

Stock Code: 2453

SYSCOM COMPUTER ENGINEERING CO.

2024 Annual Shareholders' Meeting

Meeting Handbook

(Translation)

June 12, 2024

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SYSCOM COMPUTER ENGINEERING CO.
Procedure for the 2024 Annual Shareholders’
Meeting

- I. Call the Meeting to Order**
- II. Chairman’s Remarks**
- III. Report Items**
- IV. Proposal Items**
- V. Discussion Items**
- VI. Election Matters**
- VII. Other Proposals**
- VIII. Extemporaneous Motions**
- IX. Meeting Adjourned**

SYSCOM COMPUTER ENGINEERING CO.
2024 Annual Shareholders' Meeting
Agenda

One. Time: 9:00 a.m. on June 12, 2024 (Wednesday)

Two. Venue: B1, No. 115, Emei Street, Taipei City (Conference Hall)

Three. Convening Methods : Physical Shareholders' Meeting

Four. Meeting Procedure:

I. Call the Meeting to Order

II. Chairman's Remarks

III. Report Items

(1) 2023 Business Report.

(2) Audit Committee's Review Report on the 2023 Financial Statements.

(3) Distribution of 2023 remuneration to employees and directors.

(4) Distribution of cash dividends of 2023 Earnings.

IV. Proposal Items

(1) 2023 Business Report and Financial Statements.

(2) Distribution of 2023 Earnings.

V. Discussion Items

(1) Amendments to the Articles of Incorporation.

VI. Election Matters

Election of directors.

VII. Other Proposals

Removal of non-competition restrictions on the newly elected directors.

VIII. Extemporaneous Motions

IX. Meeting Adjourned

Report Items

Item 1:

The Company's 2023 Business Report is submitted for review.

Description: Please refer to Attachment 1 on pages 8 to 10 of this handbook for the 2023 Business Report.

Item 2:

The Audit Committee's Review Report on the 2023 Financial Statements is submitted for review.

Description: Please refer to Attachment 2 on page 11 of this handbook for the Audit Committee's Review Report.

Item 3:

Distribution of 2023 remuneration to employees and directors is submitted for review.

Description: 1. As per the Articles of Incorporation, if the Company makes a profit in a fiscal year, it shall allocate no less than 3% of the profit as employees' remuneration.

2. The Company's annual profit in 2023 was NT\$341,401,339, and we allocated 3.02% of the profit as employees' remuneration totaling NT\$10,300,000, all of which was paid in cash. There is no difference between this amount and that recognized for 2023. The Company does not distribute directors' remuneration.

Item 4:

Distribution of cash dividends of 2023 Earnings.

Description: 1. In accordance with Article 21-1 of the Articles of Incorporation.

2. Cash dividends NT\$ 240,000,000 will be allocated to shareholders from the 2023 distributable earnings, NT\$ 2.4 per share, rounded down to NT\$1, and the amount below NT\$1 will be included in the Company's other income.
3. The proposal has been approved by the board of directors, it is proposed that the Board of Directors be authorized to resolve the ex-dividend date, ex-rights date, and other relevant issues.

Proposal Items

Item 1:

The 2023 Business Report and Financial Statements are submitted for ratification.

(Proposed by the Board of Directors)

Description: 1. The Company's annual business report and financial statements

(including consolidated financial statements) were approved by the Board of Directors. The financial statements (including consolidated financial statements) were audited by Li-Wen Kuo and Pei-De Chen CPAs at Deloitte & Touche; both the financial statements and the business report were reviewed by the Audit Committee.

2. Please refer to Attachment 1 on pages 8 to 10 and Attachment 3 on pages 12 to 30 of this handbook for the 2023 Business Report, the CPAs' Audit Report, and Financial Statements (including the consolidated financial statements).

3. Please proceed to review and ratify them.

Resolution:

Item 2:

The 2023 Statement of Earnings Distribution is submitted for ratification. (Proposed by the Board of Directors)

Description: 1. The Company's 2023 net income after tax was NT\$278,293,248, the

2023 Statement of Earnings Distribution has been approved by the board of directors and were reviewed by the Audit Committee.

2. Please refer to Attachment 4 on page 31 of this handbook for the 2023 Statement of Earnings Distribution.

3. Please proceed to ratify it.

Resolution:

Discussion Items

Item 1:

Amendments to the Articles of Incorporation is submitted for discussion. (Proposed by the Board of Directors)

Description: 1. It is proposed to amend some of the provisions of the Articles of Incorporation for the Company business.

2. Please refer to Attachment 5 on pages 32 to 33 of this handbook for the Table of Amendments to the Articles of Incorporation.

3. Please resolve decision as appropriate.

Resolution:

Election Matters

Proposal for the election of directors. (Proposed by the Board of Directors)

- Description:
1. The term of office of the Company's directors will expire on July 28, 2024. To align with the operational needs of the Company, a proposal for the election of directors is submitted at this shareholders' meeting.
 2. Pursuant to the Company's Articles of Incorporation, seven directors (including three independent directors) will be elected. The newly elected directors will assume office on the date of election, with a term of office from June 12, 2024, to June 11, 2027, for a duration of three years.
 3. The director (including independent director) selection process adopts a candidate nomination system, with the shareholders' meeting electing directors from the list of candidates.
 4. The list of candidates for directors (including independent directors) of the Company was reviewed and approved by the board of directors on March 12, 2024. For the List of Candidates for Directors (including Independent Directors), please refer to Attachment 6 on page 34 of this handbook.
 5. Proposal for Election.

Election Results:

Other Proposals

Proposal to discuss the removal of non-competition restrictions on the newly elected directors.

- Description:
1. According to Article 209 of the Company Act, directors are required to obtain approval from the shareholders' meeting for any investment or operation in other companies with the same or similar business scope as the Company.
 2. It is proposed that the shareholders' meeting agrees that the newly elected directors, if they hold positions as directors of other companies or engage in investment or operations in other companies with the same or similar business scope as the Company's, shall not be subject to the prohibition on directors' participation in competing businesses under the Company Act, and this condition shall also apply to their re-elections.
 3. For the details of the proposed removal of the competing behaviors of the new Directors, please refer to Attachment 7 on page 35 of this handbook.
 4. Please resolve decision as appropriate.

Resolution:

Extemporary Motions

Meeting Adjourned

(Attachment 1)

Syscom Computer Engineering Co.

2023 Business Report

I. Introduction

Syscom Group Co., Ltd. (the Company) is a leading system integration firm in Taiwan, renowned for its expertise in assisting governments and enterprises to establish digital nervous systems, thus fostering the development of the knowledge-based economy. In recent years, driven by the robust demand for 5G applications, high-performance computing, and cloud-based data services, as well as the continuous expansion of AI in emerging technologies, Syscom has been actively promoting its core products and professional services to meet the digital transformation needs. With a dedicated and responsible approach, our team has successfully completed each project, integrating advanced technologies and innovating self-developed products to expand their application scope. This has enabled us to assist in the industry's upgrading and transformation. As a result, not only has the Company achieved record-high revenue, but it has also maintained steady and robust profit growth.

