

Handbook

for the 2022 Annual Shareholders' Meeting
(Translation)

Notice to readers

This English-version handbook is a summary translation of the Chinese version. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Meeting Time: 2022.04.29

Place: 6F., No. 1, Sec. 1, Tiding Blvd., Neihu Dist., Taipei City

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Sysgration Ltd.

Procedure for the 2022 Annual Shareholders' Meeting

I. Call the Meeting to Order

II. Chairperson Remarks

III. Report Items

IV. Proposed Resolutions

V. Discussions

VI. Incidental Motions

VII. Adjournment

Sysgration Ltd.

Year 2022 Agenda of the Annual Shareholders' Meeting

Time: 9:00 a.m. on Friday, April 29, 2022

Place: 6F., No. 1, Sec. 1, Tiding Blvd., Neihu Dist., Taipei City (Meeting Room)

Method for convening the shareholders' meeting: entity shareholders' meeting

- I. Call the Meeting to Order (Report on Number of Shares of Participants)
- II. Chairperson Remarks
- III. Report Items
 - (1) 2021 Business Report
 - (2) Audit Committee's Review Report on the 2021 Financial Statements
 - (3) Report on Implementation of 2021 Business Improvement Plan
 - (4) 2021 Status Report of Endorsements/Guarantees for Others
 - (5) 2021 Status Report of Fund-lending to Others
 - (6) 2021 Status Report of Financial Derivative Product Transaction
 - (7) Report on 2021 Board Performance Assessment Results and Remunerations of Directors
- IV. Proposed Resolutions
 - (1) The 2021 Business Report and Financial Statements
 - (2) The 2021 Profit and Loss Appropriation Proposal
- V. Discussions
 - (1) Private Placement of Common Shares
 - (2) Amendments of Articles of Incorporation
- VI. Incidental Motions
- VII. Adjournment

Report Items

I. 2021 Business Report

Explanation:

2021 Business Report is attached as pp. [11-14], Appendix 1.

II. Audit Committee's Review Report on 2021 Financial Statements

Explanation:

The Audit Committee's Review Report on 2021 Financial Statements is attached as pp. [15], Appendix 2.

III. Report on Implementation of 2021 Business Improvement Plan

Explanation:

2021 Implementation of Business Improvement Plan Report is attached as pp. [16-17], Appendix 3.

IV. 2021 Status Report of Endorsements/Guarantees for Others

Explanation:

- (1) It shall be handled in accordance with the Company's "Endorsement Guarantee Operation Procedure."
- (2) The company and its subsidiaries' annual endorsement guarantee details and balances in 2021 are as follows:

Unit: NT\$ 1,000

Company name of endorser	Party being endorsed/guaranteed		Limit on endorsements/guarantees provided for a single party	Maximum outstanding endorsement/guarantee amount for the year ended December 31, 2021	Outstanding endorsement/guarantee amount at December 31, 2021	Ceiling on total amount of endorsements/guarantees provided
	Company name	Relation				
Sysgration Ltd.	Sysgration Electronics Technology (Zhenjiang) Co., Ltd.	Subsidiary of the Company	361,835	87,200	86,880	542,754
Sysgration Ltd.	Sysgration Electronics Technology (Huizhou) Co., Ltd.	Subsidiary of the Company	361,835	10,000	10,000	542,754
Sysgration Ltd.	Sysgration Ltd.	The Company	361,835	3,000	3,000	542,754

V. 2021 Status Report of Fund-lending to Others

Explanation:

- (1) It shall be handled in accordance with the Company's "Operation Procedure of Funds and Loans to Others."
- (2) The details and balance of the Company's and its subsidiaries' funds and loans to others in 2021 are as follows:

Unit: NT\$ 1,000

Creditor	Borrower		Limit on loans granted to a single party	Maximum outstanding balance for the year ended December 31, 2021	Balance at December 31, 2021	Ceiling on total loans granted
	Company name	Relation				
Sysgration Ltd.	Sysgration Electronics Technology (Huizhou) Co., Ltd	Subsidiary of the Company	737,053	71,672	68,409	482,448

VI. 2021 Status Report of Financial Derivative Product Transaction

Explanation:

- (1) It shall be handled in accordance with the Company's "Operation Procedure of Trading in Derivatives."
- (2) In 2021, the Company's subsidiary, Sysgration Electronics Technology (Huizhou) Co., Ltd., was engaged in financial derivatives trading as follows:

Unit: NT\$ 1,000

Type	Contract amount closeout	Open contract amount	Realized profit (loss)	Unrealized profit (loss) evaluation
Forward exchange contract	22,404	0	128	0

VII. Report on 2021 Board Performance Assessment Results and Remunerations of Directors

Explanation:

2021 Board Performance Assessment Results and Remunerations of Directors are attached at pp. [18-20], Appendix 4.

Proposed Resolutions

Proposal 1:

Proposed by the Board

Subject: 2021 Business Report and Financial Statements, please approve.

Explanation:

- (1) 2021 Parent Company Only Financial Statements and Consolidated Financial Statements of the Company have been approved by Accountant Chiu Chao-Hsien and Accountant Hsu Ming-Chuan of PricewaterhouseCoopers, Taiwan, and written independent auditors' reports have been issued on file.
- (2) 2021 Business Report is attached as pp. [11-14], Appendix 1.
- (3) 2021 Independent Auditors' Reports of Parent Company Only Financial Statements and Consolidated Financial Statements are attached as pp. [21-45], Appendices 5 and 6, respectively.
- (4) Please approve.

Resolution:

Proposal 2:

Proposed by the Board

Subject: 2021 Profit and Loss Appropriation Proposal, please approve.

Explanation:

- (1) The Company's 2021 accumulated losses to be covered at the beginning of the period was NT\$550,116,916, plus the net profit after tax of NT\$95,347,393 for 2021; the special reserve of NT\$35,952,023 and capital surplus of NT\$122,699,214 were used to make up losses. The total accumulated losses to be covered at the end of the period was NT\$296,118,286.
- (2) The 2021 Profit and Loss Appropriation Proposal is attached at pp. [46], Appendix 7.
- (3) Please approve.

Resolution:

Discussions

Proposal 1:

Proposed by the Board

Subject: Private placement of common stocks, please discuss.

Explanation:

- I. In consideration of enriching working capital, repaying bank loans, improving the financial structure, timeliness, and feasibility of financing, and reducing financing costs, the Company would like to draft to deal with cash capital increase and issue common stock in private placement at the appropriate time, according to Article 43-6 of the Securities Exchange Act and currently request the Shareholders' Meeting to authorize the Board of Directors to handle the private placements within one year from the date of resolution of the Shareholders' Meeting in accordance with the actual demand situation pursuant to the following principles.
 - II. The information related to the issuance of common shares by cash capital increase of private placement is as follows:
 - (I) Conditions of issuance
 1. Type of private placement shares: Common stocks.
 2. Number of private placement shares: The total number of shares issued shall not exceed 25,000,000 shares.
 3. Par value of each share: NT\$10 per share.
 4. Total amount of private placement: The Board of Directors shall be authorized to make this decision according to the actual situation.
 - (II) Basis and reasonableness of private placement price
 1. The price of common stocks of this private placement shall be no less than 80% of the higher one of the following two base prices calculated on the Company's pricing date:
 - (1) The simple average closing price of the common shares of the Company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction; or
 - (2) The simple average closing price of the common shares of the Company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.
- However, the actual pricing date and actual issuing price shall be determined by the

Board of Directors authorized by the Shareholders' Meeting in accordance with the above method, depending on the specific subscribers.

- The actual issuing price of this private placement common shares will refer to the Company's operating condition and outlook, restrictions on transfer freely within three years and the recent share price situation, and on the basis of "Notices for public company to handle private securities" and the provisions of current laws accordingly, the pricing of shares should be reasonable.

(III) Specific persons selection method

To enhance the feasibility of the private placement of the Company's common stock, private placement is limited to specific persons subject to the provisions of Article 43-6 of the Securities Exchange Act and Financial Supervisory Commission Order (91) TCZYZ No. 0910003455 issued on June 13, 2002 and intends to include insiders and related parties.

When evaluating and selecting subscribers, the Company will take the principle of no significant change to management rights. Currently, no specific persons are engaged with, and the Board of Directors shall be authorized by the Shareholder's Meeting to handle all matters related to the determination of specific persons.

- A possible list of insiders or related parties to participate in the private placement, the selection method and purpose, and the relationships between the possible subscribers and the Company are as follows:

Subscriber	Selection method and purpose	Relationship to the Company
Lee, Yi-Ren	Well understanding of the Company's operations	Chairman himself
Talent Investment Co., Ltd.	Well understanding of the Company's operations	Chairman held company in the name of others.

- Top ten shareholders of institutional subscribers and their relationships to the Company:

Talent Investment Co., Ltd.:

Shareholder's Name	Shareholding percentage	Relationship to the Company
Lee, Yi-Ren	100%	Chairman of the Company

(IV) Necessary reasons for private placement

- Reasons for not adopting the public offering: With the considerations of timeliness, feasibility, and issuing costs to raise capital, as well as considerations of private placement securities restrictions on transfer freely within three years, it shall ensure the long-term equity relationship between the Company and the subscribers. Furthermore, authorizing the Board of Directors to handle the private placement according to the actual

demand for company operation will also improve the mobility and flexibility of the Company's financing. Therefore, it will not adopt the public offering but plans to issue shares in private placement.

2. Amount of private placement: Within 25,000,000 shares, it is expected to be handled twice within one year from the date of resolution of the Shareholders' Meeting.

3. Fund use and expected benefit of each private placement:

Estimated placement	Number of shares	Use of funds	Expected benefits achieved
First Placement	12,500,000	To enrich working capital and repay bank loans	It is expected to generate such benefits as strengthening the financial structure and saving interest expense, which will be positively beneficial to shareholders' equity.
Second Placement	12,500,000		
The number of unissued shares in the aforesaid private placement can be issued with the following placement, and the total number of shares issued shall not exceed 25,000,000 shares.			

(V) Rights and obligations of common stock of this private placement

1. The rights and obligations of common stocks issued in this private placement and the subsequent allotment shall be the same as those of outstanding common stocks issued by the Company; however, the common stocks issued in this private placement and subsequent allotment may not be sold for a period of three years from the date of delivery of the common stock in this private placement, except in accordance with Article 43-8 of the Securities Exchange Act.
2. After three years from the date of delivery of the common stocks issued in this private placement and the subsequent allotment, an application for retroactive handling of public issuance procedures in accordance with relevant laws and regulations and for the over-the-counter transaction in the form of transfer from books to delivery without entity.

III. The intention is to authorize the Board of Directors to handle matters related to the issue of new shares for cash increase in the private placement within one year starting from the date of resolution of the Shareholders' Meeting depending on the actual situation of the offering; within one year from the date of the resolution of the Shareholders' Meeting, regardless of whether the stock capital is fully raised, the intention is to submit the proposal to the Shareholders' Meeting to authorize the Board of Directors to determine whether the original plan is still feasible, it shall be deemed to have received the full amount of the shares issued by the private placement for cash capital increase and complete the raising of the new shares issued by the private placement for cash capital increase.

