# **MPI Corporation Minutes of 2019 General Meeting of**

# **Shareholders Regular Session on Record**

Date and time: June 11 2019 (Tuesday), 10:00 am
Place: 2F, No. 26, Taiyuan Street, Zhubei City, Hsinchu County (Conference Hall, Tai Yuen Hi-Tech Industrial Park)
Attendance: The total number of shares represented by attending shareholders and proxies at the meeting was counted at 56,639,254 shares, which represented 70.87% of the Company's 79,915,374 outstanding shares and exceeded the statutory requirement. Attending members of the board included: Chairman Ko, Chang-Lin, Director Chen, Szu-Kuei, Director Scott Kuo, Independent Director Kao, Chin-Cheng, Independent Director Hsu, Mei-Fang, Supervisor Li, Tu-Cheng, Supervisor Tsai, Chang-Shou, and Supervisor Liu, Fang-Sheng, which exceeded 1/3 of the 8 seats on board.

Invited presence: Wu, Kuei-Chen (CPA)

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

- I. Announcement of session
- II. Address of the Chairman: skipped.
- III. Management Presentation (Company Reports)
  - 1. 2018 Operation Review. (See Appendix I)
  - 2. 2018 Supervisors' Review Report. (See Appendix II)
  - 3. The report on allocation of remuneration to employees and directors/supervisors in 2018.
    - Note: (I) According to Article 20 of the Articles of Incorporation, where there is profit in any fiscal year, 0.1% to 15% of the profit shall be appropriated as remuneration for employees and no more than 3% of the profit as remuneration for directors and supervisors.
      - (II) The profit before tax, excluding the remuneration for employees, directors and supervisors, were NT\$424,516,438 in 2018. We appropriated NT\$34,144,000 as the remuneration for employees and NT\$9,603,000 to the directors and supervisors after the approval of the resolution by the Board of Directors on March 18, 2019. All were distributed in cash.
  - 4. The report on the reasons and related matters regarding the raising of the 4th domestic unsecured convertible corporate bond by the Company.
    - Note: (I) The whole amount of fund raised by the 4th domestic unsecured convertible corporate bond by the Company will be used for the loan payment to the bank. The proposal was approved by the Board of

Directors in May 7, 2018 and was approved by the Financial Supervisory Commission by issuing the Letter Jin-Guan-Zheng-Fa-Zi No. 1070325999 on July 26, 2018. The five-year domestic unsecured convertible bonds has a par value of NT\$100,000 per share and the total issued amount is NT\$1,000,000,000.

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

# IV. Points of Ratification

Motion No. 1

Submitted by the Board

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

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

Resolution: Motion vote results: A total of 56,539,254 voting rights were present at the time

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

of vote (including 13,630,707 rights executed in electronic form)

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

Motion No. 2

Submitted by the Board

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

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

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

- (III) If the total number of the outstanding shares of the Company is affected and the distribution yield of the shareholders is changed due to the change of the capital stock of the Company, we authorize the Board of Directors to handle the matter with full powers.
- (IV) This motion was approved by the Board of Directors in the 2nd meeting in 2019.

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

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

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

V. Points of Discussion

Motion No. 1:

Submitted by the Board

Cause of motion: Proposal for the discussion of the amendment to the "Articles of Incorporation" of MPI Corporation.

- Note: (I) According to the Hua-Zong-Yi-Jing-Zi No. 10700083291 of the Company Act on August 1, 2018, we planned to amend certain clauses of the "Articles of Incorporation".
  - (II) The mapping of the provisions of the "Articles of Incorporation" is attached for your information. Please refer to Appendix VI.
  - (III) This motion was approved by the Board of Directors in the 2nd meeting in 2019.

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

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

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

Motion No. 2:

Cause of motion: Proposal for the discussion of the amendment to the "Procedure for the Acquisitions or Dispositions of Assets" of MPI Corporation.

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

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

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

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

Motion No. 3:

Submitted by the Board

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

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

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

	of vote (meruding 13,050,707 fights executed in electronic form)							
Voting result	Vote number	Percentage in votes of the present shareholders %						
Approval votes	52,371,703	92.47%						
Disapproval votes	1,904	0.00%						
Invalid votes	0	0.00%						
Abstention votes/no	4,265,647	7.53%						
votes								

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

Motion No. 4:

Submitted by the Board

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

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

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

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

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

Motion No. 5:

Submitted by the Board

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

Resolution:

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

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

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

- VI. Impromptu motions: N/A
- VII. Adjournment of meeting: June 11, 2019, at 10:39 am.

# 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

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Year Item		2017	2018	Change (%)		
R	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	s after tax	149,267	337,628	126.19%	
	ROA (%)		2.19	4.48	104.57%	
	ROE (%)		3.85	8.55	122.08%	
Pı	Operating Income to Paid-in capital ratio (%)		22.49	40.46	79.90%	
ofit	EBT to Paid	-in capital ratio (%)	25.64	49.76	94.07%	
Profitability	Net profit m	argin (%)	3.36	6.27	86.61%	
ty	EPSbefore retroactive		1.83	4.19	128.96%	
	(NT\$)	after retroactive adjustment	1.83	4.19	128.96%	

## (III) Research and development

Research and development findings in 2018:

- 1. Photoelectric precision automated equipment:
  - A. Full automatic 8-inch LED wafer probing system.
  - B. Full automatic wafer level probing system with high power 6-inch aser 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.
- Semi-conductor engineering testing machine series:
   We successfully introduce the full automatic high-frequency wafer prober and the probe station for automatic impedance matching test and continue to strengthen the

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

# II. Summary of 2019 Business Plan

# (I) Business Policy

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

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

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

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

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

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

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

I wish joy and the best of luck

to every shareholder!

