



SYSAGE TECHNOLOGY CO., LTD.

2022 Annual General Shareholders' Meeting

Meeting Agenda

(Translation)

SYSAGE TECHNOLOGY CO., LTD.
2022 Annual Meeting of Shareholders

Time: 9:00 a.m. on Thursday, May 26, 2022

Location: 1F, No. 168, Jingye 4th Rd., Zhongshan Dist., Taipei City
(Grand Ballroom of Grand Victoria Hotel)

Held by means of: Convened physically shareholders meeting

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I. Report Items

I. To report the business of 2021

Greetings to all of our Valued Shareholders,

With many efforts of the company's management team and all colleagues, the consolidated gross margin was 13% in 2021, and continuing raising, and basic earnings per share was NT\$3.07, which broke the historical record. By adopting a steady business strategy, and in addition to further understanding of market trends and requirements, we focus on cultivating various product lines and enhancing technical services to increase added values, creating considerable results.

The result of our operating performance in 2021, business plan for 2022, are illustrated as follows:

I. Operating performance in 2021

(1) Results of business plans implementation

As the economic scale of cloud service grows, Sysage is responding to this new economic wave by not only acting as a distributor for world-famous network & communication software and hardware products, and building on its vast experience in building project and distribution, but also extending beyond the traditional distributor scope, and actively integrates its ample resources of cloud and on-premises services for connecting the overall application system and strengthening the growth of future operations. Whether the cloud migration, cloud connect or cloud application development are able to meet customers' requirements.

As for operating result in 2021, the company's total consolidated revenue stood at NT\$ 11.953 billion, consolidated income from operations was NT\$ 0.487 billion, income before income tax was NT\$ 0.71 billion, and net income attributable to shareholders of the parent was NT\$ 0.578 billion, compared to the preceding year, 5.2% in year-over-year growth. Basic earnings per share was NT\$3.07, compared to NT\$2.91 in the preceding year, 0.16 dollars in year-over-year growth.

Overviewing 2021 result, consolidated revenue is NT\$ 11.953 billion, which is lower than 2020. The lower revenue is due to chaotic in shipment services, suppliers suspending production for lack of material, delay in shipment, and customers sitting on the fence and delaying purchase plan due to global COVID-19 pandemic.

Although the company's revenue was lower than expected due to the impact of the pandemic, but because of various industries have strengthened their digital transformation plans, due to the epidemic, and at the same time, due to the continuously permeating in digital technology and applications in different fields, the company not only continues to develop support of cloud platforms, but also provides customers with new cloud connect integration with relative application services. The consolidated gross margin was 13% in 2021, and continuing to raise, and basic earnings per share was NT\$3.07, and these amounts break the historical record.

(2) Budget implementation: Not applicable. The company hasn't announced 2021 financial forecast in public.

(3) Financial status and profitability analysis

A. Financial Status :

As for the consolidated financial statements in 2021, the company's cash used in operating activities was NT\$ 0.195 billion, and cash provided by investing activities was NT\$ 0.148 billion, cash used in financing activities was NT\$ 0.042 billion, as well as cash and cash equivalents decrease NT\$ 0.111 billion during the period. Cash and cash equivalent at the end period were NT\$ 0.651 billion.

B. Profitability analysis :

As for the consolidated financial statements in 2021, the company's ratio of return on total assets, ratio of return on shareholders' equity, ratio of profit before income tax to capital stock, and profit ratio were 7.21%、13.16%、37.5% and 5.00%, respectively, with 0.94ppt and 1.05ppt in year-over-year growth in return on shareholders' equity ratio and profit ratio.

(4) Research and the development status :

Sysage serves as a distributor of global leading brands of software and hardware products in the information industry, and all brands have world-top-notch technical capabilities. Thus, Sysage strives to increase technical capabilities at all times, in order to provide professional services for customers. The company's technical professionals focus on researching various new products, and acquire manufacturers' professional certificates, in order to provide completed services for customers.

In addition, for requirements of enterprise digital transformation for software integration and consulting services, the company has set a team for software development and consulting integration services to assist customers in transforming existing business procedures to meet changes in the markets and create proficient operating efficiency for the enterprise.

2. Business plan for 2022

(1) Business objectives

The company serves as a distributor for famous global brands of software, hardware and cloud products of information and system, upholds the concept of the integrated marketing of "Brands channels; Cloud Connect.", and provides customers with integration of information and communication in different fields, through cooperation with partners in Taiwan, and integration with cloud-to-premises connection to meet advantages of the security, cost and flexibility required by different enterprises. In addition to continuing to exploit the market in Taiwan and provide customers with more diversified solutions, the company will gradually expand its business to overseas markets. In addition to replicating the successful experience in Taiwan for overseas markets, we also hope to enhance the company as a regional value-added service distributor, and obtain more cooperation opportunities with famous global brands and enhance the cooperative relationship with the original distributing brands. In 2021, the company merged Advanced TEK International Corp., which specializes in providing import and maintenance services of ERP, and Corex in South Africa, which also serves as distributor of products of information and communication. The company will continue to focus on its target of increasing the width and depth of services to customers.

- (2) Sales forecast and its reference and important policy of production and sales:
 - A. The company mainly distributes software and hardware products of information and communication, most are project sales and value-added services. As the product differentiation is vast and unit price varies, the sales forecast of each product is difficult to predict.
 - B. The operating strategy and business development focus on consolidation and enhancing “Brands channel; Cloud Connect.”: To develop traditional distributing business and cloud business, and to promote products in 6 segments, such as network, system, information security, business software, big data analysis, and cloud, etc., maintain a good interaction with important customers, and maximize the effectiveness of distributing products. As products are diversified and complete, it will assist digital transformation for customers.
 - C. Continuing to develop the next stage of SYSAGE management platform of cloud services and MSP center, and incorporate more product lines into the platform, the company expects to expand the cloud and subscription product lines of AWS、Akamai、Azure、Google Cloud、Oracle Cloud、Cisco Webex, etc., in 2022.
3. Development strategy of the company in the future
 - (1) To dedicate on existing distributing product line, and continue to introduce new products with added-value and synergy: With more than 20 years of sales experience, the company has distributed more than 50 world-renowned IT brand products. With a variety of vertically integrated solutions, excellent product specifications, a deep and meticulous distribution channel system, and 24/7 uninterrupted service capabilities, we are able to accurately understand the key demands of enterprises, and continue to expand the width of operations and increase the depth of technical services. We have formulated a product development strategy focusing on four major solutions, including "cloud service", "AI data analysis", "microservice integration" and "information security", and put much effort in strengthening the arrangement of related products and services, and also make in-depth connections with Domain Know-how in different industries. In the future, we will continue to expand the arrangement of distribution, and reserve the integration tools of software and hardware for digital transformation with cloud, digitalization, internationalization, and mobilization for customers.
 - (2) Integration with group resources, expanding product lines and developing new customers: Integrating resources from Qisda to help company expand present product lines, develop new product lines, carry out diversified business investment plans, and jointly develop opportunities of potential group customers to enhance the company increases its operating revenues, profits, and shareholders' equity.
 - (3) To improve demonstrations, display environment, and increase innovation of technical services: Except for continuing to increase innovation and services in the scope of business and technical services, and having sufficient support of technical logistics, we provide excellent exercises and demonstrations. Since our operating sites include 4 locations, in Taipei, Hsinchu, Taichung, and Kaohsiung, and Demo environments across the island, it could immediately provide the best market coverage, technical support, education and training, as well as new equipment and solutions of exercises and demonstrations to manufacturers and partners, hence we increase gross profit margin through the increase in the ratio of services revenue.

4. The impact of the external competitive environment, regulatory environment, and macroeconomic conditions

As the pandemic continues to affect the world in 2021, it encourages enterprises to pay attention on relevant basic infrastructure, and sense importance of quickly implementing digital transformation, and provide a positive effect on the company's operation. However, since macroeconomic became unstable due to the pandemic, enterprises adopt a conservative attitude in all expenditures, and it triggers challenges to the company that put much effort in increasing business and we hope to expand business more rapidly, as the pandemic becoming endemic and economics becoming stable.

While the industry of information and communication booms and brings various business opportunities, legal compliance is increasingly becoming an important part of the business operation. Besides continue to strengthen the legal compliance requirements for its distributed brands, the company also continue to increase various controls that will amplify legal compliances, and to become a trustworthy partners for the ICT brands its distributing.

We offer our sincerest thanks for shareholders' trust and all employees' effort. During a new year, the company and its subsidiaries shall continue to strive for the increase in operating performance, assume earning profits as our important mission, and focus on becoming a professional suppliers of professional application services of information and communication of the ICT solution provider. We hope to strive for greatest motive behind progress and seek for the best interest of the shareholders. we offer our sincerest appreciations for shareholders' support and openly welcome for feedbacks.

Sincerely yours,

Chairman: Michael Lee

President: Michael Lee

Accounting Supervisor: Mavis Lin

Date:2022/05/26

2. Audit Committee's Review Report

Audit Committee's Review Report

The undersigned has duly audited the Operating Report, Financial Statements and Schedule of Earnings Distribution prepared by the Board of Directors for the year of 2021. Hung-Wen Fu and Mei-Ping Wu Certified Public Accountants of KPMG have audited the Financial Statements. The 2021 Financial Statements, Business Report, Independent and Auditors Report have been reviewed and determined to be correct and accurate by the Audit Committee of SYSAGE TECHNOLOGY CO., LTD. I, as the Chair of the Audit Committee, hereby submit this report according to Article 14-4 of the Securities and Exchange Act, and Article 219 and 228 of the Company Act.

Sincerely,

**SYSAGE TECHNOLOGY CO., LTD.
2022 Annual General Shareholders' Meeting**

Chair of the Audit Committee: Wen-Tsung Wang

February 24, 2022

3. To report the distribution of employees' and directors' remuneration of 2021.
Distribution of NT\$59,513,370 and NT\$5,579,378 in cash as remunerations to employees and to directors, respectively, by the resolution of the Board of Directors held on February 24, 2022.
4. To report the cash dividends distribution of 2021 earnings.
 - (1) According to Article 22-I of the company's Article of Incorporation, if earnings distribution plan is performed by means of cash dividends, it is proposed the Board of Directors be authorized for resolution. The resolution thereof shall be reported in the Shareholders' Meeting.
 - (2) The proposed distribution is allocated from the 2021 earnings available for distribution, and cash dividends amounting to NT\$470,893,340 were distributed to shareholders at NT\$2.5 per share. It is approved by the meeting of the Board of Directors held on February 24, 2022, and proposed that the Chairman of the Board of Directors is authorized to determine the ex-dividend date and payment date for the cash dividend distribution and other related matters.
 - (3) If the cash dividend distribution ratio is adjusted and need to be modified due to change of the company's total number of outstanding common shares, it is proposed to authorize the Chairman of the Board of Directors with full power to adjust the distribution ratio.

II. Proposals and Discussion Items(I)

Proposal 1(proposed by the Board of Directors):

To accept the 2021 business report and financial statements.

Explanation: (1) The company's 2021 financial statements have been reviewed and determined to be correct and accurate by Hung-Wen Fu and Mei-Ping Wu, Certified Public Accountants of KPMG, for financial conditions as of December 31, 2021, and its 2021 financial performance and cash flows, and then a business report shall be issued.

- (2) For independent Auditors' Report and Financial Statements, please refer to Attachment 1(Page 10-25).

Resolution:

Proposal 2(proposed by the Board of Directors):

To accept the proposal for the distribution of 2021 earnings.

Explanation: For the 2021 Earnings Distribution Proposal, please refer to Attachment 2 (page 26).

Resolution:

Proposal 3(proposed by the Board of Directors):

To approve the amendment to “Articles of Incorporation”.

- Explanation:
- (1) To comply with order No. 11000115851 by Ministry of economic affairs on December 29, 2021, and for practical requirements, it is proposed to amend the part of the articles of Articles of Incorporation.
 - (2) The comparison table before and after the amendment are attached hereto as Attachment 3 (pages 27)

Resolution:

Proposal 4(proposed by the Board of Directors):

To approve the amendment to “Handling Procedures for Acquisition or Disposal of Assets”.

- Explanation:
- I. To comply with order No. 1110380465 by Financial Supervisory Commission R.O.C.(Taiwan) on January 28, 2022 and for practical requirements, it is proposed to amend the part of the articles of Handling Procedures for Acquisition or Disposal of Assets.
 - II. The comparison table before and after the amendment are attached hereto as Attachment 4 (pages 28-34)

Resolution:

III. Election Item

(proposed by the Board of Directors):

To elect seven directors (including three independent directors).

- Explanation:
- (1) The term of the office of the directors will be expired on September 25, 2022. Thus, it is proposed to elect seven directors (including three independent directors) at the 2022 Annual General Shareholders' Meeting. The term of the office of the new directors (including independent directors) is three years(from 2022/5/26 to 2025/5/25).
 - (2) According to the Company's Articles of Incorporation and the Article 192-1 of the Company Act, the company's directors (including independent directors) shall be elected by adopting candidate nomination system. The list of candidates of the directors and independent directors has been approved by the Board on February 24, 2022. For the relevant information of the nominated candidates, please refer to Attachment 5 (pages 35).

The election results:

IV. Discussion Items(2)

(proposed by the Board of Directors):

To lift non-competition restrictions on new directors and their representatives.

- Explanation:
- (1) According to Article 209 of the Company Act, any director conducting business for himself/herself/itself or on another's behalf, the scope of which business is within the scope of the company's business, shall explain at the Shareholders' Meeting the essential contents of such conduct, and obtain approval from shareholders in the Meeting.
 - (2) It is proposed for the shareholders meeting to approve lifting non-competition restrictions on directors as who may invest or operate a business which is similar to the business scope of the company.
 - (3) The list of non-competition restrictions proposed to be lifted by the company on each director in the 2022 shareholders meeting is attached hereto as Attachment 6 (page 36-38).

Resolution:

V. Extraordinary Motions

VI. Meeting Adjourn

Attachment I

Independent Auditors' Report

To the Board of Directors of SYSAGE TECHNOLOGY CO., LTD.:

Opinion

We have audited the consolidated financial statements of SYSAGE TECHNOLOGY CO., LTD. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020 (restated), the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020,(restated), and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020 (restated), and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2021 and 2020,(restated), in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Emphasis of Matter

As stated in Note 1, Note 4(c) and Note 6(g), SYSAGE TECHNOLOGY CO., LTD. fully acquired 100% shareholdings in COREX (PTY) LTD from subsidiary of Qisda Corporation, Partner Tech Corporation by cash on January 4, 2021. Pursuant to the Interpretations (2012) No. 301 issued by Accounting Research and Development Foundation, the aforementioned transaction is an organizational reorganization under common control and had been regarded as a combination from beginning. The Group restated the consolidated financial statements for the year ended December 31, 2020. Our conclusion is not modified in respect of this matter.

Other Matter

We did not audit the financial statements of certain subsidiaries of the Group and investments accounted for using the equity method. Those financial statements were audited by other auditors. Therefore, our opinion, insofar as it relates to the amounts included for those subsidiaries and investees, is based solely on the reports of other auditors. The total assets of those subsidiaries constituted 1.79% of the total consolidated assets as of December 31, 2021, and the total operating revenue constituted 1.74% of the consolidated operating revenue for the year ended December 31, 2021. In addition, the recognized investments accounted for using the equity method constituted 1.25% and 1.54% of the total consolidated assets as of December 31, 2021 and 2020 (restated), respectively, and the recognized shares of profit or loss of associates accounted for using equity method constituted 0.69% and 1.50% of the consolidated profit before tax for the years ended December 31, 2021 and 2020 (restated), respectively.