- IV. The pricing date, actual issuing price, and capital increase record date of new shares of the private placement shall be authorized to be determined by the Board of Directors.
- V. In case of changes in laws and regulations, opinions of the competent authority, or changes in market conditions, the Shareholders' Meeting shall authorize the Board of Directors to handle the issuing price, issuing conditions, planned projects, and other related matters of the new cash capital increase of private placement shares.
- VI. In addition to the scope of the aforementioned authorization, the intention is to request the Shareholders' Meeting to authorize the Chairman to sign and negotiate all contracts and documents relating to the private placement of common stocks on behalf of the Company, as well as to handle all matters related to the private placement of common stocks for the Company.
- VII. Please discuss.

Resolution:

Proposal 2:

Proposed by the Board

Subject: Amendments of Articles of Incorporation, please discuss.

Explanation:

- I. To amend part of the Articles of Incorporation of the Company in accordance with amendments to the Company Act and the business development needs of the Company.
- II. The Comparison Table of Amendments is attached at pp. [47-48], Appendix 8.
- III. Please discuss.

Resolution:

Incidental Motions

Adjournment

Appendix 1

Sysgration Ltd. Business Report

I. 2021 Annual Operating Result Report

(I) Operating situation

The Company's 2021 parent company only operating revenue was NT\$2,120,074 thousand, with an increase of 63.26% compared with NT\$1,298,610 thousand in 2020. The 2021 parent company only net profit after tax was NT\$95,347 thousand, successfully turn losses into profits compared with the net loss after tax of NT\$98,315 thousand in 2020. The 2021 parent company only basic earnings per share after tax was NT\$0.62.

The Company's 2021 consolidated operating revenue was NT\$2,454,678 thousand, with an increase of 85.02% from NT\$1,326,691 thousand in 2020. The consolidated net profit after tax attributable to the parent company was NT\$95,347 thousand, a profit increase of NT\$193,662 thousand compared to the consolidated net loss after tax of NT\$98,315 thousand in 2020. The 2021 consolidated basic earnings per share after tax was NT\$0.62.

(II) Financial revenue, expenditure and profitability analysis:

Parent Company Only Financial Statements

Unit: NT\$ 1,000

Item		Year	2021	2020	Growth rate %
Financial revenue and expenditure	Operating revenue		2,120,074	1,298,610	63.26
	Operating margin		363,854	199,057	82.79
	Net profit (loss) after tax		95,347	(98,315)	196.98
Profitability analysis	Return on assets (%)		4.12	(5.27)	178.18
	Return on shareholders' equity (%)		8.39	(9.10)	192.20
	Ratio to paid-up capital %	Net operating profit (loss)	3.18	(7.11)	144.73
		Net profit (loss) before tax	6.13	(6.38)	196.08
	Net profit (loss) ratio (%)		4.50	(7.57)	159.45
	Net profit (loss) per share (NT\$)		0.62	(0.64)	196.88

Consolidated Financial Statements

Unit: NT\$ 1,000

Item		Year				
		2021	2020	Growth rate %		
Financial revenue and expenditure	Operating revenue		2,454,678	1,326,691	85.02	
	Operating margin		488,525	262,699	85.96	
	Net profit (loss) after tax - attributable to parent company		95,347	(98,315)	196.98	
Profitability analysis	Return on assets (%)		3.98	(4.91)	181.06	
	Return on shareholders' equity (%)		8.39	(9.10)	192.20	
	Ratio to paid-up capital %	Net operating profit (loss)		5.37	(6.61)	181.24
		Net profit (loss) before tax		6.13	(6.50)	194.31
	Net profit (loss) ratio (%)		3.88	(7.41)	152.36	
	Net profit (loss) per share (NT\$)		0.62	(0.64)	196.88	

(III) Research and development

Product	Summary description (product specifications or function)
Multi-frequency universal wireless tire pressure monitoring system	TPMS to be compatible with more than 99% of vehicles of the United States, Europe, and Japan 315~433MHz original factories by single design, for customers to greatly reduce inventory and financial pressure.
BLE wireless tire pressure monitoring system	Intelligent TPMS for fleet management applications such as OE front-mounted new-energy electric vehicles, motor-cycles, pickup trucks, heavy trucks, and buses.
Camping RV intelligent electronic control system	Industrial IoT technology is used to integrate the traditional distributed electromechanical control system of the camping RV into a wireless digital central control system. It can also remotely monitor the status of the camping RV and control the surrounding electrical appliances through the 3G/4G cloud system.
Data center power management system	Cloud server power management related system.
Energy storage product	Development and integration of semiconductor factory backup lithium battery and related industrial engineering equipment.

II. Summary of 2022 Annual Operation plan

In recent years, Sysgration Ltd. has been committed to the development of a tire pressure monitoring system (TPMS) as a vehicle safety component. In addition to actively expanding the US and Europe RF replacement market, Sysgration Ltd. globally initiated the Bluetooth BLE TPMS with multinational patents, successfully breaking into the OE market, and gradually mass-produced and shipped to internationally well-known vehicle manufacturers. In 2022, the Company will continue to expand its RF replacement market in the US and Europe, as well as continuously expand BLE TPMS applications in the US and Europe OE market, including such fleet management applications as new-energy electric vehicles, motorcycles, pickup trucks, heavy trucks, and buses. Since the Mainland Chinese government has required tire pressure detectors as a standard product for general passenger cars, and the US is also planning to install tire pressure detectors on trucks and large vehicles in the foreseeable future, the TPMS market has considerable room for development. Therefore, Sysgration Ltd. is also actively developing relevant agency partners in the United States, Europe, Japan, and Mainland China and promoting the market to major automakers and other fleet management applications around the world.

Furthermore, Sysgration Ltd. has combined industrial IoT technology and experience and applied it to automotive electronics, leading to the successful development of a recreational vehicle (RV) control system. Its technical components include industrial computers, in-car electronic control systems, smart home appliances control, mobile APPs, and cloud services. This system enables users to control all the appliances and equipment in the RV through the cloud and central control tablet. Looking forward to 2022, in addition to actively cooperating with US camping vehicle manufacturers to expand the market share, Sysgration Ltd. will also expand this industrial computer and intelligent IoT technology to other industries, such as marine electronic control systems, sports and fitness equipment, agribusiness fleet management, and virtual reality/augmented reality (VR/AR) equipment.

With regard to energy products, the Company's cumulative advantage in the power management and industrial energy storage technology will be expanded to widely promote the centralized power supply system (PSS) and battery backup system (BBS) to Data Center customers, while extending the electric vehicle's lithium battery pack experience to such industrial applications as semiconductor plant uninterrupted power systems, community energy storage systems, and power plant energy storage & voltage stabilizing systems.

III. Future R&D directions of the Company:

- (I) Enhance the product function of multi-frequency single-machine universal tire pressure detector.
- (II) Expand the application of the world's initiative low-power Bluetooth BLE tire pressure detector in new-energy electric vehicles, motorcycles, heavy trucks, and buses.
- (III) Extend the camping vehicle control IoT system to navigation, virtual reality (VR/AR), and other intelligent industrial applications.
- (IV) Enhance such lithium energy storage technology as the battery management system (BMS) and energy management system (EMS), and expand their applications in data centers, semiconductor factories, residential areas, power plants, and other industries.

The company will continue to actively cultivate and solicit R&D talents, be committed to product and quality system conformity with the requirements of international laws and regulations and international certifications, and follow the current laws and regulations related to the operating process of Taiwan and foreign investment countries, in the hope of responding to market condition changes and fully grasping changes in relevant laws and regulations in the face of the external competitive environment to prepare and implement appropriate measures. The management team is also aware of any changes in policies and regulations that may affect the Company's financial and business operations. In the face of rapid changes and challenges in both the domestic and foreign environments, the Company will pay more attention to the development and sales of new products and the acquisition of patent rights in order to contribute the maximum interest to shareholders. In this regard, we hope that shareholders can give us even more support and encouragement. All the staff must also work harder to respond to the Company and adhere to the business philosophy of integrity and earnestness, so that the Company can still grow in the changing environment. The management team will also handle variables with the most responsible attitude and the most active and prudent thinking, as in the past, to improve the performance and profit of the Company.

Finally, we would once more like to thank all the shareholders for their support, trust, and encouragement.

Chairman: Lee, Yi-Ren

President: Hsieh, Tung-Fu

CFO: Tsai, Hsiu-Mei

Appendix 2

Audit Committee's Review Report

The Company's 2021 Business Report, Parent Company Only Financial Statements & Consolidated Financial Statements, and Profit and Loss Appropriation Proposal have been prepared by the Board of Directors. Parent Company Only Financial Statements and Consolidated Financial Statements have been audited by PWC Taiwan and issued with an audit report. The Audit Committee reviewed the aforementioned Business Report, Parent Company Only Financial Statements & Consolidated Financial Statements, and Profit and Loss Appropriation Proposal and found no inconsistency, which is hereby reported in accordance with relevant provisions of the Securities and Exchange Act and the Company Act.

Sysgration Ltd.

Convenor of the Audit Committee: Lin, Kuan-Chao

March 17, 2022

Appendix 3

Implementation of Business Improvement Plan Report

I. The Company handled the capital reduction in 2018 to cover the deficit and released the fourth domestic secured corporate bonds in 2020. Declaring to the Financial Supervisory Commission of the Executive Yuan on July 25, 2018 (JIN-GUAN-ZHENG-FA-ZI No. 1070325851) and on September 29, 2020 (JIN-GUAN-ZHENG-FA-ZI No. 1090357651), the Company should submit implementation of business improvement plan report to the Shareholders' Meeting in accordance with the provisions.

II. Implementation Status:

The implementation status of the Company's 2021 business improvement plan is shown briefly in the following table:

Unit: NT\$ 1,000

Item	2021 Actual number	2021 Estimated number of improvement plan	Difference
Operating revenue	2,454,678	1,794,453	660,225
Operating profit (loss)	83,561	4,156	79,405
Non-operating income and expense	11,786	3,567	8,219
Net profit (loss) attributable to parent company for current period	95,347	7,723	87,624

Data source: The 2021 consolidated financial report of the Company and the business improvement plan prepared for the issuance of the fourth domestic secured convertible bond in 2020.

1. Operating revenue

The Company's annual revenue in 2021 was NT\$2,454,678 thousand; compared with the estimated amount of NT\$1,794,453 thousand in the improvement plan prepared for the fourth domestic secured convertible bonds, the control rate was 136.79%, which shows good achievement. In the future, the Company will not only maintain its existing customers, but also actively develop new customers to increase revenue and gain profits.

2. Operating profit (loss)

The operating profit of the Company in 2021 was NT\$83,561 thousand, which is better than the estimated operating profit of NT\$4,156 thousand in the improvement plan and has thus met and exceeded the expectations.

3. Non-operating income and expense

The Company's 2021 non-operating profit was increased compared with the improvement plan amount, primarily due to the increase of other income.

4. Net profit attributable to the parent company for the current period

The net profit attributable to the parent company for the current period in 2021 was NT\$95,347 thousand, an outperformance of the originally estimated net profit of NT\$7,723 thousand in the improvement plan.