Chairman: Ko, Chang-Lin

President: Scott Kuo

Chief Accounting Officer: Rose Jao

# MPI Corporation Supervisors' Audit Report

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

To: 2019 General Shareholders' Meeting of MPI Corporation

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

> > March 18, 2019

# Appendix III

# **Independent Auditor's Audit Report**

The Board of Directors and Shareholders

**MPI** Corporation

#### Opinion

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

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

#### **Basis for Opinion**

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

## **Key Audit Matters**

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

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

#### **1. Revenue Recognition**

#### Matter Description

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

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

#### Audit Procedures in Response

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

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

## 2. Inventory Valuation

#### Matter Description

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

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

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

#### Audit Procedures in Response

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

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

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

For the convenience of readers, the independent 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 method	6(5)		858,533	11		915,223	12	
Property, plant and equipment	6(6).7.8		2,784,489	34		2,931,444	38	
Intangible assets	6(7)		41,237	1		40,955	1	
Deferred income tax assets	6(18)		81,149	1		72,002	1	
Other noncurrent assets	6(8)		101,241	1		152,665	2	
Total Noncurrent Assets			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)

		December 31,2018		2018	December 31,2	.017	
LIABILITIES AND EQUITY	Note	A	Amounts	%	Amounts	%	
CURRENT LIABILITIES							
Short-term loans	6(9)	\$	818,000	10	\$ 1,170,000	15	
Contract liabilities - current	6(16).7		854,750	11	-	-	
Accounts payable			457,107	6	388,552	5	
Accounts payable-related parties	7		2,972	-	8,656	-	
Payables on equipment			19,530	-	82,660	1	
Other payables	6(10)		625,550	8	444,972	6	
Other payables-related parties	7		102,190	1	138,321	2	
Income tax payable			40,709	1	-	-	
Provisions	6(11)		4,859	-	3,210	-	
Sales revenue received in advance	7		-	-	752,536	10	
Current portion of long-term liabilities	6(13)		29,233	-	225,787	3	
Other current liabilities			10,639	-	10,214	-	
Total Current Liabilities			2,965,539	37	3,224,908	42	
NONCURRENT LIABILITIES							
Non-current Financial liabilities at Fair Value	6(12)		9,266	-	-	-	
Bonds payable	6(12)		892,843	11	-	-	
Long-term loans	6(13)		39,230	-	572,909	8	
Deferred income tax liabilities	6(18)		13,040	-	14,591	-	
Accrued pension cost	6(14)		39,102	1	31,697	1	
Credit balance of investments account for usin	6(5)		68,397	1	16,728	-	
Other noncurrent liabilities			97	-	97	-	
Total Other Liabilities			1,061,975	13	636,022	9	
TOTAL LIABILITIES			4,027,514	50	3,860,930	51	
EQUITY	6(15)						
EQUITY ATTRIBUTABLE TO SHAREHOLDERS O	OF THE PARENT						
Capital common stock			799,014	10	799,014	11	
Capital surplus			977,255	12	909,204	12	
Retained earnings							
Appropriated as legal capital reserve			563,093	7	548,516	7	
Special reserve			42,308	-	30,177	-	
Unappropriated earnings			1,779,401	22	1,523,376	20	
Total Retained Earnings			2,384,802	29	2,102,069	27	
Other							
Foreign currency translation adjustments			(54,230)	(1)	(42,309)	(1)	
Total others			(54,230)	(1)	(42,309)	(1)	
TOTAL EQUITY			4,106,841	50	3,767,978	49	
TOTAL LIABILITIES AND EQUITY		\$	8,134,355	100	\$ 7,628,908	100	

#### 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	
Noncontrolling interests		\$ 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		Common Stock		Capital Surplus		Legal Capital Reserve		Special 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
	¢	<b>2</b> 00.014	¢		¢	510 514	¢	20.455	¢	1 500 051	¢	(12,200)	<i>.</i>	
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

# STATEMENTS OF CASH FLOWS

## From January 1 to December 31, 2018 and 2017

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

Items	Jan 1 ~	- Dec 31,2018	Jan 1 ~ Dec 31,2017		
CASH FLOWS FROM OPERATING ACTIVITIES	¢	200 7(0	¢	170 404	
Income before income tax	\$	380,769	\$	172,404	
Adjustments to reconcile net income to net		221 102		207.056	
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	
Interest (excluding capitalization of interest)		(17,290)		(6,278)	
Cash dividends		(39,951)		(334,343)	
Income taxes paid		(16,195)		(73,473)	
Net cash Provided By Operating Activities		686,680		(398,288)	
Net easi i novided by Operating Activities		000,000		(390,200)	
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)	
		(1.1,120)		(0.1,170)	

# STATEMENTS OF CASH FLOWS

From January 1 to December 31, 2018 and 2017

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

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

- 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 31,2018			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 31,2017				
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	6(12)	9,266						
Non-current Financial liabilities at Fair Value through Profit or Loss			- 11	-	-			
Bonds payable	6(12)	892,843	1	-	o			
Long-term loans	6(13)	39,230	1	572,909	8			
Deferred income tax liabilities	6(18)	14,166	-	14,591	-			
Lease obligations payable – noncurrent	6(6)	15,883	-	32,459				
Accrued pension cost	6(14)	42,527	1	35,257	1			
Other noncurrent liabilities		325	- 10	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 PAREN								
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				

#### 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)

		Jan	January 1 ~ December 31,20			January 1 ~ December 3			
Items	Note		Amounts	%		Amounts	%		
OPERATING REVENUE, NET	6(16).7								
Sales revenue		\$	5,037,372	93	\$	4,078,376	92		
Less: sales returns			(10,401)	-		(15,136)	(1)		
sales discounts and allowances			(12,428)	-		(1,117)	-		
Commission revenue			52,576	1		28,638	1		
Processing Fees revenue			319,237	6		357,693	8		
Operating Revenue, net			5,386,356	100		4,448,454	100		
OPERATING COSTS	6(4).7		(3,246,105)	(60)		(2,688,543)	(60)		
GROSS PROFIT			2,140,251	40		1,759,911	40		
Realized (Unrealized) Gross profit on sales to subsidiaries and associates			-	-		276	-		
GROSS PROFIT, NET			2,140,251	40		1,760,187	40		
OPERATING EXPENSES	7								
Selling expenses			(609,772)	(11)		(493,155)	(12)		
General & administrative expenses			(322,447)	(6)		(284,549)	(6)		
Research and development expenses	6(7)		(885,934)	(17)		(803,458)	(18)		
Expected Credit (loss) gains	6(3)		1,184	-		654	-		
Operating expense, net			(1,816,969)	(34)		(1,580,508)	(36)		
OPERATING INCOME			323,282	6		179,679	4		
NON-OPERATING INCOME AND EXPENSES									
Other gains and losses	6(17)		63,486	1		(8,752)	-		
Finance costs	6(17)		(23,493)	-		(17,474)	-		
Share of profits of subsidiaries and associates	6(5)		151	-		9,782	-		
Interest income	7		2,844	-		1,831	-		
Rent income	7		2,813	-		2,902	-		
Other non-operating revenue-other items	7		28,535	-		36,862	1		
Total Non-operating Income			74,336	1		25,151	1		
INCOME BEFORE INCOME TAX			397,618	7		204,830	5		
INCOME TAX BENEFIT(EXPENSE)	6(18)		(59,990)	(1)		(55,563)	(2)		
NET INCOME			337,628	6		149,267	3		
OTHER COMPREHENSIVE INCOME (LOSS)									
Items that are not to be reclassified to profit or loss			(7.000)			(1.600)			
Re-measurements from defined benefit plans			(7,303)	-		(4,699)	-		
Items that may be reclassified subsequently to profit or loss			(10.524)			(11.525)			
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)	- 2		
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		\$	3,066	- 6	\$	3,500	- 3		
		ψ	337,020	0	Ψ	149,207			
TOTAL COMPREHENSIVE INCOME(LOSS) Shareholers of the parent		\$	315,339	6	\$	128,936	3		
Noncontrolling interests		ą	2,452	0	ą	4,097	3		
Notcontioning increases		\$	317,791	- 6	\$	133,033	3		
			After-tax			After-tax			
EARNINGS PER COMMON SHARE(NTD)	6(19)								
Basic earnings per share	- ( )	\$	4.19		\$	1.83			
Diluted earnings per share		\$	3.56		\$	1.83			
0.1									