SYSAGE TECHNOLOGY CO., LTD. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2021, on which we have issued an unmodified opinion with emphasis of matter and other matter paragraph. In addition, SYSAGE TECHNOLOGY CO., LTD. has prepared its parent company only financial statements as of and for the year ended December 31, 2020, on which we have issued an unmodified opinion with other matter paragraph.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Valuation of inventories

Please refer to Note 4(h) for the accounting policy for inventories, Note 5 for significant accounting assumptions and judgments, and major sources of estimation uncertainty, and Note 6(e) for the details and related expenses for inventories.

Description of key audit matter:

Inventories are measured at the lower of cost or net realizable value. Since information products, such as network and servers, are constantly evolving, and prices impact end-consumers' decisions on expenditure, sales of related products may fluctuate, resulting in a risk that the cost of inventories may exceed their net realizable values. Consequently, the estimate of the net realized value of inventories, dependent on management's subjective judgment, was considered to be a matter of high concern in our audit of the financial statements.

How the matter was addressed in our audit:

Our audit procedures included understanding the Group's policy for recognizing inventory allowances so as to assess whether inventory valuation was conducted pursuant to the policy; comparing the reasonableness of management's recognition of the allowance for inventory loss for prior years with the approach and assumption about the recognition of the allowance for inventory loss for the current period, in order to evaluate the appropriateness of the latter; looking into and sampling the sales prices adopted by management and reviewing sales transactions after the balance sheet date, with a view to assessing whether the estimate of the net realizable value of inventories and the loss allowance was reasonable.

2. Impairment of goodwill

Please refer to Note 4(o) for the accounting policy on impairment of non-financial assets, Note 5 for significant accounting assumptions and judgments, and major sources of estimation uncertainty, and Note 6(m) for the assessment of impairment of goodwill.

Description of key audit matter:

Goodwill arising from acquisition of subsidiaries is annually subject to impairment test or when there are indications that goodwill may have been impaired. The assessment of the recoverable amount of goodwill involves management's judgment and estimation. Accordingly, the assessment of impairment of goodwill has been identified as one of the key audit matters.

How the matter was addressed in our audit:

Our audit procedures included obtaining the assessment of goodwill impairment provided by the management; assessing the appropriateness of the valuation model and key assumptions; performing a sensitivity analysis of the results; and assessing the adequacy of the Group's disclosures with respect to the related information.

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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of 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.

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.

The engagement partners on the audit resulting in this independent auditors' report are HUNG-WEN, FU and MEI-PIN, WU.

KPMG

Taipei, Taiwan (Republic of China)
February 24, 2022

Notes to Readers

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

The auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
SYSAGE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets
December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

Assets	December 31, 2021		December 31, 2020 (Restated)			Liabilities and Equity	December 31, 2021		December 31, 2020 (Restated)	
	Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:				
1100 Cash and cash equivalents (Note 6(a))	\$ 650,581	8	761,715	9	2100	Short-term borrowings (Note 6(n))	\$ 1,145,658	14	514,759	6
1110 Current financial assets at fair value through profit or loss (Note 6(b))	243	-	177,118	2	2120	Current financial liabilities at fair value through profit or loss (Notes 6(b) and (g))	7,522	-	3,050	-
1141 Current contract assets (Note 6(v))	20,392	-	-	-	2130	Contract liability (Note 6(v))	251,543	3	323,854	4
1170 Notes and accounts receivable, net (Notes 6(c), (v) and 8)	2,739,189	32	1,993,571	23	2170	Notes and accounts payable (Note 7)	1,446,248	17	1,572,265	18
1180 Accounts receivable due from related parties, net (Notes 6(c), (v) and 7)	135,226	2	10,903	-	2200	Other payables (Note 7)	507,752	6	548,330	7
1300 Inventories (Note 6(e))	2,858,625	34	3,014,963	35	2260	Liabilities related to non-current assets or disposal groups classified as held for sale (Note 6(i))	-	-	358,207	4
1410 Prepayments	56,026	1	56,894	1	2280	Current lease liabilities (Note 6(p))	41,931	1	35,265	1
1460 Non-current assets or disposal groups classified as held for sale (Note 6(i))	-	-	770,609	9	2310	Advance receipts	23,171	-	13,319	-
1470 Other current assets (Note 6(d))	3,333	-	18,936	-	2320	Long-term borrowings, current portion (Note 6(o))	17,037	-	16,822	-
	<u>6,463,615</u>	<u>77</u>	<u>6,804,709</u>	<u>79</u>	2399	Other current liabilities	1,588	-	3,759	-
							<u>3,442,450</u>	<u>41</u>	<u>3,389,630</u>	<u>40</u>
Non-current assets:						Non-current liabilities:				
1510 Non-current financial assets at fair value through profit or loss (Notes 6(b) and (f))	338,296	4	157,694	2	2500	Non-current financial liabilities at fair value through profit or loss (Notes 6(b) and (g))	97,986	1	78,836	1
1550 Investments accounted for using equity method (Notes 6(b) and (f))	110,312	1	132,265	2	2540	Long-term borrowings (Note 6(o))	276,586	3	293,675	3
1600 Property, plant and equipment (Notes 6(j) and 8)	943,464	11	958,530	11	2580	Non-current lease liabilities (Note 6(p))	151,678	2	168,349	2
1755 Right-of-use assets (Note 6(k))	187,926	2	201,408	2	2600	Other non-current liabilities (Note 6(s))	4,366	-	4,786	-
1760 Investment property, net (Note 6(l))	-	-	12,970	-			<u>530,616</u>	<u>6</u>	<u>545,646</u>	<u>6</u>
1780 Intangible assets (Notes 6(g) and (m))	192,243	2	117,304	2		Total liabilities	<u>3,973,066</u>	<u>47</u>	<u>3,935,276</u>	<u>46</u>
1840 Deferred income tax assets (Note 6(s))	58,833	1	60,017	1		Equity attributable to owners of parent:				
1931 Long-term notes receivable (Notes 6(c) and (v))	34,265	1	24,161	-	3100	Share capital (Note 6(t))	1,883,573	22	1,883,573	22
1900 Other non-current assets (Notes 6(r) and 8)	102,770	1	94,933	1	3200	Capital surplus (Notes 6(f), (g), (h) and (i))	1,275,919	15	1,333,011	16
	<u>1,968,109</u>	<u>23</u>	<u>1,759,282</u>	<u>21</u>	3310	Legal reserve (Note 6(t))	383,289	5	328,387	4
					3350	Unappropriated retained earnings (Note 6(l))	778,125	9	726,330	8
					3400	Other equity interest	(30,343)	-	-	-
							<u>4,290,563</u>	<u>51</u>	<u>4,271,301</u>	<u>50</u>
					35XX	Total equity attributable to owners of parent				
					36XX	Equity attributable to former owner of business combination under common control	-	-	82,369	1
							168,095	2	275,045	3
						Non-controlling interests				
							<u>4,458,658</u>	<u>53</u>	<u>4,628,715</u>	<u>54</u>
						Total equity				
Total assets	<u>\$ 8,431,724</u>	<u>100</u>	<u>8,563,991</u>	<u>100</u>		Total liabilities and equity	<u>\$ 8,431,724</u>	<u>100</u>	<u>8,563,991</u>	<u>100</u>

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
SYSAGE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income
For the years ended December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

		For the years ended December 31			
		2021		2020 (Restated)	
		Amount	%	Amount	%
4000	Operating revenue (Notes 6(v) and 7)	\$ 11,952,834	100	14,279,184	100
5000	Operating costs (Notes 6(e), (m), (r), 7, and 12)	<u>10,401,819</u>	<u>87</u>	<u>12,554,834</u>	<u>88</u>
	Gross profit	1,551,015	13	1,724,350	12
	Operating expenses (Notes 6(c), (m), (r), (w), 7 and 12):				
6100	Selling expenses	853,804	7	798,555	6
6200	General and administrative expenses	194,003	2	227,115	1
6300	Research and development expenses	29,823	-	16,582	-
6450	Expected credit loss (Reversal of expected credit loss)	<u>(13,378)</u>	<u>-</u>	<u>11,173</u>	<u>-</u>
		<u>1,064,252</u>	<u>9</u>	<u>1,053,425</u>	<u>7</u>
	Net operating income	486,763	4	670,925	5
	Non-operating income and expenses:				
7010	Other income (Notes 6(p), (x) and 7)	13,238	-	13,285	-
7100	Interest income	1,173	-	1,704	-
7020	Other gains and losses (Notes 6(i), (j) and (x))	219,399	2	44,914	-
7050	Finance costs (Notes 6(p), (x), and 7)	(17,968)	-	(22,111)	-
7060	Share of profit (loss) of associates accounted for using equity method (Note 6(f))	<u>3,839</u>	<u>-</u>	<u>9,042</u>	<u>-</u>
		<u>219,681</u>	<u>2</u>	<u>46,834</u>	<u>-</u>
	Profit before income tax	706,444	6	717,759	5
7950	Less: Income tax expenses (Note 6(s))	<u>108,309</u>	<u>1</u>	<u>153,627</u>	<u>1</u>
	Profit	598,135	5	564,132	4
8300	Other comprehensive income:				
8310	Items that may not be reclassified subsequently to profit or loss				
8311	Remeasurements of defined benefit plans (Note 6(r))	(1,268)	-	-	-
8320	Share of other comprehensive income of associates for using equity method (Note 6(f))	349	-	-	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Items that may not be reclassified subsequently to profit or loss	<u>(919)</u>	<u>-</u>	<u>-</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(30,260)	-	(21,718)	-
8399	Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss	-	-	-	-
	Items that may be reclassified subsequently to profit or loss	<u>(30,260)</u>	<u>-</u>	<u>(21,718)</u>	<u>-</u>
8300	Other comprehensive income, net of tax	<u>(31,179)</u>	<u>-</u>	<u>(21,718)</u>	<u>-</u>
	Total comprehensive income	\$ <u>566,956</u>	<u>5</u>	\$ <u>542,414</u>	<u>4</u>
	Profit (loss) attributable to:				
8610	Owners of the parent	\$ 577,591	5	549,017	4
8615	Former owner of business combination under common control	-	-	(11,967)	-
8620	Non-controlling interests	<u>20,544</u>	<u>-</u>	<u>27,082</u>	<u>-</u>
		\$ <u>598,135</u>	<u>5</u>	\$ <u>564,132</u>	<u>4</u>
	Comprehensive income (loss) attributable to:				
8710	Owners of the parent	\$ 547,248	5	549,017	4
8715	Former owner of business combination under common control	-	-	(33,685)	-
8720	Non-controlling interests	<u>19,708</u>	<u>-</u>	<u>27,082</u>	<u>-</u>
		\$ <u>566,956</u>	<u>5</u>	\$ <u>542,414</u>	<u>4</u>
	Earnings per share (Note 6(u))				
9750	Basic earnings per share (NT dollars)	\$ <u>3.07</u>		\$ <u>2.91</u>	
9850	Diluted earnings per share (NT dollars)	\$ <u>3.04</u>		\$ <u>2.89</u>	

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
SYSAGE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the years ended December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

	Equity Attributable to owners of parent										
	Share capital	Capital surplus	Retained earnings		Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	Remeasurements of defined benefit	Total equity attributable to owners of parent	Equity attributable to former owner of business combination under common control	Non-controlling interests	Total equity
			Legal reserve	Unappropriated retained earnings							
Balance on January 1, 2020 (Restated)	\$ 1,883,573	1,520,908	290,442	591,973	-	-	-	4,286,896	116,054	320,161	4,723,111
Profit	-	-	-	549,017	-	-	-	549,017	(11,967)	27,082	564,132
Other comprehensive income	-	-	-	-	-	-	-	-	(21,718)	-	(21,718)
Comprehensive income	-	-	-	549,017	-	-	-	549,017	(33,685)	27,082	542,414
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	37,945	(37,945)	-	-	-	-	-	-	-
Cash dividends	-	-	-	(376,715)	-	-	-	(376,715)	-	-	(376,715)
Cash dividends from capital surplus	-	(188,357)	-	-	-	-	-	(188,357)	-	-	(188,357)
Changes in ownership interests in subsidiaries	-	460	-	-	-	-	-	460	-	(42,194)	(41,734)
Dividends to non-controlling interests from subsidiaries	-	-	-	-	-	-	-	-	-	(30,004)	(30,004)
Balance on December 31, 2020	1,883,573	1,333,011	328,387	726,330	-	-	-	4,271,301	82,369	275,045	4,628,715
Profit	-	-	-	577,591	-	-	-	577,591	-	20,544	598,135
Other comprehensive income	-	-	-	-	(29,705)	(2)	(636)	(30,343)	-	(836)	(31,179)
Comprehensive income	-	-	-	577,591	(29,705)	(2)	(636)	547,248	-	19,708	566,956
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	54,902	(54,902)	-	-	-	-	-	-	-
Cash dividends	-	-	-	(470,894)	-	-	-	(470,894)	-	-	(470,894)
Reorganization	-	(57,631)	-	-	-	-	-	(57,631)	(82,369)	-	(140,000)
Distribution of cash dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(22,914)	(22,914)
Difference between the consideration and the carrying amount of subsidiaries' share acquired	-	(440)	-	-	-	-	-	(440)	-	(60)	(500)
Changes in equity of associates accounted for using equity method	-	979	-	-	-	-	-	979	-	-	979
Derecognize non-controlling interests due to dispose subsidiaries	-	-	-	-	-	-	-	-	-	(227,162)	(227,162)
Acquisition of non-controlling interests in a business combination	-	-	-	-	-	-	-	-	-	119,701	119,701
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	3,777	3,777
Balance on December 31, 2021	\$ 1,883,573	1,275,919	383,289	778,125	(29,705)	(2)	(636)	4,290,563	-	168,095	4,458,658

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
SYSAGE TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the years ended December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2021	2020(restated)
Cash flows from operating activities:		
Profit before income tax	\$ 706,444	717,759
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	78,858	80,440
Amortization expense	11,154	6,251
Gains on disposal of investment property and property, plant and equipment	(10,262)	(330)
Expected credit loss (Reversal of expected credit loss)	(13,378)	11,173
Net gains on valuation of financial assets (liabilities) at fair value through profit or loss	(76,717)	(21,834)
Share of profit (loss) of associates accounted for using equity method	(3,839)	(9,042)
Gain on disposal of non-current assets or liabilities held for sale	(84,232)	-
Gain on disposal of subsidiaries	(20,696)	-
Interest expense	17,968	22,111
Interest income	(1,173)	(1,704)
Dividend income	(7,812)	(10,085)
Others	(428)	(124)
Total adjustments to reconcile profit (loss)	<u>(110,557)</u>	<u>76,856</u>
Changes in operating assets and liabilities:		
Total net changes in operating assets:		
Notes and accounts receivable (including related parties)	(799,414)	(198,460)
Current financial assets at fair value through profit or loss	154,049	396,997
Inventories	142,988	(61,514)
Contract assets	(6,420)	-
Other current assets	28,374	(9,716)
Other non-current assets	1,672	(3,019)
Total changes in operating assets	<u>(478,751)</u>	<u>124,288</u>
Total changes in operating liabilities:		
Contract liabilities	(108,285)	(456,601)
Notes and accounts payable	(144,373)	301,056
Other payables	58,076	44,022
Advance receipts	9,852	(24,376)
Other current liabilities	(7,446)	3,354
Other non-current liabilities	-	(134)
Total changes in operating liabilities	<u>(192,176)</u>	<u>(132,679)</u>
Total changes in operating assets and liabilities	<u>(670,927)</u>	<u>(8,391)</u>
Total adjustments	<u>(781,484)</u>	<u>68,465</u>
Cash inflows (outflows) generated from operations	(75,040)	786,224
Interest received	1,140	1,704
Dividends received	7,812	10,085
Interest paid	(17,859)	(22,288)
Income taxes paid	(111,056)	(110,162)
Net cash inflows (outflows) from operating activities	<u>(195,003)</u>	<u>665,563</u>
Cash flows from investing activities:		
Acquisition of non-current financial assets at fair value through profit or loss	(100,000)	(40,752)
Proceeds from disposal of non-current financial assets at fair value through profit or loss	-	627
Acquisition of investments accounted for using equity method	(5,000)	(109,391)
Cash decrease in disposal groups classified as held for sale	-	(107,704)
Share capital from acquisition of subsidiaries	(140,000)	-
Consideration from disposal of subsidiaries	46,246	-
Net cash inflows from business combination	60,431	-
Proceeds from disposal of non-current assets or liabilities as held for sale	265,795	-
Acquisition of property, plant and equipment	(7,534)	(3,566)
Proceeds from disposal of investment property and property, plant and equipment	27,116	791
Decrease in refundable deposits	894	2,592
Acquisition of intangible assets	(106)	-
Acquisition of right-of-use assets	-	(16,919)
Net cash inflows (outflows) from investing activities	<u>147,842</u>	<u>(274,322)</u>
Cash flows from financing activities:		
Increase in short-term borrowings	624,899	319,578
Repayments of long-term borrowings	(16,874)	(16,684)
Increase (decrease) in other payables	(113,742)	53,173
Decrease in guarantee deposits	(44)	(3,190)
Payments of lease liabilities	(42,385)	(40,122)
Change in non-controlling interest	(500)	(41,734)
Cash dividends paid	(470,894)	(565,072)
Dividends to non-controlling interests from subsidiaries	(22,914)	(30,004)
Net cash inflows (outflows) from financing activities	<u>(42,454)</u>	<u>(324,055)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(21,519)</u>	<u>(9,850)</u>
Increase (decrease) in cash and cash equivalents	<u>(111,134)</u>	<u>57,336</u>
Cash and cash equivalents, beginning of period	<u>761,715</u>	<u>704,379</u>
Cash and cash equivalents, end of period	<u>\$ 650,581</u>	<u>761,715</u>