Over the past few years, the Company has experienced a downturn in operation. Due to the impact of the marketing environment, as well as the large number of products and scattered customer orders, the unit production costs have not been effectively reduced under the condition of insufficient mass production scale and low turnover rate, resulting in losses. According to the operating loss situation, after several reviews and assessments by the management team for current and future business strategies, the Company shall focus on automotive electronics, tire pressure monitoring system (TPMS), power supply products, and energy storage system products by simultaneously providing technical integration, continuing to help customers in the technology development and integrated solutions of design and manufacturing, extending existing product technology, and promoting the value of technology, all in order to enforce cost control and strict expenses, achieve leading technology and cost leadership, avoid the vicious price wars of products in the same configuration, and enhance the competitiveness and stable profitability of the Company. Both the operating income and profit exceeded the original operating plan, demonstrating that the Company was able to successfully turn losses into profits.

Appendix 4

Board Performance Assessment Results

- I. In order to implement company management and upgrade the functions of the Board of Directors and functional committees, the Company has assessed performance of the Board of Directors and functional committees according to the "Performance Assessment Methods of the Board of Directors" .
- II. This self-assessment adopts a questionnaire form, with its results presented in the following five ranking grades:

Average Score	Ranking Grades
4.76~5.00	Excellent
4.00~4.75	Good
3.00~3.99	Average
2.00~2.99	Poor
1.00~1.99	Very bad

III. Assessment results:

1. Assessment on the Board of Directors and its members' performance

Evaluators: Lee, Yi-Ren, Chairman; Lee, Cheng-Han, Director; Hsieh, Tung-Fu, Director; Chen, Chih-Pin, Director; Wei, Che-Chen, Independent Director; Lin, Kuan-Chao, Independent Director; He, Ju-Hsiang, Independent Director; a total of seven persons.

Self-assessment on the Board of Directors' performance				Self-assessment on Director members' performance			
Item	Numbers of Question	Average score	Ranking	Item	Numbers of Question	Average score	Ranking
Participation in company operations	12	4.82	Excellent	Master of company targets and tasks	3	4.95	Excellent
Upgrade decision-making quality of BOD	11	4.90	Excellent	Cognition of director's responsibilities	3	5.00	Excellent
Composition and structure of the BOD	6	4.90	Excellent	Participation in company operations	8	4.93	Excellent
Director appointment and educating	5	4.89	Excellent	Internal relations management and communication	3	4.81	Excellent
Internal control	6	4.90	Excellent	Director specialty and educating	3	5.00	Excellent
				Internal control	3	4.95	Excellent
Average score		4.88	Excellent	Average score		4.94	Excellent

Assessment result:

The overall assessment on the Board of Directors' performance is excellent and meets performance expectation.

2. Assessment on functional committees' performance

Evaluators: Wei, Che-Chen, Independent Director; Lin, Kuan-Chao, Independent Director; He, Ju-Hsiang, Independent Director, a total of three persons.

Self-assessment on audit committee's performance				Self-assessment on compensation committee's performance			
Item	Numbers of Questions	Average score	Ranking	Item	Numbers of Questions	Average score	Ranking
Participation in company operations	4	5.00	Excellent	Participation in company operations	4	5.00	Excellent
Cognition of committee responsibilities	5	4.67	Good	Cognition of committee responsibilities	5	4.60	Good
Upgrade committee's decision-making quality	7	4.86	Excellent	Upgrade committee's decision-making quality	5	4.73	Good
Composition and structure of committee	3	5.00	Excellent	Composition and structure of committee	3	5.00	Excellent
Internal control	3	4.67	Good	Internal control	3	5.00	Excellent
Average score		4.84	Excellent	Average score		4.87	Excellent

Assessment result:

The overall average score of assessment on functional committees' performance is excellent and meets performance expectation.

IV. Comprehensive assessment results:

The Board of Directors and functional committees performs well in general. The Board of Directors and functional committees will, based on these assessment results, continuously reinforce governance and upgrade management achievements.

Remunerations of Directors

Unit: NT\$ 1,000; %

Date: December 31, 2021

Title	Name	Director remuneration								Total amount of items A, B, C and D and ratio to net profit after tax		Relevant remuneration for director concurrently as employee						Total amount of items A, B, C, D, E, F and G and ratio to net profit after tax		Compensation from invested company other than subsidiary or parent company		
		Base compensation (A)		Severance pay (B)		Bonus to Director (C)		Business execution expense (D)				Salary, bonus and allowances (E) (Note 5)		Severance pay (F)		Profit sharing of employee bonus (G)						
		The Company	All companies in the consolidated financial report	The Company	All companies in the consolidated financial report	The Company	All companies in the consolidated financial report	The Company	All companies in the consolidated financial report	The Company	All companies in the consolidated financial report	The Company	All companies in the consolidated financial report	The Company	All companies in the consolidated financial report	The Company	All companies in the consolidated financial report					
Chairman	Lee, Yi-Ren	0	0	0	0	0	0	60	60	60 0.06%	60 0.06%	4,745	4,745	0	0	0	0	0	0	4,805 5.04%	4,805 5.04%	0
Director	Hsieh, Tung- Fu	0	0	0	0	0	0	60	60	60 0.06%	60 0.06%	3,244	4,284	108	108	0	0	0	0	3,412 3.58%	4,452 4.67%	0
Director	Lee, Cheng-Han	0	0	0	0	0	0	60	60	60 0.06%	60 0.06%	3,255	3,255	108	108	0	0	0	0	3,423 3.59%	3,423 3.59%	0
Director	Chen, Chih- Pin	0	0	0	0	0	0	360	360	360 0.38%	360 0.38%	0	0	0	0	0	0	0	0	360 0.38%	360 0.38%	0
Independent director	Lin, Kuan- Chao	0	0	0	0	0	0	385	385	385 0.40%	385 0.40%	0	0	0	0	0	0	0	0	385 0.40%	385 0.40%	0
Independent director	He, Ju- Hsiang	0	0	0	0	0	0	385	385	385 0.40%	385 0.40%	0	0	0	0	0	0	0	0	385 0.40%	385 0.40%	0
Independent director	Wei, Che- Chen	0	0	0	0	0	0	385	385	385 0.40%	385 0.40%	0	0	0	0	0	0	0	0	385 0.40%	385 0.40%	0

Note: Director remuneration payment rules, standards, and amounts are related to performance results:

- (1) According to the performance assessment results, all of the company's directors performed their functions, and their remuneration is reasonable.
- (2) Remuneration for director concurrently as employee: it shall be determined according to the level of participation and contribution to the operation of the Company and the level of the industry market.
- (3) Business execution expense: the attendance fee shall be approved according to the actual attendance times of the Board of Directors and various functional committees.
- (4) Severance pay is defined contribution amount allocated in accordance with the regulations, not the amount actually paid.



INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Sysgration Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Sysgration Ltd. as at December 31, 2021 and 2020, and the related parent company only balance statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and 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 Sysgration Ltd. as at December 31, 2021 and 2020, 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 generally accepted auditing standards 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 Company in accordance with the Norm of Professional Ethics for Certified Public Accountants 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 parent company only 2021 financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2021 financial statements are stated as follows:

Existence and occurrence of revenue from new top 10 significant customers

Description

Please refer to Note 4(28) for accounting policies on revenue recognition and Note 6(22) for details of sales revenue.

Sysgration Ltd. and subsidiaries (shown as “investments accounted for using equity method”) engaged in the manufacture and sales of automobile electronics products and power management products. Customers changed due to the rapid change of market and innovation of products, and the revenue from new top 10 significant customers presented material part in sales revenue. Thus, we considered the existence and occurrence of revenue from the new top 10 significant customers as a key audit matter.

How our audit addressed the matter

As this key audit matter had covered different consolidated entities based on our audit which key audit procedures performed in respect of the above included the following:

- A. Obtained an understanding of and tested the internal control procedures of recognition of revenue from new top 10 significant customers and tested the effectiveness in exercising internal controls in relation to sales revenue.
- B. Obtained the details of revenue from new top 10 significant customers and verified customers’ orders, delivery orders and sales invoices to confirm the sales revenue transaction indeed incurred.
- C. Examined the content and related supporting documents of sales returns and discounts of new top 10 customers after the balance sheet date and checked the subsequent collection to confirm the reality of sales revenue recognition.

Valuation of allowance for inventory valuation losses

Description

Sysgration Ltd. and subsidiaries (shown as ‘investment using the equity method’) primarily engaged in the manufacture and sale of automobile electronics products and power management products. Because the rapid change of electronic products, there is a higher risk of incurring inventory valuation losses or having obsolete inventory. Sysgration Ltd. and subsidiaries’ inventories are measured at the lower of

cost and net realisable value, and individually assessed for those inventories over a certain age in order to identify obsolete or slow-moving inventories. The material's net realisable value is calculated based on the latest purchase price, and the net realisable values of work in process and finished goods are measured at the last sales price as well as taken into consideration of the operating expense ratio.

The industry technology is rapidly changing, and the net realisable value involves subjective judgement result in an uncertainty when assessing the obsolete or slow-moving inventories. By considering the inventory and allowance for inventory valuation losses were material to the financial statements, the assessment of allowance for inventory valuation losses was identified as a key audit matter.

Refer to Note 4(12) for accounting policy on inventory, Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(6) for detailed information on allowance for inventory valuation losses.

How our audit addressed the matter:

As this key audit matter had covered different consolidated entities based on our audit which key audit procedures performed in respect of the above included the following:

- A. Assessed the reasonableness of provision policies on allowance for inventory valuation losses based on our understanding of the Sysgration Ltd. and subsidiaries' operations and the characteristics of the industry, including the classification of inventory for determining net realisable value and the reasonableness of determining the obsolescence of inventory.
- B. Obtained an understanding of the Sysgration Ltd. and subsidiaries' warehousing control procedures. Reviewed the annual physical inventory count plan and observed in the annual inventory count in order to assess the effectiveness of the classification of obsolete inventory and internal control over obsolete inventory.
- C. Obtained an understanding of the policy on inventory aging report and the logic of inventory aging report program. Selected samples to verify the accuracy of inventory aging report.
- D. Verified the reasonableness of inventory valuation basis, including sampled the latest purchase price, purchase invoice, the latest sales price and sales invoices in order to verify that the inventory was measured at the lower of cost and net realisable value.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only 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 the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a 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 generally accepted auditing standards 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 parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only 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 controls.

2. Obtain an understanding of internal controls 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 controls.
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 report to the related disclosures in the parent company only 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 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 appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

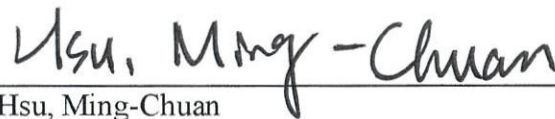
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

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 parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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.



