guan-Zhe
	in compliance with these	in compliance with these	ng-Fa-Zi No.
	"Regulations Governing the	"Regulations Governing the	1070341072.
	Acquisition and Disposal of	Acquisition and Disposal of	
	Assets by Public Companies".	Assets by Public Companies".	
	(II) For a subsidiary that is not	(II) For a subsidiary that is not	
	itself a public company in	itself a public company in	
	Taiwan having acquisitions and	Taiwan <u>having</u> acquisitions and	
	disposals of assets that meets the	disposals of assets that meets the	
	standard of public announcement	standard regulation of public	
	and report specified in Article 8,	announcement and report	
	the parent company shall report	specified in Article 8, the parent	
	the required information on	Company shall report the	
	behalf.	required information on behalf.	
	(III) In the standards/criteria for	(III) In the standards/criteria	
	the public announcement and	applicable to the public	
	reporting by a subsidiary, the	announcement and reporting by	
	stated "provisions of 20% of the	a subsidiary in Article 8, <u>the</u>	
	Company's paid-in capital or	stated "provisions of 20% of the	
	10% of the Company's total	Company's-paid-in capital or	
	assets" is based on the parent	10% of the total assets of the	
	company's paid-in capital or	Company" , is based on the	
	total assets.	parent Company's paid-in capital	
		or total assets.	

Appendix VIII

MPI Corporation

Comparison table of clauses before and after the amendment of the "Procedures for

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

Engaging in Derivatives Trading"

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

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

Clause	Before amendment	After amendment	Note
		course of supervising trading and	
		profit-loss circumstances,	
		appropriate measures shall be	
		adopted and a report	
		immediately made to the Board	
		of Directors; where a company	
		has independent directors, an	
		independent director shall be	
		present at the meeting and	
		express an opinion.	
		The Company shall report to the	
		most recent meeting of the	
		Board of Directors after it	
		authorizes the relevant personnel	
		to handle derivatives trading in	
		accordance with its Procedures	
		for Engaging in Derivatives	
A 1		Trading.	A 1 (
<u>Article</u>	(Addition)	The company engaging in	Amendment
<u>XIV</u>			is made in
		a log book in which details of	compliance
		the types and amounts of	with the
		derivatives trading engaged in,	requirement
			of Letter
		dates, and the matters required to	
		be carefully evaluated under	ng-Fa-Zi No.
		Subparagraph 4 of Article 11 and	10/03410/2.
		Subparagraph 2, Paragraph 1	
		and Subparagraph 1, Paragraph 2	
		of the preceding article shall be	
		recorded in detail in the log	
		book.	
		Where independent directors	
		have been appointed in	
		accordance with the provisions	
		of Securities and Exchange Act,	
		for matters which shall be given	
		to the supervisors pursuant to	
		Article 12, the written notice of	
		the matters shall also be given to	
		the independent directors.	
		Where an audit committee has	
		been established in accordance	
		with the provisions of the	
		Securities and Exchange Act, the	
		provisions of Article 12 relating	
		to supervisors shall apply to the	
		audit committee.	
Article XV	XII: The Procedure is	The Procedure is implemented	In
	implemented after the approval	after the approval of the Board	compliance

Clause	Before amendment	After amendment	Note
	of the Board of Directors and	of Directors, delivered to each	with
	submitted to the Shareholders'	supervisor and submitted to a	amendments
	meeting. The same procedure	shareholders' meeting for	to the laws
	shall be followed when the	approval. The same procedure	and
	Procedures are amended.	shall be followed when the	regulations.
		Procedures are amended.	

Appendix IX

MPI Corporation

Comparison Table of Clauses Before and After the Amendment of the "Operating

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

Procedure for Loaning to Others"

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

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

Clause	Before amendment	After amendment	Note
		the Company or its	
		subsidiariesthe borrower.	
Article	(I) For the loaning of funds,	(I) For <u>managing the loaning</u>	Amendment
VIII:	the finance and accounting unit	of funds, the finance and	is made in
	shall specify the details in the	accounting unit shall prepare a	compliance
	subsidiary accounts, including	log book for the specify the	with the
	the name of the borrowing	details in the subsidiary	requirement
	company, loan amount, dates of	accounts, including the name of	of Letter
	boards of directors resolutions,	the borrowing company, loan-	Jin-Guan-Zhe
	the dates of loaning of funds, the	amount <u>borrower</u>, loan amount,	ng-Fa-Zi No.
	balance up to the end of the this	dates of boards of directors	1080304826.
	month and the collateral. The	resolutions approvals and the	
	unit shall prepare the monthly	dates of loaning of funds. the	
	"Log Book for Funds Loaning".	balance up to the end of the this	
	(II) The internal auditors of the	month and the collateral. The	
	Company shall conduct audits at	unit shall prepare the monthly	
	least quarterly on the Operating	"Log Book for Funds Loaning".	
	Procedure for Loaning to Others	These information shall be	
	and the status of implementation.	recorded in detail for reference	
	In the event a material violation	in accordance with the matters	
	is found, the auditors shall	required to be carefully	
	immediately notify the	evaluated under Article 5.	
	supervisors in writing. The	(II) The internal auditors of the	
	Company shall impose penalties	Company shall conduct audits at	
	on the manager and the clerk	least quarterly on the Operating	
	depending on the status of	Procedure for Loaning to Others	
	violation.	and the status of implementation,	
	(III) If, due to change of	and prepare written audit	
	circumstances, a borrower no	records. In the event a material	
	longer meets the requirements of	violation is found, the auditors	
	the Operating Procedure for	shall immediately notify every	
	Loaning to Others, or the loan	supervisor in writing. The	
	balance exceeds the specified	Company shall impose penalties	
	limit, the Company shall adopt a	on the manager and the clerk	
	improvement plan and submit it	depending on the status of	
	to every supervisor.	violation.	
	Improvement shall be completed	(III) If, due to change of	
	within the schedule specified in	circumstances, a borrower no	
	the plan.	longer meets the requirements of	
		the Operating Procedure for	
		Loaning to Others, or the loan	
		balance exceeds the specified	
		limit, the Company shall adopt a	
		improvement plan and t hen	
		submit it to every supervisor.	
		Improvement shall be completed	
		within the schedule specified in	
		the plan.	
Article X:	The Procedures and any	The Company established the	Amendment
	amendment hereto shall, after	Operating Procedure for Loaning	is made in