The following is a description of the Company's operational performance for 2023 and business outlook for 2024.

II. 2023 Business Overview and Profitability

The surge in generative AI popularity in 2023 has driven business opportunities across the related supply chain and application service sectors. This serves as evidence of the significant impact of AI technology development in driving industrial transformation and potentially reshaping the industrial structure. Numerous industries in Taiwan have been actively adopting relevant technologies and applications, leading to the growth of opportunities in information services and software. This has also fostered new avenues for innovation, successfully supporting industry upgrades and transformations.

The information service industry serves as the engine driving national competitiveness and provides crucial momentum for promoting the digital transformation of industries. In 2023, Syscom not only continued its expansion in existing service sectors such as finance, telecommunications, and government but also made significant strides in smart transportation. It jointly secured the "Taiwan Taoyuan International Airport Terminal 3 Area Information and Communication Technology System project" with Shilin Electric, aiming to build the core ICT infrastructure of a smart airport and deliver the most impactful services to passengers. Additionally, in the realm of smart retail, Syscom introduced a comprehensive e-commerce cloud platform, MarTech automated member marketing, OMO integration, AI-powered

customer service, and ESG sustainability management solutions. Furthermore, our self-developed products, the OMFLOW service automation system and Ayuda robot, have both received the "2024 Taiwan Excellence Award", while the intelligent service robot Ayuda has also won the "2024 Taiwan Excellence Silver Award". By leveraging our core technologies through these self-developed products, we have enhanced our competitive edge and added value in large-scale system projects. This not only enables us to provide better services to our customers but also increases our customer engagement, leading to a win-win situation for both Syscom and our customers, driving Syscom's outstanding operational performance.

The Company's parent-company-only net operating revenue in 2023 was NT\$6,115,419, thousands an increase of 7.77% compared with 2022; parent-company-only net income after tax was NT\$278,293 thousands an increase of 10.99% compared with 2022.

The Company's consolidated net operating revenue in 2023 was NT\$6,383,820 thousands an increase of 7.28% compared with 2022; consolidated net income after tax was NT\$276,638 thousands an increase of 12.94% compared with 2022.

III. Business Plan and Outlook for 2024

(1) Business plan

1. Market trends

Given considerations such as geopolitical risks and compliance requirements, businesses are continuously investing in IT services to enhance operational efficiency. They are also actively strategizing their global operational layout to establish resilient enterprises. Emerging digital technologies such as generative AI, 5G communications, big data, cloud computing, and IoT can assist enterprises in their digital transformation while accelerating ESG transformation. This dual effect is referred to as "dual-axis transformation," and the related expenditures are driving the overall development of the information service market.

Outlook for 2024: Various AI ecosystems and application fields are expected to be implemented, particularly in areas such as home automation, transportation, healthcare, and green sustainability. This expansion of terminal applications is likely to lead to increased requirements for terminal hardware specifications, potentially ushering in a wave of device upgrades. In response to the continuing trend of escalating cybersecurity threats, enterprises are actively expanding their investment in the field of information security. This includes accelerating the adoption of zero trust mechanisms and implementing collaborative cybersecurity defense mechanisms. According to the IDC survey report, it is predicted that Taiwan's overall ICT spending in 2024 will reach a positive growth of 3.7%. Particularly in terms of IT spending, the growth rate has surged to 5%. Among these, software services show the highest positive growth rate at

7.2%, while hardware follows closely with a growth rate of 4.8%.

2. Development direction

- (1) Harness the system's capabilities to deliver superior customer service experiences.
- (2) Master advanced technologies and accelerate the integration of industrial applications for swift deployment.
- (3) Enhance the functionality of our proprietary products and broaden their application domains.
- (4) Drive the Company's digital sustainability through generative AI in a dual-axis transformation.
- (5) Strengthen international collaborations to expand into overseas markets with our soft power.

3. Important production and marketing policies

- (1) Implement standard operating procedures and adhere to the commitment of comprehensive quality and sustainability.
- (2) Innovate industry-related information services to improve overall profitability.
- (3) Focus on core products and professional services, and develop multi-dimension applications.
- (4) Innovate with generative AI, 5G, cloud services, and information security technologies.
- (5) Shape up partnership among software and hardware players in Taiwan to jointly expand domestic and overseas markets.

(2) Future outlook

Looking ahead to 2024, the global economy is confronted with numerous challenges stemming from factors like global economic and political instability. Despite efforts towards recovery, progress remains sluggish. However, the emergence and widespread adoption of AI applications are compelling enterprises to increasingly invest in generative artificial intelligence. Additionally, ESG green sustainability has emerged as a critical business challenge post the COVID-19 pandemic, demanding attention from enterprises worldwide. Syscom, with its outstanding forward-looking demand planning, infinitely expandable software and hardware architecture, and dedicated technical talent, combined with the achievements of generative AI, assists enterprises in constructing a cloud-earth integrated digital nervous system. This drives the digital transformation 2.0 and builds a resilient enterprise. As Syscom approaches its 50th anniversary, we hope that all employees will join forces, leveraging their strengths to deepen our industry expertise and strive to maximize benefits for the Company.

Chairman: Jui-Fu Liu

President: Jui-Lung Liu

Accounting Manager: Li-Chueh Tu

(Attachment 2)

SYSCOM COMPUTER ENGINEERING CO.

Audit Committee's Review Report

The Company's Board of Directors prepared the 2023 Business Report, Financial Statements, and Statement of Earnings Distribution, among which the Financial Statements were audited by CPAs at Deloitte & Touche, by whom an audit report has been issued. Said Business Report, Financial Statements, and Statement of Earnings Distribution have been reviewed by the Audit Committee, and no inconsistency was found. The report is hereby presented as above in accordance with the relevant provisions of the Securities and Exchange Act and the Company Act. Please proceed to review it.

This report is hereby presented to
2024 Annual Shareholders' Meeting of Syscom Computer Engineering Co.

Audit Committee Convener: Che-Fu Kung

March 12, 2024

(Attachment 3)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Syscom Computer Engineering Company

Opinion

We have audited the accompanying consolidated financial statements of Syscom Computer Engineering Company (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, based on our audits and the reports of other auditors (refer to Other Matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2023 are stated as follows:

Recognition of Contract Revenue

The Group generates revenue through rendering of services according to contract. Revenue from contract is recognized by reference to the stage of completion of contract activity. The stage of completion of the contract is measured based on the proportion of contract cost incurred for work performed to date relative to the estimated total contract cost. The management estimates total contract cost upon signing of the contract. However, the estimated total cost may change as the

contract activity progresses and such change may have material impact on revenue recognition; therefore, the recognition of contract revenue is deemed to be a key audit matter.