Chiu, Chao-Hsien



Hsu, Ming-Chuan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 17, 2022

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Assets	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 683,913	26	\$ 717,717	34
1110	Current financial assets at fair value through profit or loss	6(2)	1,477	-	2,250	-
1136	Current financial assets at amortised cost	6(4) and 8	100,501	4	-	-
1150	Notes receivable, net	6(5) and 12(2)	3,050	-	-	-
1170	Accounts receivable, net	6(5) and 12(2)	522,918	20	332,262	16
1180	Accounts receivable-related parties	7	2,843	-	-	-
1200	Other receivables		8,038	-	3,862	-
1210	Other receivables-related parties	7	68,409	3	71,838	4
1220	Current tax assets	6(29)	84	-	464	-
130X	Inventories	6(6)	309,430	12	76,043	4
1470	Other current assets		13,405	1	4,840	-
11XX	Current assets		<u>1,714,068</u>	<u>66</u>	<u>1,209,276</u>	<u>58</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	96,038	4	48,626	2
1535	Non-current financial assets at amortised cost	6(4) and 8	24,800	1	119,501	6
1550	Investments accounted for using equity method	6(7)	382,979	15	351,440	17
1600	Property, plant and equipment	6(8) and 8	291,046	11	288,449	14
1755	Right-of-use assets	6(9)	26,852	1	12,163	1
1760	Investment property, net	6(10)	4,162	-	4,300	-
1780	Intangible assets	6(11)	11,356	-	9,177	-
1840	Deferred tax assets	6(29)	31,107	1	32,363	1
1900	Other non-current assets		16,946	1	13,474	1
15XX	Non-current assets		<u>885,286</u>	<u>34</u>	<u>879,493</u>	<u>42</u>
1XXX	Total assets		<u>\$ 2,599,354</u>	<u>100</u>	<u>\$ 2,088,769</u>	<u>100</u>

(Continued)

Liabilities and Equity		Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2130	Current contract liabilities	6(22)	\$ 6,582	-	\$ 1,498	-
2150	Notes payable		986	-	715	-
2170	Accounts payable		265,257	10	81,268	4
2180	Accounts payable-related parties	7	276,093	11	222,595	11
2200	Other payables	6(14)	116,871	4	77,179	4
2220	Other payables-related parties	7	88	-	3,396	-
2250	Current provisions	6(17)	7,179	-	1,008	-
2280	Current lease liabilities		15,302	1	6,517	-
2320	Long-term liabilities, current portion	6(12)(13) and 8	533,211	21	24,400	1
2399	Other current liabilities, others		21,870	1	29,493	1
21XX	Current liabilities		<u>1,243,439</u>	<u>48</u>	<u>448,069</u>	<u>21</u>
Non-current liabilities						
2530	Bonds payable	6(13)	-	-	487,660	24
2540	Long-term borrowings	6(12) and 8	137,881	5	80,711	4
2580	Non-current lease liabilities		11,716	1	5,717	-
2600	Other non-current liabilities		198	-	-	-
25XX	Non-current liabilities		<u>149,795</u>	<u>6</u>	<u>574,088</u>	<u>28</u>
2XXX	Liabilities		<u>1,393,234</u>	<u>54</u>	<u>1,022,157</u>	<u>49</u>
Equity						
Share capital		6(18)				
3110	Ordinary share		1,545,534	59	1,524,847	73
3140	Advance receipts for share capital		9,956	-	15,958	1
Capital surplus		6(19)				
3200	Capital surplus		160,349	6	135,896	6
Retained earnings		6(20)				
3320	Special reserve		35,953	1	35,953	2
3350	Accumulated deficit		(454,770)	(17)	(550,117)	(26)
Other equity interest		6(21)				
3400	Other equity interest		(90,902)	(3)	(95,925)	(5)
3XXX	Equity		<u>1,206,120</u>	<u>46</u>	<u>1,066,612</u>	<u>51</u>
Significant contingent liabilities and unrecognised contract commitments		9				
Significant events after the balance sheet date		11				
3X2X	Total liabilities and equity		<u>\$ 2,599,354</u>	<u>100</u>	<u>\$ 2,088,769</u>	<u>100</u>

		Year ended December 31					
		2021		2020			
Items	Notes	AMOUNT	%	AMOUNT	%		
4000	Operating revenue	6(22) and 7	\$ 2,120,074	100	\$ 1,298,610	100	
5000	Operating costs	6(6)(15)(16)(26)(27) and 7	(1,756,220)	(83)	(1,099,553)	(84)	
5900	Gross profit from operations		<u>363,854</u>	<u>17</u>	<u>199,057</u>	<u>16</u>	
	Operating expenses	6(15)(16)(26)(27) and 7					
6100	Selling expenses		(56,426)	(2)	(53,728)	(4)	
6200	Administrative expenses		(130,653)	(6)	(115,603)	(9)	
6300	Research and development expenses		(127,411)	(6)	(135,599)	(11)	
6450	Impairment gain and reversal of impairment loss determined in accordance with IFRS9	12(2)	<u>31</u>	-	(3,666)	-	
6000	Operating expenses		(314,459)	(14)	(308,596)	(24)	
6900	Net operating income (loss)		<u>49,395</u>	<u>3</u>	(109,539)	(8)	
	Non-operating income and expenses						
7100	Interest income	6(4)(23)	1,175	-	906	-	
7010	Other income	6(3)(10)(24)	16,552	1	13,211	1	
7020	Other gains and losses	6(2)(25) and 12(3)	(661)	-	(5,186)	-	
7050	Finance costs	6(9)(12)(28)	(6,432)	-	(2,742)	-	
7070	Share of profit of associates and joint ventures accounted for using equity method	6(7)	<u>35,318</u>	<u>1</u>	<u>5,035</u>	<u>-</u>	
7000	Non-operating income and expenses		<u>45,952</u>	<u>2</u>	<u>11,224</u>	<u>1</u>	
7900	Profit (loss) before income tax		<u>95,347</u>	<u>5</u>	(98,315)	(7)	
7950	Income tax expense	6(29)	-	-	-	-	
8200	Profit (loss) for the year		<u>\$ 95,347</u>	<u>5</u>	(\$ 98,315)	(7)	
	Other comprehensive income						
	Components of other comprehensive income that will not be reclassified to profit or loss	6(3)(21)(29)					
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		\$ 10,058	-	\$ 3,966	-	
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		(2,012)	-	(1,173)	-	
8310	Components of other comprehensive income that will not be reclassified to profit or loss		<u>8,046</u>	<u>-</u>	<u>2,793</u>	<u>-</u>	
	Components of other comprehensive income that will be reclassified to profit or loss	6(21)(29)					
8361	Exchange differences on translation		(3,779)	-	(1,159)	-	
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss		<u>756</u>	<u>-</u>	<u>232</u>	<u>-</u>	
8360	Components of other comprehensive loss that will be reclassified to profit or loss		(3,023)	-	(927)	-	
8300	Other comprehensive income for the year, net of tax		<u>\$ 5,023</u>	<u>-</u>	<u>\$ 1,866</u>	<u>-</u>	
8500	Total comprehensive income (loss) for the year		<u>\$ 100,370</u>	<u>5</u>	(\$ 96,449)	(7)	
	Basic earnings (loss) per share	6(30)					
9750	Basic earnings (loss) per share		<u>\$ 0.62</u>	<u>(\$ 0.64)</u>			
	Diluted earnings (loss) per share	6(30)					
9850	Diluted earnings (loss) per share		<u>\$ 0.58</u>	<u>(\$ 0.64)</u>			

2020

Balance at January 1, 2020		\$ 1,511,547	\$ -	\$ 96,653	\$ 35,953	(\$ 449,902)	(\$ 60,098)	(\$ 39,593)	\$ 1,094,560
Loss for the year		-	-	-	-	(98,315)	-	-	(98,315)
Other comprehensive income (loss) for the 6(21) year		-	-	-	-	-	(927)	2,793	1,866
Total comprehensive income (loss)		-	-	-	-	(98,315)	(927)	2,793	(96,449)
Share-based compensation cost	6(16)(19)(20)	-	-	7,049	-	-	-	-	7,049
Proceeds from disposal of equity instruments at fair value through other comprehensive income	6(3)(21)	-	-	-	-	(1,900)	-	1,900	-
Recognition of share option in issuance of convertible bonds		-	-	11,131	-	-	-	-	11,131
Exercise of employee stock options		13,300	15,958	21,063	-	-	-	-	50,321
Balance at December 31, 2020		\$ 1,524,847	\$ 15,958	\$ 135,896	\$ 35,953	(\$ 550,117)	(\$ 61,025)	(\$ 34,900)	\$ 1,066,612

2021

Balance at January 1, 2021		\$ 1,524,847	\$ 15,958	\$ 135,896	\$ 35,953	(\$ 550,117)	(\$ 61,025)	(\$ 34,900)	\$ 1,066,612
Profit for the year		-	-	-	-	95,347	-	-	95,347
Other comprehensive income (loss) for the 6(21) year		-	-	-	-	-	(3,023)	8,046	5,023
Total comprehensive income (loss)		-	-	-	-	95,347	(3,023)	8,046	100,370
Share-based compensation cost	6(16)(19)(20)	-	-	14,527	-	-	-	-	14,527
Conversion of convertible bonds	6(19)(20)	29	2,200	5,442	-	-	-	-	7,671
Exercise of employee stock options	6(19)(20)	20,658	(8,202)	4,484	-	-	-	-	16,940
Balance at December 31, 2021		\$ 1,545,534	\$ 9,956	\$ 160,349	\$ 35,953	(\$ 454,770)	(\$ 64,048)	(\$ 26,854)	\$ 1,206,120

CASH FLOWS FROM OPERATING ACTIVITIES

Profit (loss) before tax		\$	95,347	(\$	98,315)
Adjustments					
Adjustments to reconcile profit (loss)					
Gains on financial assets and financial liabilities at fair value through profit or loss	6(2)(25)		773	(	250)
Expected credit impairment (loss) profit	12(2)	(	31	)	3,666
Depreciation	6(8)(9)(10)(26)		47,048		43,576
Gain on disposal of property, plant and equipment	6(25)	(	122)	-
Amortization	6(11)(26)		10,393		7,929
Share of profit of subsidiaries, and associates for using the equity method	6(7)				
Interest expense	6(9)(12)(13)(28)	(	35,318	)	( 5,035)
Interest income	6(23)	(	6,432	)	2,742
Dividend income	6(24)	(	1,175	)	906
Share-based compensation cost	6(16)(19)(20)	(	1,874	)	( 842)
Changes in operating assets and liabilities			14,527		7,049
Changes in operating assets					
Notes receivable		(	3,079	)	200
Accounts receivable		(	190,596	)	( 86,501)
Accounts receivables - related parties		(	2,843)	-
Other receivables		(	4,207	)	( 56)
Other receivables - related parties			3,430		60,552
Inventories		(	233,387	)	5,840
Other current assets		(	8,565	)	( 1,179)
Changes in operating liabilities					
Current contract liabilities			5,084	(	440)
Notes payable			271	(	582)
Accounts payable			183,989		14,911
Accounts payable-related parties			53,498		29,134
Other payables			38,446	(	1,945)
Other payables-related parties		(	3,308	)	670
Current provisions			6,171		1,008
Other current liabilities, others		(	7,623	)	9,117
Cash outflow generated from operations		(	26,719	)	( 9,657)
Interest paid		(	1,631	)	( 1,371)
Interest received			1,205		906
Dividend received			1,874		842
Income tax paid		(	20	)	( 65)
Income tax refunded			399		153
Net cash flows used in operating activities		(	24,892	)	( 9,192)

(Continued)

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of financial assets at fair value through other comprehensive income		(\$	37,354)	\$	-
Proceeds from disposal of investments accounted for using the equity method	6(7)		-		15,397
Increased in financial assets at amortised cost		(	5,800 )	(	98,965)
Acquisition of property, plant and equipment	6(31)	(	35,029 )	(	40,117)
Proceeds from disposal of property, plant and equipment			1,539		-
Acquisition of intangible assets	6(11)	(	12,572 )	(	3,824)
Increase in refundable deposits		(	166 )	(	1,905)
(Increase) decrease in prepayments for business facilities		(	4,190)		2,079
Decrease in other current assets			884		109
Net cash flows used in investing activities		(	<u>92,688</u> )	(	<u>127,226</u>)

CASH FLOWS FROM FINANCING ACTIVITIES

Decrease in short-term borrowings	6(32)		-	(	110,000)
Proceeds from long-term borrowings	6(12)(32)		119,200		110,000
Repayment of long-term borrowings	6(12)(32)	(	37,656 )	(	4,889)
Proceeds from convertible bond issuance	6(13)		-		495,680
Proceeds from exercise of employee stock options	6(19)		16,944		50,321
Payments of lease liabilities	6(9)(32)	(	14,910 )	(	16,885)
Increase in guarantee deposits received			198		-
Net cash flows from financing activities			<u>83,776</u>		<u>524,227</u>
Net (decrease) increase in cash and cash equivalents		(	<u>33,804</u>)		<u>387,809</u>
Cash and cash equivalents at beginning of year			<u>717,717</u>		<u>329,908</u>
Cash and cash equivalents at end of year		\$	<u>683,913</u>	\$	<u>717,717</u>



INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Sysgration Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Sysgration Ltd. and subsidiaries (the "Group") as at December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and 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 at December 31, 2021 and 2020, 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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards 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 Accountants 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 Group's 2021 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2021 consolidated financial statements are stated as follows:

Existence and occurrence of revenue from new top 10 significant customers

Description

Please refer to Note 4(30) for accounting policies on revenue recognition and Note 6(23) for details of sales revenue.