Clause	Before amendment	After amendment	Note
	approved by the Board of	to Others in accordance with the	compliance
	Directors and delivered to each	laws. The Procedures and any	with the
	supervisor, be submitted to the	amendment hereto shall, after	requirement
	shareholders' meeting. Where	approved by the Board of	of Letter
	any director expresses dissent	Directors and delivered to each	Jin-Guan-Zhe
	which is recorded in the minutes	supervisor, be submitted to the	ng-Fa-Zi No.
	or a written statement, it shall be	shareholders' meeting. Where	1080304826.
	delivered to each supervisor and	any director expresses dissent	
	simultaneously submitted to the	which is recorded in the minutes	
	shareholders' meeting for	or a written statement, it shall be	
	discussion. The same procedure	delivered to each supervisor and	
	shall be followed when the	simultaneously submitted to the	
	Procedures are amended.	shareholders' meeting for	
	When submitting the Operating	discussion. The same procedure	
	Procedure for Loaning to Others	shall be followed when the	
	to the Board of Directors for	Procedures are amended.	
	discussion based on the	Where the Company has	
	preceding paragraph, if	appointed the independent	
	independent directors are	directors, when submitting the	
	appointed, the Company shall	Operating Procedure for Loaning	
	adequately take into account the	to Others to the Board of	
	opinion of every independent	Directors for discussion based on	
	director. Assenting and	the preceding paragraph, if	
	dissenting opinions and the	independent directors are	
	reasons for the dissent shall be	appointed, the Company shall	
	recorded in the minutes of the	adequately take into account the	
	Board of Directors meeting.	opinion of every independent	
		director. Assenting and	
		dissenting opinions and the	
		reasons for the dissent shall be	
		recorded in the minutes of the	
		Board of Directors meeting. If an	
		independent director objects to	
		or expresses reservations about	
		any matter, it shall be recorded in the minutes of the Board of	
		Directors meeting.	
		Where the Company has	
		established an audit committee,	
		when the Company adopts or	
		amends its Operational	
		Procedures for Loaning Funds to	
		Others, the procedures or	
		amended procedures shall	
		require the approval of one-half	
		or more of all audit committee	
		members, and be submitted for a	
		resolution by the Board of	
		Directors. The provisions of	
		Paragraph 2 shall not apply.	

Clause	Before amendment	After amendment	Note
		The matters referred to in the	
		previous paragraph without the	
		consent of a majority of the	
		Audit Committee shall be with	
		the consent of more than two	
		thirds of the board directors;	
		also, the resolutions of the Audit	
		Committee should be clearly	
		stated in the minutes of the board	
		meeting.	
		The terms all the Audit	
		Committee members and all the	
		directors in <u>the</u> Paragraph <u>4 3</u>	
		shall be counted based on the	
		actual number of such members	
		or directors currently holding	
		their positions.	
Article X-I	(Addition)	Where the Company has	Amendment
		appointed independent directors,	is made in
		for matters which shall be given	compliance
		to the supervisors the written	with the
		notice of the matters shall also	requirement
		be given to the independent	of Letter
		directors under Article 8,	Jin-Guan-Zhe
		Paragraph 2. When a	ng-Fa-Zi No.
		improvement plan is submitted	1080304826.
		to the supervisors it shall at the	
		same time be submitted to the	
		independent directors under	
		Article 8, Paragraph 3.	
		Where the Company has	
		established an audit committee,	
		the provisions of Article 8	
		relating to supervisors shall	
		apply to the audit committee.	A 1 (
Article XII	The Company shall announce	The Company shall announce	Amendment
	and report the previous month's balance of loans of itself and its	and report the previous month's balance of loans of itself and its	is made in
			compliance with the
	subsidiaries by the 10th day of each month.	subsidiaries by the 10th day of each month.	
	Where the loaning of funds of	Where the loaning of funds of	requirement of Letter
	the Company reaches one of the	the Company reaches one of the	Jin-Guan-Zhe
	following levels, the Company	following levels, the Company	ng-Fa-Zi No.
	shall announce and report such	shall announce and report such	1080304826.
	event within two days	event within two days	
	commencing immediately from	commencing immediately from	
	the date of occurrence:	the date of occurrence:	
	The balance of loans of the	The balance of loans of the	
	Company and its subsidiaries to	Company and its subsidiaries to	
	others reaches 20% or more of	others reaches 20% or more of	
	jounces reaches 20% of more of	outers reaches 20% or more of	

Clause	Before amendment	After amendment	Note
	the public company's net value	the <u>Company's</u> net value as	
	as stated in its latest financial	stated in its latest financial	
	statement.	statement.	
	II. The balance of loans of the	II. The balance of loans of the	
	Company and its subsidiaries to	Company and its subsidiaries to	
	a single enterprise reaches 10%	a single enterprise reaches 10%	
	or more of the Company's net	or more of the Company's net	
	value as stated in its latest	value as stated in its latest	
	financial statement.	financial statement.	
	III. The amount of new loans of	III. The amount of new loans of	
	funds by the Company or its	funds by the Company or its	
	subsidiaries reaches NT\$10	subsidiaries reaches NT\$10	
	million or more, and reaches 2%	million or more, and reaches 2%	
	or more of the Company's net	or more of the Company's net	
	value as stated in its latest	value as stated in its latest	
	financial statement.	financial statement.	
	The Company shall announce	The Company shall announce	
	and report on behalf of the	and report on behalf of the	
	subsidiaries thereof that is not a	subsidiaries thereof that is not a	
	public company in Taiwan any	public company in Taiwan any	
	matters that such subsidiary is	matters that such subsidiary is	
	required to announce and report	required to announce and report	
	pursuant to Subparagraph 3 of	pursuant to Subparagraph 3 of	
	the preceding paragraph.	the preceding paragraph.	
	Date of occurrence in the	Date of occurrence in the	
	Procedures means the date of	Procedures means the date of	
	trade contract signing, date of	trade contract signing, date of	
	payment, dates of Boards of	payment, dates of Boards of	
	Directors resolutions, or any	Directors resolutions, or any	
	other date that can confirm the	other date that can confirm the	
	counterpart and amount of the	transaction borrower and amount	
	transaction, <u>whichever</u> date is	of the transaction loan,	
	earlier.	whichever date is earlier.	