#### 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		Common Stock		Capital Surplus		Legal Capital Reserve		Special 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	\$	799,014	\$	909,204	\$	548,516	\$	30,177	\$	1,523,376	\$	(42,309)	\$ 3,767,978	\$	16,923	\$	3,784,901
Legal capital reserve						14,577				(14,577)			-				-
Special reserve								12,131		(12,131)			-				-
Cash dividends of common stock										(39,951)			(39,951)				(39,951)
Capital reserve from stock warrants				67,683									67,683				67,683
Other changes in capital surplus				368									368				368
Net Income in 2018										334,562			334,562		3,066		337,628
Other comprehensive income in 2018, net of income tax										(7,302)		(11,921)	 (19,223)		(614)		(19,837)
Total comprehensive income in 2018	_	-		-	_	-		-	_	327,260		(11,921)	 315,339		2,452	_	317,791
Difference between consideration paid and carrying amount of subsidiaries acquired										(4,576)			 (4,576)				(4,576)
Changes in percentage of ownership interest in subsidiaries															(9,285)		(9,285)
BALANCE, DECEMBER, 31, 2018	\$	799,014	\$	977,255	\$	563,093	\$	42,308	\$	1,779,401	\$	(54,230)	\$ 4,106,841	\$	10,090	\$	4,116,931

## CONSOLIDATED STATEMENTS OF CASH FLOWS

From January 1 to December 31, 2018 and 2017

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

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

## 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

#### MPI Corporation Disposition of Net Earnings 2018

Unit: NTD \$

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

Chairman: Ko, Chang-Lin

President: Scott Kuo

Chief Accounting Officer: Rose Jao

# Appendix VI

### MPI Corporation

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

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

Clause	Before amendment	After amendment	Cause of
			amendment
A 1 X7X7	(Omitted)	(Omitted)	In response to
Article XX	The allocation of remuneration to	The allocation of remuneration to	the
	employees and directors/supervisors	employees and directors/supervisors	amendment of
	shall be resolved and approved by a	shall be resolved and approved by a	the Company
	majority of the directors present at a	majority of the directors present at a	Act.
	directors' meeting attended by more	directors' meeting attended by more	
	than two-thirds of the whole	than two-thirds of the whole	
	directors, and reported to a	directors, and reported to a	
	shareholders' meeting.	shareholders' meeting.	
	The remuneration for employees may	The remuneration for employees may	
	be paid in the form of stock or in cash. Employees entitled to receive	be paid in the form of stock or in	
	the distribution includes those of the	cash. Employees entitled to receive the distribution includes those of the	
	affiliated companies who meet	holding or the affiliated companies	
	specified requirements.	who meet specified requirements	
		established by the authorized	
		Chairman.	
	If the Company has a profit in the		
	total final account of a fiscal year, it	If the Company has a profit in the	
		total final account of a fiscal year, it	
	losses from past years, and then make		
	contribution of 10% as the statutory	losses from past years, and then	
	reserve unless the statutory reserve	make contribution of 10% as the	
	reaches the amount of the Company paid-in capital. After appropriating or	statutory reserve unless the statutory	
	reversing a special reserve in	Company paid-in capital. After	
	accordance with the laws and	appropriating or reversing a special	
	regulations, the proposal for the	reserve in accordance with the laws	
	distribution of the profits concerning		
	the balance along with the	distribution of the profits concerning	
	accumulative undistributed profit is	the balance along with the	
	•	accumulative undistributed profit is	
	and submitted to the shareholder's	formulated by the Board of Directors.	
	meeting to decide the distribution or	If balance is distributed by issuing	
	reservation.	new shares, it shall be made upon	
		approval at the shareholder's	
		meeting. Based on the resolution of a majority	
		of directors at the meeting attended	
		by two-thirds of the total number of	
		directors, the Company shall	
		distribute the dividend and bonus, in	
		whole or in part, in the form of cash	
		and report to the shareholders'	
		meeting.	