Sysgration Ltd. and subsidiaries (shown as “investments accounted for using equity method”) engaged in the manufacture and sales of automobile electronics products and power management products. Customers changed due to the rapid change of market and innovation of products, and the revenue from new top 10 significant customers presented material part in sales revenue. Thus, we considered the existence and occurrence of revenue from the new top 10 significant customers as a key audit matter.

How our audit addressed the matter

The key audit procedures performed in respect of the above included the following:

1. Obtained an understanding of and tested the internal control procedures of recognition of revenue from new top 10 significant customers and tested the effectiveness in exercising internal controls in relation to sales revenue.
2. Obtained the details of revenue from new top 10 significant customers and verified customers’ orders, delivery orders and sales invoices to confirm the sales revenue transaction indeed incurred.
3. Examined the content and related supporting documents of sales returns and discounts of new top 10 customers after the balance sheet date and checked the subsequent collection to confirm the reality of sales revenue recognition.

Valuation of allowance for inventory valuation losses

Description

Please refer to Note 4(14) for accounting policies on inventory, Note 5(2) for the uncertainty of accounting estimates and assumptions in relation to inventory valuation, and Note 6(6) for allowance for inventory valuation losses. As at December 31, 2021, the Group’s inventories and allowances for inventory valuation losses were NT\$564,735 thousand and NT\$16,247 thousand, respectively.

The Group is primarily engaged in the manufacture and sale of automobile electronics products and power management products. Because of the rapid change in development of electronic products, there is a higher risk of incurring inventory valuation losses or having obsolete inventory.

The Group’s inventories are measured at the lower of cost and net realisable value, and individually

assessed for those inventories over a certain age in order to identify obsolete or slow-moving inventories. The material's net realisable value is calculated based on the latest purchase price, and the net realisable values of work in process and finished goods are measured at the last sales price as well as taken into consideration of the operating expense ratio.

The industry technology is rapidly changing, and the net realisable value of inventories involves subjective judgement resulting in an uncertainty when assessing the obsolete or slow-moving inventories. Considering that the inventory and allowance for inventory valuation losses were material to the financial statements, the assessment of allowance for inventory valuation losses was identified as a key audit matter.

How our audit addressed the matter:

The key audit procedures performed in respect of the above included the following:

- A. Assessed the reasonableness of provision policies on allowance for inventory valuation losses based on our understanding of the Group's operations and the characteristics of the industry, including the classification of inventory for determining net realisable value and the reasonableness of determining the obsolescence of inventory.
- B. Obtained an understanding of the Group's warehousing control procedures. Reviewed the annual physical inventory count plan and observed in the annual inventory count in order to assess the effectiveness of the classification of obsolete inventory and internal control over obsolete inventory.
- C. Obtained an understanding of the policy on inventory aging report and the logic of inventory aging report program. Selected samples to verify the accuracy of inventory aging report.
- D. Verified the reasonableness of inventory valuation basis, including test sampling the latest purchase price, purchase invoice, the latest sales price and sales invoices in order to verify that the inventory was measured at the lower of cost and net realisable value.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion, with an other matter paragraph, on the parent company only financial statements of Sysgration Ltd. as at and for the years ended December 31, 2021 and 2020.

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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, 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 the audit committee, 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 generally accepted auditing standards 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 generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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



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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 of the current period 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.

Chiu, Chao-Hsien

Chiu, Chao-Hsien

Hsu, Ming-Chuan

Hsu, Ming-Chuan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 17, 2022

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

Assets	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 840,787	29	\$ 904,217	41
1110	Financial assets at fair value through profit or loss - current	6(2)	1,477	-	46,020	2
1136	Current financial assets at amortised cost	6(1)(4) and 8	100,501	4	-	-
1150	Notes receivable, net	6(5) and 12(2)	5,387	-	-	-
1170	Accounts receivable, net	6(5) and 12(2)	616,685	21	336,064	15
1200	Other receivables		13,831	1	4,975	-
1220	Current income tax assets	6(30)	84	-	464	-
130X	Inventories	6(6)	548,488	19	142,729	7
1470	Other current assets	6(7)	96,498	3	54,653	3
11XX	Current assets		<u>2,223,738</u>	<u>77</u>	<u>1,489,122</u>	<u>68</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	96,038	3	48,626	2
1535	Non-current financial assets at amortised cost	6(1)(4) and 8	24,800	1	119,501	6
1600	Property, plant and equipment	6(8) and 8	418,033	14	418,464	19
1755	Right-of-use assets	6(9)	49,977	2	38,798	2
1760	Investment property - net	6(10)	4,162	-	4,300	-
1780	Intangible assets	6(11)	14,650	1	12,698	1
1840	Deferred income tax assets	6(30)	31,107	1	32,363	1
1900	Other non-current assets		39,407	1	15,529	1
15XX	Non-current assets		<u>678,174</u>	<u>23</u>	<u>690,279</u>	<u>32</u>
1XXX	Total assets		<u>\$ 2,901,912</u>	<u>100</u>	<u>\$ 2,179,401</u>	<u>100</u>

(Continued)

Liabilities and Equity	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(12) and 8	\$ 8,688	-	\$ 19,697	1
2130	Current contract liabilities	6(23)	21,198	1	3,811	-
2150	Notes payable		986	-	715	-
2170	Accounts payable		773,660	27	330,076	15
2200	Other payables	6(15)(32)	140,457	5	93,110	4
2220	Other payables - related parties	7	-	-	2,889	-
2250	Current provisions	6(18)	7,179	-	1,008	-
2280	Current lease liabilities		24,749	1	13,072	1
2320	Long-term liabilities, current portion	6(13)(14)	533,211	18	24,400	1
2399	Other current liabilities, others		21,883	1	29,658	2
21XX	Current liabilities		<u>1,532,011</u>	<u>53</u>	<u>518,436</u>	<u>24</u>
Non-current liabilities						
2530	Bonds payable	6(13) and 8	-	-	487,660	22
2540	Long-term borrowings	6(14) and 8	137,881	4	80,711	4
2580	Non-current lease liabilities		25,702	1	25,982	1
2600	Other non-current liabilities		198	-	-	-
25XX	Non-current liabilities		<u>163,781</u>	<u>5</u>	<u>594,353</u>	<u>27</u>
2XXX	Total liabilities		<u>1,695,792</u>	<u>58</u>	<u>1,112,789</u>	<u>51</u>
Equity attributable to owners of the parent						
Share capital						
3110	Ordinary shares	6(19)	1,545,534	53	1,524,847	70
3140	Advance receipts for share capital		9,956	1	15,958	1
Capital surplus						
3200	Capital surplus	6(20)	160,349	6	135,896	6
Retained earnings						
3320	Special reserve	6(21)	35,953	1	35,953	2
3350	Accumulated deficit		(454,770)	(16)	(550,117)	(25)
Other equity interest						
3400	Other equity interest	6(22)	(90,902)	(3)	(95,925)	(5)
31XX	Equity attributable to owners of the parent		<u>1,206,120</u>	<u>42</u>	<u>1,066,612</u>	<u>49</u>
3XXX	Total equity		<u>1,206,120</u>	<u>42</u>	<u>1,066,612</u>	<u>49</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet date						
3X2X	Total liabilities and equity		<u>\$ 2,901,912</u>	<u>100</u>	<u>\$ 2,179,401</u>	<u>100</u>

	Items	Notes	Year ended December 31			
			2021		2020	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(23)	\$ 2,454,678	100	\$ 1,326,691	100
5000	Operating costs	6(6)(16)(17)(28)				
		(29) and 7	(1,966,153)	(80)	(1,063,992)	(80)
5900	Gross profit from operations		488,525	20	262,699	20
	Operating expenses	6(16)(17)(28)				
		(29)				
6100	Selling expenses		(69,467)	(3)	(61,536)	(5)
6200	Administrative expenses		(149,368)	(6)	(149,637)	(11)
6300	Research and development expenses		(189,409)	(8)	(160,627)	(12)
6450	Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	12(2)	3,280	-	7,257	1
6000	Total operating expenses		(404,964)	(17)	(364,543)	(27)
6900	Operating profit (loss)		83,561	3	(101,844)	(7)
	Non-operating income and expenses					
7100	Interest income	6(4)(24)	1,483	-	1,296	-
7010	Other income	6(10)(25)	20,110	1	14,817	1
7020	Other gains and losses	6(2)(26)	(2,578)	-	(11,151)	(1)
7050	Finance costs	6(9)(12)(13)(14)				
		(27)	(7,229)	-	(3,201)	-
7000	Total non-operating income and expenses		11,786	1	1,761	-
7900	Profit (loss) before income tax		95,347	4	(100,083)	(7)
7950	Income tax expense	6(30)	-	-	-	-
8200	Profit (loss) for the year		\$ 95,347	4	(\$ 100,083)	(7)

(Continued)