Independent Auditors' Report

To the Board of Directors of SYSAGE TECHNOLOGY CO., LTD.:

Opinion

We have audited the parent company only financial statements of SYSAGE TECHNOLOGY CO., LTD. (“the Company”), which comprise the parent company only balance sheets as of December 31, 2021 and 2020 (restated), the parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, (restated), and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020 (restated), and its financial performance and its cash flows for the years ended December 31, 2021 and 2020, (restated), in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Emphasis of Matter

As stated in Note 1 and Note 6(g), SYSAGE TECHNOLOGY CO., LTD. fully acquired 100% shareholdings in COREX (PTY) LTD from subsidiary of Qisda Corporation, Partner Tech Corporation by cash on January 4, 2021. Pursuant to the Interpretations (2012) No. 301 issued by Accounting Research and Development Foundation, the aforementioned transaction is an organizational reorganization under common control and had been regarded as a combination from beginning. The Company restated the parent company only financial statements for the year ended December 31, 2020. Our conclusion is not modified in respect of this matter.

Other Matter

We did not audit the financial statements of certain investments accounted for using equity method. Those financial statements were audited by other auditors. Therefore, our opinion, insofar as it relates to amounts included for those investees, is based solely on the reports of the other auditors. The recognized investments accounted for using the equity method constituted 1.85% and 1.79% of the total assets as of December 31, 2021 and 2020 (restated), respectively, and the recognized share of profit or loss of subsidiaries and associates accounted for using equity method constituted 1.65% and 1.59% of the profit before tax for the year ended December 31, 2021 and 2020 (restated), respectively.

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 financial statements of the current period. These matters were addressed in the context of our audit of parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Valuation of inventories

Please refer to Note 4(g) for the accounting policy for inventories, Note 5(a) for significant accounting assumptions and judgments, and major sources of estimation uncertainty, and Note 6(e) for the details and related expenses for inventories.

Description of key audit matter:

Inventories are measured at the lower of cost or net realizable value. Since information products, such as network and servers, are constantly evolving, and prices impact end-consumers' decisions on expenditure, sales of related products may fluctuate, resulting in a risk that the cost of inventories may exceed their net realizable values. Consequently, the estimate of the net realized value of inventories, dependent on management's subjective judgment, was considered to be a matter of high concern in our audit of the financial statements.

How the matter was addressed in our audit:

Our audit procedures included understanding the Company's policy for recognizing inventory allowances so as to assess whether inventory valuation was conducted pursuant to the policy; comparing the reasonableness of management's recognition of the allowance for inventory loss for prior years with the approach and assumption about the recognition of the allowance for inventory loss for the current period, in order to evaluate the appropriateness of the latter; looking into and sampling the sales prices adopted by management and reviewing sales transactions after the balance sheet date, with a view to assessing whether the estimate of the net realizable value of inventories and the loss allowance was reasonable.

2. Impairment of goodwill included in investment in subsidiaries

Please refer to Note 4(n) for the accounting policy on impairment of non-financial assets, Note 5(b) for significant accounting assumptions and judgments, and major sources of estimation uncertainty, and Note 6(g) for the assessment of impairment of goodwill.

Description of key audit matter:

Goodwill arising from investments in subsidiaries is included in the carrying amount of the investments accounted for using equity method in the parent company only financial statements. The goodwill is annually subject to impairment test or when there are indications that goodwill may have been impaired. The assessment of the recoverable amount of goodwill involves management's judgment and estimation. Accordingly, the assessment of impairment of goodwill has been identified as one of the key audit matters.

How the matter was addressed in our audit:

Our audit procedures included obtaining the assessment of goodwill impairment provided by the management; assessing the appropriateness of the valuation model and key assumptions; performing a sensitivity analysis of the results; and assessing the adequacy of the Company's disclosures with respect to the related information.

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

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

1. Identify and assess the risks of material misstatement of the 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 control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 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 parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method 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 control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only 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.

The engagement partners on the audit resulting in this independent auditors' report are HUNG-WEN, FU and MEI-PIN, WU.

KPMG

Taipei, Taiwan (Republic of China)
February 24, 2022

Notes to Readers

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

The auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)
SYSAGE TECHNOLOGY CO., LTD.

Balance Sheets
December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

Assets	December 31, 2021		December 31, 2020 (Restated)			Liabilities and Equity	December 31, 2021		December 31, 2020 (Restated)	
	Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:				
1100 Cash and cash equivalents (Note 6(a))	\$ 385,915	5	589,695	8	2100	Short-term borrowings (Note 6(m))	\$ 1,000,000	13	300,000	4
1110 Current financial assets at fair value through profit or loss (Note 6(b))	-	-	150,003	2	2120	Current financial liabilities at fair value through profit or loss (Notes 6(b) and (g))	7,522	-	3,050	-
1170 Notes and accounts receivable, net (Notes 6(c) and (u))	2,368,915	31	1,795,611	24	2130	Contract liability (Note 6(u))	184,710	3	295,836	4
1180 Accounts receivable due from related parties, net (Notes 6(c), (u) and 7)	134,201	2	31,156	1	2170	Accounts payable (Note 7)	1,177,226	16	1,463,165	20
1300 Inventories (Note 6(e))	2,460,115	33	2,734,354	37	2200	Other payables	434,408	6	388,026	6
1460 Non-current assets classified as held for sale, net (Note 6(i))	-	-	123,922	2	2280	Current lease liabilities (Notes 6(o) and 7)	24,168	-	23,702	-
1470 Other current assets (Notes 6(d) and 7)	27,852	-	23,726	-	2310	Advance receipts	22,614	-	13,319	-
	<u>5,376,998</u>	<u>71</u>	<u>5,448,467</u>	<u>74</u>	2320	Long-term borrowings, current portion (Note 6(n))	14,325	-	14,109	-
Non-current assets:					2399	Other current liabilities	1,124	-	910	-
1510 Non-current financial assets at fair value through profit or loss (Notes 6(b) and (f))	338,296	4	157,694	2			<u>2,866,097</u>	<u>38</u>	<u>2,502,117</u>	<u>34</u>
1550 Investments accounted for using equity method (Notes 6 (b), (f), (g), (h), (i) and 7)	751,705	10	521,452	7		Non-Current liabilities:				
1600 Property, plant and equipment (Notes 6(j) and 8)	842,046	11	815,380	11	2500	Non-current financial liabilities at fair value through profit or loss (Notes (b) and (g))	97,986	1	78,836	1
1755 Right-of-use assets (Note 6(k))	144,228	2	164,487	2	2540	Long-term borrowings (Note 6(n))	237,044	3	251,420	4
1760 Investment property, net (Notes 6(l) and 8)	36,169	-	74,123	1	2580	Non-current lease liabilities (Notes 6(o) and 7)	123,239	2	143,306	2
1840 Deferred income tax assets (Note 6(r))	52,538	1	56,816	1	2640	Other non-current liabilities (Note 6(r))	1,250	-	3,141	-
1931 Long-term notes receivable (Notes 6(c) and (u))	9,314	-	24,161	1			<u>459,519</u>	<u>6</u>	<u>476,703</u>	<u>7</u>
1900 Other non-current assets	64,885	1	69,910	1		Total liabilities	<u>3,325,616</u>	<u>44</u>	<u>2,978,820</u>	<u>41</u>
	<u>2,239,181</u>	<u>29</u>	<u>1,884,023</u>	<u>26</u>	3100	Share capital (Note 6(s))	1,883,573	24	1,883,573	26
					3200	Capital surplus (Notes 6(f), (g), (h) and (s))	1,275,919	17	1,333,011	18
					3310	Legal reserve (Note 6(s))	383,289	5	328,387	4
					3350	Unappropriated retained earnings (Note 6(s))	778,125	10	726,330	10
					3400	Other equity interest	(30,343)	-	-	-
						Subtotal equity	<u>4,290,563</u>	<u>56</u>	<u>4,271,301</u>	<u>58</u>
					35XX	Equity attributable to former owner of business combination under common control	-	-	82,369	1
						Total equity	<u>4,290,563</u>	<u>56</u>	<u>4,353,670</u>	<u>59</u>
Total assets	<u>\$ 7,616,179</u>	<u>100</u>	<u>7,332,490</u>	<u>100</u>		Total liabilities and equity	<u>\$ 7,616,179</u>	<u>100</u>	<u>7,332,490</u>	<u>100</u>

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)
SYSAGE TECHNOLOGY CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

		For the years ended December 31,			
		2021		2020 (Restated)	
		Amount	%	Amount	%
4000	Operating revenue (Notes 6(u) and 7)	\$ 9,437,728	100	11,071,939	100
5000	Operating costs (Notes 6(e) and 7)	<u>8,259,037</u>	<u>88</u>	<u>9,753,493</u>	<u>88</u>
	Gross profit	<u>1,178,691</u>	<u>12</u>	<u>1,318,446</u>	<u>12</u>
	Operating expenses (Notes 6(c), (q), (v), 7 and 12):				
6100	Selling expenses	603,782	6	510,552	5
6200	General and administrative expenses	151,884	2	200,705	2
6300	Research and development expense	23,683	-	16,582	-
6450	Expected credit loss (Reversal of expected credit loss)	<u>(15,300)</u>	<u>-</u>	<u>11,226</u>	<u>-</u>
		<u>764,049</u>	<u>8</u>	<u>739,065</u>	<u>7</u>
	Net operating income	<u>414,642</u>	<u>4</u>	<u>579,381</u>	<u>5</u>
	Non-operating income and expenses:				
7010	Other income (Notes 6(o), (p), (w) and 7)	17,729	-	26,718	-
7100	Interest income	355	-	556	-
7020	Other gains and losses (Notes 6(i), (w) and 7)	189,859	2	57,846	1
7050	Finance costs (Notes 6(o), (w) and 7)	(10,445)	-	(7,889)	-
7070	Share of profit (loss) of subsidiaries and associates accounted for using equity method (Note 6(f))	<u>66,685</u>	<u>1</u>	<u>17,438</u>	<u>-</u>
		<u>264,183</u>	<u>3</u>	<u>94,669</u>	<u>1</u>
	Profit before income tax	678,825	7	674,050	6
7950	Less: Income tax expenses (Note 6(r))	<u>101,234</u>	<u>1</u>	<u>137,000</u>	<u>1</u>
	Profit	<u>577,591</u>	<u>6</u>	<u>537,050</u>	<u>5</u>
8300	Other comprehensive income:				
8310	Items that may not be reclassified subsequently to profit or loss				
8330	Share of other comprehensive income of subsidiaries and associates for using equity method (Note 6(f))	(83)	-	-	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Items that may not be reclassified subsequently to profit or loss	<u>(83)</u>	<u>-</u>	<u>-</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(30,260)	-	(21,718)	-
8399	Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Items that may be reclassified subsequently to profit or loss	<u>(30,260)</u>	<u>-</u>	<u>(21,718)</u>	<u>-</u>
8300	Other comprehensive income, net of tax	<u>(30,343)</u>	<u>-</u>	<u>(21,718)</u>	<u>-</u>
	Total comprehensive income	<u>\$ 547,248</u>	<u>6</u>	<u>515,332</u>	<u>5</u>
	Profit (loss) attributable to:				
	Owners of parent	\$ 577,591	6	549,017	5
	Former owner of business combination under common control	<u>-</u>	<u>-</u>	<u>(11,967)</u>	<u>-</u>
		<u>\$ 577,591</u>	<u>6</u>	<u>537,050</u>	<u>5</u>
	Comprehensive income (loss) attributable to:				
	Owners of parent	\$ 547,248	6	549,017	5
	Former owner of business combination under common control	<u>-</u>	<u>-</u>	<u>(33,685)</u>	<u>-</u>
		<u>\$ 547,248</u>	<u>6</u>	<u>515,332</u>	<u>5</u>
	Earnings per share (Note 6(t)):				
9750	Basic earnings per share (NT dollars)	<u>\$ 3.07</u>		<u>2.91</u>	
9850	Diluted earnings per share (NT dollars)	<u>\$ 3.04</u>		<u>2.89</u>	

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)
SYSAGE TECHNOLOGY CO., LTD.