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

# Appendix VII

### MPI Corporation

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

CI		nd Dispositions of Assets	<b>N</b> T
Clause	Before amendment	After amendment	Note
Article III	The scope of application for	The scope of application for	Amendment
	assets as stated in this Procedure		is 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
	certificates, depository receipts,	certificates, depository receipts,	of Letter
	call (put) warrants, beneficiary	call (put) warrants, beneficiary	Jin-Guan-Zh
	certificates, and asset-backed	certificates, and asset-backed	eng-Fa-Zi
	securities.	securities.	No.
	II. Real property (including land,	II. Real property (including land,	1070341072.
		houses and buildings, investment	
	property, right to use land,	property, and construction	
	construction enterprise	enterprise inventory) and	
	inventory) and equipment.	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 institutions	V. Right-of-use assets.	
	(including account receivables,	<u>VI.</u> Debts of financial	
	discounts for exchange and	institutions (including account	
	loans, accounts for collection).	receivables, discounts for	
	VI. Derivatives.	exchange and loans, accounts for	
	VII. Assets acquired or disposed	collection).	
	through mergers, demergers,	<u>VII.</u> Derivatives.	
	-	<u>VIII.</u> Assets acquired or disposed	
	in accordance with laws.	of in connection with mergers,	
	VIII. Other major assets.	demergers, acquisitions, or	
		transfer of shares in accordance	
		with law.	
		IX. Other major assets.	
Article VII	The Company may acquire	The Company may acquire	Amendment
	non-operating real estate or	non-operating real estate and	is 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
	investment shall not exceed the	assets and the securities	of Letter
	20% of total assets. The amount	investment shall not exceed the	Jin-Guan-Zh
	of investment in purchasing	20% of total assets. The amount	eng-Fa-Zi
	respective securities shall not	of investment in purchasing	No.
	exceed 10% of the total assets.	respective securities shall not	1070341072.
	cacced 1070 of the total assets.	exceed 10% of the total assets.	10/05-110/2.
Article	In the event of any of the		Amondmont
	In the event of any of the	In the event of any of the	Amendment
VIII	followings in the acquisition and		is made in
	disposition of assets, the	disposition of assets, the	compliance
	Company shall publicly	Company shall publicly	with the

### the Acquisitions and Dispositions of Assets"

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

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

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

Clause	Before amendment	After amendment	Note
	assets, the Company shall keep a	The Company shall declare all	
	1.2	information of derivative trade	
	minutes of meetings on record,	conducted by itself and	
	record books, appraisal reports,	subsidiaries, which are not	
	opinions issued by certified	domestic public companies to	
		the end of the previous month in	
		designated format to designated	
	such documents for at least 5	website of FSC by the 10th day	
	years unless otherwise specified	of each month.	
	by law.	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,	
		minutes of meetings on record,	
		record books, appraisal reports,	
		opinions issued by certified	
		public accountants, lawyers or securities underwriters and retain	
		such documents for at least 5	
		years unless otherwise specified	
		by law.	
Article X	With the exception of	With the exception of	Amendment
AILUCIC A	-	transactions with domestic	is made in
	•	government institutions,	compliance
	property land by commissioned	construction on property land by	with the
	builders, construction on leased	commissioned builders,	requirement
		construction on leased land by	of Letter
		commission builders, or the	Jin-Guan-Zh
	1 1	acquisition or disposition of	eng-Fa-Zi
	• • •	machinery and equipment or	No.
		right-of-use assets thereof held	1070341072.
		for business purpose, any	
		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	-use assets 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	

Clause	Before amendment	After amendment	Note
	I. Where the limit price, fixed	professional appraiser and shall	
	price or specific price is taken as	further comply with the	
	reference for setting the	following provisions:	
	transaction price due to specific	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	
	necessary before the transaction.	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 same procedures shall also	
	II. The transaction amount	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.	
	III. Where any one of the	II. The transaction amount	
	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.	
		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	
	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		
	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	

Clause	Before amendment	After amendment	Note
	issued the appraisal reports shall	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		
	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
	1 1	intangible assets or <u>the right-of</u>	is 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
	million or more, the Company	capital or NT\$300 million or	of Letter
	shall retain a certified public	more, the Company shall retain a	Jin-Guan-Zh
	accountant prior to the date of	certified public accountant prior	eng-Fa-Zi
	occurrence of the fact to render	to the date of occurrence of the	No.
	an opinion on the rationality of	fact to render an opinion on the	1070341072.
	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 General Auditing Procedures No.	shall comply with the provisions of Statement of General Auditing	
	20 published by the ARDF.	Procedures No. 20 published by	
	20 published by the rikbr.	the ARDF.	
Article	Those professional appraisers	Those professional appraisers	Amendment
XIV		and their officers, certified	is 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
		appraisal reports, certified public	Jin-Guan-Zh
	accountant's opinions, attorney's opinions, or underwriter's	accountant's opinions, attorney's opinions, or underwriter's	eng-Fa-Zi
	opinions shall not be a related	opinions shall satisfy the	No.
	party of any party involved in	following requirements:	1070341072.
	the transaction.	I. May not have previously	1070511072.
		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	
	<u> </u>	Accounting Act, or for fraud,	

Clause	Before amendment	After amendment	Note
		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 approical report	
		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	
		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	

Clause	Before amendment	After amendment	Note
		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
	in any acquisition or disposal of		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	necessary resolutions are	requirement
	adopted and the reasonableness	adopted and the reasonableness	of Letter
	of the transaction terms is	of the transaction terms is	Jin-Guan-Zh
	appraised, if the transaction	appraised, if the transaction	eng-Fa-Zi
	amount reaches 10% or more of		No.
			NO. 1070341072
	the Company's total assets, the	the Company's total assets, the	10/03410/2.
	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	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	related party, in addition to legal	
	formalities, the substance of the	formalities, the substance of the	
	relationship shall also be	relationship shall also be	
	considered.	considered.	
Article	When the Company acquires or	When the Company acquires or	Amendment
XVI	disposes of real property or any	disposes real property or	is made in
	assets other than real property	right-of-use assets thereof from	compliance
	from or to a related party and the	or to a related party, or when it	with the
	transaction amount reaches 20	intends to acquire or dispose of	requirement
	percent or more of paid-in	assets other than real property or	of Letter
	capital, 10 percent or more of the	· · · · · –	Jin-Guan-Zh
	Company's total assets, or	or to a related party and the	eng-Fa-Zi
	NT\$300 million or more, except	transaction amount reaches 20	No.
	in trading of government bonds	percent or more of paid-in	1070341072
			10/03410/2
	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	

Clause	Before amendment	After amendment	Note
	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	
	I. The purpose, necessity, and	transaction contract or make a	
	expected return of/from the	payment until the following	
	acquisition or disposition of	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 of		
	the reasonableness of the	acquisition or disposition of	
	expected terms and conditions of		
	transactions to justify the	II. The reason for choosing a	
		related party as the counterparty.	
	a related party.	III. With respect to the	
	IV. Information on the original	acquisition of real property <u>or</u>	
	date of acquisition of the assets	<u>right-of-use assets</u> 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 flows	accordance with <u>Article 17 and</u>	
	from the month the agreement is	Article 17-1.	
	made in one year ahead with	IV. Information on the original	
	assessment of the necessity of	date of acquisition of the assets	
	the transaction and the	by the related party and 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	the Company.	
	or opinions of certified public	V. The projection of cash flows	
	accountants as required in	from the month the agreement is	
	Article 15.	made in one year ahead with assessment of the necessity of	
		5	
	VII. Restrictions and other	the transaction and the	
	important covenants for the	reasonableness of capital utilization.	
	transaction concerned.		
	The calculation of the amount as	VI. The appraisal reports issued	
	stated in the preceding paragraph	• • • • • • • • • • • • • • • • • • • •	
	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	