Appendix X

MPI Corporation

Comparison Table of Clauses Before and After the Amendment of the "Operating

Article IIIThe contents of the endorsements/guarantees as used in the Procedure are as follows: (1) Financing endorsement and discount financing, endorsement or guarantee made to meet the financial enterprise as guarantee to meet the financial enterprise as guarantee to meet the financing needs of another company.The eentents of the term endorsements/guarantees as used in the Procedure refers to the indlowing: L Financing endorsement and guarantee includes; (I) Bill discountAmendment is made in compliance with the requirement of guarantee includes; (II) Elil discount meeds of another company. (III) Issuance of a separate nedorsement or guarantee for the Company or another company with respect to customs duty matters. (III) Other endorsements and guarantees mean the endorsement or guarantees beyond the scope of the above two paragraphs. Any creation by the Company of a pledge or mortgage on its chattel or real property as security for the loans of another company shall also comply with the Procedure.The contents of duarantees to meet the financing needs of the above two paragraphs. Any creation by the Company of a pledge or mortgage on its chattel or real property as security for the loans of another company shall also comply with the Procedure.Amendment some and the endorsements and guarantees means the endorsements or guarantees beyond the scope of the above two paragraphs. Any creation by the Company of a pledge or mortgage on its chattel or real property as security for the loans of another company shall also comply with the Procedure.Amendment simale above two paragraphs. Any creation by the Company of a pledge or mortgage on its chattel or real property as security for t	Clause	Before amendment	After amendment	Note
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			1 1 0 0 0	-
		with the Company. If		with the

Procedure for Making Endorsement/Guarantee"

Clause		Before amendment	After amendment	Note
		necessary, the counterpart	which the Company	requirement
		shall be requested to	directly or indirectly holds	of Letter
		provide securities.	more than 50% of the	
	(II)	The subsidiary in which the	voting <u>shares</u> . III. The invested company the	Jin-Guan-Zhe
		Company directly or indirectly holds more than	Company and subsidiaries	ng-Fa-Zi No.
		50% of the voting rights.	directly or indirectly holds	•
	ന്ന	The invested company in	more than 50% of the	1080304826.
	(111)	which the Company and	voting <u>shares</u> together of	
		subsidiaries directly or	the Company.	
		indirectly holds more than	Companies in which the	
		50% of the voting rights	Company directly or indirectly	
		together.	holds 90% or more of the voting	
	Com	panies in which the	shares may make	
	Com	pany directly or indirectly	endorsements/guarantees for	
	hold	s 90% or more of the voting	each other, and the amount of	
	share	es may make	endorsements/guarantees may	
		rsements/guarantees for	not exceed 10% of the net value	
		other, and the amount of	of the Company. This restriction	
		rsements/guarantees may	shall not apply to the	
		exceed 10% of the net value	endorsements/guarantees made	
		e Company. This restriction	between companies in which the	
		not apply to the	Company directly or indirectly	
		rsements/guarantees made	holds 100% of the voting shares.	
		een companies in which the pany directly or indirectly		
		s 100% of the voting shares.		
		ts and authorization of the	Before making an	
		rsements/guarantees:	endorsement/guarantee for	Amendment
		total amount of	others, the Company shall	is made in
			carefully evaluate whether the	compliance
		panies in the name of the	endorsement/guarantee is in	-
	Com	pany and the amount of	compliance with the regulations	with the
	endo	rsement/guarantee for any	specified by the competent	requirement
	-	e enterprise are as follows:	authority and the <u>Company's</u>	of Letter
	(I)	The total endorsements/	Operational Procedures for	
		e	Endorsements/Guarantees. The	Jin-Guan-Zhe
			Company may shall-make an	ng-Fa-Zi No.
		shown in the latest financial statements of the Company.	endorsement/guarantee after the	1080304826.
	(II)	The endorsements/	proposal <u>along with</u> the evaluation results have been	1000304020.
	(11)	guarantees amount for a	submitted to and resolved upon	
		single enterprise shall not	by the Board of Directors. Or	
		exceed 20% of the net	approved by the chairman,	
		value shown in the latest	where the Board of Directors	
		financial statements of the	authorizes the chairman to	
		Company and shall not	decide within a specific amount.	
		exceed 30% of the net	The chairman shall submit the	
		value shown in the latest	decision to the next Board of	
		financial statements of the	Directors' meeting for	

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

Clause		Before amendment	After amendment	Note
	(VII)	The endorsement/	enterprise shall not exceed	
		guarantee of the	20% of the net value	
		Company shall be made	shown in the latest	
		after the approval of the	financial statements of the	
		Board of Directors.	Company and shall not	
		Where independent	exceed 30% of the net	
		directors has been	value shown in the latest	
		appointed, the Company	financial statements of the	
		shall adequately take into	guarantee enterprise.	
		account the opinion of	(V) The restriction in this	
		every independent	Article shall not apply to the	
		director. Assenting and	amount of endorsements/	
		dissenting opinions, and	guarantees offered by	
		the reasons for the	subsidiaries of the	
		dissent, shall be recorded	Company.	
		in the minutes of the	(VI) If the aggregate amount of	
		Board of Directors	endorsements/ guarantees	
		meeting. To correspond	that is set as the ceiling for	
		to the timeliness, the	the Company and its	
		Board of Directors	subsidiaries as a whole	
		authorizes the chairman	reaches 50% or more of	
		to make decisions within	the net value of the	
		a specific amount. The	Company, an explanation	
		chairman shall submit the	of the necessity and	
		decision to the Board of	reasonableness thereof	
		Directors meeting for	shall be given at the	
		ratification and report the	shareholders' meeting.	
		status of implementation	(VII) The endorsement/	
		to the shareholders'	guarantee of the	
		meeting for reference.	Company shall be made	
	(VIII)	Any endorsement/	after the approval of the	
		guarantee offered by a	Board of Directors.	
		subsidiary in which the	Where independent	
		Company directly or	directors has been	
		indirectly holds at least	appointed, the Company	
		90% of the voting shares	shall adequately take into	
		shall be submitted to the	account the opinion of	
		Board of Directors in	every independent	
		accordance with the	director. Assenting and	
		regulations. The	dissenting opinions, and	
		endorsement/guarantee	the reasons for the	
		may be made only after	dissent, shall be recorded	
		the Board of Directors	in the minutes of the	
		gives approval through a	Board of Directors	
		resolution. This	meeting. To correspond	
		restriction shall not apply	to the timeliness, the	
		to the	Board of Directors	
		endorsements/guarantees	authorizes the chairman	
		made between companies	to make decisions within	
		in which the Company	a specific amount. The	