Items	Notes	Year ended December 31			
		2021		2020	
		AMOUNT	%	AMOUNT	%
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss	6(3)(22)(30)				
8316 Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		\$ 10,058	-	\$ 3,966	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		(2,012)	-	(1,173)	-
8310 Total other comprehensive income that will not be reclassified to profit or loss, net of tax		<u>8,046</u>	-	<u>2,793</u>	-
Components of other comprehensive income that will be reclassified to profit or loss	6(22)(30)				
8361 Exchange differences on translation		(3,779)	-	(1,159)	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss		<u>756</u>	-	<u>232</u>	-
8360 Total other comprehensive income that will be reclassified to profit or loss, net of tax		(3,023)	-	(927)	-
8300 Other comprehensive income for the year, net of tax		<u>\$ 5,023</u>	-	<u>\$ 1,866</u>	-
8500 Total comprehensive income (loss) for the year		<u>\$ 100,370</u>	<u>4</u>	<u>(\$ 98,217)</u>	<u>(7)</u>
Profit (loss), attributable to:					
8610 Owners of the parent		\$ 95,347	4	(\$ 98,315)	(7)
8620 Non-controlling interest		-	-	(1,768)	-
		<u>\$ 95,347</u>	<u>4</u>	<u>(\$ 100,083)</u>	<u>(7)</u>
Comprehensive income (loss) attributable to:					
8710 Owners of the parent		\$ 100,370	4	(\$ 96,449)	(7)
8720 Non-controlling interest		-	-	(1,768)	-
		<u>\$ 100,370</u>	<u>4</u>	<u>(\$ 98,217)</u>	<u>(7)</u>
Basic earnings (loss) per share	6(31)				
9750 Basic earnings (loss) per share		<u>\$</u>	<u>0.62</u>	<u>(\$)</u>	<u>0.64</u>
Diluted earnings (loss) per share	6(31)				
9850 Diluted earnings (loss) per share		<u>\$</u>	<u>0.58</u>	<u>(\$)</u>	<u>0.64</u>

Year 2020

Balance at January 1, 2020		<u>\$1,511,547</u>	<u>\$ -</u>	<u>\$ 96,653</u>	<u>\$ 35,953</u>	<u>(\$ 449,902)</u>	<u>(\$ 60,098)</u>	<u>(\$ 39,593)</u>	<u>\$1,094,560</u>	<u>\$ 16,561</u>	<u>\$1,111,121</u>
Loss for the year		-	-	-	-	(98,315)	-	-	(98,315)	(1,768)	(100,083)
Other comprehensive (loss) income for the year	6(22)	-	-	-	-	-	(927)	2,793	1,866	-	1,866
Total comprehensive income (loss)		-	-	-	-	(98,315)	(927)	2,793	(96,449)	(1,768)	(98,217)
Share-based compensation cost	6(17)(20)	-	-	7,049	-	-	-	-	7,049	-	7,049
Proceeds from disposal of equity instruments at fair value through other comprehensive income	6(3)(21)	-	-	-	-	(1,900)	-	1,900	-	-	-
Recognition of share option in issuance of convertible bonds		-	-	11,131	-	-	-	-	11,131	-	11,131
Change in non-controlling interest		-	-	-	-	-	-	-	-	(14,793)	(14,793)
Exercise of employee stock options	6(19)	13,300	15,958	21,063	-	-	-	-	50,321	-	50,321
Balance at December 31, 2020		<u>\$1,524,847</u>	<u>\$ 15,958</u>	<u>\$ 135,896</u>	<u>\$ 35,953</u>	<u>(\$ 550,117)</u>	<u>(\$ 61,025)</u>	<u>(\$ 34,900)</u>	<u>\$1,066,612</u>	<u>\$ -</u>	<u>\$1,066,612</u>

Year 2021

Balance at January 1, 2021		<u>\$1,524,847</u>	<u>\$ 15,958</u>	<u>\$ 135,896</u>	<u>\$ 35,953</u>	<u>(\$ 550,117)</u>	<u>(\$ 61,025)</u>	<u>(\$ 34,900)</u>	<u>\$1,066,612</u>	<u>\$ -</u>	<u>\$1,066,612</u>
Profit for the year		-	-	-	-	95,347	-	-	95,347	-	95,347
Other comprehensive (loss) income for the year	6(22)	-	-	-	-	-	(3,023)	8,046	5,023	-	5,023
Total comprehensive income (loss)		-	-	-	-	95,347	(3,023)	8,046	100,370	-	100,370
Share-based compensation cost	6(17)(20)	-	-	14,527	-	-	-	-	14,527	-	14,527
Conversion of convertible bonds	6(32)	29	2,200	5,442	-	-	-	-	7,671	-	7,671
Exercise of employee stock options	6(19)(20)	20,658	(8,202)	4,484	-	-	-	-	16,940	-	16,940
Balance at December 31, 2021		<u>\$1,545,534</u>	<u>\$ 9,956</u>	<u>\$ 160,349</u>	<u>\$ 35,953</u>	<u>(\$ 454,770)</u>	<u>(\$ 64,048)</u>	<u>(\$ 26,854)</u>	<u>\$1,206,120</u>	<u>\$ -</u>	<u>\$1,206,120</u>

CASH FLOWS FROM OPERATING ACTIVITIES

Profit (loss) before tax		\$	95,347	(\$	100,083)
Adjustments					
Adjustments to reconcile profit (loss)					
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	6(26)		277	(	3,702)
Expected credit impairment gain	12(2)	(	3,280 )	(	7,257)
Depreciation	6(8)(9)(10)(28)		82,969		76,939
Amortisation	6(11)(28)		10,891		8,459
(Gain) loss on disposal of property, plant and equipment	6(26)				
Interest expense	6(9)(12)(13)(14)(27)	(	45)		347
Interest income	6(24)	(	7,229		3,201
Dividend income	6(25)	(	1,483 )	(	1,296)
Share-based payments	6(17)(20)(29)		1,874 )	(	842)
Changes in operating assets and liabilities			14,527		7,049
Changes in operating assets					
Notes receivable		(	5,356)		631
Accounts receivable		(	277,190 )	(	59,476)
Other receivables		(	8,856)		696
Inventories		(	405,759 )	(	12,484)
Other current assets		(	41,845)		6,079
Changes in operating liabilities					
Contract liabilities			17,387		918
Notes payable			271	(	582)
Accounts payable			443,584		76,387
Other payables			46,326	(	536)
Other payables - related parties		(	2,889)		810
Current provisions			6,171		1,008
Other current liabilities, others		(	7,775 )	(	766)
Cash outflow generated from operations		(	31,373 )	(	4,500)
Interest received			1,483		1,296
Interest paid		(	2,028 )	(	1,424)
Income tax paid		(	20 )	(	65)
Income tax refunded			399		154
Dividend received			1,874		842
Net cash flows used in operating activities		(	29,665 )	(	3,697)

(Continued)

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of financial assets at fair value through other comprehensive income	12(4)	(\$	37,353)	\$	-
Proceeds from disposal of financial assets at fair value through profit or loss	12(4)		104,256		1,026,407
Acquisition of financial assets at fair value through profit or loss		(	60,816 )	(	921,359)
Proceeds from disposal of subsidiaries			-	(	7,057)
Increased in financial assets at amortised cost		(	5,800 )	(	98,965)
Acquisition of property, plant and equipment	6(32)	(	60,188 )	(	70,096)
Proceeds from disposal of property, plant and equipment			1,650		1,369
Acquisition of intangible assets	6(11)	(	12,872 )	(	7,223)
Increase in refundable deposits		(	333 )	(	1,938)
(Increase) decrease in prepayments for business facilities		(	22,537)		5,974
(Increase) decrease in other non-current assets		(	1,008)		217
Net cash flows used in investing activities		(	95,001 )	(	72,671)

CASH FLOWS FROM FINANCING ACTIVITIES

Decrease in short-term borrowings	6(33)	(	11,009 )	(	90,303)
Proceeds from long-term borrowings	6(33)		119,200		110,000
Repayment of long-term borrowings	6(33)	(	37,656 )	(	4,889)
Proceeds from issuance of bonds	6(13)		-		495,680
Exercise of employee share options	6(19)		16,940		50,321
Payments of lease liabilities	6(9)(33)	(	24,148 )	(	23,325)
Increase in guarantee deposits received			198		-
Change in non-controlling interest			-	(	14,793)
Net cash flows from financing activities			63,525		522,691
Effect of exchange rate changes on cash and cash equivalents		(	2,289 )	(	750)
Net (decrease) increase in cash and cash equivalents		(	63,430)		445,573
Cash and cash equivalents at beginning of year			904,217		458,644
Cash and cash equivalents at end of year		\$	840,787	\$	904,217

Appendix 7

Sysgration Ltd. Profit and Loss Appropriation Proposal

For the Year 2021

Unit: NT\$

Item	Amount
Accumulated losses to be covered at the beginning of the period	(550,116,916)
Plus: 2021 Net profit after tax	95,347,393
Balance of Losses to be covered for current period	(454,769,523)
Added items to cover losses:	
Special reserve	35,952,023
Capital reserve - share premium	68,736,750
Capital surplus - conversion premium for corporate bonds	5,615,570
Capital surplus - treasury share transaction	2,653,678
Capital surplus - difference between consideration and carrying amount of subsidiaries acquired or disposed	9,693,216
Capital surplus - convertible bond	6,000,000
Capital surplus - stock option	30,000,000
Accumulated losses at the end of the period	(296,118,286)

Chairman: Lee, Yi-Ren

President: Hsieh, Tung-Fu

CFO: Tsai, Hsiu-Mei

Appendix 8

Sysgration Ltd.

Comparison Table of Amendments to Articles of Incorporation

Article before amendment	Article after amendment	Reasons of amendment
<p>Article 2: The business of the Company is as follows:</p> <ol style="list-style-type: none"> 1. CB01020 Affairs Machine Manufacturing 2. CC01060 Wired Communication Mechanical Equipment Manufacturing 3. CC01070 Wireless Communication Mechanical Equipment Manufacturing 4. CC01080 Electronics Components Manufacturing 5. CC01110 Computer and Peripheral Equipment Manufacturing 6. CE01010 General Instrument Manufacturing 7. F113030 Wholesale of Precision Instruments 8. F113050 Wholesale of Computers and Clerical Machinery Equipment 9. F119010 Wholesale of Electronic Materials 10. F113070 Wholesale of Telecommunication Apparatus 11. F401010 International Trade 12. F401021 Telecommunication controlled radio frequency equipment import. 13. CC01101 Telecommunication controlled radio frequency equipment manufacturing. 14. CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery 15. CC01090 Manufacture of Batteries and Accumulators 16. E601020 Electric Appliance Installation 17. E603040 Fire Safety Equipment Installation Engineering 18. E603050 Automatic Control Equipment Engineering 19. E605010 Computer Equipment Installation 20. F113110 Wholesale of Batteries 21. F118010 Wholesale of Computer Software 22. F213030 Retail Sale of Computers and Clerical Machinery Equipment 23. F213060 Retail Sale of Telecommunication Apparatus 24. F213110 Retail Sale of Batteries 25. F218010 Retail Sale of Computer Software 26. F399040 Retail Sale No Storefront 27. IG03010 Energy Technical Services 28. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval. 	<p>Article 2: The business of the Company is as follows:</p> <ol style="list-style-type: none"> 1. CB01020 Affairs Machine Manufacturing 2. CC01060 Wired Communication Mechanical Equipment Manufacturing 3. CC01070 Wireless Communication Mechanical Equipment Manufacturing 4. CC01080 Electronics Components Manufacturing 5. CC01110 Computer and Peripheral Equipment Manufacturing 6. CE01010 General Instrument Manufacturing 7. F113030 Wholesale of Precision Instruments 8. F113050 Wholesale of Computers and Clerical Machinery Equipment 9. F119010 Wholesale of Electronic Materials 10. F113070 Wholesale of Telecommunication Apparatus 11. F401010 International Trade 12. F401021 Telecommunication controlled radio frequency equipment import. 13. CC01101 Telecommunication controlled radio frequency equipment manufacturing. 14. CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery 15. CC01090 Manufacture of Batteries and Accumulators 16. E601020 Electric Appliance Installation 17. E603040 Fire Safety Equipment Installation Engineering 18. E603050 Automatic Control Equipment Engineering 19. E605010 Computer Equipment Installation 20. F113110 Wholesale of Batteries 21. F118010 Wholesale of Computer Software 22. F213030 Retail Sale of Computers and Clerical Machinery Equipment 23. F213060 Retail Sale of Telecommunication Apparatus 24. F213110 Retail Sale of Batteries 25. F218010 Retail Sale of Computer Software 26. F399040 Retail Sale No Storefront 27. IG03010 Energy Technical Services 28. <u>CD01030 Motor Vehicles and Parts Manufacturing</u> 29. <u>CD01040 Motorcycles and Parts Manufacturing</u> 30. <u>CD01050 Bicycles and Parts Manufacturing</u> 31. <u>F114020 Wholesale of Motorcycles</u> 32. <u>F214020 Retail Sale of Motorcycles</u> 	<p>Increase of business items.</p>