We focused on the measurement of stage of completion while testing the recognition of contract revenue. The procedures we performed are the following:

1. We examined the underlying documents of original contract and related addendum used as basis for contract revenue recognized.
2. We verified the accuracy of accumulated incurred cost through test of details.
3. We assessed the appropriateness of underlying information and assumptions the management used in estimating total cost.
4. We performed retrospective review of discrepancy between actual costs incurred and estimated total cost of completed contract.

Please refer to Notes 4 and 5 to the financial statements for related disclosure on revenue recognition.

Other Matters

In the Group's consolidated financial statements, the financial statements of subsidiaries that are not material were audited by other auditors. Therefore, in our opinion on the consolidated financial statements as mentioned above, the amounts shown in such subsidiaries' financial statements were recognized based on the audit reports prepared by other auditors. The total assets of the above subsidiaries as of December 31, 2023 and 2022 were NT\$249,503 thousands and NT\$282,734 thousands, respectively, which represented 5% and 6% of the total consolidated assets; the net operating revenue for the years ended December 31, 2023 and 2022 was NT\$117,228 thousands and NT\$152,396 thousands, which represented 2% and 3% of the net consolidated operating revenue.

We have also audited the parent company only financial statements of Syscom Computer Engineering Company as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion with the other matter section

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 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 statements that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023, 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 Li-Wen Kuo and Pei-De Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 12, 2024

Notice to Readers

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

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

SYSCOM COMPUTER ENGINEERING CO. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

Code	ASSETS	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 884,494	18	\$ 600,941	13
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	10,457	-	19,956	-
1136	Financial assets at amortized cost - current (Notes 4, 9 and 28)	215,604	5	202,721	5
1140	Contract assets - current (Notes 4 and 21)	483,322	10	486,381	11
1150	Notes receivable (Note 4)	12,062	-	2,598	-
1172	Accounts receivable (Notes 4, 10, and 27)	1,425,698	29	1,489,172	34
1200	Other receivables (Note 4)	6,316	-	6,054	-
1220	Current tax assets	286	-	265	-
130X	Inventories (Notes 4 and 11)	473,593	10	453,997	10
1410	Prepayments	414,915	9	383,124	9
1479	Other current assets	<u>89,362</u>	<u>2</u>	<u>119,540</u>	<u>3</u>
11XX	Total current assets	<u>4,016,109</u>	<u>83</u>	<u>3,764,749</u>	<u>85</u>
	NON-CURRENT ASSETS				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	33,026	1	25,737	1
1535	Financial assets at amortized cost - non-current (Notes 4, 9 and 28)	197,876	4	129,195	3
1550	Investments accounted for using the equity method (Notes 4 and 13)	67,858	1	69,518	2
1600	Property, plant and equipment (Notes 4, 14 and 27)	362,728	8	357,328	8
1755	Right-of-use assets (Notes 4, 15 and 27)	94,888	2	20,655	-
1821	Intangible assets (Notes 4 and 16)	2,312	-	2,410	-
1840	Deferred tax assets (Notes 4 and 23)	12,486	-	13,665	-
1990	Other non-current assets (Note 4)	<u>58,987</u>	<u>1</u>	<u>51,683</u>	<u>1</u>
15XX	Total non-current assets	<u>830,161</u>	<u>17</u>	<u>670,191</u>	<u>15</u>
1XXX	TOTAL	<u>\$ 4,846,270</u>	<u>100</u>	<u>\$ 4,434,940</u>	<u>100</u>
	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Short-term borrowings (Notes 17 and 28)	\$ 190,855	4	\$ 180,922	4
2130	Contract liabilities - current (Notes 4 and 21)	465,330	10	238,583	6
2150	Notes payable	131	-	16,026	-
2170	Accounts payable (Note 27)	1,453,533	30	1,400,023	32
2200	Other payables (Note 18)	417,993	9	392,297	9
2230	Current tax liabilities	20,234	-	33,097	1
2280	Lease liabilities - current (Notes 4, 15, and 27)	46,175	1	8,513	-
2399	Other current liabilities	<u>18,065</u>	<u>-</u>	<u>14,796</u>	<u>-</u>
21XX	Total current liabilities	<u>2,612,316</u>	<u>54</u>	<u>2,284,257</u>	<u>52</u>
	NON-CURRENT LIABILITIES				
2572	Deferred tax liabilities (Notes 4 and 23)	10,429	-	11,130	-
2580	Lease liabilities - non-current (Notes 4, 15, and 27)	49,503	1	12,426	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 19)	41,947	1	54,658	1
2645	Guarantee deposits received	<u>14,771</u>	<u>-</u>	<u>17,656</u>	<u>1</u>
25XX	Total non-current liabilities	<u>116,650</u>	<u>2</u>	<u>95,870</u>	<u>2</u>
2XXX	Total liabilities	<u>2,278,966</u>	<u>56</u>	<u>2,380,127</u>	<u>54</u>
	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 20)				
3110	Share capital - ordinary shares	<u>1,000,000</u>	<u>21</u>	<u>1,000,000</u>	<u>22</u>
3200	Capital surplus	<u>1,797</u>	<u>-</u>	<u>1,547</u>	<u>-</u>
	Retained earnings				
3310	Legal reserve	330,483	7	303,977	7
3320	Special reserve	17,619	-	17,619	1
3350	Unappropriated earnings	<u>752,580</u>	<u>16</u>	<u>722,955</u>	<u>16</u>
3300	Total retained earnings	<u>1,100,682</u>	<u>23</u>	<u>1,044,511</u>	<u>24</u>
3400	Other equity	<u>11,728</u>	<u>-</u>	<u>3,747</u>	<u>-</u>
31XX	Total equity of the owners of the Company	<u>2,114,207</u>	<u>44</u>	<u>2,049,845</u>	<u>46</u>
36XX	Non-controlling interests (Note 20)	<u>3,097</u>	<u>-</u>	<u>4,968</u>	<u>-</u>
3XXX	Total equity	<u>2,117,304</u>	<u>44</u>	<u>2,054,813</u>	<u>46</u>
	TOTAL	<u>\$ 4,846,270</u>	<u>100</u>	<u>\$ 4,434,940</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated March 12, 2024)