Statements of Changes in Equity
For the years ended December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

	Share capital	Capital surplus	Retained earnings		Exchange differences on translation of foreign financial statements	Total other equity interest		Subtotal equity	Equity attributable to former owner of business combination under common control	Total equity
			Legal reserve	Unappropriated retained earnings		Unrealized gains (losses) from investment in equity instruments measured at fair value through other comprehensive income	Remeasurements of defined benefit			
Balance on January 1, 2020 (Restated)	\$ 1,883,573	1,520,908	290,442	591,973	-	-	-	4,286,896	116,054	4,402,950
Profit	-	-	-	549,017	-	-	-	549,017	(11,967)	537,050
Other comprehensive income	-	-	-	-	-	-	-	-	(21,718)	(21,718)
Total comprehensive income	-	-	-	549,017	-	-	-	549,017	(33,685)	515,332
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	37,945	(37,945)	-	-	-	-	-	-
Cash dividends	-	-	-	(376,715)	-	-	-	(376,715)	-	(376,715)
Cash dividends from capital surplus	-	(188,357)	-	-	-	-	-	(188,357)	-	(188,357)
Changes in ownership interests in subsidiaries	-	460	-	-	-	-	-	460	-	460
Balance on December 31, 2020	1,883,573	1,333,011	328,387	726,330	-	-	-	4,271,301	82,369	4,353,670
Profit	-	-	-	577,591	-	-	-	577,591	-	577,591
Other comprehensive income	-	-	-	-	(29,705)	(2)	(636)	(30,343)	-	(30,343)
Total comprehensive income	-	-	-	577,591	(29,705)	(2)	(636)	547,248	-	547,248
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	54,902	(54,902)	-	-	-	-	-	-
Cash dividends	-	-	-	(470,894)	-	-	-	(470,894)	-	(470,894)
Reorganization	-	(57,631)	-	-	-	-	-	(57,631)	(82,369)	(140,000)
Difference between the consideration and the carrying amount of subsidiaries' share acquired	-	(440)	-	-	-	-	-	(440)	-	(440)
Changes in equity of associates accounted for using equity method	-	979	-	-	-	-	-	979	-	979
Balance on December 31, 2021	\$ 1,883,573	1,275,919	383,289	778,125	(29,705)	(2)	(636)	4,290,563	-	4,290,563

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)
SYSAGE TECHNOLOGY CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2021	2020 (Restated)
Cash flows from operating activities:		
Profit before income tax	\$ 678,825	674,050
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	57,906	56,760
Amortization expense	769	1,057
Gains on disposal of property, plant and equipment	(136)	(325)
Expected credit loss (Reversal of expected credit loss)	(15,300)	11,226
Net gains from financial assets or liabilities at fair value through profit or loss	(76,542)	(18,636)
Share of profit (loss) of subsidiaries and associates accounted for using equity method	(66,685)	(17,438)
Gain on disposal of subsidiaries	(20,696)	-
Gain on disposal of non-current assets held for sale	(57,528)	-
Interest expense	10,445	7,889
Interest income	(355)	(556)
Dividend income	(7,812)	(10,085)
Others	-	(1,425)
Total adjustments to reconcile profit (loss)	<u>(175,934)</u>	<u>28,467</u>
Changes in operating assets and liabilities:		
Total net changes in operating assets:		
Current financial assets at fair value through profit or loss	150,043	250,731
Notes and accounts receivable (including related parties)	(646,202)	(48,205)
Inventories	258,693	(55,828)
Other current assets	(4,126)	9,971
Other non-current assets	-	(1,123)
Total net changes in operating assets	<u>(241,592)</u>	<u>155,546</u>
Total net changes in operating liabilities:		
Contract liability	(111,126)	(367,160)
Accounts payable	(285,782)	227,535
Other payables	45,016	26,364
Advance receipts	9,295	(24,723)
Other current liabilities	214	124
Total net changes in operating liabilities	<u>(342,383)</u>	<u>(137,860)</u>
Total net changes in operating assets and liabilities	<u>(583,975)</u>	<u>17,686</u>
Total adjustments	<u>(759,909)</u>	<u>46,153</u>
Cash inflows (outflows) generated from operations	(81,084)	720,203
Interest received	355	556
Dividends received	32,263	37,405
Interest paid	(10,336)	(7,823)
Income taxes paid	(97,417)	(92,008)
Net cash inflows (outflow) from operating activities	<u>(156,219)</u>	<u>658,333</u>
Cash flows from investing activities:		
Acquisition of non-current financial assets at fair value through profit or loss	(100,000)	(40,752)
Proceeds from disposal of non-current financial assets at fair value through profit or loss	-	627
Acquisition of investments accounted for using equity method	(367,495)	(200,853)
Proceeds from disposal of investments accounted for using equity method	49,890	-
Proceeds from disposal of non-current assets as held for sale	181,450	-
Acquisition of property, plant and equipment	(6,127)	(3,154)
Proceeds from disposal of property, plant, and equipment	708	786
Decrease in refundable deposits	4,256	4,275
Net cash outflows from investing activities	<u>(237,318)</u>	<u>(239,071)</u>
Cash flows from financing activities:		
Increase in short-term borrowings	700,000	300,000
Repayments of long-term borrowings	(14,160)	(13,973)
Decrease in guarantee deposits	(330)	(3,584)
Payments of lease liabilities	(24,859)	(25,596)
Cash dividends paid	(470,894)	(565,072)
Net cash inflows (outflows) from financing activities	<u>189,757</u>	<u>(308,225)</u>
Increase (decrease) in cash and cash equivalents	<u>(203,780)</u>	<u>111,037</u>
Cash and cash equivalents, beginning of period	<u>589,695</u>	<u>478,658</u>
Cash and cash equivalents, end of period	<u>\$ 385,915</u>	<u>589,695</u>

SYSAGE TECHNOLOGY CO., LTD.
The 2021 Earnings Distribution Proposal

	Unit: NT\$
Net income of 2021	577,590,512
Less: Provisioned as Legal Reserve	(57,759,051)
Less: Provisioned as Special Reserve	(30,342,662)
Retained earnings available for distribution in 2021	489,488,799
Add: Unappropriated retained earnings from previous years	200,534,064
Retained earnings available for distribution as of December 31, 2021	690,022,863
Distributable Items:	
Cash Dividend (NT\$2,500 for every 1,000 common shares)	(470,893,340)
Unappropriated retained earnings after earnings distribution	219,129,523

Note: The cash dividend distribution to each shareholder will be paid to the rounded-down full NT dollar. Amounts less than one whole NT dollar are rounded-down to the nearest NT dollar. The aggregate unpaid cash dividend resulting from the above rounded-down, will be distributed to shareholders in the descending order of decimal point and the ascending order of shareholder account numbers, until the total amount of the approved cash dividend has been fully distributed.

Comparison table for “the Articles of Incorporation” before and after amendment

Article No.	After the Revision	Before the Revision	Explanation for edition
Article 1	The Company is incorporated in accordance with the Company Act with the name of <u>邁達特數位股份有限公司</u> in Traditional Chinese and <u>Metaage Corporation</u> in English.	The Company is incorporated in accordance with the Company Act with the name of <u>聚碩科技股份有限公司</u> in Traditional Chinese and <u>SYSAGE Technology Co., Ltd.</u> in English.	Amend according to actual need
Article 10	(Omitted). <u>The company’s shareholders’ meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.</u>	(Omitted).	Amend according to regulations
Article 27	These Rules, and any amendments hereto, shall be implemented after adoption by shareholders’ meetings. These Articles of Incorporation were enacted on April 8, 1998. (Omitted). The 25th amendment was made on August 25, 2021. <u>The 26th amendment was made on May 26, 2022.</u>	These Rules, and any amendments hereto, shall be implemented after adoption by shareholders’ meetings. These Articles of Incorporation were enacted on April 8, 1998. (Omitted). The 25th amendment was made on August 25, 2021.	Amendment number of times & date added

Comparison table for “the Handling Procedures for Acquisition or Disposal of Assets” before and after amendment

Article No.	After the Revision	Before the Revision	Explanation for edition
Article 4	<p>Public Disclosure of Information</p> <p>I. When acquiring or disposing of the following assets, the Company shall publicly announce and report the relevant information in the format appropriate to the nature of transactions within two days after the actual date of event occurrence: (Omitted)</p> <p>(VI) Asset transactions other than those in the preceding five subparagraphs or investments in China with an amount of 20% or more of the Company’s paid-in capital or NT\$300 million or more, except under the following circumstances:</p> <ol style="list-style-type: none"> 1. Trading RP/RS agreements or subscribing or redeeming domestic MMFs issued by domestic securities investment trust enterprises. 2. Trading of domestic government bonds <u>or a foreign bonds with a sovereign rating not lower than the sovereign rating of the ROC.</u> <p>(Omitted)</p>	<p>Public Disclosure of Information</p> <p>I. When acquiring or disposing of the following assets, the Company shall publicly announce and report the relevant information in the format appropriate to the nature of transactions within two days after the actual date of event occurrence: (Omitted)</p> <p>(VII) Asset transactions other than those in the preceding five subparagraphs or investments in China with an amount of 20% or more of the Company’s paid-in capital or NT\$300 million or more, except under the following circumstances:</p> <ol style="list-style-type: none"> 1. Trading RP/RS agreements or subscribing or redeeming domestic MMFs issued by domestic securities investment trust enterprises. 2. Trading of domestic government bonds. <p>(Omitted)</p>	Amend according to regulations

Article No.	After the Revision	Before the Revision	Explanation for edition
Article 5	<p>Valuation reports shall be acquired for the acquisition or disposal of real property or equipment or their ROU assets. (Omitted)</p> <p>(III) Except when the valuation amount is higher than the transaction amount in asset acquisition or lower than the transaction amount in asset disposal, if the valuation results of professional appraisers have any one of the following circumstances, the Company shall engage a certified public accountant (CPA) to review the valuation report and render a specific opinion regarding the reasons for the differences and fairness of the transaction price:</p> <ol style="list-style-type: none"> 1. The difference between the valuation result and the transaction amount is over 20% of the transaction amount. 2. The difference between the valuation results of two or more professional appraisers is over 10% of the transaction amount. <p>(Omitted)</p>	<p>Valuation reports shall be acquired for the acquisition or disposal of real property or equipment or their ROU assets. (Omitted)</p> <p>(III) Except when the valuation amount is higher than the transaction amount in asset acquisition or lower than the transaction amount in asset disposal, if the valuation results of professional appraisers have any one of the following circumstances, the Company shall engage a certified public accountant (CPA) to review the valuation report in accordance with the Statements on Auditing Standards (SAS) No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reasons for the differences and fairness of the transaction price:</p> <ol style="list-style-type: none"> 1. The difference between the valuation result and the transaction amount is over 20% of the transaction amount. 2. The difference between the valuation results of two or more professional appraisers is over 10% of the transaction amount. <p>(Omitted)</p>	Amend according to regulations
Article 6	<p>Article 6: CPA opinions shall be acquired for the acquisition or disposal of securities, memberships, and intangible assets or their ROU assets.</p> <p>I. When acquiring or disposing of securities, the Company shall acquire the issuing company's most recent financial statements audited and certified or reviewed by a CPA for the reference of price estimation prior to the date of event occurrence. In addition, if the transaction amount is over 20% of the Company's paid-in capital or over NT\$300 million, the Company shall engage a CPA to provide an opinion on the reasonableness of the transaction price prior to the date of event occurrence, except when an open quote of the securities is available on the stock market or there are other requirements set by the FSC.</p>	<p>CPA opinions shall be acquired for the acquisition or disposal of securities, memberships, and intangible assets or their ROU assets.</p> <p>I. When acquiring or disposing of securities, the Company shall acquire the issuing company's most recent financial statements audited and certified or reviewed by a CPA for the reference of price estimation prior to the date of event occurrence. In addition, if the transaction amount is over 20% of the Company's paid-in capital or over NT\$300 million, the Company shall engage a CPA to provide an opinion on the reasonableness of the transaction price prior to the date of event occurrence. If an expert report is required, the CPA shall proceed in accordance with SAS No. 20 published by the ARDF, except when an open quote of the securities is available on the stock market or there are other requirements set by the FSC.</p>	Amend according to regulations

Article No.	After the Revision	Before the Revision	Explanation for edition
	<p>II. Except for transactions with domestic government agencies, when acquiring or disposing of intangible assets or the ROU assets thereof or memberships with a transaction amount of over 20% of the paid-in capital or over NT\$300 million, the Company shall engage a CPA to render an opinion on the reasonableness of the transaction price prior to the date of event occurrence.</p> <p>(Omitted)</p>	<p>II. Except for transactions with domestic government agencies, when acquiring or disposing of intangible assets or the ROU assets thereof or memberships with a transaction amount of over 20% of the paid-in capital or over NT\$300 million, the Company shall engage a CPA to render an opinion on the reasonableness of the transaction price prior to the date of event occurrence. The CPA shall proceed in accordance with the SAS No. 20 published by the ARDF.</p> <p>(Omitted)</p>	
Article 7	<p>Exclusion of Related Parties Professional appraisers and their officers, CPAs, lawyers, and securities underwriters rendering valuation reports and professional opinions to the Company shall meet the following requirements: (Omitted) When rendering the valuation reports or professional opinions, the professionals referred to in the preceding paragraph shall comply with <u>all regulations governing belonging associations</u> and the following:</p> <p>I. Prior to case acceptance, they shall carefully assess their own expertise, practical experience, and independence.</p> <p>II. Prior to case <u>execution</u>, they shall plan and implement appropriate operating procedures to draw up a conclusion for report production or opinion rendering and faithfully record the operating procedures, collected data, and conclusions in the case worksheets.</p> <p>III. They shall assess the <u>appropriate</u> and fairness of the sources, parameters, and information used in the valuation as the basis for report production and opinion rendering.</p> <p>IV. They shall issue a statement to attest the expertise and independence of the personnel preparing the report or opinion, <u>appropriate and</u> fairness of the information used, and legal compliance of valuation.</p>	<p>Exclusion of Related Parties Professional appraisers and their officers, CPAs, lawyers, and securities underwriters rendering valuation reports and professional opinions to the Company shall meet the following requirements: (Omitted) When rendering the valuation reports or professional opinions, the professionals referred to in the preceding paragraph shall comply with the following:</p> <p>I. Prior to case acceptance, they shall carefully assess their own expertise, practical experience, and independence.</p> <p>II. Prior to case <u>examination</u>, they shall plan and implement appropriate operating procedures to draw up a conclusion for report production or opinion rendering and faithfully record the operating procedures, collected data, and conclusions in the case worksheets.</p> <p>III. They shall assess the <u>integrity, accuracy,</u> and fairness of the sources, parameters, and information used in the valuation as the basis for report production and opinion rendering.</p> <p>IV. They shall issue a statement to attest the expertise and independence of the personnel preparing the report or opinion, <u>fairness and accuracy</u> of the information used, and legal compliance of valuation.</p>	Amend according to regulations

Article No.	After the Revision	Before the Revision	Explanation for edition
Article 9	<p>Related Party Transactions</p> <p>I. When acquiring or disposing of assets with a related party, in addition to making decisions and assessing the fairness of transaction terms according to Articles 5 to 8 and this Article, when the transaction amount is over 10% of the Company's total assets, the Company shall also acquire a valuation report from professional appraisers or CPA opinion according to Articles 5 to 8. The calculation of the transaction amount shall be subject to Article 6, paragraph 3.</p> <p>II. Except for trading domestic government bonds or RP/RS agreements or subscription or redemption of MMFs issued by domestic securities investment trust enterprises, when acquiring or disposing of real property or the ROU assets thereof with a related party, or acquiring or disposing of assets other than real property or the ROU assets thereof with a related party with a transaction amount of over 20% of the Company's paid-in capital, over 10% of the Company's total assets, or over NT\$300 million, the Company shall submit the below information to the Audit Committee and the Board for approval before signing the transaction agreement and making payment. If independent directors have been establishment, when referring a transaction to Board discussion, the Board shall take into full consideration the opinions each independent director, and the dissenting or qualified opinions of independent directors shall be recorded in the Board meeting minutes. After establishing an audit committee, the transaction shall first be approved by over one half of all audit committee members before submitting it to the Board for resolution, and Article 15, paragraphs 4 and 5 shall apply mutatis mutandis.</p> <p>(I) The purpose, necessity, and projected benefits of the acquisition or disposal of assets.</p> <p>(II) The reasons for choosing a related party as the transaction counterpart.</p> <p>(III) Relevant information for assessing the fairness of the planned transaction terms with respect to paragraphs <u>4</u> to <u>7</u> of this Article when acquiring real property or the ROU assets thereof from a related party.</p> <p>(IV) Matters related to the original date and price of acquisition of the related party, transaction counterparts and their relations with the Company and related party.</p>	<p>Related Party Transactions</p> <p>I. When acquiring or disposing of assets with a related party, in addition to making decisions and assessing the fairness of transaction terms according to Articles 5 to 8 and this Article, when the transaction amount is over 10% of the Company's total assets, the Company shall also acquire a valuation report from professional appraisers or CPA opinion according to Articles 5 to 8. The calculation of the transaction amount shall be subject to Article 6, paragraph 3.</p> <p>II. Except for trading domestic government bonds or RP/RS agreements or subscription or redemption of MMFs issued by domestic securities investment trust enterprises, when acquiring or disposing of real property or the ROU assets thereof with a related party, or acquiring or disposing of assets other than real property or the ROU assets thereof with a related party with a transaction amount of over 20% of the Company's paid-in capital, over 10% of the Company's total assets, or over NT\$300 million, the Company shall submit the below information to the Audit Committee and the Board for approval before signing the transaction agreement and making payment. If independent directors have been establishment, when referring a transaction to Board discussion, the Board shall take into full consideration the opinions each independent director, and the dissenting or qualified opinions of independent directors shall be recorded in the Board meeting minutes. After establishing an audit committee, the transaction shall first be approved by over one half of all audit committee members before submitting it to the Board for resolution, and Article 15, paragraphs 4 and 5 shall apply mutatis mutandis.</p> <p>(I) The purpose, necessity, and projected benefits of the acquisition or disposal of assets.</p> <p>(II) The reasons for choosing a related party as the transaction counterpart.</p> <p>(III) Relevant information for assessing the fairness of the planned transaction terms with respect to paragraphs <u>3</u> to <u>6</u> of this Article when acquiring real property or the ROU assets thereof from a related party.</p> <p>(IV) Matters related to the original date and price of acquisition of the related party, transaction counterparts and their relations with the Company and related party.</p>	Amend according to actual need and regulations