Clause	Before amendment	After amendment	Note
	directly or indirectly	chairman shall submit the	
	holds 100% of the voting	decision to the Board of	
	shares.	Directors meeting for	
		ratification and report the	
		status of implementation	
		to the shareholders'	
		meeting for reference.	
		(VIII) Any endorsement/	
		guarantee offered by a	
		subsidiary in which the	
		Company directly or	
		indirectly holds at least	
		90% of the voting shares	
		shall be submitted to the	
		Board of Directors in	
		accordance with the	
		regulations. The	
		endorsement/guarantee	
		may be made only after	
		the Board of Directors	
		gives approval through a	
		resolution. This	
		restriction shall not apply	
		to the	
		endorsements/guarantees	
		made between companies	
		in which the Company	
		directly or indirectly	
		holds 100% of the voting	
		shares.	
		(IX) Where the Company has	
		appointed the independent	
		directors, when it makes	
		endorsements/guarantees	
		for others, the Company	
		shall adequately take into	
		account the opinion of	
		every independent director.	
		Assenting and dissenting	
		opinions and the reasons for	
		the dissent shall be recorded	
		in the minutes of the Board	
		of Directors meeting.	
Article	For the endorsement/guarantee	For the management of	Amendment
VIII	activities, the Company shall	endorsement/guarantee	is made in
V 111	prepare a log book and record in	activities, the Company <u>shall</u>	
	detail about the title of entity for	prepare a log book, and record in	compliance
	the endorsement/guarantee, the	detail about the title of entity for	with the
	subject of the	the endorsement/guarantee, the	
	endorsement/guarantee, the	subject of the	

Clause	Before amendment	After amendment	Note
	result of risk assessment, the	endorsement/guarantee, the-	requirement
	amount of the	result of risk assessment, the	-
	endorsement/guarantee, the	amount of the	of Letter
	content of collateral, and the	endorsement/guarantee, the	Jin-Guan-Zhe
	criteria and date of discharging	content of collateral, and the	ng-Fa-Zi No.
	the liability of the	criteria and date of discharging	•
	endorser/guarantor.	the liability of the endorser/guarantor. The date of	1080304826.
		passage by the Board of	
		Directors or of authorization by	
		the chairman of the board, the	
		date the endorsement/guarantee	
		is made, and the matters to be	
		carefully evaluated under	
		paragraph 1 of the preceding	
		Article.	
Article IX	The Company and its	The Company and its	Amendment
	subsidiaries shall announce and	subsidiaries shall announce and	
	report the previous month's	report the previous month's	is made in
	balance of	balance of	compliance
	endorsements/guarantees of	endorsements/guarantees of	with the
	itself and its subsidiaries by the	itself and its subsidiaries by the	with the
	10th day of each month. Where the balance of	10th day of each month. Where the balance of	requirement
	endorsements/guarantees of the	endorsements/guarantees of the	of Letter
	Company reaches one of the	Company reaches one of the	Jin-Guan-Zhe
	following criteria, the Company	following criteria, the Company	ng-Fa-Zi No.
	shall announce and report such	shall announce and report such	•
	event within two days	event within two days	1080304826.
	commencing immediately from	commencing immediately from	
	the date of occurrence:	the date of occurrence:	
	I. The aggregate balance of	I. The aggregate balance of	
	endorsements/guarantees by	•	
	the Company and its subsidiaries reaches 50% or	the Company and its subsidiaries reaches 50% or	
	more of the Company's net	more of the Company's net	
	value as stated in its latest	value as stated in its latest	
	financial statement.	financial statement.	
	II. The balance of	II. The balance of	
	endorsements/guarantees by		
	the Company and its	the Company and its	
	subsidiaries for a single	subsidiaries for a single	
	enterprise reaches 20% or	enterprise reaches 20% or	
	more of the Company's net	more of the Company's net	
	value as stated in its latest	value as stated in its latest	
	financial statement.	financial statement.	
	III. The aggregate amount of	III. The aggregate amount of	
	endorsements/guarantees	endorsements/guarantees	
	offered by the Company	offered by the Company	
	and its subsidiaries to a	and its subsidiaries to a	

	Before amendment	After amendment	Note
	single company is at least	single company is at least	
	NT\$10 million, and the	NT\$10 million, and the	
	aggregate amount of all	aggregate amount of all	
	endorsements/guarantees	endorsements/guarantees	
	for, investment of a	for, <u>carrying book value</u> of	
	long-term nature in, and	equity method investment	
	balance of loans to such	in investment of a	
	enterprise is at least 30% of	long term nature in, and	
	the net value shown in the	balance of loans to such	
	latest financial statements	enterprise is at least 30% of	
	of the Company.	the net value shown in the	
I	IV. The amount of new	latest financial statements	
	endorsements/guarantees	of the Company.	
	J 1	IV. The amount of new	
	company or its subsidiaries	endorsements/guarantees	
	reaches NT\$30 million or	made by the public	
	more, and reaches 5 percent	company or its subsidiaries	
	or more of the public	reaches NT\$30 million or	
	company's net worth as stated in its latest financial	more, and reaches 5 percent	
		or more of the public	
F	statement.	company's net worth as stated in its latest financial	
	The Company shall announce and report on behalf of any	statement.	
	-	The Company shall announce	
	-	and report on behalf of any	
-	of China any matters that the	subsidiary thereof that is not a	
	subsidiary is required to	public company of the Republic	
		of China any matters that such	
	subparagraph 4 of the preceding	subsidiary is required to	
	paragraph.	announce and report pursuant to	
-	Date of occurrence in the	subparagraph 4 of the preceding	
ŀ	Procedures means the date of	paragraph.	
t	trade contract signing, date of	Date of occurrence in the	
F	payment, dates of Boards of	Procedures means the date of	
	•	trade contract signing, date of	
	other date that can confirm the	payment, dates of Boards of	
	counterpart and amount of the	Directors resolutions, or any	
	transaction, <u>whichever</u> date is	other date that can confirm the	
e	earlier.	transactionentity for the	
		endorsement/guarantee and	
		amount of the transaction,	
	The negatiable instruments or d	whichever date is earlier.	
	The negotiable instruments and the Company seal shall be	The Company shall use the corporate chop registered with	Amendment
	1	the Ministry of Economic Affairs	is made in
	a designated person and may be	as the dedicated chop for	
	• •	endorsements/guarantees. The	compliance
		chop shall be kept in the custody	with the
		of a designated person approved	requirement
		by the Board of Directors and	requirement