SYSCOM COMPUTER ENGINEERING CO. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		2023		2022	
		Amount	%	Amount	%
	OPERATING REVENUE (Notes 4, 5, 21, and 27)				
4100	Sales	\$ 4,908,493	77	\$ 4,583,448	77
4600	Maintenance revenue	1,457,539	23	1,349,167	23
4300	Rental revenue	<u>17,788</u>	<u>-</u>	<u>17,909</u>	<u>-</u>
4000	Total operating revenue	<u>6,383,820</u>	<u>100</u>	<u>5,950,524</u>	<u>100</u>
	OPERATING COSTS (Notes 4, 11, 19, 22, and 27)				
5110	Cost of goods sold	3,679,377	58	3,447,531	58
5600	Maintenance costs	1,029,322	16	969,922	17
5300	Rental costs	<u>14,243</u>	<u>-</u>	<u>14,571</u>	<u>-</u>
5000	Total operating costs	<u>4,722,942</u>	<u>74</u>	<u>4,432,024</u>	<u>75</u>
5900	GROSS PROFIT	<u>1,660,878</u>	<u>26</u>	<u>1,518,500</u>	<u>25</u>
	OPERATING EXPENSES (Notes 10, 19, 22, and 27)				
6100	Selling and marketing expenses	1,126,074	18	1,024,057	17
6300	Research and development expenses	242,585	4	230,033	4
6450	Expected credit loss recognized on trade receivables	<u>6,760</u>	<u>-</u>	<u>5</u>	<u>-</u>
6000	Total operating expenses	<u>1,375,419</u>	<u>22</u>	<u>1,254,095</u>	<u>21</u>
6900	PROFIT FROM OPERATIONS	<u>285,459</u>	<u>4</u>	<u>264,405</u>	<u>4</u>
	NON-OPERATING INCOME AND EXPENSES (Note 4)				
7100	Interest income (Note 22)	10,435	-	4,043	-
7010	Other income (Notes 22 and 27)	53,923	1	62,094	1
7020	Other gains and losses (Note 22)	(2,707)	-	(23,093)	-
7050	Finance costs (Notes 22 and 27)	(17,080)	-	(7,826)	-
7060	Share of profit or loss of associates and joint ventures (Note 13)	(<u>523</u>)	<u>-</u>	<u>5,033</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>44,048</u>	<u>1</u>	<u>40,251</u>	<u>1</u>
7900	PROFIT BEFORE INCOME TAX	329,507	5	304,656	5
7950	INCOME TAX EXPENSE (Notes 4 and 23)	<u>52,869</u>	<u>1</u>	<u>59,711</u>	<u>1</u>
8200	NET PROFIT	<u>276,638</u>	<u>4</u>	<u>244,945</u>	<u>4</u>

(Continued)

Code		2023		2022	
		Amount	%	Amount	%
	OTHER COMPREHENSIVE INCOME (Notes 19, 20, and 23)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	(\$ 2,700)	-	\$ 17,915	1
8316	Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	7,289	-	910	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	618	-	(3,543)	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	923	-	9,962	-
8370	Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	(169)	-	(98)	-
8300	Total other comprehensive income, net of income tax	5,961	-	25,146	1
8500	TOTAL COMPREHENSIVE INCOME	<u>\$ 282,599</u>	<u>4</u>	<u>\$ 270,091</u>	<u>5</u>
	NET INCOME ATTRIBUTABLE TO:				
8610	Owners of the Company	\$ 278,293	4	\$ 250,730	4
8620	Non-controlling interests	(1,655)	-	(5,785)	-
8600		<u>\$ 276,638</u>	<u>4</u>	<u>\$ 244,945</u>	<u>4</u>
	TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
8710	Owners of the Company	\$ 284,112	4	\$ 275,729	5
8720	Non-controlling interests	(1,513)	-	(5,638)	-
8700		<u>\$ 282,599</u>	<u>4</u>	<u>\$ 270,091</u>	<u>5</u>
	EARNINGS PER SHARE (Note 24)				
9710	Basic	<u>\$ 2.78</u>		<u>\$ 2.51</u>	
9810	Diluted	<u>\$ 2.78</u>		<u>\$ 2.50</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated March 12, 2024)

(Concluded)

SYSCOM COMPUTER ENGINEERING CO. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, except Dividend Per Share)

		Equity attributable to owners of the Corporation									
		Retained earnings					Other equity				
		Share capital - ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translating the financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive income	Total	Non-controlling interests	Total equity
C o d e											
A1	BALANCE AT JANUARY 1, 2022	\$ 1,000,000	\$ 1,547	\$ 281,889	\$ 17,619	\$ 669,982	(\$ 20,350)	\$ 13,429	\$ 1,964,116	\$ 10,641	\$ 1,974,757
	Appropriation of the 2021 earnings										
B1	Legal reserve	-	-	22,088	-	(22,088)	-	-	-	-	-
B5	Cash dividends - NT\$1.9 per share	-	-	-	-	(190,000)	-	-	(190,000)	-	(190,000)
D1	Net profit for the year ended December 31, 2022	-	-	-	-	250,730	-	-	250,730	(5,785)	244,945
D3	Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	14,331	9,758	910	24,999	147	25,146
D5	Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	265,061	9,758	910	275,729	(5,638)	270,091
O1	Cash dividends from subsidiary	-	-	-	-	-	-	-	-	(35)	(35)
Z1	BALANCE AT DECEMBER 31, 2022	1,000,000	1,547	303,977	17,619	722,955	(10,592)	14,339	2,049,845	4,968	2,054,813
	Appropriation of the 2022 earnings										
B1	Legal reserve	-	-	26,506	-	(26,506)	-	-	-	-	-
B5	Cash dividends - NT\$2.2 per share	-	-	-	-	(220,000)	-	-	(220,000)	-	(220,000)
D1	Net profit for the year ended December 31, 2023	-	-	-	-	278,293	-	-	278,293	(1,655)	276,638
D3	Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	(2,162)	692	7,289	5,819	142	5,961
D5	Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	276,131	692	7,289	284,112	(1,513)	282,599
C3	Unclaimed dividends	-	522	-	-	-	-	-	522	-	522
M5	Actual acquisition of interests in subsidiaries	-	(272)	-	-	-	-	-	(272)	(330)	(602)
O1	Cash dividends from subsidiary	-	-	-	-	-	-	-	-	(28)	(28)
Z1	BALANCE AT DECEMBER 31, 2023	\$ 1,000,000	\$ 1,797	\$ 330,483	\$ 17,619	\$ 752,580	(\$ 9,900)	\$ 21,628	\$ 2,114,207	\$ 3,097	\$ 2,117,304

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated March 12, 2024)

SYSCOM COMPUTER ENGINEERING CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

Code		2023	2022
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	\$ 329,507	\$ 304,656
A20010	Adjustments for:		
A20100	Depreciation expenses	110,625	111,652
A20200	Amortization expenses	677	633
A20300	Expected credit loss recognized on trade receivables	6,760	5
A20400	Net gain on financial assets at fair value through profit or loss	(2,309)	(432)
A20900	Finance costs	17,080	7,826
A21200	Interest income	(10,435)	(4,043)
A21300	Dividend income	(586)	(465)
A22300	Share of profit or loss of associates and joint ventures accounted for using the equity method	523	(5,033)
A22500	Gain on disposal of property, plant and equipment	(141)	(382)
A23700	Write-downs of inventories	165	167
A24100	Net loss on foreign currency exchange	3,143	16,360
A29900	Lease modification gain	(164)	(323)
A30000	Changes in operating assets and liabilities		
A31125	Contract assets	3,059	(127,223)
A31130	Notes receivable	(9,464)	442
A31150	Accounts receivable	55,553	91,248
A31180	Other receivables	(281)	3,747
A31200	Inventories	(27,175)	(164,503)
A31230	Prepayments	(31,873)	(87,870)
A31240	Other current assets	1,768	(1,914)
A32125	Contract liabilities	226,747	30,343
A32130	Notes payable	(15,895)	15,958
A32150	Accounts payable	53,302	74,303
A32180	Other payables	25,674	14,338
A32230	Other current liabilities	3,269	(1,702)
A32240	Net defined benefits liabilities	(15,411)	(4,922)
A33000	Cash generated from operations	724,118	272,866
A33100	Interest received	10,436	4,047
A33200	Dividends received	586	465