Clause	Before amendment	After amendment	Note
	subject to the final approval of	the Board of Directors and	
	the Board pursuant to	Supervisors as required by this	
	Subparagraph 1 of Article	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 real	
	Directors meeting.	property right-of-use assets held	
	Where an Auditing Committee	for business use.	
	may have been established in	Where the position of	
	accordance with the Securities	independent director has been	
	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 in the minutes of the Board of	
	financial statements prepared in accordance with the Criteria for		
	Compilation of Financial	Directors meeting. 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	
	NTD10, the requirement of 20%	simple majority of all members	
	of the paid-in capital as stated in	of the Auditing Committee is	
	this procedure shall be based on	required before presenting to the	
	the 10% of the shareholders'	Board for resolution.	
			l

Clause	Before amendment	After amendment	Note
	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?	
		the 10% of the shareholders'	
		equity attributable to the parent	
		company. <u>The requirement of the</u>	
		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
XVII	real property from a related	real property <u>or right-of-use</u>	is 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
	following methods:		of Letter
	e	following methods:	Jin-Guan-Zh
	transaction price plus necessary	e	eng-Fa-Zi
	interest on funding and the costs	transaction price plus necessary	No.
	to be duly borne by the buyer.	interest on funding and the costs	1070341072.
		to be duly borne by the buyer.	
	imputed as the weighted average	Necessary interest on funding is	
	interest rate on borrowing in the	imputed as the weighted average	
		interest rate on borrowing in the	
	property; provided, it may not be		
	higher than the maximum	property; provided, it may not be	
		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	
	1 5	from a financial institution	
	previously created a mortgage on		
	the property as security for a	previously created a mortgage on	
	-	the property as security for a	
	cumulative amount loaned by the	-	
	financial institution shall have	cumulative amount loaned by the	

Clause	Before amendment	After amendment	Note
	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 or lease 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 preceding two paragraphs,	
	real property from a related party	shall also engage a CPA to check	
	and one of the following	the appraisal and render a	
	circumstances exists, the	specific opinion.	
	acquisition shall be conducted in		
	accordance with Article 16 and	real property <u>or right-of-use</u>	
	the preceding three paragraphs	assets thereof from a related	
	do not apply:	party and one of the following	
	I. The related party acquired the	circumstances exists, the	
	real property through inheritance		
	or as a gift.	accordance with the <u>preceding</u>	
	II. A related party's contracting	paragraph and the preceding four	
	for the acquisition of real estate	paragraphs do not apply:	
	is more than five years from the	I. The related party acquired the	
	date of the trade contract	real property <u>or right-of-use</u>	
	signing.	assets through inheritance or as a	
	III. The real property is acquired	gift.	
	through signing of a joint	II. A related party's contracting	
	development contract with the	for the acquisition of real estate	
	related party, or through	or right-of-use assets is more	
	engaging a related party to build	than five years from the date of	
	real property, either on the	the trade contract signing.	
	Company's own land or on	III. The real property is acquired	
	rented land.	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	
		<u>11 v. The real property fight-or-use</u>	

Clause	Before amendment	After amendment	Note
		assets for business use are	
		acquired by the public company	
		with its parent or subsidiaries, or	
		by its subsidiaries in which it	
		directly or indirectly holds 100%	
		of the issued shares or	
		authorized capital.	
Article	In the event that the appraisal	In the event that the appraisal	Amendment
XVII-1	prices conducted pursuant to	prices conducted pursuant to	is made in
	Article 17-1, 2 falls below the	Article 17-1, 2 falls below the	compliance
		transaction price, the matter shall	-
	be handled in accordance with	be handled in accordance with	requirement
	Article 18. The followings are	Article 18. The followings are	of Letter
	exception on condition that the	exception on condition that the	Jin-Guan-Zh
	professional appraisal firms and	professional appraisal firms and	eng-Fa-Zi
	the certified public accountants	the certified public accountants	No.
	have presented their opinions on	have presented their opinions on	1070341072.
	the reasonableness of the	the reasonableness of the	
	transaction on the real property:	transaction on the real property:	
	I. If the related party has	I. If the related party has	
		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	
	same property or neighboring or	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	
	area land prices in accordance	floor or area land prices in	
	with standard property market	accordance with standard	

Clause	Before amendment	After amendment	Note
	sale practices.	property market sale or leasing	
		practices.	
	(III) Transactions of other stories	(III) Transactions of other stories	
	in the same building of the same	in the same building of the same-	
	land with unrelated parties	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	
	price discrepancies among floors	price discrepancies among floors	
	in accordance with standard	in accordance with standard	
	property leasing market	property leasing market	
	practices.	practices.	
	±	II. The Company can prove with	
	evidence that the real property	evidence that the real property	
	purchased from the related party	purchased or the real property	
	are conducted with terms and	right-of-use assets obtained	
	conditions similar to the	through leasing from the related	
	transactions completed for the	party are conducted with terms	
	acquisition of neighboring or	and conditions similar to the	
	closely valued parcels of land of	successful transactions	
	a similar size by unrelated	completed for the acquisition of	
	parties within the preceding year.		
	Transactions involving	parcels of land of a similar size	
	•	1	
	neighboring or closely valued	by unrelated parties within the	
	parcels of land in the preceding	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
XVIII	property from related parties by	property or <u>right-of-use assets</u>	is 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
	ATTICLE 17 and ATTICLE 17-1 Talls	value performed pursuant to the	requirement