Clause	Before amendment	After amendment	Note
Clause	of Directors authorizes the chairman to appoint related personnel and prepare a register of the personnel. The seal of the Company registered with the Ministry of Economic Affairs shall be the exclusive seal for endorsement/guarantee. When making a guarantee for an overseas company, the Company shall have the Guarantee Agreement signed by a person authorized by the Board of Directors.	may be used to seal or issue negotiable instruments according to the procedures established by <u>the Company</u> . When making a guarantee for an overseas company, <u>the Company</u> shall have the Guarantee Agreement signed by a person authorized by the Board of Directors.	Note of Letter Jin-Guan-Zhe ng-Fa-Zi No. 1080304826.
Article XIII	 (I) The internal auditors of the Company shall conduct audits at least quarterly on the Operating Procedure for Making Endorsement/Guarantee and the status of implementation. In the event a material violation is found, the auditors shall immediately notify the supervisors in writing. (II) The endorsements/ guarantees of the Company shall be made in accordance with Operating Procedure and the Company shall impose penalties on the manager and the personnel in charge depending on the status of violation. (III) If, due to change of circumstances, the entity for which an endorsement/ guarantee is made no longer meets the requirements of the regulations, or the amount exceeds the specified limit, the Company shall adopt an improvement plan and complete it within the schedule specified in the plan. 	 the Operating Procedure for Making Endorsement/Guarantee and the status of implementation, and prepare written audit records. In the event a material violation is found, the auditors shall immediately notify the supervisors in writing. (II) The endorsements/ guarantees of the Company shall be made in accordance with Operating Procedure and the Company shall impose penalties on the manager and the personnel in charge depending on the status of violation. (III) If, due to change of circumstances, the entity for 	Amendment is made in compliance with the requirement of Letter Jin-Guan-Zhe ng-Fa-Zi No. 1080304826.

Clause	Before amendment	After amendment	Note
Clause Article XIV	Before amendment The Operating Procedure is delivered to each supervisor and submitted to the shareholders' meeting for approval after the approval of the Board of Directors. Where any director expresses dissent which is recorded in the minutes or a written statement, the Company shall deliver the opinion to each supervisor and simultaneously submit to the shareholders' meeting for discussion. The same procedure shall be followed when the Procedures are amended.	plan. The Company established the Operating Procedure for Making Endorsement/Guarantee in accordance with the laws. The Procedures and any amendment hereto shall, after approved by the Board of Directors and delivered to each supervisor, be submitted to the shareholders' meeting. Where any director expresses dissent which is recorded in the minutes or a written statement, it shall be delivered to each supervisor and simultaneously submitted to the shareholders' meeting for discussion. Where the Company <u>has</u> <u>appointed independent directors</u> , when submitting the Operating Procedure for Making <u>Endorsement/Guarantee</u> to the Board of Directors for discussion in accordance with the regulations, the Company shall take into full consideration the opinions of each independent director. If an independent director objects to or expresses	Note Amendment is made in compliance with the requirement of Letter Jin-Guan-Zhe ng-Fa-Zi No. 1080304826.
		in accordance with the regulations, the Company shall take into full consideration the opinions of each independent director. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting. Where the Company has established an audit committee, when the Company adopts or amends the Operating Procedure for Making	
		Endorsement/Guarantee, the procedures or amended procedures shall require the approval of one-half or more of all audit committee members, and be submitted for a resolution by the Board of Directors, and the provisions of paragraph 3 shall not apply. The matters referred to in the previous paragraph without the	

Clause	Before amendment	After amendment	Note
		consent of a majority of the	
		Audit Committee shall be with	
		the consent of more than two	
		thirds of the board directors;	
		also, the resolutions of the Audit	
		Committee should be clearly	
		stated in the minutes of the board	
		meeting.	
		The terms "all audit committee	
		members" in paragraph 4 and	
		"all directors" in the preceding	
		paragraph shall be counted as the	
		actual number of persons	
		currently holding those	
		positions.	
Article	This Article was the original		Amendment
XIV-I	Paragraph II and III of Article XIV.		is made in
(Addition)	Where the Company needs to	Where the Company needs to	compliance
(Audition)	exceed the limits set out in the	exceed the limits set out in the	-
	Operating Procedure for Making	Operating Procedure for Making	with the
	Endorsement/Guarantee to	Endorsement/Guarantee to	requirement
	satisfy its business requirements,	satisfy its business requirements,	-
	and where the conditions set out	and where the conditions set out	of Letter
	in the Operating Procedure for	in the Operating Procedure for	Jin-Guan-Zhe
	Making Endorsement/Guarantee	Making Endorsement/Guarantee	ng-Fa-Zi No.
		are complied with, it shall obtain	•
	approval from the Board of	approval from the Board of	1080304826.
	Directors and half or more of the	Directors and half or more of the	
	directors shall act as joint	directors shall act as joint	
	guarantors for any loss that may		
	1	be caused to the Company by the	
	•	excess endorsement/guarantee. It	
	shall also amend the Operating	shall also amend the Operating	
	Procedure for Making	Procedure for Making	
	Endorsement/Guarantee	Endorsement/Guarantee	
		accordingly and submit the same	
	to the shareholders' meeting for	to the shareholders' meeting for	
	ratification after the fact. If the	ratification after the fact. If the	
	shareholders' meeting does not	shareholders' meeting does not	
	give consent, the Company shall	give consent, the Company shall	
	adopt a plan to discharge the	adopt a plan to discharge the	
	amount in excess within a given	amount in excess within a given	
	time limit.	time limit.	
	When submitting the Procedures	Where the Company has	
	to the Board of Directors for	appointed independent directors,	
	discussion in accordance with	during the discussion at the	
	the preceding paragraph, the	above-mentioned board meeting,	
	Company shall adequately take	when submitting the Procedures	
	into account the opinion of every	to the Board of Directors for-	

Clause	Before amendment	After amendment	Note
	independent director. Assenting	discussion in accordance with	
	and dissenting opinions and the	the preceding paragraph, the	
	reasons for the dissent shall be	Company shall take into full	
	recorded in the minutes of the	consideration the opinions of	
	board meeting.	each independent directors.	
		Assenting and dissenting	
		opinions, and the reasons for the	
		dissent, shall be recorded in the	
		minutes of the board meeting.	
Article	(Addition)	Where the Company has	Amendment
		appointed independent directors,	
XIV-II		for matters which shall be given	is made in
		to the supervisors the written	compliance
		notice of the matters shall also	with the
		be given to the independent	with the
		directors under Article 13,	requirement
		Paragraph 1. When an	of Letter
		improvement plan is submitted	
		to the supervisors it shall at the	Jin-Guan-Zhe
		same time be submitted to the	ng-Fa-Zi No.
		independent directors under	-
		Article 13, Paragraph 3.	1080304826.
		Where the Company has	
		established an audit committee,	
		the provisions of Article 8	
		relating to supervisors shall	
		apply to the audit committee.	