(Continued)

Code		2023	2022
A33300	Interest paid	(\$ 16,872)	(\$ 7,145)
A33500	Income tax paid	(64,661)	(58,209)
AAAA	Net cash generated from operating activities	<u>653,607</u>	<u>212,024</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
B00010	Acquisition of financial assets at fair value through other comprehensive income	-	(2,379)
B00040	Proceeds from sale (acquisition) of financial assets at amortized cost	(81,564)	694
B00100	Purchase of financial assets at fair value through profit or loss	(14,500)	(727,950)
B00200	Proceeds from sale of financial assets at fair value through profit or loss	26,308	943,435
B02700	Payments for property, plant and equipment	(59,329)	(48,452)
B02800	Proceeds from disposal of property, plant and equipment	331	429
B03800	Decrease(Increase) in refundable deposits	21,106	(51,298)
B04500	Payments for intangible assets	(588)	(265)
BBBB	Net cash (used in) generated from investing activities	(<u>108,236</u>)	<u>114,214</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
C00100	Proceeds from short-term borrowings	10,478	28,380
C03000	Guarantee deposits received	(2,885)	3,926
C04020	Repayment of the principal portion of lease liabilities	(48,745)	(45,908)
C04500	Dividends paid	(220,000)	(190,000)
C05400	Acquisition of subsidiaries	(602)	-
C05800	Cash dividends paid to non-controlling interests	(24)	(35)
C09900	Unclaimed dividends	<u>522</u>	<u>-</u>
CCCC	Net cash used in financing activities	(<u>261,256</u>)	(<u>203,637</u>)
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(<u>562</u>)	<u>10,240</u>
EEEE	NET INCREASE IN CASH AND CASH EQUIVALENTS	283,553	132,841
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>600,941</u>	<u>468,100</u>
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 884,494</u>	<u>\$ 600,941</u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche auditors' report dated March 12, 2024)

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Syscom Computer Engineering Company

Opinion

We have audited the accompanying financial statements of Syscom Computer Engineering Company (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to Other Matter section), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the financial statements of the Company for the year ended December 31, 2023 are stated as follows:

Recognition of Contract Revenue

The Company generates revenue through rendering of services according to contract. Revenue from contract is recognized by reference to the stage of completion of contract activity. The stage of completion of the contract is measured based on the proportion of contract cost incurred for work performed to date relative to the estimated total contract cost. The management estimates

total contract cost upon signing of the contract. However, the estimated total cost may change as the contract activity progresses and such change may have material impact on revenue recognition; therefore, the recognition of contract revenue is deemed to be a key audit matter.

We focused on the measurement of stage of completion while testing the recognition of contract revenue. The procedures we performed are the following:

1. We examined the underlying documents of original contract and related addendum used as basis for contract revenue recognized.
2. We verified the accuracy of accumulated incurred cost through test of details.
3. We assessed the appropriateness of underlying information and assumptions the management used in estimating total cost.
4. We performed retrospective review of discrepancy between actual costs incurred and estimated total cost of completed contract.

Please refer to Notes 4 and 5 to the accompanying financial statements for related disclosure on revenue recognition.

Other Matter

The financial statements as of and for the years ended December 31, 2023 and 2022 of some investees in which the Company had equity-method investments were audited by other auditors. Our opinion, insofar as it relates to the amounts included in the accompanying financial statements for these investees, is based solely on the reports of the other auditors. As of December 31, 2023 and 2022, the aforementioned investments accounted for using equity method amounted to NT\$202,135 thousands and NT\$203,541 thousands, which were 4% and 5% of total assets of the Company. For the years ended December 31, 2023 and 2022, investment loss from the aforementioned equity-method investments amounted to NT\$1 thousands and NT\$2,371 thousands, which represented 0% and (0.8%) of the profit before income tax of the Company.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2023 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 Li-Wen Kuo and Pei-De Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 12, 2024

Notice to Readers

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

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

SYSCOM COMPUTER ENGINEERING CO.

BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

Code	ASSETS	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 732,897	16	\$ 446,088	11
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	10,000	-	19,505	-
1136	Financial assets at amortized cost - current (Notes 4, 9 and 26)	184,678	4	164,382	4
1140	Contract assets - current (Notes 4 and 19)	471,815	10	478,405	11
1150	Notes receivable (Note 4)	8,831	-	2,299	-
1172	Accounts receivable (Notes 4, 10, and 25)	1,336,959	28	1,394,927	33
1200	Other receivables (Note 4)	5,578	-	5,103	-
130X	Inventories (Notes 4 and 11)	456,133	10	421,379	10
1410	Prepayments	411,779	9	376,022	9
1479	Other current assets	88,970	2	118,551	3
11XX	Total current assets	<u>3,707,640</u>	<u>79</u>	<u>3,426,661</u>	<u>81</u>
	NON-CURRENT ASSETS				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	33,026	1	25,737	1
1535	Financial assets at amortized cost - non-current (Notes 4, 9, and 26)	197,630	4	128,829	3
1550	Investments accounted for using the equity method (Notes 4 and 12)	269,993	6	273,059	6
1600	Property, plant and equipment (Notes 4, 13, and 25)	336,501	7	328,345	8
1755	Right-of-use assets (Notes 4 and 14)	81,661	2	3,481	-
1821	Intangible assets (Notes 4 and 15)	392	-	492	-
1840	Deferred tax assets (Notes 4 and 21)	9,606	-	11,643	-
1990	Other non-current assets (Note 4)	53,655	1	46,808	1
15XX	Total non-current assets	<u>982,464</u>	<u>21</u>	<u>818,394</u>	<u>19</u>
1XXX	TOTAL	<u>\$ 4,690,104</u>	<u>100</u>	<u>\$ 4,245,055</u>	<u>100</u>
	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2130	Contract liabilities - current (Notes 4 and 19)	\$ 455,424	10	\$ 220,867	5
2150	Notes payable	131	-	16,026	-
2170	Accounts payable (Note 25)	1,443,177	31	1,390,693	33
2200	Other payables (Note 16)	397,340	9	366,124	9
2230	Current tax liabilities	17,509	-	30,344	1
2280	Lease liabilities - current (Notes 4, 14 and 25)	41,048	1	2,069	-
2399	Other current liabilities	17,379	-	14,017	-
21XX	Total current liabilities	<u>2,372,008</u>	<u>51</u>	<u>2,040,140</u>	<u>48</u>
	NON-CURRENT LIABILITIES				
2572	Deferred tax liabilities (Notes 4 and 21)	9,614	-	10,416	-
2580	Lease liabilities - non-current (Notes 4, 14 and 25)	41,490	1	1,479	-
2640	Net defined benefits liabilities - non-current (Notes 4 and 17)	43,419	1	54,503	1
2645	Guarantee deposits received	14,532	-	17,291	1
2670	Other non-current liabilities (Note 12)	94,834	2	71,381	2
25XX	Total non-current liabilities	<u>203,889</u>	<u>4</u>	<u>155,070</u>	<u>4</u>
2XXX	Total liabilities	<u>2,575,897</u>	<u>55</u>	<u>2,195,210</u>	<u>52</u>
	Equity (Notes 4 and 18)				
3100	Share capital - ordinary shares	1,000,000	21	1,000,000	23
3200	Capital surplus	1,797	-	1,547	-
	Retained earnings				
3310	Legal reserve	330,483	7	303,977	7
3320	Special reserve	17,619	1	17,619	1
3350	Unappropriated earnings	752,580	16	722,955	17
3300	Total retained earnings	<u>1,100,682</u>	<u>24</u>	<u>1,044,551</u>	<u>25</u>
3400	Other equity	11,728	-	3,747	-
3XXX	Total equity	<u>2,114,207</u>	<u>45</u>	<u>2,049,845</u>	<u>48</u>
	TOTAL	<u>\$ 4,690,104</u>	<u>100</u>	<u>\$ 4,245,055</u>	<u>100</u>