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

Clause	Before amendment	After amendment	Note
	Company proved to be not being	original condition, or being	
	conducted under the	proved as not unreasonable with	
	arm's-length principle with	evidence and at the approval of	
	evidence, proceed to the	FSC.	
	requirements as stated in the two	If the acquisition of real property	
	preceding paragraphs.	or right-of-use assets thereof	
		from a related party by the	
		Company proved to be not being	
		conducted under the	
		arm's-length principle with	
		evidence, proceed to the	
		requirements as stated in the two	
		preceding paragraphs.	
Article XX	The Company that conducts a	The Company that conducts a	Amendment
	merger, demerger, acquisition, or	merger, demerger, acquisition, or	
	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
	matter, shall engage a Certified	matter, shall engage a Certified	of Letter
	Public Accountant, attorney, or	Public Accountant, attorney, or	Jin-Guan-Zh
	securities underwriter to give an	securities underwriter to give an	eng-Fa-Zi
	opinion on the reasonableness of	1	No.
	the share exchange ratio,	the share exchange ratio,	1070341072.
	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	
	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, demerger, acquisition, or transfer	When participating in a merger, demerger, acquisition, or transfer	
	•		
		· · · · ·	
	prepared for the shareholders	prepare a public report to	
	detailing the important contractual content and matters	shareholders detailing the	
		important contractual content and matters relevant to the	
	relevant to the merger, demerger, or acquisition prior to the	merger, demerger, or acquisition	
	shareholders' meeting and it	prior to the shareholders'	
	shareholders meeting and it		

Clause	Before amendment	After amendment	Note
	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	when sending shareholders	
	of the shareholders' meeting for	notification of the shareholders'	
	reference in deciding whether to	meeting for reference in deciding	
	approve the merger, demerger, or	whether to approve the merger,	
	acquisition. Provided, where a	demerger, or acquisition.	
	provision of another act exempts	Provided, where a provision of	
	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,	
	•	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
	Board of Directors meeting and	1 5	is 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
	merger, demerger, or acquisition,		of Letter
	unless another act provides	unless another act provides	Jin-Guan-Zh
	otherwise or the Financial	otherwise or the Financial	eng-Fa-Zi
	Supervisory Commission,	Supervisory Commission,	No.
	Executive Yuan is notified in	Executive Yuan is notified in	1070341072.
	advance of extraordinary	advance of extraordinary	10/05410/2.
	-		
	circumstances and grants	circumstances and grants	
	consent.	consent.	
	A company participating in a transfer of shares shall call a	A company participating in a transfer of shares shall call a	
	•	Board of Directors meeting on	
	the day of the transaction, unless	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,	

Clause	Before amendment	After amendment	Note
	demerger, acquisition, or transfer	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	exchange or has its shares traded	
	on an OTC market shall prepare	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	
	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,	implementation of any merger,	
	1	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:	II. Dates of material events:	
	Including the signing of any	Including the signing of any	
	letter of intent or memorandum	letter of intent or memorandum	
	of understanding, the hiring of a	of understanding, the hiring of a	
	financial or legal advisor, the	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	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,	
	demerger, acquisition, or transfer	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	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	
	Directors, report the information	Directors, report the information	
	set out in subparagraphs 1 and 2	set out in Subparagraphs 1 and 2	
	1 0 1	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	

Clause	Before amendment	After amendment	Note
	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	demerger, acquisition, or transfer	
	of another company's shares is	of another company's shares is	
		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	
	agreement with such company	agreement with such company	
	and the provisions of Paragraphs	and the provisions of the two	
	3 and 4 shall apply.	preceding paragraphs shall	
		apply.	
Article XXII	rite company participating in a	The company participating in a	Amendment
		• • •	
	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
	price unless under the	price unless under the	of Letter
	below-listed circumstances, and	below-listed circumstances, and	Jin-Guan-Z
	shall stipulate the circumstances	shall stipulate the circumstances	eng-Fa-Zi
	permitting alteration in the	permitting alteration in the	No.
	contract for the merger,	contract for the merger,	1070341072
	demerger, acquisition, or transfer	demerger, acquisition, or transfer	
	of shares:	of shares:	
	Cash capital increase, issuance	I. Cash capital increase, issuance	
	of convertible corporate bonds,	of convertible corporate bonds,	
	or the issuance of bonus shares,	or the issuance of bonus shares,	
	issuance of corporate bonds with	issuance of corporate bonds with	
	warrants, preferred shares with	warrants, preferred shares with	
	warrants, stock warrants, or	warrants, stock warrants, or	
	other equity based securities.	other equity based securities.	
	An action, such as a disposal of	II. An action, such as a disposal	
	major assets, that affects the	of major assets, that affects the	
	Company's financial operations.	Company's financial operations.	
	An event, such as a major	III. An event, such as a major	
	disaster or major change in	disaster or major change in	
	technology, that affects the	technology, that affects	
	shareholders equity or share	shareholders equity or share	
	price.	price.	
	An adjustment where any of the	IV. An adjustment where any of	
	companies participating in the	the companies participating in	
	merger, demerger, acquisition, or	the merger, demerger,	
	transfer of shares from another	acquisition, or transfer of shares	
	company, buys back treasury	from another company, buys	
	stock.	1	
		back treasury stock.	
	An increase or decrease in the	V. An increase or decrease in the	
	number of entities or companies	number of entities or companies	
	participating in the merger,	participating in the merger,	
	demerger, acquisition, or transfer	<b>•</b> •	
	of shares.	of shares.	

Clause	Before amendment	After amendment	Note
	Other terms and conditions that	VI. Other terms and conditions	
	the contract stipulates may be	that the contract stipulates may	
	altered and that have been	be altered and that have been	
	publicly disclosed.	publicly disclosed.	
	An agreement regarding the key	An agreement regarding the key	
	issues where the Company	issues where the Company	
	participates in merger, demerger,	participates in merger, demerger,	
	acquisition, or acceptance of	acquisition, or acceptance of	
	share transfer shall expressly	share transfer shall expressly	
	bear the key issues concerned so	bear the key issues concerned so	
	as to safeguard the Company's	as to safeguard the Company's	
1	interests.	interests.	
Article	Regulations Governing the	Regulations Governing the	Amendment
XXIII	Acquisition and Disposal of	Acquisition and Disposal of	is made in
	Assets by Subsidiaries	Assets by Subsidiaries	compliance
	(I) The Company shall see to it	(I) The Company shall see to it	with the
	that its subsidiaries adopt and	that its subsidiaries adopt and	requirement
	implement the procedures for the	implement the procedures for the	of Letter
	acquisition or disposal of assets	acquisition or disposal of assets	Jin-Guan-Zh
	in compliance with these	in compliance with these	eng-Fa-Zi
	"Regulations Governing the	"Regulations Governing the	No.
	Acquisition and Disposal of	Acquisition and Disposal of	1070341072.
	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 having 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	<u>Company</u> shall report <del>the</del> -	
	behalf.	required information on behalf.	
	(III) In the standards/criteria for	(III) In the standards/criteria	
	the public announcement and	applicable to <del>the</del> 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 <del>of 20%</del> of the	
	10% of the Company's total	<del>Company's p</del> aid-in capital or	
	assets" is based on the parent	10% of the total assets of the	
	company's paid-in capital or	Company" <del>,</del> is based on the	
1	total assets.	<del>parent</del> <u>Company's</u> paid-in capital	
		or total assets.	