Attachment I

MPI Corporation Articles of Incorporation

Chapter I General Provision

- Article I: The Company has been duly incorporated in accordance with the Company Act and titled MPI Corporation.
- Article II: The Company is engaged in the principal business specified below:
 - I. CB01010 Machinery and Equipment Manufacturing.
 - II. CC01080 Electronic Parts and Components Manufacturing.
 - III. F119010 Wholesale of Electronic Materials.
 - IV. F113050 Wholesale of Computing and Business Machinery Equipment.
 - V. E605010 Computing Equipments Installation Construction.
 - VI. F113010 Wholesale of Machinery.
 - VII. F213080 Retail Sale of Machinery and Equipment.
 - VIII. F401010 International Trade.
 - IX. JE01010 Rental and Leasing Business
 - 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 II Shares of Stock

- Article V: The Company has stated capital of NT\$ 1.2 billion (NT\$1,200,000,000) equally divided into 120 million shares (120,000,000) 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 stocks of the Company are registered. They shall be signed by or affixed with the stamps of at least three directors. The stocks may be issued only after being authenticated in accordance with relevant laws The Company may also issue shares without printing physical stock, or consolidated all the outstanding shares for printing stock for the issuance of the aforementioned shares and shall register these shares with a securities depository body.
- Article VII: Any change of the content contained in the shareholders registry shall be prohibited within 60 days prior to a regular session of the General Meeting of Shareholders, or within 30 days prior to a special session of the General Meeting of Shareholders, or

within 5 days prior to the dividend or bonus announcement day or the day on which other benefits are released.

Chapter III General Meeting of Shareholders

- Article VIII: The Meeting of Shareholders may convene in regular sessions or special sessions. General session will usually be convened once a year within six (6) months after the end of a fiscal year. Special session may be convened at any time as needed. The Company may adopt the system of voting in written or electronic means in a session of the shareholder's meeting and the procedure shall be instituted in accordance with applicable laws.
- Article IX: Any shareholder who is unable to attend the shareholders' meeting in person may appoint a proxy by presenting a letter of attorney printed by the Company indicating the scope of authorization
- Article X: Shareholders are entitled to one vote for each share of holding except for holding the shares as specified in Article 179 of the Company Act or unless otherwise the law requires.
- Article XI: Unless applicable laws specified otherwise, resolutions of the General Meeting of Shareholders shall be made by a simple majority of the shareholders representing more than half of the total outstanding shares in the meeting, or at the unanimous consent of the shareholders who are present in the meeting.

Chapter IV Directors and Supervisors

- Article XII: The Company shall appoint 5 directors and 3 supervisors for a term of 3 years via the candidate nomination system. They shall be elected by the shareholders' meeting from the list of candidates and may be reelected for a second term of office. Of all the seats of directors as mentioned, there shall be at least two (2) seats of independent directors who shall be elected from a nomination of candidates system and the number of seats for independent directors shall constitute at least 1/5 of the total seats of directors. The requirements for professional qualifications, shareholdings, part-time constraints, the nomination and election, and other binding matters for independent directors are handled in accordance with the governing provisions of the securities competent authorities.
 The Company shall take out directors and supervisors liability insurance with respect to liabilities resulting from exercising their duties during their term of office. The Board of Directors shall be authorized to handle the insurance matters with full power.
- Article XIII: The Board of Directors shall be organized by the Directors, one of whom shall be elected as the Chairman in a session with the presence of at least two-thirds of the Directors and the consent under a simple majority. A vice chairman shall also be elected likewise. The Chairman shall preside over the sessions of the General Meeting and the Board internally and represents the Company externally.
- Article XIV: In the absence of the Chairman or the Chairman is unable to perform its duties, the proxy shall act in accordance with Article 208 of the Company Act.
 The Directors shall attend the sessions of the Board in person, or appoint another Director to attend the meeting by issuing the written proxy and specifying the scope of authority with reference to the subjects to be discussed at the meeting. Each Director may appoint one Director to act as proxy in the meeting. The Board shall convene with the cause of the session specified in the notice 7 days

in advance to the acknowledgment of all Directors and Supervisors. In case of emergency, the Board may call for special session with notice in writing, fax, or e-mail.

The Board may convene via teleconferencing and the Directors participating in the teleconference shall be deemed attending the Board session in person.

- Article XV: Unless the Company Act specifies otherwise, resolutions of the Board may be made by a session with the presence of at least half of the seats of Directors and by a simple majority of these Directors.
- Article XV-I: The remunerations to the Chairman, Vice Chairman, Directors, and Supervisors shall commensurate with their level of participation and contribution to the operation of the Company with reference to domestic and international industry standard, and shall be determined by the Board under authorization.
- Article XVI: The Board of Directors shall perform the following functions:
 - I. Review and approval of the corporate policy and the development plan in the mid to long term.
 - II. Review and supervision of the execution of annual business plan.
 - III. Review and approval of budget and account settlement.
 - IV. Review and approval of the plan of capitalization and decapitalization of the Company.
 - V. Review and approval of the proposal for income distribution or covering loss carried forward.
 - VI. Review and approval essential contracts with external parties.
 - VII. Review and approval of the Articles of Incorporation and amendment thereto.
 - VIII.Review and approval of the Articles of Incorporation and important rules and regulations of the Company.
 - IX. Approval of the establishment, reorganization, and revocation of branches.
 - X. Approval of major capital spending plans.
 - XI. Planning for the acquisition and disposition of vital assets of the Company.
 - XII. The appointment and dismissal of the president and vice presidents.
 - XIII. Execution of the resolutions of the General Meeting of Shareholders.
 - XIV. Review and approval of the proposals from the president.

XV. Convention of the General Meeting of Shareholders and report on operation.

XVI. Any other duties to be performed under law.

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

Chapter V Managers

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

Chapter VI Accounting

- Article XIX: At the end of the fiscal year, the Board shall prepare (I) Operation review; (II) Financial statements; (III) proposals of income distribution or covering loss carried forward and related document, and forward these materials to the Supervisors for review 30 days prior to the scheduled date of the General Shareholders' Meeting and submit it in the General Shareholders' Meeting for ratification.
- Article XX: Where the Company retains income before tax after the account settlement, it shall allocate 0.1%~15% thereof as the remuneration to employees, and no more than 3% thereof as the remuneration to directors/supervisors. However, profits must first be taken to offset against cumulative losses, if any. The remainder, if any, shall be allocated as the remuneration to employees and directors/supervisors on a pro rata basis as referred to in the preceding paragraph.

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

The remuneration for employees may be paid in the form of stock or in cash. Employees entitled to receive the distribution includes those of the affiliated companies who meet specified requirements.

If the Company has a profit in the total final account of a fiscal year, it shall first pay the taxes, make up any losses from past years, and then make contribution of 10% as the statutory reserve unless the statutory reserve reaches the amount of the Company paid-in capital. After appropriating or reversing a special reserve in accordance with the laws and regulations, the proposal for the distribution of the profits concerning the balance along with the accumulative undistributed profit is formulated by the Board of Directors and submitted to the shareholder's meeting to decide the distribution or reservation.