Article No.	After the Revision	Before the Revision	Explanation for edition
	<p>(V) The cash flow forecast for the next year commencing from the projected month of contract conclusion and assessment of the necessity of transaction, and fairness of fund utilization.</p> <p>(VI) The valuation report by professional appraisers or CPA opinions acquired with respect to the requirements <u>of the paragraph 1 of this Article.</u></p> <p>(VII) Restrictive covenants and other important stipulations associated with the transaction.</p> <p>(This paragraph has been changed into paragraph 3 after the revision)</p> <p>For the acquisition or disposal of equipment or the ROU assets thereof or the ROU assets of real property held for business use between the Company and the parent or subsidiaries or among the subsidiaries wholly owned directly or indirectly by them with a transaction amount within NT\$400 million, the chairperson may decide on the transaction and report to the upcoming Board meeting for ratification afterwards.</p> <p>III. <u>When the company and its subsidiaries, which are not the listed company, intend to transact with a related party, in accordance with the paragraph 2 of this Article, and the transaction amount reaches 10 percent or more of the company's total assets, the company may not proceed to enter into a transaction contract or make a payment until the following matters indicated in the paragraph 2 of this article have been approved by the shareholders' meeting; not limited but included the company's transaction between the Company's subsidiaries and their parent companies or subsidiaries or among subsidiaries.</u></p>	<p>(V) The cash flow forecast for the next year commencing from the projected month of contract conclusion and assessment of the necessity of transaction, and fairness of fund utilization.</p> <p>(VI) The valuation report by professional appraisers or CPA opinions acquired with respect to the <u>above requirements.</u></p> <p>(VII) Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The transaction amounts referred to in this paragraph shall be calculated according to Article 4, paragraph 2. "Within the preceding year" as stated above refers to the year preceding the date of occurrence of the current transaction. The amounts approved by the Audit Committee and the Board according to these Procedures will be excluded.</p> <p>For the acquisition or disposal of equipment or the ROU assets thereof or the ROU assets of real property held for business use between the Company and the parent or subsidiaries or among the subsidiaries wholly owned directly or indirectly by them with a transaction amount within NT\$300 million, the chairperson may decide on the transaction and report to the upcoming Board meeting for ratification afterwards.</p> <p>For the acquisition or disposal of equipment or the ROU assets thereof or the ROU assets of real property held for business use between the Company's subsidiaries and their parent companies or subsidiaries or among the subsidiaries wholly owned directly or indirectly by them with a transaction amount within NT\$150 million, the chairperson may decide on the transaction and report to the upcoming Board meeting for ratification afterwards.</p> <p>(New article)</p>	

Article No.	After the Revision	Before the Revision	Explanation for edition
	<p><u>The transaction amounts referred to in paragraph 2 and this paragraph shall be calculated according to Article 4, paragraph 2. “Within the preceding year” as stated above refers to the year preceding the date of occurrence of the current transaction. The amounts approved by the shareholders’ meeting, the Audit Committee and the Board according to these Procedures will be excluded.</u></p> <p><u>IV.</u> When acquiring real property or the ROU assets thereof from a related party, the Company shall assess the fairness of transaction costs according to the following methods (when purchasing or renting land and premises in the same transaction, the transaction cost for the land and premises may be appraised separately with any one of the following methods): (Omitted)</p> <p><u>V.</u> When acquiring real property or the ROU assets thereof from a related party, the Company shall assess the cost of the real property or ROU assets thereof according to paragraph 4 of this Article and engage a CPA to check the valuation and render a specific opinion.</p> <p><u>VI.</u> When any of the following circumstances apply to the acquisition of real property or the ROU assets thereof from a related party, the Company shall handle the situation according to paragraph 2, and paragraphs 4 and 5 of this Article do not apply: (Omitted)</p> <p><u>VII.</u> When the results of valuation conducted according to paragraph 4 of this Article are uniformly lower than the transaction price, the Company shall handle the transaction according to paragraph 8 of this Article of this Article, except under the following circumstances with objective evidence and the specific opinions on fairness from professional real estate appraisers and CPAs: (Omitted)</p>	<p><u>III.</u> When acquiring real property or the ROU assets thereof from a related party, the Company shall assess the fairness of transaction costs according to the following methods (when purchasing or renting land and premises in the same transaction, the transaction cost for the land and premises may be appraised separately with any one of the following methods): (Omitted)</p> <p><u>IV.</u> When acquiring real property or the ROU assets thereof from a related party, the Company shall assess the cost of the real property or ROU assets thereof according to paragraph 3 and engage a CPA to check the valuation and render a specific opinion.</p> <p><u>V.</u> When any of the following circumstances apply to the acquisition of real property or the ROU assets thereof from a related party, the Company shall handle the situation according to paragraph 2, and paragraphs 3 and 4 do not apply: (Omitted)</p> <p><u>VI.</u> When the results of valuation conducted according to paragraph 3 of this Article are uniformly lower than the transaction price, the Company shall handle the transaction according to paragraph 7 of this Article, except under the following circumstances with objective evidence and the specific opinions on fairness from professional real estate appraisers and CPAs: (Omitted)</p>	

Article No.	After the Revision	Before the Revision	Explanation for edition
	<p>Completed transactions involving neighboring or closely valued parcels of land in <u>paragraph 7 of this Article</u> in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction. “Within the preceding year” as stated above refers to the year preceding the date of occurrence of the current acquisition of real property or the ROU assets thereof.</p> <p><u>VIII.</u> When acquiring real property or the ROU assets thereof from a related party, if the results of valuation conducted according to this Article are uniformly lower than the transaction price, the Company shall take the following actions: (Omitted)</p>	<p>Completed transactions involving neighboring or closely valued parcels of land in <u>the preceding</u> paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction. “Within the preceding year” as stated above refers to the year preceding the date of occurrence of the current acquisition of real property or the ROU assets thereof.</p> <p><u>VII.</u> When acquiring real property or the ROU assets thereof from a related party, if the results of valuation conducted according to this Article are uniformly lower than the transaction price, the Company shall take the following actions: (Omitted)</p>	
Article 17	<p>These Procedures were established on May 27, 2003. (Omitted). The 7th amendment was made on August 25, 2021. <u>The 8th amendment was made on May 26, 2022.</u></p>	<p>These Procedures were established on May 27, 2003. (Omitted). The 7th amendment was made on August 25, 2021.</p>	Amendment number of times & date added

List of Director Candidates

Director

Name	Education	Experience	Name of representative	No. of Shareholding
Michael Lee	PHD of Department of Electrical Engineering of NTU	The president of Smart Solution Business Group of Qisda Corporation Chairman of ACE PILLAR CO., LTD Chairman of AEWIN Technologies Co., Ltd Deputy Chairman of PARTNER TECH CORP	QISDA CORPORATION	96,841,239
Chiu-Chin Hung	California State University, Fullerton MBA	CFO of Qisda Group Assistant CFO of Qisda Corporation CFO of Daxon Technology Inc.		
Shu-Erh Kuo	Master of Economics, University of Nottingham	President of business development center of SYSAGE TECHNOLOGY CO., LTD. Chairman of GLOBAL INTELLIGENCE NETWORK CO., LTD. Director of EPIC CLOUD CO., LTD.		
TK Young	Juris Doctor, Suffolk University Law School	CLO of Qisda Corporation COO of SYSAGE TECHNOLOGY CO., LTD.		

Independent Director

Name	Education	Experience	If the continued nomination of the independent directors shall be three terms	No. of Shareholding
Wen-Tsung Wang	EMBA of National Tsing Hua University Bachelor degree of Accounting, Feng Chia University	CPA of Hui-Min Accounting Firm CPA of Biing-Cherng CPAs	Yes; As the candidate has a wealth of professional knowledge and experience that can be helpful for the Company.	0
Chin-Lai Wang	PHD of Business Administration, NCCU	MD of Ernst & Young Global Limited Chairman of EY Management Services Inc	NA	
Shan-Kuei Lai	PHD, Business Administration, NTPU MBA of Indiana University of Pennsylvania	Chairman of TOPCO SCIENTIFIC CO., LTD. President of ICSB Chairman of CSBC CORPORATION, TAIWAN Director of SMEA, MOEA Deputy of director, Department of Commerce, MOEA	NA	

List of non-competition restrictions on directors

Director	Released restriction items
QISDA CORPORATION	Chairman ALPHA NETWORKS INC. DFI INC. BENQ MATERIALS CORP. SIMULA TECHNOLOGY INC. PARTNER TECH CORP. DATA IMAGE CORPORATION K2 INTERNATIONAL MEDICAL INC. BENQ CORPORATION GOLDEN SPIRIT CO., LTD. Darly Venture Inc. BENQ DIALYSIS TECHNOLOGY CORP. QISDA OPTRONICS CORP. BenQ Biotech (Shanghai) Co., Ltd Qisda Vietnam Co.,Ltd Director DARFON ELECTRONICS CORP. TOPVIEW OPTRONICS CORP. APLEX TECHNOLOGY INC. QS CONTROL CORP.
The representative of QISDA CORPORATION: Michael Lee	Chairman(Legal representative) ACE PILLAR CO., LTD. AEWIN Technologies Co., Ltd LA FRESH INFORMATION CO., LTD BENQ ESCO CORP. BENQ GURU CORP. BenQ Guru Software Co., Ltd.(Suzhou). Deputy Chairman(Legal representative) DFI INC. PARTNER TECH CORP. Director(Legal representative) APLEX TECHNOLOGY INC. Director Expert Alliance Smart Technology Co. Ltd. Expert Alliance Systems and Consultancy (Hong Kong) Limited BenQ Guru Holding Limited Brainstorm Corporation Partner Tech Europe GmbH

Director	Released restriction items
<p>The representative of QISDA CORPORATION: Chiu-Chin Hung</p>	<p>Chairman(Legal representative) BENQ CORPORATION Darly Venture Inc. Darly2 Venture, Inc. Darly Consulting Corporation.</p> <p>Director(Legal representative) DARFON ELECTRONICS CORP ALPHA NETWORKS INC. SIMULA TECHNOLOGY INC. DATA IMAGE CORPORATION K2 INTERNATIONAL MEDICAL INC. BENQ CORPORATION QISDA OPTRONICS CORP. BenQ Healthcare Consulting Corporation BenQ Hospital Management Consulting (Nanjing) Co., LTD NANJING BenQ Hospital Co., Ltd Suzhou BenQ Hospital Co., Ltd Suzhou BenQ Investment Co., Ltd. BenQ Biotech (Shanghai) Co., Ltd TECH FILTER (Shanghai) CO., LTD.</p> <p>Director Qisda Co., Ltd BenQ (Hong Kong) Limited BenQ BM Holding Corp. BenQ BM Holding Cayman Corp. Qisda Sdn. Bhd. Qisda (L) Corp. Darly Venture (L) Ltd.</p>
<p>The representative of QISDA CORPORATION: Shu-Erh Kuo</p>	<p>Chairman(Legal representative) GLOBAL INTELLIGENCE NETWORK CO., LTD.</p> <p>Director(Legal representative) EPIC CLOUD CO., LTD.</p>
<p>The representative of QISDA CORPORATION: TK Young</p>	<p>Chairman(Legal representative) EPIC CLOUD CO., LTD.</p> <p>Director(Legal representative) GLOBAL INTELLIGENCE NETWORK CO., LTD. GRANDSYS INC. ADVANCEDTEK INTERNATIONAL CORP. Statinc Co., Ltd.</p> <p>Director COREX (PTY) LTD.</p>

Director	Released restriction items
Wen-Tsung Wang	Director Tia-Nai Art Center Co., Ltd. Independent director COREMAX CORPORATION Supervisors EMAX TECH CO., LTD
Chin-Lai Wang	Deputy Chairman(Legal representative)&President ELITEGROUP COMPUTER SYSTEMS CO., LTD. Independent director LANDMARK OPTOELECTRONICS CORPORATION PCL Technologies, Inc.
Shan-Kuei Lai	Chairman(Legal representative) Unitech New Energy Engineering Co., Ltd ECO Technical Services Co., Ltd. Xiang Yueh Industrial Co., Ltd. Yun Yueh Technologies, Co., Ltd. Director(Legal representative) TOPCO SCIENTIFIC CO., LTD. ANYONG FRESHMART, INC. JIA YI ENERGY CO., LTD. TAI YING RESOURCE INDUSTRIAL CORP. Independent director YI JINN INDUSTRIAL CO., LTD. LEATEC FINE CERAMICS CO., LTD. PHYTOHEALTH CORPORATION

Appendix I

SYSAGE TECHNOLOGY CO., LTD. Rules and Procedures for Shareholders' Meeting

- Article 1: SYSAGE TECHNOLOGY CO., LTD. (the "Company") shall convene the shareholders' meeting in accordance with these Rules of Procedures (the "Rules")
- Article 2: Shareholders attending at shareholders' meetings shall wear attendance cards, and hand in a sign-in card in lieu of signing in.
- Article 3: The chairman of a shareholders' meeting shall call the meeting to order at the time when the meeting is scheduled to commence, as the number of shares represented by the attending shareholders has constituted more than an aggregate of one half of the total outstanding shares issued. If the number of shares represented by the attending shareholders has not yet constituted more than an aggregate of one half of the total outstanding shares issued, the chairman may postpone the time for the meeting. The postponements shall only reach two times at most, and the meeting shall not be postponed for more than 20 minutes at the first time and 10 minutes at the second time in total. If after two postponements the shares represented by attending shareholders has not reached the quorum but has constituted more than one third of the total of outstanding shares issued, a tentative resolution may be passed in accordance with the article 175 of the Company Act.
The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.
- Article 4: The meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, and the process of the meeting shall be audio and video recording as preserved for at least 1 year. The shareholders cannot designate any other person as the chairman and continue the meeting in the same or other place after the meeting is adjourned. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.
- Article 5: When a shareholder attending a shareholders' meeting wishes to speak, he or she should fill out a speech note with a summary of the speech, shareholder's account number (or the number of attendance card) and the account name of the shareholder in advance. The sequence of speeches shall be determined by the chairman.
- Article 6: When a meeting is in progress, the chair may announce a break based on time considerations.
- Article 7: The order in which shareholders speak will be set by the chair in discussion of the proposal. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.
- Article 8: Each preposition shall not exceed 5 minutes, and its discussion, inquiries, and replies shall not exceed 3 minutes; however, if permitted by the chairman, he or she shall draw the meeting out for another 3 minutes.
- Article 9: A person may not speak more than twice on the same proposal.

- Article 10: The chairman may announce end of discussion of an item listed in the agenda and submit the item for voting if the chairman deems that the item is ready for voting in discussion of the proposal.
- Article 11: When the company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.
Except as otherwise provided in the Company Act and in the company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders.
- Article 12: The proposal shall be provided by correspondence means, when there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
The shareholders' proposals complying with the Article 172-1 of the Company Act, which are classified into the same category of the proposal submitted by the Board of Directors, shall be deemed as the amendment of the proposal submitted by the Board of Directors, and the Chairman may combine them into one proposal to deal with.
The Board of Directors is to state in the agenda manual why the proposals that are proposed before the meeting are not enlisted in the agenda of directors' meeting and the record of agenda.
- Article 13: Where it is impossible to continue proceeding with the meeting due to natural disasters (typhoon, flood, earthquake, etc.) or other accidents (an air-raid or fire alarm, etc.), the chairman the meeting should be stopped immediately or re-scheduled.
- Article 14: Any matters which are not adequately provided for herein shall be subject to the Company Act, the articles of incorporation.
- Article 15: The rules and any amendment shall take effect after being approved at the shareholders' meeting.
- Article 16: These rules and procedures were enacted on April 10, 2000.
The 1st amendment was made on May 27, 2002.
The 2nd amendment was made on June 9, 2006.
The 3rd amendment was made on June 28, 2017.