# Appendix VIII

### MPI Corporation

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

Γ		Derivatives Trading"	
Clause	Before amendment	After amendment	Note
Article II	The derivatives in the Procedure	The derivatives referred to in the	Amendment
	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	<u>`````````````````````````````````````</u>	
	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	cash flow, operational, and legal	ng-Fa-Zi No.
	credit, market, liquidity, cash	risks.	1070341072.
	flow, operational, and legal risks.	II. Personnel engaged in	
	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	
l	appropriate measures shall be	report to the Board of Directors	

Engaging in Derivatives Trading"

Clause	Before amendment	After amendment	Note
	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		
	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	1	Internal audit system:	Amendment
Atticle All	Internal Audit	(I) The position of derivatives	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.
	e	circumstances are found in the	1070341072.
	, , , , , , , , , , , , , , , , , , , ,	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	
	•	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	
	profit-loss circumstances,	of the Company shall	
	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	
	present at the meeting and	compliance with the derivatives	
	express an opinion.	trading procedure <u>and make an</u>	
	(V) The internal audit personnel	audit report. In the event a	
	of the Company shall		
	of the Company shall	material violation is found, the	

Clause	Before amendment	After amendment	Note
	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	
			compliance
		supervise and manage strictly as	with the
		<u>follows:</u> L Designate senior management	requirement of Letter
		I. Designate senior management personnel to pay continuous	Jin-Guan-Zhe
		attention to monitoring and	ng-Fa-Zi No.
		controlling derivatives trading	1070341072.
		risk.	1070341072.
		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 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	
		or Directors, where a company	

Clause	Before amendment	After amendment	Note
-14450		has independent directors, an	1,000
		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	
		Trading.	
Article	(Addition)	Thy company engaging in	Amendment
XIV	(rudition)		is made in
<u>211 v</u>		a log book in which details of	compliance
		the types and amounts of	with the
		• •	requirement
		Board of Directors approval	of Letter
		dates, and the matters required to	
		-	ng-Fa-Zi No.
		Subparagraph 4 of Article 11 and	U
		Subparagraph 2, Paragraph 1	10,00,10,20
		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	The Procedure is implemented	The Procedure is implemented	In
			compliance
		of Directors <u>, delivered to each</u>	with
	e	supervisor and submitted to a	amendments
	-	shareholders' meeting for	to the laws
		approval. The same procedure	and
		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 Company shall not loan the	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-Zhe
	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 needed	calls for a loan arrangement.	
	between companies and	(II) Short-term financing needed	
	corporations. Financing amount	between companies and	
	shall not exceed 40% of the net	corporations. Financing amount	
	value of the debtor.	shall not exceed 40% 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	
		the Company violates Paragraph	
		<u>1 of the Procedure, the</u>	
		responsible person shall bear	
		joint and several liability with	

Procedure for Loaning to Others"

Clause	Before amendment	After amendment	Note
		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	
	5	capital of the borrower. (The	
		amount of loan of the	
		Company's subsidiaries are not	
		subject to this Article the	
		restriction of <u>20% of the paid-in</u>	
		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 for	evaluate whether this loan	compliance
	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,		Jin-Guan-Zhe
	intended use, collateral and	-	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 for	
	(II) If the loaning of funds will	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	
	(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	

Clause	Before amendment	After amendment	Note
	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	-	
	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 <u>Paragraph</u>	
	company of his substatianes.	4, Article 2 of the Procedure and	
		be approved by the Board of	
		<del>Directors, but also the authorized</del>	
		amount of any loan from the	
		Company or a subsidiary to a	
		single company shall not exceed $10\%$ of the net value shown in	
		10% of the net value shown in	
		the latest financial statements of	
		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

Clause	Before amendment	After amendment	Note
	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 borrower, 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	_	
	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 <del>and</del> then	
		submit it to every supervisor.	
		Improvement shall be completed	
		within the schedule specified in	
		the plan.	
	The Procedures and any	The Company established the	Amendment
	amendment hereto shall, after	Operating Procedure for Loaning	
	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	

Clause	Before amendment	After amendment	Note
	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.	
		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.	

Clause	Before amendment	After amendment	Note
		The terms all the Audit	
		Committee members and all the	
		directors in the Paragraph 4 3	
		shall be counted based on the	
		actual number of such members	
		or directors currently holding	
		their positions.	
Article	(Addition)	Where the Company has	Amendment
X-I:		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.	
Article XII	The Company shall announce	The Company shall announce	Amendment
	and report the previous month's	and report the previous month's	is made in
	balance of loans of itself and its	balance of loans of itself and its	compliance
	subsidiaries by the 10th day of	subsidiaries by the 10th day of	with the
	each month.	each month.	requirement
	Where the loaning of funds of	Where the loaning of funds of	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	
	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	

Clause	Before amendment	After amendment	Note
	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, whichever date is	of the <del>transaction</del> loan,	
	earlier.	whichever date is earlier.	