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

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

Chapter VII Supplementary Provisions

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

Article XXII: Instituted on July 20 1995.

Amendment was made for the 1st instance on September 20, 1996. Amendment was made for the 2nd instance on January 9, 1998. Amendment was made for the 3rd instance on September 11, 1998. Amendment was made for the 4th instance on January 4, 1999. Amendment was made for the 5th instance on June 1, 2000. Amendment was made for the 6th instance on April 16, 2001. Amendment was made for the 7th instance on December 12, 2001. Amendment was made for the 8th instance on April 18, 2002. Amendment was made for the 9th instance on June 3, 2004. Amendment was made for the 10th instance on June 3, 2005. Amendment was made for the 11th instance on June 23, 2006. Amendment was made for the 12th instance on December 28, 2006. Amendment was made for the 13th instance on June 15, 2007. Amendment was made for the 14th instance on June 6, 2008. Amendment was made for the 15th instance on June 15, 2010. Amendment was made for the 16th instance on June 17, 2011. Amendment for the 17th instance was made on June 17, 2014. Amendment for the 18th instance was made on June 12, 2015. Amendment for the 19th instance was made on June 16, 2016. Amendment for the 20th instance was made on June 13, 2017. Amendment for the 21st instance was made on June 12, 2018.

> MPI Corporation Chairman: Ko, Chang-Lin

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: The Board of Directors shall call for the sessions of the shareholders' meeting unless the law otherwise specified.

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

The aforementioned notice and announcement shall contain information on the cause of the session, and may be made in electronic form at the consent of the respondents. Motions of election or discharge of Directors and Supervisors, alteration of the Articles of Incorporation, the dissolution/merger/demerger of the Company, or anything as stated in Article 185, Paragraph 1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be explicitly stated in the cause of convening and shall not be proposed as impromptu motions.

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

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

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

The Company shall inform any shareholder who has submitted a proposal of the result of review of the proposal before the date when the notice of the shareholders' meeting is sent, and list the motions meeting the requirements of this Article into the meeting notice. For motions proposed by shareholders not being listed into the agenda, the Board shall explain the reasons for excluding such motions as a part of

the agenda.

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

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

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

The shareholders shall bring with them the attendance card, sign-in card, or other certificates of attendance. The Company shall not arbitrarily require any additional identification documents as certificates of attendance from the shareholders. Persons requesting for authorization of proxy shall bring their ID documents for confirmation.

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

- Article V: Shares and votes shall be the basis for counting the attendees at a shareholders' meeting. The quantity of shares represented by the shareholders attending the meeting shall be based on the information of the sign-in book or the sign-in cards being surrendered, plus the votes representing the shares cast in written or electronic means.
- Article VI: The place for the shareholders' meeting shall be at the locality of the Company or a place convenient for the shareholders to attend. The time for the meeting shall not be earlier than 9:00 am or later than 3:00 pm of the day.
- Article VII: Where the Board of Directors may call for the shareholders' meeting, the Chairman shall preside over the meeting. In the absence of the Chairman or the Chairman cannot perform its duties, the Vice Chairman shall act on behalf of and in the name of the Chairman to preside over the meeting. Where there is no seat of a vice chairman, in the absence of the Vice Chairman or where the Vice Chairman cannot perform his duties, the Chairman shall appoint an agent to preside over the meeting, or, the Directors shall nominate one among themselves to preside over the meeting. Where an entitled third party other than the Board of Directors may call for the shareholders' meeting, such party shall preside over the meeting. In case there are two entitled parties calling for the meeting, one of them shall be nominated to preside over the meeting.
- Article VIII: The Company may appoint attorneys, certified public accountants or related

personnel to attend the shareholders' meeting as observers.

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

- Article IX: The minutes of the shareholders' meeting shall be kept on record by voice recording or videotaping. Such minutes of a shareholders' meeting on record shall be retained for at least 1 year. If legal action is instituted by shareholders pursuant to Article 189 of the Company Act, the ballots shall be retained until the final ruling of the action.
- Article X: The Chairman of the shareholders' meeting shall announce for the session on the exact time scheduled for the meeting. If however the presence of shareholders at that point of time represent less than one-half of the total outstanding shares, the Chairman may announce to postpone the meeting up to two instances and the total time lapsed cannot exceed one hour. If postponement has been made for twice and the shareholders present in the meeting cannot represent one-half but represent more than one-third of the total outstanding shares, the Chairman shall call off the meeting. In the event of that postponement has been made twice and the shareholders present in the meeting cannot represent one-half but represent more than one-third of the total outstanding shares, Paragraph 1, Article 175 of the Company Act shall be applicable whereby provisional resolution could be made. If the session is still in progress with the eventual presence of shareholders representing more than half of the total outstanding shares, the Chairman shall refer
- the provisional resolution to the shareholders' meeting for the finalization pursuant to Article 174 of the Company Act.Article XI: For a shareholders' meeting being called by the Board of Directors, the Board of Directors shall prepare the agenda and the meeting shall be proceeded in accordance with the agenda unless otherwise the shareholders' meeting resolved to make change. If only the rearrangement of the orders of the agenda is required, the

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

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

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

Article XII: Before a shareholder who is present in the meeting may take the floor, he or she shall prepare the speech memo by specify the summary and the shareholder account number (or attendance card number) and account title. The Chairman shall then arrange for the priority of the shareholders to deliver their speeches. Shareholders who have just prepared the speech memo without taking the floor for delivery of speech shall be deemed no delivery of speech. In case the content of the speech delivered on the floor is irrelevant with the content in the speech memo, the latter shall prevail. When a shareholder is having the floor, all other shareholders shall not interfere unless at the consent of the Chairman or the shareholder who is taking the

floor. Any unrestrained action shall be discouraged by the Chairman.

- Article XIII: Each shareholder may express their opinion on a particular motion twice only, unless otherwise approved by the Chairman and the duration of each instance of expression of opinion shall be up to 5 minutes.The Chairman shall prevent further speech of a particular shareholder who violates the aforementioned requirements or where the content of the speech is irrelevant to the motion in point.
- Article XIV: Where a juridical person may be appointed as a proxy to attend the shareholders' meeting, it may appoint only one representative to attend the meeting.For corporate shareholders appointing two (2) or more representatives to the shareholder's meeting, only one representative may express opinions on the same motion.
- Article XV: After specific shareholder in the meeting has expressed an opinion, the Chairman may respond to the issue personally or appoint specific personnel to respond to the issue.
- Article XVI: Shares shall be the basis for counting the votes at a shareholders' meeting. For resolution of the shareholder's meeting, the number of shares held by shareholders without voting rights is excluded as a part of the total outstanding shares. For motions where specific shareholders have a conflict of interest with the Company, these shareholder shall be excused from voting and cannot be 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

shares represented by shareholders attending the meeting in the calculation. If particular person who has been appointed by two (2) or more shareholders as proxy to attend the meeting, the voting right being represented under the authorization of proxy shall not exceed 3% of the total number of outstanding shares bearing voting rights. Any excess voting rights shall not be counted.