SYSAGE Technology Co., Ltd.
Articles of Incorporation
(Before the amendments)

Chapter I General Provisions

Article 1: The Company is incorporated in accordance with the Company Act with the name of 聚碩科技股份有限公司 in Traditional Chinese and SYSAGE Technology Co., Ltd. in English.

Article 2: The Company engages in the following types of business:

- I. I301010 Information Software Services
- II. F113050 Wholesale of Computers and Clerical Machinery Equipment
- III. CC01050 Data Storage Media Units Manufacturing
- IV. F118010 Wholesale of Computer Software
- V. F113070 Wholesale of Telecommunication Apparatus
- VI. CC01060 Wired Communication Mechanical Equipment Manufacturing
- VII. CC01070 Wireless Communication Mechanical Equipment Manufacturing
- VIII. F401010 International Trade
- IX. F213060 Retail Sale of Telecommunication Apparatus
- X. F218010 Retail Sale of Computer Software
- XI. F401021 Restrained Telecom Radio Frequency Equipment and Materials Import
- XII. I301020 Data Processing Services
- XIII. I301030 Electronic Information Supply Services
- XIV. I601010 Rental and Leasing
- XV. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company may provide endorsements and guarantees for others for business and investment purposes.

Article 4: The limitation as stated in Article 13 of the Company Act does not apply to the total amount of external investments of the Company.

Article 5: The Company is headquartered in Taipei City, and branches or offices at home and abroad may be set up by resolution of the Board of Directors.

Chapter 2 Shares

Article 6: The total authorized capital of the Company is Two Billion Five Hundred Million New Taiwan Dollar (NT\$2,500,000,000) divided into two hundred and fifty million (250,000,000) shares with a par value of Ten New Taiwan Dollar (NT\$10) and to be issued installment. The Board is authorized to decide on the issuance of unissued shares as necessary.

Three Hundred Million New Taiwan Dollar (NT\$300,000,000), divided into thirty million (30,000,000) shares with a par value of Ten New Taiwan Dollar (NT\$10), shall be reserved from the total authorized capital stated in the preceding paragraph to issue stock options or stock warrants, including employee stock options and warrant bonds, for share subscription. The Board is authorized to issue such shares in installments.

With the consent of over two thirds of the voting rights of the shareholders in a meeting of shareholders attended by shareholders representing over one half of the total issued shares, the Company may issue employee stock options at a subscription price below the market value or transfer treasury stock to employees at an average price below the actual buy-back price.

Article 6-1: The Company may transfer the treasury stock purchased according to the Stocks and Exchange Act to employees of controlled or subordinate companies meeting specific requirements. Employees qualified for receiving the employee stock options may include employees of controlled or subordinate companies meeting specific requirements. When the Company issues new shares, employees of controlled or subordinate companies meeting specific requirements are qualified for subscription. When the Company issues restricted stock awards, employees of controlled or subordinate companies meeting specific requirements are qualified for subscription.

Article 7: The Company may issue shares without printing share certificates. If the Company decides to print share certificates for the issued shares, the Company shall comply with the Company Act and related laws and regulations. The share certificates of the Company shall all be name-bearing share certificates and issued in accordance with the Company Act and related laws and regulations.

Article 8: The Company handles stock services in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies promulgated by the competent authorities.

Article 9: Registration for transfer of shares shall be suspended within sixty days before the date of the annual general meeting of shareholders and within thirty days before the date of the extraordinary general meeting of shareholders, or within five days before the day on which dividends, bonuses, or other benefits are scheduled to be paid by the Company.

Chapter 3 Meetings of Shareholders

Article 10: Meetings of shareholders include the annual general meeting (AGM) of shareholders and extraordinary general meeting (EGM) of shareholders:

- I. The AGM shall be held once a year within six months after the end of each accounting year.
- II. The EGM shall be held as necessary.

The AGM shall be convened thirty days in advance, while the EGM shall be convened fifteen days in advance. Shareholders shall be informed of the date, place, and purpose of the meeting by a meeting notice.

Article 11: Shareholders unable to attend a meeting of shareholders for any reasons may assign a proxy to represent them according to Article 177 of the Company Act and state the scope of authorization in a power of attorney as stipulated in the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies of the competent authorities.

Article 12: Each shareholder of the Company is entitled to one vote per share.

Article 13: Except as otherwise required by the Company Act, resolutions of the meetings of shareholders shall be approved by over one half of the voting rights of the shareholders in a meeting of shareholders attended by shareholders representing over one half of the total issued shares. Shareholders may exercise their voting rights electronically in accordance with the relevant laws and regulations.

Chapter 4 Directors

Article 14: The chairperson of the Board shall chair the meetings of shareholders. When the chairperson is absent or unable to exercise their powers, a proxy shall be assigned in accordance with Article 208 of the Company Act.

Article 15: Resolutions made at a meeting of shareholders shall be adopted in the meeting minutes containing information regarding the date, place, chair, and resolutions of the meeting. The minutes shall be signed or sealed by the chair and preserved.

Article 16: The Company shall have seven to eleven directors, and the Board is authorized to determine the exact number of directors through discussion. The term of office is three years and the directors shall be eligible for re-election. The candidate nomination system is adopted for the directorial election, and directors shall be elected from among candidates by the meeting of shareholders.

A minimum of three seats or one fifth of the total number of directors shall be independent directors. The professional qualifications, limitations on the shareholding and concurrent jobs, nomination, and other requirements for independent directors as stated in the preceding paragraph shall be subject to the related regulations of the competent authorities of securities.

The total amount of registered shares held by all directors shall not exceed the percentage specified by the competent authorities.

Article 16-1: The Company shall establish the Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act to exercise the powers of supervisors as stated in the Company Act, the Securities and Exchange Act, and other related laws and regulations.

Article 17: The Board shall be formed by directors. The chairperson shall be elected by over one half of the directors in a Board meeting attended by over two thirds of all directors. A vice chairperson may be elected as necessary. The chairperson represents the Company externally.

Article 18: The Board meeting shall be convened by the chairperson. Except as otherwise required by the Company Act, a Board resolution shall be approved by over one half of the directors in a Board meeting attended by over one half of all directors. Directors absent from the Board meeting for any reasons may assign other directors to represent them.

A Board meeting may be convened in writing or by e-mail or fax.

Article 19: The Board is authorized to determine the remuneration of all directors through discussion. The Board may determine by resolution to distribute the honorarium to directors according to the general standard in the industry and purchase the liability insurance for directors.

Chapter 5 Managers

Article 20: The Company may hire several managers whose appointment, dismissal, and remuneration shall be subject to Article 29 of the Company Act.

Chapter 6 Accounting

Article 21: At the end of each fiscal year, the Board shall produce the (1) business report, (2) financial statements, and (3) earnings distribution or deficit compensation proposal and submit them to the AGM in accordance with law.

Article 22: If there is profit in the year, the Company shall appropriate 5-20% as the reward for employees and no more than 1% as the reward for directors. When there is a deficit, however, the amount for compensation shall first be reserved.

If there is net profit after the account is closed, the Company shall first pay the taxes and compensate the previous deficits before appropriating 10% as the legal reserve (except when the accumulated amount of the legal reserve equals the amount of the paid-in capital). The special reserve may be appropriated or reversed based on the operational needs and by law. The remaining balance, if any, shall be combined with the accumulated beginning unappropriated earnings for the Board to formulate a proposal for allocation as dividends and submitted to the AGM for resolution.

If the retained earnings in the preceding paragraph are distributed in cash dividends, the Board is authorized to make a decision and report it to the meeting of shareholders.

The recipients of the employee reward, either in stock or in cash, as stated in paragraph 1 shall include employees meeting specific requirements of controlled companies or subsidiaries. The Board or a person authorized by the Board shall be authorized to determine these requirements and the methods of distribution.

Article 22-1: The Company may distribute new shares or cash using the legal reserve or additional paid-in capital in accordance with Article 241 of the Company Act.

If it is distributed in cash, the Board is authorized to make a decision and report it to the meeting of shareholders.

Article 23: In the startup and growth stages, the Company adopts the residual dividend policy. After the end of the fiscal year, based on the profit in the year and the accumulated profit in the previous years and in consideration of the profit status, capital structure, and future operational needs, if there is profit after the final accounting and the amount of distributable earnings in the year exceeds 2% of the total authorized capital, the dividends shall not be lower than 10% of the distributable earnings of the year. Dividends are distributed either in cash or in stock, and the minimum amount of cash dividends shall be 10% of the total amount of dividends.

Article 24: (deleted)

Article 25: (deleted)

Chapter 7 Supplementary Provisions

Article 26: Matters not provided for herein shall be subject to the Company Act and the related laws and regulations.

Article 27: These Articles of Incorporation shall be implemented upon the approval of the meeting of shareholders. The same shall apply to amendments thereto.

These Articles of Incorporation were established on April 8, 1998.

The 1st amendment was made on July 15, 1998.

The 2nd amendment was made on January 21, 1999.

The 3rd amendment was made on April 1, 1999.

The 4th amendment was made on June 10, 1999.

The 5th amendment was made on November 22, 1999.

The 6th amendment was made on April 10, 2000.

The 7th amendment was made on September 5, 2000.

The 8th amendment was made on March 27, 2001.

The 9th amendment was made on May 27, 2002.

The 10th amendment was made on May 27, 2003.

The 11th amendment was made on May 18, 2004.

The 12th amendment was made on June 13, 2007. However, Article 22, paragraph 1, subparagraph 2 was validated after the approval of the competent authorities on January 1, 2008.

The 13th amendment was made on June 13, 2008.

The 14th amendment was made on June 16, 2009.

The 15th amendment was made on June 18, 2010.

The 16th amendment was made on June 18, 2012.

The 17th amendment was made on June 23, 2014.

The 18th amendment was made on June 24, 2015.

The 19th amendment was made on June 13, 2016.

The 20th amendment was made on June 28, 2017.

The 21st amendment was made on May 28, 2019.

The 22nd amendment was made on August 1, 2019.

The 23rd amendment was made on September 26, 2019.

The 24th amendment was made on May 28, 2020.

The 25th amendment was made on August 25, 2021.

SYSAGE Technology Co., Ltd.
Handling Procedures for Acquisition or Disposal of Assets
(Before the amendments)

Article 1: Purpose

These Procedures are established in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies established by the Financial Supervisory Commission (hereinafter the “FSC”) to provide a dependable reference for the acquisition and disposal of assets.

Article 2: Applicability

- I. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
- II. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
- III. Memberships.
- IV. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
- V. Right-of-use (ROU) assets.
- VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- VII. Derivatives.
- VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfers of shares in accordance with law.
- IX. Other major assets.

Article 3: Assessment and Operating Procedures

When acquiring or disposing of assets, the handling unit shall submit to the responsible unit for approval the reasons, assets, transaction counterparts, transfer prices, payment and collection terms, and referenced prices for acquisition or disposal in accordance to Article 16 of these Procedures before handing over to related units for implementation.

Article 4: Public Disclosure of Information

- II. When acquiring or disposing of the following assets, the Company shall publicly announce and report the relevant information in the format appropriate to the nature of transactions within two days after the actual date of event occurrence:
 - (VIII) Acquisition or disposal of real property or the ROU assets thereof from or to a related party, or acquisition or disposal of assets other than real property or the ROU assets thereof from or to a related party at a transaction amount reaching 20% or more of the Company’s paid-in capital, 10% or more of the Company’s total assets, or NT\$300 million or more, except for trading domestic government bonds or repurchase (RP)/resale (RS) agreements or subscribing or redeeming domestic money market funds

- (MMFs) issued by domestic securities investment trust enterprises.
- (IX) Merger, demerger, acquisition, or transfer of shares.
 - (X) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures.
 - (XI) Acquisition or disposal of equipment or the ROU assets thereof for business use with a counterpart who is not a related party and the transaction amount meeting any one of the following criteria:
 - 1. A public company with a paid-in capital under NT\$10 billion, with a transaction amount of NT\$500 million or higher.
 - 2. A public company with a paid-in capital of NT\$10 billion or higher, with a transaction amount of NT\$1 billion or higher.
 - (XII) Acquisition of real property through engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale with a counterpart who is not a related party and an expected investment by the Company over NT\$500 million.
 - (XIII) Asset transactions other than those in the preceding five subparagraphs or investments in China with an amount of 20% or more of the Company's paid-in capital or NT\$300 million or more, except under the following circumstances:
 - 3. Trading RP/RS agreements or subscribing or redeeming domestic MMFs issued by domestic securities investment trust enterprises.
 - 4. Trading of domestic government bonds.
- III. The amount of the above transactions shall be calculated as follows:
- (I) The amount of each individual transaction.
 - (II) The cumulative transaction amount of acquisitions and disposals of homogenous assets or with the same counterpart within the preceding year.
 - (III) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or the ROU assets thereof within the same development project within the preceding year.
 - (IV) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.
- IV. After announcing and reporting transactions meeting the disclosure standards of this Article, the relevant information shall be reported within two days after the date of event occurrence of any one of the following events: change, termination, or rescission of contracts signed for the original transaction; failure to complete the merger, demerger, acquisition, or transfer of shares by the contract schedule; or changes in the originally announced and reported information.

- V. "Date of event occurrence" as stated above refers to the date of contract execution, date of payment, date of consignment trade, date of transfer, date of Board resolution, or other dates that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier. However, for investments requiring the approval of competent authorities, the earlier of the above dates or the date of receipt of the approval letter from the competent authorities shall apply.
- VI. The Company shall report the status of derivatives trading of the Company and subsidiaries in the previous month by the 10th of each month.
- VII. If there are errors or omissions in the items required for announcement or reporting, all items shall be re-announced or re-reported within two days after learning of such errors or omissions.

Article 5: Valuation reports shall be acquired for the acquisition or disposal of real property or equipment or their ROU assets.

- I. Except for transactions with domestic government agencies, engaging others to build on the Company's own land, engaging others to build on rented land, or acquiring or disposing of equipment or the ROU assets thereof held for business use, when acquiring or disposing of real property, equipment, or the ROU assets thereof with an amount of 20% or more of the Company's paid-in capital or NT\$300 million or more, the Company shall acquire a valuation report from a professional appraiser prior to the date of event occurrence and comply with the following requirements:
 - (IV) When it is necessary to set a limited price, specific price, or special price for reference of the transaction price for a special reason, the transaction shall be approved by the Board in advance, and the same procedure shall apply whenever there is a change in the transaction terms.
 - (V) When the transaction amount is over NT\$1 billion, valuation shall be made by at least two professional appraisers.
 - (VI) Except when the valuation amount is higher than the transaction amount in asset acquisition or lower than the transaction amount in asset disposal, if the valuation results of professional appraisers have any one of the following circumstances, the Company shall engage a certified public accountant (CPA) to review the valuation report in accordance with the Statements on Auditing Standards (SAS) No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reasons for the differences and fairness of the transaction price:
 - 3. The difference between the valuation result and the transaction amount is over 20% of the transaction amount.
 - 4. The difference between the valuation results of two or more professional

appraisers is over 10% of the transaction amount.

- II. No more than three months may elapse between the date of the valuation report issued by a professional appraiser and the contract execution date. However, when the publicly announced current value for the same period applies and not more than six months have elapsed, an opinion may still be issued by the original professional appraiser.
- III. “Professional appraiser” as stated above refers to a real estate appraiser or other person duly authorized by law to engage in the valuation of real property or equipment.