	<p>33. <u>F114040 Wholesale of Bicycle and Component Parts</u></p> <p>34. <u>F214040 Retail Sale of Bicycle and Component Parts</u></p> <p>35. <u>F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories</u></p> <p>36. <u>F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories</u></p> <p>37. <u>I301010 Information Software Services</u></p> <p>38. <u>I301020 Data Processing Services</u></p> <p>39. <u>I301030 Electronic Information Supply Services</u></p> <p>40. <u>F113020 Wholesale of Electrical Appliances</u></p> <p>41. <u>E601010 Electric Appliance Construction</u></p> <p>42. <u>F213010 Retail Sale of Electrical Appliances</u></p> <p>43. <u>CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing</u></p> <p>44. <u>D101060 self-usage power generation equipment utilizing renewable energy industry</u></p> <p>45. <u>IG01010 Biotechnology Services</u></p> <p>46. <u>CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing</u></p> <p>47. <u>E701030 Controlled Telecommunications Radio-Frequency Devices Installation Engineering</u></p> <p>48. <u>IZ13010 Internet Certificates Service</u></p> <p>49. <u>CC01120 Data Storage Media Manufacturing and Duplicating</u></p> <p>50. <u>G202010 Parking Area Operators</u></p> <p>51. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</p>	
<p>Article 12: The shareholders' meeting is divided into the general meeting and interim meeting; the general meeting is held once a year and shall be held within six months after the end of each fiscal year, and the interim meeting shall be held in accordance with the law when necessary.</p>	<p>Article 12: The shareholders' meeting is divided into the general meeting and interim meeting; the general meeting is held once a year and shall be held within six months after the end of each fiscal year, and the interim meeting shall be held in accordance with the law when necessary. <u>The company may hold its shareholders' meeting by video conference or other methods promulgated by the central competent authority.</u></p>	<p>Amendment to some provisions in accordance with Article 172-2 of the Company Act.</p>
<p>Article 28: These Articles of Incorporation were made on August 13, 1977; the 1st amendment was made on September 3, 1977; the 2nd amendment was made on September 23, 1977; the 3rd amendment was made on March 17, 1979; the 39th amendment was made on June 19, 2017; the 40th amendment was made on June 14, 2019; the 41st amendment was made on April 30, 2020 and implemented upon approval of the shareholders' meeting.</p>	<p>Article 28: These Articles of Incorporation were made on August 13, 1977; the 1st amendment was made on September 3, 1977; the 2nd amendment was made on September 23, 1977; the 3rd amendment was made on March 17, 1979; the 39th amendment was made on June 19, 2017; the 40th amendment was made on June 14, 2019; the 41st amendment was made on April 30, 2020; the <u>42nd amendment was made on April 29, 2022 and</u> implemented upon approval of the shareholders' meeting.</p>	<p>Addition of amendment date.</p>

Appendix 9

Sysgration Ltd. Articles of Incorporation

Chapter 1 General Provisions

- Article 1. The Corporation shall be incorporated under the Company Act of the Republic of China, and its name shall be Sysgration Ltd. (系統電子工業股份有限公司 in Chinese).
- Article 2. The scope of business operations of the Corporation shall be as follows:
1. CB01020 Office Machines Manufacturing
 2. CC01060 Wired Communication Equipment and Apparatus Manufacturing
 3. CC01070 Telecommunication Equipment and Apparatus Manufacturing
 4. CC01080 Electronics Components Manufacturing
 5. CC01110 Computer and Peripheral Equipment Manufacturing
 6. CE01010 General Instrument Manufacturing
 7. F113030 Wholesale of Precision Instruments
 8. F113050 Wholesale of Computers and Clerical Machinery Equipment
 9. F119010 Wholesale of Electronic Materials
 10. F113070 Wholesale of Telecom Instruments
 11. F401010 International Trade
 12. F401021 Restrained Telecom Radio Frequency Equipment and Materials Import
 13. CC01101 Restrained Telecom Radio Frequency Equipment and Materials Manufacturing
 14. CC01010 Manufacture of Power Generation, Transmission, and Distribution Machinery
 15. CC01090 Manufacture of Batteries and Accumulators
 16. E601020 Electric Appliance Installation
 17. E603040 Fire Fighting Equipment Construction
 18. E603050 Automatic Control Equipment Engineering
 19. E605010 Computer Equipment Installation
 20. F113110 Wholesale of Batteries
 21. F118010 Wholesale of Computer Software
 22. F213030 Retail Sale of Computers and Clerical Machinery Equipment
 23. F213060 Retail Sale of Telecommunication Apparatus
 24. F213110 Retail Sale of Batteries
 25. F218010 Retail Sale of Computer Software
 26. F399040 Retail Sale No Storefront
 27. IG03010 Energy Technical Services
 28. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3. The Company may, as required by its business, conduct mutual guarantee business with related enterprises or peers.
- Article 4. The Company has its head office located in Taipei and may set up branches or factories at home and abroad upon resolution of the Board of Directors when necessary.
- Article 5. Public announcement of the Corporation shall be made in accordance with Article 28 of the Company Act.

Chapter 2 Shares

- Article 6. The rated capital of the Company is NT\$3 billion, divided into 300 million shares, and issued in installments.
NT\$200 million of the total amount of rated capital mentioned in the preceding paragraph is reserved for issuing employee stock warrants, a total of 20 million shares, which may be issued in installments according to the resolution of the Board of Directors.
- Article 7. For the purposes of its business, the Company may guarantee for and invest in other businesses. The total amount of investment is not subject to the limit of 40% of the capital in Article 13 of the Company Law.
- Article 8. Where the Company issues new shares with limited employees' rights, the provisions of Article 6 (1) shall not apply. The shareholders' meeting shall be held with attendants on behalf of more than two-thirds of the shareholders of the total number of issued shares, and the approval of more than half of the shareholders who attend the meeting shall be taken. Where the total number of shares of the shareholders present is less than the aforementioned quota, shareholders representing more than half of the total number of shares issued shall attend the meeting, and it shall be approved by more than two-thirds of the voting rights of the shareholders present.
- Article 9. The transfer object of purchased shares by the Company shall include the employees of the affiliated company who meet certain conditions, and the terms and manner of transfer shall be authorized to be determined by the Board of Directors.
The Company's employee stock warrants shall be issued to employees of the affiliated company who meet certain conditions, and the terms and methods of issuance shall be authorized to be determined by the Board of Directors.
The Company shall issue new shares with restricted employee rights to employees who meet certain conditions, and the Board of Directors shall be authorized to determine the conditions and distribution.
The Company reserves new shares issued by cash capital increase for employees to undertake the shares, including employees of the affiliated company who meet certain conditions, and the terms and manner of purchase shall be authorized and determined by the Board of Directors.
- Article 10. The shares issued by the Company shall be registered, signed, or sealed by the directors representing the Company and shall be numbered and issued upon approval by the Competent Authority or its approved issue-registration authority.
The Company may not print the shares issued by the Company and shall register with the securities centralized depository institution.
- Article 11. Unless otherwise provided by laws and securities regulations, the Company's share affairs and shareholders' handling of share transfer, pledge of rights, loss reporting, inheritance, gift and seal loss reporting, change of address, and other share affairs shall be handled in accordance with the "Standards for Share Affairs Handling of Public Offering Companies."

Chapter 3 Shareholders' Meetings

- Article 12. Two types of shareholders' meeting can be held, the general meeting and the temporary meeting; the general meeting is held once a year, within six months after the end of each

fiscal year in accordance with the law, and the temporary meeting is held whenever necessary.

Article 13. If a shareholder is unable to attend a shareholders' meeting for some reason, he/she may entrust an agent to attend the meeting with the scope of authorization set forth in the Power of Attorney issued by the Company. In addition to the provisions of Article 177 of the Company Law, shareholders to attend by proxy shall be handled according to the Rules on Proxy Letter by Public Offering Companies to Attend Shareholders' Meetings promulgated by the competent authority.

Article 14. Unless otherwise provided by the law, a shareholder of the Company shall have one vote per share.

Chapter 4 Directors and Supervisors

Article 15. The Company shall have seven to nine directors, who shall be nominated by the shareholders according to Article 192 (1) of the Company Law. The shareholders' meeting shall elect the directors from the list of candidates for a term of three years. The aggregate shareholding ratio of all directors shall be subject to the regulations of the security regulatory authority.

Article 16. The number of independent directors shall be no less than three and no less than one-fifth of the seats of directors. The shareholders' meeting shall elect and appoint the independent directors from the list of candidates. The professional qualifications, shareholding, part-time employment restrictions, nomination and selection methods of independent directors, and other matters that should be complied with shall be subject to relevant provisions of the security regulatory authority.

Article 17. The Board of Directors of the Company may establish various functional committees, whose membership, exercise of functions and powers, and related matters shall be governed by relevant laws and regulations and shall be determined separately by the Board of Directors.

The Company shall set up an Audit Committee to replace the supervisor. The Audit Committee shall be composed of all independent directors, no less than three persons, one of whom shall be the convenor. The exercise of functions and powers and related matters shall be governed by relevant laws and regulations and shall be determined separately by the Board of Directors.

Article 18. The Board of Directors shall be organized by the directors, with the presence of at least two-thirds of the directors and the consent of more than half of the directors present to elect a Chairman, who shall represent the Company externally. If a meeting of the Board of Directors is held by video conference, the directors who participate in the meeting by video conference shall be deemed to be present in person.

The meeting of the Board of Directors shall state the reasons for the meeting and notify the directors seven days in advance. However, in case of emergency, a meeting may be convened at any time.

The meeting of the Board of Directors referred to in the preceding paragraph may be notified in writing, by e-mail, or by fax.

Article 19. The functions and powers of the Board of Directors are as follows:

1. Compiling important rules and amendments to the Articles of Incorporation of the Company.
2. Formulating the plan of business policy.
3. Preparing the budgets and final accounts.

4. Proposing the proposals for surplus allocation or loss compensation.
5. Preparing the proposals for reinvestment and loan and asset mortgages to other companies.
6. Preparing the purchase and disposal of important property and immovable property.
7. Important personnel decisions.
8. If the endorsement, guarantee, and acceptance for an affiliated enterprise exceed the total amount set by the Board of Directors, it shall be submitted to the Board of Directors for approval.
9. The establishment, adjustment, and cancellation of important organizations of the Company and the preparation of other important issues.
10. Other functions and powers assigned by laws and regulations and the shareholders' meeting.