Article XVII: Shareholders are entitled to one voting right for the holding of each share except those who are under restriction or having no voting right as stated in Paragraph 2, Article 179 of the Company Act. When the shareholders' meeting is in session, votes can be cast in written or electronic means. Where the Company adopts an electronic means of voting pursuant to Paragraph 1, Article 177-1 of the Company Act in exception, it shall adopt both voting in written or electronic means. In so doing, the Company shall specify the detail of voting in written or electronic means in the notice of the shareholders' meeting. Shareholders casting their votes in written or electronic means shall be deemed attending the meeting in person but votes on impromptu motions or amendment to original motions shall be deemed their abstention from voting of these motions. Instructions to exercise written and electronic votes shall be delivered to the Company at least 2 days before the shareholders' meeting. In the event of duplicate submissions, the earliest submission shall be taken into record. In case of repeated expression of intent, the initial intent so expressed shall stand unless declaration for the revocation of the previous expression of intent is made. Shareholders who wish to attend the shareholders' meeting in person after exercising their voting rights in writing or using electronic methods are required to withdraw their votes using the same method by which the vote was cast in the first place, and by no later than 2 days before the day of shareholder meeting. The written/electronic vote shall prevail if not withdrawn before the cutoff time. If an expression of intent to vote in written or electronic means has been made and at the same time, a proxy has been appointed to attend the meeting, the votes cast by the proxy in the meeting shall stand.

- Article XVIII: Where the discussion on specific motion has been deemed accomplished, the Chairman shall call the discussion to an end and proceed to voting. If there is no adverse opinion upon the inquiry of the Chairman on the scene, it shall be deemed the motion in point is passed. Where the Chairman may announce to make decision by voting, motions may be referred to voting in the same procedure but votes shall be cast on separate motions.
- Article XIX: The Chairman shall appoint the staff to supervise the casting of votes and the counting of votes on condition that such staff is a shareholder. The result of voting shall be announced in the scene immediately and tracked on record.
- Article XX: The Chairman may announce for recess during the session.

Article XXI: Resolution shall be made by a simple majority of the shareholders with voting right in session unless the Company Act or the Articles of Incorporation otherwise specified.
At the point of voting, the Chairman or designated personnel shall announce the total number of voting rights represented by the shareholders before proceeding to voting. For motions that have no adverse opinions from the present shareholders upon the inquiry of the Chairman, it shall be as having been passed and the effect shall be the same as casting votes for resolution. For motions that triggered adverse opinions, decision shall be made by voting as stated in preceding paragraphs.

- Article XXII: Where specific motion may have amendment or a alternative, the Chairman shall refer the amendment or alternative to voting in the same priority as the original motion. If one of these motion, amendment or alternative is being passed, all other options shall be deemed vetoed and no further voting is necessary.
- Article XXIII: In the event that an election of Directors and Supervisors is held in a session, the election shall follow the procedure and regulation of the Company and announce the election result on the scene. The ballots for the aforementioned election shall be kept in the box, sealed and signed by the witness, and retained for at least one year. If legal action is instituted by shareholders pursuant to Article 189 of the Company Act, the ballots shall be retained until the final ruling of the action.
- Article XXIV: Shareholder meeting resolutions shall be compiled into detailed minutes, and signed or sealed by the chairperson, and disseminated to each shareholder by no later than 20 days after the meeting. The minutes may be prepared and distributed in electronic form.

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

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

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

Article XXV: The Company shall prepare relevant table in designated format for compilation of

the statistical data on the number of shares represented by proxies or parties requesting for representation to the meeting on the day of the shareholder's meeting and release the data at the venue of the meeting. Where the motions for resolutions may involve materiality under applicable regulations or Taiwan Stock Exchange Corporation (Taipei Exchange, TPEx (Gre Tai Securities Market, GTSM)), the Company shall upload the information to MOPS within stipulated time.

- Article XXVI: Administrative personnel of the shareholder's meeting shall wear ID badge or arm badge at the venue of the meeting. The Chairman may command the marshals (or security guards) to assist with the maintenance of order. The marshals (or security guards) at the meeting venue assisting with maintenance of order shall wear armbands marked "Marshal." Where the meeting place may be equipped with public address equipment, the Chairman shall stop any speech delivered by shareholders not using the equipment installed by the Company. In the event of insubordination to the correction of the Chairman, obstruction of the progress of the meeting and failure to take corrective action upon persuasion, the respective shareholder shall be escorted by the marshal or security guard to leave the venue on the order of the Chairman.
- Article XXVII: This Procedure was instituted on March 5, 2001 under the resolution of the Board of Directors and the ratification of the shareholders' meeting for coming into full force. The same procedure shall be applicable to any amendment thereto.

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

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

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

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

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

MPI Corporation

Shareholding of all Directors and Supervisors and the minimum requirement of shareholding

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

Outstanding shares of common stocks	
issued	79,915,374 (shares)
Minimum quantity of shareholding required	
for all Directors under law	6,393,230 (shares)
Minimum quantity of shareholding required	
for all Supervisors under law	639,323 (shares)

II. As of April 13 2019, the date of transfer suspension, all the Directors and Supervisors of MPI Corporation had the following number of shares in holding:

Position	Name	Number of shareholding (share)	Proportion of shareholding
Chairman	MPI Investment Co., Ltd. Corporate representative: Ko, Chang-Lin	8,334,626	10.43 %
Director	MPI Investment Co., Ltd. Corporate representative: Steve Chen	8,334,626	10.43 %
Director	MPI Investment Co., Ltd. Corporate representative: Scott Kuo	8,334,626	10.43 %
	Hsu, Mei-Fang	244,441	0.31 %
Independent director	Kao, Chin-Cheng	162,414	0.20 %
Supervisor	Liu, Fang-Sheng	255,471	0.32 %
Supervisor	Li, Tu-Cheng	539,349	0.67 %
Supervisor	Tsai, Chang-Shou	21,630	0.03 %
Number (shares) and proportion of shareholding by all Directors		8,741,481	10.94 %
Number (shares) and proportion of shareholding by all Supervisors		816,450	1.02 %

Attachment IV

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