Article 6: CPA opinions shall be acquired for the acquisition or disposal of securities, memberships, and intangible assets or their ROU assets.

- VIII. When acquiring or disposing of securities, the Company shall acquire the issuing company’s most recent financial statements audited and certified or reviewed by a CPA for the reference of price estimation prior to the date of event occurrence. In addition, if the transaction amount is over 20% of the Company’s paid-in capital or over NT\$300 million, the Company shall engage a CPA to provide an opinion on the reasonableness of the transaction price prior to the date of event occurrence. If an expert report is required, the CPA shall proceed in accordance with SAS No. 20 published by the ARDF, except when an open quote of the securities is available on the stock market or there are other requirements set by the FSC.
- IX. Except for transactions with domestic government agencies, when acquiring or disposing of intangible assets or the ROU assets thereof or memberships with a transaction amount of over 20% of the paid-in capital or over NT\$300 million, the Company shall engage a CPA to render an opinion on the reasonableness of the transaction price prior to the date of event occurrence. The CPA shall proceed in accordance with the SAS No. 20 published by the ARDF.
- X. The calculation of the transaction amounts in Article 5 and this Article shall be subject to Article 4, paragraph 2. In addition, “within the preceding year” as stated above refers to the year preceding the date of occurrence of the current transaction. Items with a valuation report provided by a professional appraiser or the CPA opinion should be excluded from the transaction amount.

Article 7: Exclusion of Related Parties

Professional appraisers and their officers, CPAs, lawyers, and securities underwriters rendering valuation reports and professional opinions to the Company shall meet the following requirements:

- I. No record of confirmed fixed-term imprisonment for over one year for violation of the Securities and Exchange Act, Company Act, Banking Act, Insurance Act, Financial Holding Company Act, or Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime, except for three years after the service of the sentence, expiration of probation, or pardon.
- II. Trading parties shall not be related parties or de facto related parties to one another.
- III. If valuation reports from at least two professional appraisers are required, such professional appraisers or appraisal officers shall not be related parties or de facto related parties to one another.

When rendering the valuation reports or professional opinions, the professionals referred to in the preceding paragraph shall comply with the following:

- I. Prior to case acceptance, they shall carefully assess their own expertise, practical experience, and independence.
- II. Prior to case examination, they shall plan and implement appropriate operating procedures to draw up a conclusion for report production or opinion rendering and faithfully record the operating procedures, collected data, and conclusions in the case worksheets.
- III. They shall assess the integrity, accuracy, and fairness of the sources, parameters, and information used in the valuation as the basis for report production and opinion rendering.
- IV. They shall issue a statement to attest the expertise and independence of the personnel preparing the report or opinion, fairness and accuracy of the information used, and legal compliance of valuation.

Article 8: For assets acquired or disposed of through court auction procedures, the evidentiary documentation issued by the court may substitute the valuation report or CPA opinion.

Article 9: Related Party Transactions

- I. When acquiring or disposing of assets with a related party, in addition to making decisions and assessing the fairness of transaction terms according to Articles 5 to 8 and this Article, when the transaction amount is over 10% of the Company's total assets, the Company shall also acquire a valuation report from professional appraisers or CPA opinion according to Articles 5 to 8. The calculation of the transaction amount shall be subject to Article 6, paragraph 3.

- II. Except for trading domestic government bonds or RP/RS agreements or subscription or redemption of MMFs issued by domestic securities investment trust enterprises, when acquiring or disposing of real property or the ROU assets thereof with a related party, or acquiring or disposing of assets other than real property or the ROU assets thereof with a related party with a transaction amount of over 20% of the Company's paid-in capital, over 10% of the Company's total assets, or over NT\$300 million, the Company shall submit the below information to the Audit Committee and the Board for approval before signing the transaction agreement and making payment. If independent directors have been establishment, when referring a transaction to Board discussion, the Board shall take into full consideration the opinions each independent director, and the dissenting or qualified opinions of independent directors shall be recorded in the Board meeting minutes. After establishing an audit committee, the transaction shall first be approved by over one half of all audit committee members before submitting it to the Board for resolution, and Article 15, paragraphs 4 and 5 shall apply mutatis mutandis.
- (I) The purpose, necessity, and projected benefits of the acquisition or disposal of assets.
 - (II) The reasons for choosing a related party as the transaction counterpart.
 - (III) Relevant information for assessing the fairness of the planned transaction terms with respect to paragraphs 3 to 6 of this Article when acquiring real property or the ROU assets thereof from a related party.
 - (IV) Matters related to the original date and price of acquisition of the related party, transaction counterparts and their relations with the Company and related party.
 - (V) The cash flow forecast for the next year commencing from the projected month of contract conclusion and assessment of the necessity of transaction, and fairness of fund utilization.
 - (VI) The valuation report by professional appraisers or CPA opinions acquired with respect to the above requirements.
 - (VII) Restrictive covenants and other important stipulations associated with the transaction.

The transaction amounts referred to in this paragraph shall be calculated according to Article 4, paragraph 2. "Within the preceding year" as stated above refers to the year preceding the date of occurrence of the current transaction. The amounts approved by the Audit Committee and the Board according to these Procedures will be excluded.

For the acquisition or disposal of equipment or the ROU assets thereof or the ROU assets of real property held for business use between the Company and the parent or subsidiaries or among the subsidiaries wholly owned directly or indirectly by them with a transaction amount within NT\$300 million, the chairperson may decide on the transaction and report to the upcoming Board meeting for ratification afterwards.

For the acquisition or disposal of equipment or the ROU assets thereof or the ROU assets of real property held for business use between the Company's subsidiaries and their parent companies or subsidiaries or among the subsidiaries wholly owned directly or indirectly by them with a transaction amount within NT\$150 million, the chairperson may decide on the transaction and report to the upcoming Board meeting for ratification afterwards.

- III. When acquiring real property or the ROU assets thereof from a related party, the Company shall assess the fairness of transaction costs according to the following methods (when purchasing or renting land and premises in the same transaction, the transaction cost for the land and premises may be appraised separately with any one of the following methods):
 - (I) Based on the related party's transaction price plus necessary interest on the capital and the costs to be duly borne by the buyer. "Necessary interest on the capital" as stated above is imputed as the weighted average interest rate on loans in the year when the Company purchases the property. However, it must not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
 - (II) Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70% or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparts.
- IV. When acquiring real property or the ROU assets thereof from a related party, the Company shall assess the cost of the real property or ROU assets thereof according to paragraph 3 and engage a CPA to check the valuation and render a specific opinion.
- V. When any of the following circumstances apply to the acquisition of real property or the ROU assets thereof from a related party, the Company shall handle the situation according to paragraph 2, and paragraphs 3 and 4 do not apply:
 - (I) The related party acquires the real property or the ROU assets thereof through inheritance or as a gift.
 - (II) It has been over 5 years from contract conclusion since the related party

- acquired the real property or the ROU assets thereof.
- (III) The real property is acquired through signing a joint development contract with the related party, or through engaging the related party to build real property, either on the Company's own land or rented land.
 - (IV) The ROU assets of real property for business use are acquired by the Company and the parent company or subsidiaries, or among the subsidiaries wholly owned directly or indirectly by them.
- VI. When the results of valuation conducted according to paragraph 3 of this Article are uniformly lower than the transaction price, the Company shall handle the transaction according to paragraph 7 of this Article, except under the following circumstances with objective evidence and the specific opinions on fairness from professional real estate appraisers and CPAs:
- (I) A related party acquiring undeveloped land or leased land for development shall submit proof of compliance with any one of the following conditions:
 - 1. When valuing the undeveloped land according to the methods in this Article and the premises according to the related party's construction cost plus reasonable construction profit, the total amount exceeds the actual transaction price. "Reasonable construction profit" as stated above shall be based on the average gross operating margin of the related party's construction sector over the last 3 years or the gross profit margin for the construction industry in the most recent period as announced by the Ministry of Finance, whichever is lower.
 - 2. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
 - (II) A public company acquiring from a related party real property through purchasing or the ROU assets of real property through leasing presents evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.
Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction. "Within the preceding year" as stated above refers to the year preceding the date of occurrence of the current acquisition of real property or the ROU assets thereof.

- VII. When acquiring real property or the ROU assets thereof from a related party, if the results of valuation conducted according to this Article are uniformly lower than the transaction price, the Company shall take the following actions:
- (I) A special reserve shall be appropriated according to Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost. The reserve shall not be distributed or used for capital increase or issuance of bonus shares. If a public company assesses its investment in the Company with the equity method, a special reserve shall also be appropriated according to Article 41, paragraph 1 of the Securities and Exchange Act in proportion to the shareholding of the said special reserve.
 - (II) Supervisors shall act according to Article 218 of the Company Act. If an audit committee has been established in accordance with law, the preceding part of this subparagraph shall apply *mutatis mutandis* to the independent directors as members of the audit committee.
 - (III) Actions taken according to subparagraphs 1 and 2 shall be reported to the meeting of shareholders, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.
 - (IV) After appropriating a special reserve according to this Article, a public company can only utilize the fund after the asset purchased or leased at a higher price has been recognized as valuation loss, disposed of, or its lease is terminated, or appropriate compensation is made, or asset restoration is completed, or there is other evidence supporting its unfairness, and it has passed the approval of the FSC. When a public company obtains real property or the ROU assets thereof from a related party, this Article shall also apply if there is other evidence indicating that the acquisition is not an arm's length transaction.

Article 10: Engaging in Derivatives Trading

- I. Applicability (types of transactions)
 - (I) The types of implementable cover transaction contracts whose value is derived from a specified interest rate, financial instrument price, commodity price, exchange rate, index of prices or rates, credit rating or credit index, or other variables, including forward contracts, options, futures, leverage contracts, swap contracts, and the hybrid contracts formed by the portfolios of the said products or composite contracts or hybrid contracts or structured products containing embedded derivatives. This shall also apply to margin trading.
 - (II) Nature of transactions: Transactions for offsetting operational risk are hedging-purpose transactions, and transactions for making profit with additional risks are speculative transactions.

- II. Operational and hedging strategies
Instead of gaining profit through speculation, derivatives trading aims at ensuring the operating profit of the Company and hedging risks arising from fluctuations in the exchange rate, interest rate, and asset price.
- III. Roles and responsibilities
Financial Department:
 - (I) Capturing market information; judging trends and risks; getting familiar with financial products and their relevant laws and applications and operation skills; conducting transactions in the authorized positions according to the instructions of the responsible authority to avoid the risks from market price fluctuations.
 - (II) Making periodic assessments.
 - (III) Providing information of risk exposure positions.
 - (IV) Making periodic announcements and reports.
- IV. Guidelines for performance assessment
 - (I) The positions held for derivatives trading shall be assessed at least once a week, and transactions for hedging purposes for business needs shall be assessed at least twice a month. The assessment reports shall be submitted to the chief financial officer (CFO) for comment. If anomalies are found in the assessment reports, the CFO shall immediately report to the Board and take necessary countermeasures. If independent directors have been established, they shall attend the board meeting to express opinions.
 - (II) Performance shall be assessed by comparing with the preset assessment criteria on the assessment day to provide a reference for decision-making.
- V. Transaction credit and authorization
 - (I) Total amount of implementable transactions for hedging purposes:
 - 1. Exchange rate trading:
 - 1.1 The transaction amount for hedging shall be the position generated from the Company's business.
 - 1.2 The total amount of contracts may not exceed the net position generated from the net assets (or liabilities) in foreign currencies plus the projected revenue (or procurement) in the next 12 months, except for the FX swap implemented for capital dispatch.
 - 1.3 If the generated net position plus the projected revenue (or procurement) in the next 2 months exceeds two months, the approval of the president must be obtained before making the transaction.
 - 2. Interest rate trading shall be limited to the balance and repayment term of the Company's long-term loans.

3. The total amount of outstanding balance shall be the limit of transactions made to avoid risks from exchange rate or interest rate, firm commitment, highly likely predictable risks from transactions associated with assets, liabilities, or the issuance of global depository receipts (e.g., ADR) or bonds (e.g., ECB) or other financial products. An assessment report shall be submitted to the president for approval prior to implementation.

(II) Upper limit of loss on transactions for hedging purposes:

	All Contracts	Individual Contracts
Upper limit of loss on transactions for hedging purposes	15%	20%

If the loss on all contracts or individual contracts has hit the upper limit, the CFO shall take necessary countermeasures and immediately report to the Board. If independent directors have been established, they shall attend the board meeting to express opinions.

(III) Authorization of exchange rate and interest rate trading:

	Parent Company		Subsidiaries	
	Each Transaction	Daily	Each Transaction	Daily
Chairperson	Over USD 10M	Over USD 30M	Over USD 5M	Over USD 15M
President	USD 5M–10M (inclusive)	USD 15M–30M (inclusive)	USD 2.5M–5M (inclusive)	USD 7.5M–15M (inclusive)
Chief Financial Officer	USD 5M and below	USD 15M and below	USD 2.5M and below	USD 7.5M and below

VI. Operating procedure

- (I) Confirm transaction position
- (II) Analyze and judge relevant trends
- (III) Determine specific hedging practices:
 - 1. Subject of transaction.
 - 2. Position of transaction.
 - 3. Refer prices to the open quote system.
 - 4. Transaction strategies and styles
- (IV) Acquire permission for transactions
- (V) Implement transactions
 - 1. Counterpart: Domestic and foreign financial institutions only.
 - 2. Transaction personnel: Personnel allowed to implement derivatives trading shall be approved by the CFO before notifying the transaction financial institutions in writing. Other personnel may not engage in

derivatives trading.

- (VI) Confirmation of transactions: After conducting a transaction, transaction personnel shall fill in the transaction order for reviewers to confirm the consistency between the transaction conditions and the contents in the transaction order before submitting it to the responsible authority for approval.
- (VII) Settlement: After confirmation the transaction is free of errors, the capital unit shall assign the designated settlement staff to proceed with settlement at the confirmed price with the required funds and related receipts on the settlement date.

VII. Records of derivatives trading

- (I) The type and amount of transactions, date of Board approval, and matters required for careful assessment as per paragraph 4, subparagraph 1; paragraph 10, subparagraph 1, item 2; and paragraph 10, subparagraph 2, item 1 of this Article shall be recorded in detail in the log for reference.
- (II) The accounting unit shall act according to the Business Entity Accounting Act, International Financial Reporting Standards (IFRS), and the related orders and regulations of the competent authorities. If no relevant regulations are available, register the details of each transaction and act according to the monthly reports on the realized and unrealized gain or loss on financial instruments.

VIII. Internal control system

- (I) Risk management measures
 1. Credit risk management: Domestic and foreign financial institutions shall be the counterparts in principle.
 2. Market risk management: Transactions for hedging purposes shall be emphasized, and the creation of additional positions should be avoided.
 3. Liquidity and cashflow risk management: To ensure liquidity, transaction personnel shall confirm the transaction credit with the capital staff to prevent insufficient liquidity.
 4. Operational risk management: The authorized credit and operating procedures shall be followed exactly to prevent operational risks.
 5. Legal risk management: All documents signed with banks shall be reviewed by the legal department before execution to prevent legal risks.
- (II) Internal control
 1. Transaction personnel of the capital department shall not engage in the tasks of the confirmation and settlement personnel, and vice versa.
 2. Transaction personnel shall hand over the transaction receipts or contracts to confirmation personnel for recordation.
 3. Confirmation personnel shall check the accounts with the counterparts periodically.
- (III) Risk measurement, supervision, and control personnel shall not be staff of

the capital department and shall report to the Board.

IX. Internal audit

- (I) Apart from keeping constant track of the fairness of internal control over derivatives trading according to the regulations of the Internal Control System, internal auditors shall also audit the transaction department's compliance with the Procedures for Handling Derivatives Trading and produce audit records. After detecting serious breach of the Procedures, internal auditors shall notify the Audit Committee in writing.
- (II) Personnel shall submit the said audit reports and reports on improvement of audited anomalies to the FSC in accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies.