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 12, 2024)

SYSCOM COMPUTER ENGINEERING CO.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		2023		2022	
		Amount	%	Amount	%
	OPERATING REVENUE (Notes 4, 5, 19, and 25)				
4100	Sales	\$ 4,666,572	76	\$ 4,328,914	76
4600	Maintenance revenue	1,431,116	24	1,327,885	24
4300	Rental revenue	<u>17,731</u>	<u>-</u>	<u>17,880</u>	<u>-</u>
4000	Total operating revenue	<u>6,115,419</u>	<u>100</u>	<u>5,674,679</u>	<u>100</u>
	OPERATING COSTS (Notes 4, 11, 20, and 25)				
5110	Cost of goods sold	3,531,049	58	3,280,653	58
5600	Maintenance costs	1,019,247	17	962,166	17
5300	Rental costs	<u>14,185</u>	<u>-</u>	<u>14,457</u>	<u>-</u>
5000	Total operating costs	<u>4,564,481</u>	<u>75</u>	<u>4,257,276</u>	<u>75</u>
5900	GROSS PROFIT	<u>1,550,938</u>	<u>25</u>	<u>1,417,403</u>	<u>25</u>
	OPERATING EXPENSES (Notes 10, 17, 20, and 25)				
6100	Selling and marketing expenses	1,047,139	17	936,247	17
6300	Research and development expenses	204,962	3	189,458	3
6450	Expected credit loss recognized on trade receivables	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
6000	Total operating expenses	<u>1,252,101</u>	<u>20</u>	<u>1,125,705</u>	<u>20</u>
6900	PROFIT FROM OPERATIONS	<u>298,837</u>	<u>5</u>	<u>291,698</u>	<u>5</u>
	NON-OPERATING INCOME AND EXPENSES (Note 4)				
7100	Interest income (Note 20)	7,535	-	2,904	-
7010	Other income (Notes 20 and 25)	52,367	1	60,806	1
7020	Other gains and losses (Note 20)	856	-	(9,085)	-
7050	Finance costs (Notes 20 and 25)	(2,810)	-	(313)	-
7070	Share of profit or loss of subsidiaries, associates and joint ventures (Note 12)	(<u>25,684</u>)	<u>-</u>	(<u>36,358</u>)	(<u>1</u>)
7000	Total non-operating income and expenses	<u>32,264</u>	<u>1</u>	<u>17,954</u>	<u>-</u>

(Continued)

Code		2023		2022	
		Amount	%	Amount	%
7900	PROFIT BEFORE INCOME TAX	\$ 331,101	6	\$ 309,652	5
7950	INCOME TAX EXPENSE (Notes 4 and 21)	<u>52,808</u>	<u>1</u>	<u>58,922</u>	<u>1</u>
8200	NET PROFIT FOR THE YEAR	<u>278,293</u>	<u>5</u>	<u>250,730</u>	<u>4</u>
	OTHER COMPREHENSIVE INCOME (Notes 17, 18, and 21)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	(4,059)	-	17,235	1
8316	Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	7,289	-	910	-
8330	Share of the other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using the equity method	1,085	-	543	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	812	-	(3,447)	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	861	-	9,855	-
8380	Share of the other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using the equity method	(<u>169</u>)	<u>-</u>	(<u>97</u>)	<u>-</u>
8300	Other comprehensive (loss) income for the year, net of income tax	<u>5,819</u>	<u>-</u>	<u>24,999</u>	<u>1</u>
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 284,112</u>	<u>5</u>	<u>\$ 275,729</u>	<u>5</u>
	EARNINGS PER SHARE (Note 22)				
9710	Basic	<u>\$ 2.78</u>		<u>\$ 2.51</u>	
9810	Diluted	<u>\$ 2.78</u>		<u>\$ 2.50</u>	

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 12, 2024)

(Concluded)

SYSCOM COMPUTER ENGINEERING CO.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, except Dividend Per Share)

Code		Share capital - ordinary shares	Capital surplus	Retained earnings			Exchange differences on translating the financial statements of foreign operations	Other equity	Total equity
				Legal reserve	Special reserve	Unappropriated earnings		Unrealized gain or loss on financial assets at fair value through other comprehensive income	
A1	BALANCE AT JANUARY 1, 2022	\$ 1,000,000	\$ 1,547	\$ 281,889	\$ 17,619	\$ 669,982	(\$ 20,350)	\$ 13,429	\$ 1,964,116
	Appropriation of the 2021 earnings								
B1	Legal reserve	-	-	22,088	-	(22,088)	-	-	-
B5	Cash dividends - NT\$1.9 per share	-	-	-	-	(190,000)	-	-	(190,000)
D1	Net profit for the year ended December 31, 2022	-	-	-	-	250,730	-	-	250,730
D3	Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,331</u>	<u>9,758</u>	<u>910</u>	<u>24,999</u>
D5	Total comprehensive income (loss) for the year ended December 31, 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>265,061</u>	<u>9,758</u>	<u>910</u>	<u>275,729</u>
Z1	BALANCE AT DECEMBER 31, 2022	1,000,000	1,547	303,977	17,619	722,955	(10,592)	14,339	2,049,845
	Appropriation of the 2022 earnings								
B1	Legal reserve	-	-	26,506	-	(26,506)	-	-	-
B5	Cash dividends - NT\$2.2 per share	-	-	-	-	(220,000)	-	-	(220,000)
D1	Net profit for the year ended December 31, 2023	-	-	-	-	278,293	-	-	278,293
D3	Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,162)</u>	<u>692</u>	<u>7,289</u>	<u>5,819</u>
D5	Total comprehensive income (loss) for the year ended December 31, 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>276,131</u>	<u>692</u>	<u>7,289</u>	<u>284,112</u>
C3	Unclaimed dividends	-	522	-	-	-	-	-	522
M5	Actual acquisition of interests in subsidiaries	<u>-</u>	<u>(272)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(272)</u>
Z1	BALANCE AT DECEMBER 31, 2023	<u>\$ 1,000,000</u>	<u>\$ 1,797</u>	<u>\$ 330,483</u>	<u>\$ 17,619</u>	<u>\$ 752,580</u>	<u>(\$ 9,900)</u>	<u>\$ 21,628</u>	<u>\$ 2,114,207</u>