# Appendix X

### MPI Corporation

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

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

# Procedure for Making Endorsement/Guarantee"

Clause		Before amendment	After amendment	Note
		shall be requested to	directly or indirectly holds	ng-Fa-Zi No.
		provide securities.	more than 50% of the	1080304826.
	(II)	The subsidiary in which the	voting <u>shares</u> .	
		Company directly or	III. The invested company the	
		indirectly holds more than	Company and subsidiaries	
		50% of the voting rights.	directly or indirectly holds	
	(III)	The invested company in	more than 50% of the	
		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	
	Con	panies in which the	shares may make	
		pany directly or indirectly	endorsements/guarantees for	
		s 90% or more of the voting	each other, and the amount of	
		es may make	endorsements/guarantees may	
		orsements/guarantees for	not exceed 10% of the net value	
		other, and the amount of	of the Company. This restriction	
		orsements/guarantees may	shall not apply to the	
		exceed 10% of the net value	endorsements/guarantees made	
		ne Company. This restriction	between companies in which the	
		l not apply to the	Company directly or indirectly	
		prsements/guarantees made	holds 100% of the voting shares.	
		veen companies in which the	notes 100 % of the voting shares.	
		pany directly or indirectly		
		is 100% of the voting shares.		
		its and authorization of the	Before making an	Amendment
Article VI		orsements/guarantees:	endorsement/guarantee for	is made in
		total amount of	others, the Company shall	compliance
		orsement/guarantee to other	carefully evaluate whether the	with the
		panies in the name of the	endorsement/guarantee is in	requirement
		panes in the name of the ipany and the amount of	compliance with the regulations	of Letter
		presement/guarantee for any	specified by the competent	Jin-Guan-Zh
		le enterprise are as follows:	authority and the <u>Company's</u>	ng-Fa-Zi No.
	(I)	The total endorsements/	Operational Procedures for	1080304826
	(1)	guarantees amount shall	Endorsements/Guarantees. The	1000304020
		not exceed 50% of the net		
		value shown in the latest	Company may shall-make an	
		financial statements of the	endorsement/guarantee after the	
			proposal <u>along with</u> the evaluation results have been	
	m	Company. The endorsements/		
	(II)		submitted to and resolved upon	
		guarantees amount for a	by the Board of Directors. Or	
		single enterprise shall not	approved by the chairman,	
		exceed 20% of the net	where the Board of Directors	
		value shown in the latest	authorizes the chairman to	
		financial statements of the	decide within a specific amount.	
		Company and shall not	The chairman shall submit the	
		exceed 30% of the net	decision to the next Board of	
		value shown in the latest	Directors' meeting for	
		financial statements of the	ratification. Limits and authorization of the	
		guarantee enterprise.		

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

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

Clause	Before amendment	After amendment	Note
		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.	
	For the ordersement/guerentee		
Article	For the endorsement/guarantee activities, the Company shall	For the management of endorsement/guarantee	Amendment
VIII	prepare a log book and record in		is made in
,	detail about the title of entity for	prepare a log book, and record in	
	the endorsement/guarantee, the	detail about the title of entity for	compliance
	subject of the	the endorsement/guarantee, the	with the
	endorsement/guarantee, the	subject of the	
	result of risk assessment, the	endorsement/guarantee, the	requirement
	amount of the	result of risk assessment, the	of Letter
	endorsement/guarantee, the	amount of the	Jin-Guan-Zhe
	content of collateral, and the	endorsement/guarantee, the-	JIII-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	1080304826.
	endorser/guarantor.	the liability of the	1000304020.
	chuoi sei/guarantoi.	endorser/guarantor. The date of	
		endorcer/allorantor The data of	

Clause		Before amendment		After amendment	Note
			Dire	ctors or of authorization by	
			the c	chairman of the board, the	
			date	the endorsement/guarantee	
			is m	ade, and the matters to be	
			care	fully evaluated under	
			para	graph 1 of the preceding	
			Arti	<u>cle.</u>	
Article IX	The	Company and its	The	Company and its	Amendment
Allele IX	subs	sidiaries shall announce and	subs	idiaries shall announce and	
	repo	ort the previous month's	repo	rt the previous month's	is made in
	bala	ince of endorsements/	bala	nce of endorsements/	compliance
	guar	rantees of itself and its	guar	antees of itself and its	-
	-	sidiaries by the 10th day of	-	idiaries by the 10th day of	with the
		n month.		month.	requirement
	Whe	ere the balance of	Whe	ere the balance of	_
	endo	orsements/guarantees of the	endo	prsements/guarantees of the	of Letter
		npany reaches one of the		pany reaches one of the	Jin-Guan-Zhe
		owing criteria, the Company		wing criteria, the Company	
	shal	l announce and report such	shal	l announce and report such	ng-Fa-Zi No.
		nt within two days		t within two days	1080304826.
		mencing immediately from		mencing immediately from	
		date of occurrence:		late of occurrence:	
	I.	The aggregate balance of	I.	The aggregate balance of	
		endorsements/guarantees by		endorsements/guarantees by	
		the Company and its		the Company and its	
		subsidiaries reaches 50% or		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		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	
	111.	endorsements/guarantees	111.	endorsements/guarantees	
		offered by the Company		offered by the Company	
		and its subsidiaries to a		and its subsidiaries to a	
		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 <del>investment of a</del>	
		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	

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

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

Clause	Before amendment	After amendment	Note
	meeting for discussion. The	written statement, it shall be	
	same procedure shall be	delivered to each supervisor and	
	followed when the Procedures	simultaneously submitted to the	
	are amended.	shareholders' meeting for	
		discussion.	
		Where the Company has	
		appointed independent directors,	
		when submitting the Operating	
		Procedure for Making	
		Endorsement/Guarantee 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	
		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	
		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	

Clause	Before amendment	After amendment	Note
		positions.	
Article	This Article was the original		Amendment
	Paragraph II and III of Article		is made in
XIV-I	XIV.		compliance
(Addition)	Where the Company needs to	Where the Company needs to	with the
()	exceed the limits set out in the	exceed the limits set out in the	requirement
	Operating Procedure for Making	Operating Procedure for Making	of Letter
	Endorsement/Guarantee to	Endorsement/Guarantee to	Jin-Guan-Zhe
	satisfy its business requirements,	• •	ng-Fa-Zi No.
	and where the conditions set out	and where the conditions set out	1080304826.
	in the Operating Procedure for	in the Operating Procedure for	
	Making Endorsement/Guarantee	Making Endorsement/Guarantee	
	are complied with, it shall obtain	are complied with, it shall obtain	
	approval from the Board of	approval from the Board of	
	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	guarantors for any loss that may	
	1		
	excess endorsement/guarantee. It	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	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-	
	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,	is made in
XIV-II		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

Clause	Before amendment	After amendment	Note
		directors under Article 13,	Jin-Guan-Zhe
		Paragraph 1. When an	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 13, Paragraph 3.	
		Where the Company has	
		established an audit committee,	
		the provisions of Article 8	
		relating to supervisors shall	
		apply to the audit committee.	