X. Board of Directors

- (I) The Board shall properly supervise and manage the Company's derivatives trading according to the following principles:
 - 1. The CFO shall keep constant track of the risk supervision and control of derivatives trading.
 - 2. The Board shall periodically assess if the performance of derivatives trading complies with the designated management strategy and risk undertaking falls within the Company's risk appetite.
- (II) The CFO shall manage derivatives trading according to the following principles:
 - 1. Periodically assessing if the risk management measures in use are appropriate and comply with the Company's Procedures for Handling Derivatives Trading.
 - 2. Supervising the status of transactions and gains/losses, taking necessary countermeasures against detected anomalies, and immediately reporting to the Board. If independent directors have been established, they shall attend the Board meeting to express opinions.
- (III) After a derivative transaction, the CFO shall report to the Board.
- (IV) When these Procedures are established or amended and when it is necessary to report derivatives trading to the Board in accordance with regulations, it shall be approved by over one half of all Audit Committee members and submitted to the Board for resolution. A report not approved by over one half of all Audit Committee members may be approved by over two thirds of all directors, and the resolution of the Audit Committee shall be recorded in the Board meeting minutes.
- (V) When Board discussion is required according to the preceding paragraph, the opinions expressed by individual independent directors shall be fully considered, and the dissenting or qualified opinions, if any, of independent directors shall be recorded in the Board meeting minutes.
- (VI) These Procedures shall be implemented upon passage by the Board and

- approval of the shareholders. The same shall apply to amendments thereto.
- (VII) “All Audit Committee members” as stated in these Procedures and “all directors” as stated in the preceding paragraph shall be calculated according to the members and directors actually in office.

Article II: Merger, Demerger, Acquisition, or Transfer of Shares

- I. Before holding a Board meeting to determine a merger, demerger, acquisition, or transfer of shares, the Company shall engage a CPA, lawyer, or securities underwriter to give an opinion on the fairness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit the results to the Board for deliberation and passage. However, the said professional opinions on fairness can be exempted for mergers with directly or indirectly wholly-owned subsidiaries or the mergers among directly or indirectly wholly-owned subsidiaries.

- II. Public companies participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the meeting of shareholders and deliver the report with the expert opinion referred to in paragraph I of this Article to shareholders along with the meeting notice for the reference of the approval or disapproval of the merger, demerger, or acquisition, except when a meeting of shareholders is exempted for a merger, demerger, or acquisition according to other laws and regulations.
When the meeting of shareholders of a party in a merger, demerger, or acquisition cannot be held or a resolution cannot be made due to an insufficient quorum, or the proposal of a merger, demerger, or acquisition is rejected by shareholders, companies participating in the merger, demerger or acquisition shall immediately explain to the public the reasons, follow-up measures, and the projected date of the next meeting of shareholders.

- III. Except as otherwise required by other laws or approved by the FSC in advance for a special reason, companies participating in a merger, demerger, or acquisition shall hold a Board meeting and meeting of shareholders on the same day to determine matters related to the merger, demerger, or acquisition.
Except as otherwise required by other laws or approved by the FSC in advance for a special reason, companies participating in a transfer of shares shall hold a Board meeting on the same day.

- IV. All parties participating in or privy to a merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and shall neither disclose the project contents prior to public disclosure of such information nor trade, either in their own name or in the name of another person, any stock or other equity-based securities of any company related to

- the project for merger, demerger, acquisition, or transfer of shares.
- V. Except under the following circumstances, public companies participating in a merger, demerger, acquisition, or transfer of shares shall not arbitrarily alter the share exchange ratio or acquisition price and shall stipulate the circumstances allowing changes in the contract for the merger, demerger, acquisition, or transfer of shares:
- (I) Cash capital increase and issuance of convertible corporate bonds, bonus shares, corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity-based securities.
 - (II) Actions affecting the company's financial operations, such as disposal of major assets.
 - (III) Events affecting the rights and interests of shareholders or the stock price, such as major disasters or major technological reform.
 - (IV) Adjustment of treasury stock buyback of any party participating in the merger, demerger, acquisition, or transfer of shares.
 - (V) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares. Establishment and public disclosure of other terms allowed for alteration in the contract.
- VI. In addition to the rights and obligations in the merger, demerger, acquisition, or of shares, the contract of the merger, demerger, acquisition, or transfer of shares of public companies shall also include the following:
- (I) Handling of breach of contract.
 - (II) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any party that will be cancelled or split by the merger.
 - (III) The quantity and principles of handling of treasury stock allowed by law for buyback of participating companies after the record date of calculation of the share exchange ratio.
 - (IV) The manner of handling changes in the number of participating entities or companies.
 - (V) Projected schedule of project execution and anticipated date of completion.
 - (VI) Procedures for and the projected date of holding a meeting of shareholders when the project is not completed as scheduled.
- VII. Except for a change in the number of participating companies with the resolution by the meeting of shareholders to authorize the Board to change the authorization that participating companies do not need to hold a meeting of shareholders for a new resolution, if a party participating in the merger, demerger, acquisition, or transfer of shares intends to engage in a merger, demerger, acquisition, or share transfer with another company after the public disclosure of information, all parties participating in the original merger, demerger, acquisition, or transfer of shares shall redo all completed procedures or legal acts.

- VIII. TWSE/TPEX-listed companies participating in a merger, demerger, or acquisition shall prepare a full written record of the following data and retain it for 5 years for reference:
- (I) Personnel basic information: Including the job titles, names, and citizen ID numbers (or passport numbers for foreign nationals) of all persons involved in or privy to the planning or implementation of a merger, demerger, or acquisition project before information disclosure.
 - (II) Dates of important events: Including the signing of the letter of intent or memorandum of understanding, hiring of a financial or legal advisor, contract execution, and the Board meeting.
 - (III) Important documents and meeting minutes: Including merger, demerger, and acquisition plans, letters of intent or memoranda of understanding, important contracts, and Board meeting minutes.
- IX. TWSE/TPEX-listed companies participating in a merger, demerger, acquisition, or transfer of shares shall report the information stated in subparagraphs 1 and 2 in the preceding paragraph to the FSC on the internet information system in the required format for reference within two days after the Board approval.
- X. When non-TWSE/TPEX-listed companies participate in a merger, demerger, acquisition, or transfer of shares, TWSE/TPEX-listed companies shall sign an agreement with them and handle matters according to paragraphs 8 and 9.
- XI. When non-public companies participate in a merger, demerger, acquisition, or transfer of shares, public companies shall sign an agreement with them and handle matters according to paragraphs 3, 4, and 7 to 10 of this Article.

Article 12: Penalties

Managers or handling personnel of the Company breaching these Procedures intentionally or out of gross negligence shall be punished according to the Company's personnel administration regulations.

Article 13: Measures for Controlling the Acquisition or Disposal of Assets of Subsidiaries

- I. The Company's subsidiaries shall acquire or dispose of assets according to these Procedures. However, subsidiaries that have established their own Procedures for Acquisition and Disposal of Assets with respect to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies established by the FSC and with reference to the Company's opinion may acquire or dispose of assets according to their own procedures.
- II. The Company shall announce and report the acquisition or disposal of assets by subsidiaries that are not domestic public companies if they meet the standard of the information disclosure regulations of Article 4 of these Procedures.
- III. The Company shall supervise subsidiaries to self-assess if their own procedures for acquisition or disposal of assets comply with the relevant regulations and if

they proceed with acquisition or disposal of assets accordingly.

Article 14: Other Matters

- I. “Transfer of shares” as stated in these Procedures means the new shares transferred to other companies after issuance according to the Company Act.
- II. “Related party” and “subsidiary” as stated in these Procedures shall be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- III. The paid-in capital or total assets of subsidiaries required for announcements according to the standards stated in Article 4, paragraph 1, subparagraph 6 shall be based on the paid-in capital or total assets of the Company.
- IV. The 10% of the total assets stated in these Procedures shall be calculated according to the total assets stated in the most recent individual financial statements prepared according to Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- V. “Investments in China” as stated in these Procedures means investments placed in China according to the Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China promulgated by the Investment Commission, Ministry of Economic Affairs.
- VI. “Announcement and reporting” as stated in these Procedures means reporting information on the information reporting website designated by the FSC.
- VII. Matters not provided for in these Procedures shall be subject to the related laws and regulations and related regulations of the Company.

Article 15: These Procedures shall be implemented upon passage by the Board and approval of the supervisors and meeting of shareholders. The same shall apply to amendments thereto.

Objections made by directors in recorded or written statement shall be submitted to the supervisors.

If independent directors have been established, when referring the Procedures for Acquisition and Disposal of Assets to Board discussion, the opinions of independent directors shall be fully considered, and the dissenting or qualified opinions expressed by independent directors shall be maintained in the Board meeting minutes.

After establishing an audit committee, the establishment or amendment of these Procedures shall be approved by over one half of all Audit Committee members and submitted to the Board for resolution.

The establishment or amendment not approved by over one half of all Audit Committee members may be approved by over two thirds of all directors, and the resolution of the Audit Committee shall be recorded in the Board meeting minutes.

“All Audit Committee members” as stated in these Procedures and “all directors” as stated in the preceding paragraph shall be calculated according to the members and directors actually in office.

Article 16: For acquisition or disposal of assets requiring Board approval according to these Procedures or other laws and regulations, the objections made by directors in recorded or written statement shall be submitted to the supervisors.

After establishing an audit committee, important asset transactions requiring Board approval shall first be approved by over one half of all Audit Committee members before referring to the Board for a resolution, and Article 15, paragraphs 4 and 5 shall apply mutatis mutandis.

The Board is authorized to set the the total amount of securities investment, the limit on individual investments, and the total amount of investments in real property and the ROU assets thereof for non-business purposes before incorporation into these Procedures.

Asset	The Company		Subsidiaries		Total Implementable Amount	Limit on Individual Investments
	Approver	Authority	Approver	Authority		
Real property and the ROU assets thereof for non-business purposes	Board of Directors	Over NT\$50,000,000	Board of Directors	Over NT\$25,000,000	30% of net worth	15% of net worth
	Approval by chairperson first Report to Board afterwards	NT\$50,000,000 and below	Approval by chairperson first Report to Board afterwards	NT\$25,000,000 and below		
Share investment	Board of Directors	Over NT\$50,000,000	Board of Directors	Over NT\$25,000,000	200% of net worth	50% of net worth
	Approval by chairperson first Report to Board afterwards	NT\$50,000,000 and below	Approval by chairperson first Report to Board afterwards	NT\$25,000,000 and below		
Long-term secured bonds	Chairperson	Over NT\$20,000,000	Chairperson	Over NT\$10,000,000	30% of net worth	15% of net worth
	President	NT\$20,000,000 and below	President	NT\$10,000,000 and below		
Short-term bonds and MMFs	Chairperson	Over NT\$20,000,000	Chairperson	Over NT\$10,000,000	30% of net worth	15% of net worth
	President	NT\$20,000,000 and below	President	NT\$10,000,000 and below		
Other marketable securities	Chairperson	Over NT\$20,000,000	Chairperson	Over NT\$10,000,000	10% of net worth	5% of net worth
	President	NT\$20,000,000 and below	President	NT\$10,000,000 and below		

※ Short-term bonds may not be leveraged by means of multiplication through mortgage, margin trading, or similar methods to

expand the gain/loss effect.

- ※ The limit on the implementable amount of long-term share investment does not apply to the investments in or establishment of directly or indirectly wholly-owned subsidiaries.
- ※ “Net worth” as stated above means the equity attributable to the owners of the parent company in the statement of financial position.

Article 17: These Procedures were established on May 27, 2003.

The 1st amendment was made on June 13, 2007.

The 2nd amendment was made on June 18, 2012.

The 3rd amendment was made on June 23, 2014.

The 4th amendment was made on June 28, 2017.

The 5th amendment was made on May 28, 2019.

The 6th amendment was made on May 28, 2020.

The 7th amendment was made on August 25, 2021.

SYSAGE TECHNOLOGY CO., LTD.

Rules for the Election of Directors

- Article 1 : Except as otherwise provided by Company Act, Securities and Exchange Act or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.
- Article 2 : The Company's directors shall be elected at the Shareholders' Meeting.
- Article 3 : The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the Directors to be elected, and may be cast for a single candidate or split among multiple candidates.
- Article 4 : Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in the Company Act.
- Article 5 : The directors of the Company shall be elected by the shareholders' meeting from among the persons with disposing capacity. The candidates who receive the most votes for the position of director shall win the election, and such number shall be in compliance with the number of positions for director provided for in the Articles of Incorporation. If two or more candidates receive the same number of votes beyond a quota, the winner shall be determined through lot-drawing. The lot may be drawn by the Chairman on behalf of the absentees.
- Article 6 : A ballot shall be printed as well as issued by the company, numbered according to the meeting attendance card number and the corresponding number of votes shall be noted on the ballot.
- Article 7 : A ballot shall be printed as well as issued by the company, numbered according to the meeting attendance card number and the corresponding number of votes shall be noted on the ballot.
- Article 8 : The Board of Directors shall, upon preparing the ballots, enter the voting rights on each ballot. The ballot box shall be prepared by the Board of Directors and shall be checked in public by the inspector before voting.
- Article 9 : If the candidate is a shareholder of the Company, voters shall fill the candidate's name and shareholder's number in the "candidate" column of the ballot; if the candidate is not a shareholder of the Company, voters shall fill the candidate's name and ID number in the "candidate" column. If the candidate is a government agency or a legal entity, voters shall fill the name of the government agency or the legal entity or the name of their representative in the column. In the event that several candidates represent a government agency or a legal entity, the names of the representatives shall be filled separately in the column.
- Article 10 :
- Article 11 : The voting rights shall be calculated on site immediately after the end of the poll by vote monitoring and counting personnel.

- Article 12 : The calculation of the voting rights shall be monitored by vote monitoring personnel.
- Article 13 : If there is any doubt about the ballot, the vote monitoring personnel shall verify whether it is invalid. The invalidated ballot shall be placed separately. After the completion of the counting of the votes, the number of votes and the number of voting rights shall be clearly indicated and shall be submitted to the vote monitoring personnel for invalidation and signature.
- Article 14 : The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation shall be announced by the chair or a person who has been appointed by the chair.
- Article 15 : In the event that the total number of registered shares held by all the elected directors is less than the prescribed number, it shall handle the matter according to the provisions of the Company Act and other applicable laws and regulations.
- Article 16 : The Chair of the shareholders' meeting or the board of directors of this Corporation shall issue notifications to the persons, after 10 days when the persons are elected as directors .
- Article 17 : These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.
- Article 18 : These Procedures were established on April 10, 2000.
The 1st amendment was made on May 27, 2002.
The 2nd amendment was made on June 18, 2012.
The 3rd amendment was made on June 24, 2015.
The 4th amendment was made on June 28, 2017.
The 5th amendment was made on May 28, 2019.

SYSAGE TECHNOLOGY CO., LTD.
Shareholding of Directors

2022/3/28

Title	Name	Date Elected	Term	No. of Shareholding (Note)	Shareholding %
Chairman	Qisda Corporation Representative: Michael Lee	2019.9.26	3	96,841,239	51.41
Director	Qisda Corporation Representative: Chiu-Chin Hung				
	Qisda Corporation Representative: Shu-Erh Kuo				
	Qisda Corporation Representative: Wen-Hsing Tseng				
Independent Director	Qisda Corporation Representative: TK Young				
	Wen-Tsung Wang				
	Chin-Lai Wang				
	Shan-Kuei Lai			—	—
The minimum shareholding of all directors				11,301,440	6.00
Total shareholding of all directors				96,841,239	51.41

Note : As of the book closure date of the shareholder's meeting, shareholding information was as the above.