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 12, 2024)

SYSCOM COMPUTER ENGINEERING CO.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

Code		2023	2022
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	\$ 331,101	\$ 309,652
A20010	Adjustments for:		
A20100	Depreciation expenses	100,349	101,337
A20200	Amortization expenses	100	100
A20400	Net gain on financial assets at fair value through profit or loss	(2,300)	(426)
A20900	Finance costs	2,810	313
A21200	Interest income	(7,535)	(2,904)
A21300	Dividend income	(586)	(465)
A22400	Share of loss of subsidiaries, associates and joint ventures	25,684	36,358
A22500	Gain on disposal of property, plant and equipment	(164)	(382)
A23700	Write-downs of inventories	165	167
A24100	Net loss on foreign currency exchange	390	3,475
A30000	Changes in operating assets and liabilities		
A31125	Contract assets	6,590	(152,740)
A31130	Notes receivable	(6,532)	117
A31150	Accounts receivable	57,541	91,132
A31180	Other receivables	(475)	2,057
A31200	Inventories	(42,341)	(161,077)
A31230	Prepayments	(35,757)	(83,003)
A31240	Other current assets	1,171	(1,539)
A32125	Contract liabilities	234,557	29,378
A32130	Notes payable	(15,895)	15,958
A32150	Accounts payable	52,253	85,833
A32180	Other payables	31,216	16,383
A32230	Other current liabilities	3,362	(1,411)
A32240	Net defined benefits liabilities	(15,143)	(4,650)
A33000	Cash generated from operations	720,561	283,663
A33100	Interest received	7,535	2,904
A33200	Dividends received	586	465
A33300	Interest paid	(2,810)	(313)
A33500	Income tax paid	(63,596)	(57,961)
AAAA	Net cash generated from operating activities	<u>662,276</u>	<u>228,758</u>

(Continued)

Code		2023	2022
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Acquisition of financial assets at fair value through other comprehensive income	\$ -	(\$ 2,379)
B00040	Proceeds from sale (acquisition) of financial assets at amortized cost	(89,097)	458
B00100	Purchase of financial assets at fair value through profit or loss	(10,000)	(720,000)
B00200	Proceeds from sale of financial assets at fair value through profit or loss	21,805	935,930
B02700	Payments for property, plant and equipment	(59,092)	(46,733)
B02800	Proceeds from disposal of property, plant and equipment	324	429
B03800	Decrease(Increase) in refundable deposits	21,563	(49,182)
B07600	Dividends from subsidiaries received	<u>2,942</u>	<u>2,664</u>
BBBB	Net cash (used in) generated from investing activities	(<u>111,555</u>)	<u>121,187</u>
	CASH FLOWS FROM FINANCING ACTIVITIES		
C03000	Guarantee deposits received	(2,759)	4,028
C04020	Repayment of the principal portion of lease liabilities	(41,341)	(38,886)
C04500	Dividends paid	(220,000)	(190,000)
C05400	Acquisition of subsidiaries	(602)	-
C09900	Unclaimed dividends	<u>522</u>	<u>-</u>
CCCC	Net cash used in financing activities	(<u>264,180</u>)	(<u>224,858</u>)
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
		<u>268</u>	<u>804</u>
EEEE	NET INCREASE IN CASH AND CASH EQUIVALENTS	286,809	125,891
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>446,088</u>	<u>320,197</u>
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 732,897</u>	<u>\$ 446,088</u>

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche auditors' report dated March 12, 2024)

(Concluded)

(Attachment 4)

SYSCOM COMPUTER ENGINEERING CO.

Statement of Earnings Distribution

2023

Unit: NTD

Unappropriated retained earnings at the beginning of the period	\$476,449,668
Add: Net income after tax for the year	278,293,248
Add: Remeasurement of defined benefit plans	(2,162,051)
Less: Legal reserve set aside	<u>(27,613,120)</u>
Distributable earnings	\$724,967,745
Distribution	
Cash dividends to shareholders (NT\$2.4 per share)	<u>(240,000,000)</u>
Unappropriated retained earnings at the end of the period	<u>\$484,967,745</u>

Note: The 2023 earnings are prioritized for distribution at this time.

(Attachment 5)

SYSCOM COMPUTER ENGINEERING CO.

Table of Amendments to the Articles of Incorporation

Before Amendment	After Amendment	Note
<p>Article 2: The scope of the Company's business is as follows:</p> <p>1.E601010 Electric Appliance Construction 2.E603050 Automatic Control Equipment Engineering 3.E605010 Computer Equipment Installation 4.E701010 Telecommunications Engineering 5.E701020 Satellite Television KU Channels and Channel C Equipment Installation 6.E701030 Controlled Telecommunications Radio-Frequency Devices Installation Engineering 7.E701040 Simple Telecommunications Equipment Installation 8.EZ05010 Instrument and Meters Installation Engineering 9.EZ99990 Other Engineering 10.F108031 Wholesale of Medical Devices 11.F113010 Wholesale of Machinery 12.F113030 Wholesale of Precision Instruments 13.F113050 Wholesale of Computers and Clerical Machinery Equipment 14.F113070 Wholesale of Telecommunication Apparatus 15.F113110 Wholesale of Batteries 16.F113990 Wholesale of Other Machinery and Tools 17.F118010 Wholesale of Computer Software 18.F119010 Wholesale of Electronic Materials 19.F208031 Retail Sale of Medical Apparatus 20.F213030 Retail Sale of Computers and Clerical Machinery Equipment 21.F213040 Retail Sale of Precision Instruments 22.F213050 Retail Sale of Measuring Instruments 23.F213060 Retail Sale of Telecommunication Apparatus 24.F218010 Retail Sale of Computer Software 25.F219010 Retail Sale of Electronic Materials 26.F401010 International Trade 27.F601010 Intellectual Property Rights 28.G903010 Telecommunications Enterprises 29.I103060 Management Consulting 30.I301010 Information Software Services 31.I301020 Data Processing Services 32.I301030 Electronic Information Supply Services 33.I501010 Product Designing 34.I599990 Other Designing 35.J202010 Industry Innovation and Incubation Services 36.J303010 Magazine (Periodical) Publishing 37.J304010 Book Publishing 38.JA02010 Electric Appliance and Electronic Products Repair</p>	<p>Article 2: The scope of the Company's business is as follows:</p> <p>1.E601010 Electric Appliance Construction 2.E603050 Automatic Control Equipment Engineering 3.E605010 Computer Equipment Installation 4.E701010 Telecommunications Engineering 5.E701020 Satellite Television KU Channels and Channel C Equipment Installation 6.E701030 Controlled Telecommunications Radio-Frequency Devices Installation Engineering 7.E701040 Simple Telecommunications Equipment Installation 8.EZ05010 Instrument and Meters Installation Engineering 9.EZ99990 Other Engineering 10.F108031 Wholesale of Medical Devices 11.F113010 Wholesale of Machinery 12.F113030 Wholesale of Precision Instruments 13.F113050 Wholesale of Computers and Clerical Machinery Equipment 14.F113070 Wholesale of Telecommunication Apparatus 15.F113110 Wholesale of Batteries 16.F113990 Wholesale of Other Machinery and Tools 17.F118010 Wholesale of Computer Software 18.F119010 Wholesale of Electronic Materials 19.F199990 Other Wholesale Trade 20.F208031 Retail Sale of Medical Apparatus 21.F213030 Retail Sale of Computers and Clerical Machinery Equipment 22.F213040 Retail Sale of Precision Instruments 23.F213050 Retail Sale of Measuring Instruments 24.F213060 Retail Sale of Telecommunication Apparatus 25.F218010 Retail Sale of Computer Software 26.F219010 Retail Sale of Electronic Materials 27.F299990 Retail Sale of Other Products 28.F401010 International Trade 29.F601010 Intellectual Property Rights 30.G202010 Parking area Operators 31.G903010 Telecommunications Enterprises 32.I103060 Management Consulting 33.I301010 Information Software Services 34.I301020 Data Processing Services 35.I301030 Electronic Information Supply Services 36.I501010 Product Designing 37.I599990 Other Designing 38.J202010 Industry Innovation and Incubation Services 39.J303010 Magazine (Periodical) Publishing</p>	<p>Align with requirements of business.</p>