Article 20. If the Chairman takes a leave of absence or is unable to exercise his or her functions for any reason, his or her agent shall act in accordance with Article 208 of the Company Law.

Article 21. The Company may purchase liability insurance for the directors with regard to their legal liability for compensation in the area of business carried out during their term of office.

Article 22. All the directors may, regardless of business profits and losses, receive travel expenses and remuneration when performing their Company duties, and the remuneration is authorized to be paid by the Board of Directors within the usual range of the same industry.

Chapter 5 Managers

Article 23. The Company may have a certain number of managers. Their employment, discharge, and compensation shall comply with Article 29 of the Company Act.

Chapter 6 Accounting

Article 24. At the end of each business year and in accordance with the provisions of the Company Act, the Company shall prepare the following lists by the Board of Directors and submit them to the general shareholders' meeting for recognition in accordance with the law:

1. Business Report;
2. Financial Statements;
3. Proposal for Surplus Distribution or Deficit Compensation.

Article 25. The Company shall allocate 10% to 15% of its annual profits for the remuneration of its employees and no more than 3% for the remuneration of its directors. However, if the Company still has accumulated losses, it shall reserve the amount to make up for them in advance.

The stock or cash payments to employees referred to in the preceding paragraph may include the employees of affiliated companies who meet certain conditions, and the Board of Directors shall be authorized to determine the conditions and distribution methods.

Article 26. If the Company's annual gross final accounts show a surplus, the Company shall first pay taxes and make up for previous losses. The subsequent deduction shall be 10% as the statutory surplus reserves, except when the statutory surplus reserves have reached the paid-in capital of the Company. Furthermore, the special surplus reserve shall be set aside according to the operation needs of the Company and the provisions of laws and regulations. If a surplus still remains and has not been distributed at the beginning of the same period, the Board of Directors shall draw up a surplus distribution plan and submit it to the shareholders' meeting for resolution to distribute or retain.

In order to meet the Company's long-term business development, future capital needs, and long-term business planning, no more than 90% of distributable earnings shall be allocated to shareholders each year, except when the accumulated distributable earnings are less than 5% of paid-in capital stock, in which case it shall not be distributed. The cash dividend shall be no less than 10% of the total dividend, but if the amount of cash dividend allocated is less than NT\$0.5 per share, it may be paid out all in shares dividend.

Article 27. In regard to all matters not provided for in these Articles of Incorporation, the Company Act shall govern.

Chapter 7 Supplementary Provisions

Article 28. These Articles of Incorporation were established on August 13, 1977; the first amendment was made on September 3, 1977; the second amendment was made on September 23, 1977; the third amendment was made on March 17, 1979; the fourth amendment was made on November 1, 1980; the fifth amendment was made on April 28, 1983; the sixth amendment was made on June 25, 1983; the seventh amendment was made on November 25, 1985; the eighth amendment was made on January 5, 1987; the ninth amendment was made on October 17, 1987; the tenth amendment was made on February 3, 1989; the 11th amendment was made on February 14, 1989; the 12th amendment was made on July 27, 1989; the 13th amendment was made on December 8, 1989; the 14th amendment was made on February 1, 1990; the 15th amendment was made on December 30, 1991; the 16th amendment was made on May 1, 1992 and implemented upon approval of the shareholders' meeting; the 17th amendment was made on April 24, 1993; the 18th amendment was made on April 24, 1994; the 19th amendment was made on April 9, 1995; the 20th amendment was made on November 18, 1995; the 21st amendment was made on April 27, 1996; the 22nd amendment was made on July 31, 1997; the 23rd amendment was made on January 20, 1998; the 24th amendment was made on May 15, 1998; the 25th amendment was made on May 22, 2000; the 26th amendment was made on June 17, 2002; the 27th amendment was made on July 31, 2003; the 28th amendment was made on April 29, 2005; the 29th amendment was made on June 15, 2006; the 30th amendment was made on June 13th, 2007; the 31st amendment was made on June 13th, 2008; the 32nd amendment was made on June 19, 2009; the 33rd amendment was made on June 25, 2010; the 34th amendment was made on May 10, 2011; the 35th amendment was made on June 19, 2012; the 36th amendment was made on June 4, 2013; the 37th amendment was made on June 10, 2015; the 38th amendment was made on June 17, 2016; the 39th amendment was made on June 19, 2017; the 40th amendment was made on June 14, 2019; and the 41st amendment was made on April 30, 2020 and implemented upon approval of the shareholders' meeting.

Sysgration Ltd.

Chairman: Lee, Yi-Ren

Appendix 10

Sysgration Ltd. Rules of Procedure of Shareholders' Meeting

Approved at the Shareholders' Meeting dated January 30, 1989
Amended at the Shareholders' Meeting dated June 15, 2006
Amended at the Shareholders' Meeting dated June 4, 2013

1. The shareholders' meeting of the Company shall be implemented in accordance with the Rules of Procedure for the Shareholders' Meeting of Public Offering Companies promulgated by the Securities and Futures Regulatory Commission of the Ministry of Finance in its Letter TCZ (3) No. 04109 on August 4, 1997.
2. The attending shareholders (or agents) shall bring their attendance cards and sign in the signature book or hand in the signature card instead of signing in. The number of shares in attendance shall be calculated according to the signature book or attendance cards submitted.
3. Attendance and voting at the shareholders' meeting shall be calculated based on shares. The number of shares present shall be calculated based on the signature book or the attendance cards submitted, plus the number of shares voting in written or electronic form.
4. A shareholders' meeting shall be held in the place where the Company is located or at such place as is convenient for shareholders to attend and suitable for the meeting to be held. The meeting shall commence no earlier than 9:00 a.m. or later than 3:00 p.m. The place and time of the meeting shall take full account of the opinions of the independent directors.
5. If a meeting of shareholders is convened by the Board of Directors, the Chairman shall serve as the chairperson. If the Chairman takes a leave of absence or is unable to exercise his or her functions for any reason, the Chairman shall appoint one director to act as the chairperson. If the Chairman does not appoint an agent, the directors shall appoint one to act as the chairperson.

If the shareholders' meeting is convened by a person other than the Board of Directors who has convening authority, the chairperson of the meeting shall be the convening person, and if there are more than two convening persons, one shall be elected as the chairperson.

6. The Company may appoint any lawyer, accountant, or relevant person to attend the shareholders' meeting.

Staff attending the shareholders' meeting shall wear identification cards or armbands.

7. The Company shall record or videotape all shareholders' meetings and shall keep them for at least one year. However, provided that an action is brought by a shareholder in accordance with Article 189 of the Company Law, it shall be retained until the conclusion of the action.
8. The chairperson shall immediately call to order at the declared meeting holding time, but if a representative of more than half of the shares in issue is not present, the chairperson may declare an adjourn of the meeting not to be more than two adjourns, for a time not exceeding one hour in total. If the amount is still insufficient after two adjourns and more than one-third of the shareholders of the total number of shares issued attend the meeting, the shareholders may make a tentative resolution in accordance with Paragraph 1 of Article 175 of the Company Law, notify other shareholders of the tentative resolution, and convene the shareholders' meeting again within one month.

Before the conclusion of the meeting, if more than half of the shares in issue have been represented by the shareholders present, the chairperson may submit the tentative resolution to the shareholders' meeting for a new vote in accordance with Article 174 of the Company Law.

9. If a meeting of shareholders is convened by the Board of Directors and the agenda is set by the Board of Directors, the meeting shall be held in accordance with the scheduled agenda and no change shall be made without a resolution of the shareholders' meeting.

If the shareholders' meeting is convened by a person other than the Board of Directors who has convening authority, the provisions in the preceding paragraph shall apply mutatis mutandis.

The chairperson shall not, without a resolution, adjourn the meeting before the conclusion of the proceedings (including provisional motions) scheduled in the preceding two paragraphs; if the chairperson violates the rules of procedure and announces the dissolution of the meeting, the other members of the Board of Directors shall promptly assist the shareholders to elect one person to serve as the chairperson according to the rules of procedure, and the meeting shall continue with the consent of more than half of voting right of the shareholders present.

After the meeting is adjourned, the shareholders shall not elect another chairperson to resume the meeting at the same address or at another place.

10. Before a speech of a present shareholder, he/she shall fill in a speech note stating the purpose of the speech, the shareholder's account number (or the number of the attendance card) and the name of the shareholder's account. The chairperson shall determine the order of his/her speech.

When a present shareholder makes a speech, other shareholders shall not interfere with the speech except with the consent of the chairperson and the speaking shareholder, and the chairperson shall stop the violator.

11. Without the consent of the chairperson, each shareholder shall make no more than two speeches on the same motion, each of which shall not exceed five minutes.

Where a shareholder's speech violates the provisions of the preceding paragraph or goes beyond the scope of the agenda, the chairperson may stop the shareholder's speech.

12. When an institutional shareholder designate to attend a shareholders' meeting, such institutional shareholder may appoint only one agent to attend the meeting.

When the institutional shareholder appoints two or more agents to attend the shareholders' meeting, only one person may speak on the same motion.

13. After the speech of a present shareholder, the chairperson may respond in person or appoint a relevant person to respond.

14. When the chairperson considers that the discussion of a motion has reached the point where a vote can be taken, he/she may call a halt to the discussion and call for a vote.

15. Supervisors and vote counting staff shall be appointed by the chairperson, provided that the supervisors shall be shareholders. The counting of votes shall be conducted publicly in the meeting room, and the result of voting shall be reported in the meeting room and recorded.

16. While the meeting is in progress, the chairperson may declare a break at such time as may be appropriate.

17. Unless otherwise provided for in the Company Law and the Articles of Incorporation, the voting on a motion shall be approved by more than half of the voting rights of the shareholders present. When voting, if there is no objection after the consultation of the chairperson, it shall be deemed to be passed, and it shall have the same effect as voting.

18. Where amendments or substitutions are made to the same motion, the chairperson shall decide on the order of voting with the original motion. If one of the motions has been passed, the other motions shall be considered vetoed and shall not be voted on again.

19. The chairperson may direct the picket (or security guard) to assist in maintaining order at the venue. When a picket (or security guard) is present to assist in maintaining order, he/she shall wear an armband with the word "Picket".

Appendix 11

Sysgration Ltd. Shareholding of Directors

1. The paid-up capital of the Company is NT\$1,555,879,640, and the outstanding number of shares is 155,587,964 shares.
2. In accordance with Article 26 of the Securities and Exchange Act, the minimum number of shares held by all directors shall be 9,335,278 shares.
3. The shareholding status of all directors as recorded in the register of shareholders as of the closing date of this shareholders' meeting (March 1, 2022) is as follows:

Position	Name	Current shareholding (in shares)
Chairman	Lee, Yi-Ren	12,961,210
Director	Hsieh, Tung-Fu	700,892
Director	Lee, Cheng-Han	611,126
Director	Chen, Chih-Pin	3,537
Independent Director	Lin, Kuan-Chao	0
Independent Director	He, Ju-Hsiang	0
Independent Director	Wei, Che-Chen	0
Total shareholding of all directors		14,276,765