<p>39.JA02990 Other Repair 40.JE01010 Rental and Leasing 41.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</p>	<p>40.J304010 Book Publishing 41.JA02010 Electric Appliance and Electronic Products Repair 42.JA02990 Other Repair 43.JE01010 Rental and Leasing 44.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</p>	
<p>Article 23: The Articles of Incorporation were formulated on June 19, 1975. The 1st amendment was made on July 3, 1975. The 2nd amendment was made on June 13, 1978. The 3rd amendment was made on May 5, 1979. The 4th amendment was made on September 25, 1980. The 5th amendment was made on October 25, 1980. The 6th amendment was made on February 18, 1983. The 7th amendment was made on December 27, 1988. The 8th amendment was made on November 6, 1989. The 9th amendment was made on April 8, 1990. The 10th amendment was made on November 5, 1990. The 11th amendment was made on February 22, 1991. The 12th amendment was made on July 20, 1991. The 13th amendment was made on February 22, 1992. The 14th amendment was made on May 1, 1993. The 15th amendment was made on June 25, 1994. The 16th amendment was made on June 24, 1995. The 17th amendment was made on November 2, 1996. The 18th amendment was made on April 15, 1999. The 19th amendment was made on January 7, 2000. The 20th amendment was made on April 29, 2000. The 21st amendment was made on April 24, 2001. The 22nd amendment was made on May 31, 2002. The 23rd amendment was made on May 15, 2003. The 24th amendment was made on June 14, 2005. The 25th amendment was made on June 14, 2006. The 26th amendment was made on June 13, 2008. The 27th amendment was made on June 10, 2009. The 28th amendment was made on June 17, 2010. The 29th amendment was made on June 15, 2012. The 30th amendment was made on June 23, 2014. The 31st amendment was made on June 15, 2015. The 32nd amendment was made on June 16, 2016. The 33rd amendment was made on June 12, 2018. The 34th amendment was made on June 13, 2019. The 35th amendment was made on June 12, 2020. The 36th amendment was made on July 29, 2021. The 37th amendment was made on June 15, 2022. The 38th amendment was made on June 13, 2023.</p>	<p>Article 23: The Articles of Incorporation were formulated on June 19, 1975. The 1st amendment was made on July 3, 1975. The 2nd amendment was made on June 13, 1978. The 3rd amendment was made on May 5, 1979. The 4th amendment was made on September 25, 1980. The 5th amendment was made on October 25, 1980. The 6th amendment was made on February 18, 1983. The 7th amendment was made on December 27, 1988. The 8th amendment was made on November 6, 1989. The 9th amendment was made on April 8, 1990. The 10th amendment was made on November 5, 1990. The 11th amendment was made on February 22, 1991. The 12th amendment was made on July 20, 1991. The 13th amendment was made on February 22, 1992. The 14th amendment was made on May 1, 1993. The 15th amendment was made on June 25, 1994. The 16th amendment was made on June 24, 1995. The 17th amendment was made on November 2, 1996. The 18th amendment was made on April 15, 1999. The 19th amendment was made on January 7, 2000. The 20th amendment was made on April 29, 2000. The 21st amendment was made on April 24, 2001. The 22nd amendment was made on May 31, 2002. The 23rd amendment was made on May 15, 2003. The 24th amendment was made on June 14, 2005. The 25th amendment was made on June 14, 2006. The 26th amendment was made on June 13, 2008. The 27th amendment was made on June 10, 2009. The 28th amendment was made on June 17, 2010. The 29th amendment was made on June 15, 2012. The 30th amendment was made on June 23, 2014. The 31st amendment was made on June 15, 2015. The 32nd amendment was made on June 16, 2016. The 33rd amendment was made on June 12, 2018. The 34th amendment was made on June 13, 2019. The 35th amendment was made on June 12, 2020. The 36th amendment was made on July 29, 2021. The 37th amendment was made on June 15, 2022. The 38th amendment was made on June 13, 2023. The 39th amendment was made on June 12, 2024.</p>	<p>The amendment date is added.</p>

(Attachment 6)

List of Candidates for Directors (including Independent Directors)

Category	Name	Major education	Major experience	Current position	Shareholding (Share)
Director	Jui-Fu Liu	Department of Electrical Engineering, National Cheng Kung University Honorary Doctorate, National Dong Hwa University	Chairman of SYSCOM COMPUTER ENGINEERING CO. Director of CASEMaker Inc. Director of ACTISYS INTERNATIONAL CORPORATION Chairman of the Taipei Computer Association	Chairman and Chief Strategy Officer of SYSCOM COMPUTER ENGINEERING CO. Director of CASEMaker Inc. Director of ACTISYS INTERNATIONAL CORPORATION Chairman of Information Month Campaign Committee	18,346,787
Director	Jui-Long Liu	Institute of Management Science, National Chiao Tung University	Director of SYSCOM COMPUTER ENGINEERING CO. President of SYSCOM COMPUTER ENGINEERING CO. President of CASEMaker Inc. Lecturer of Tamkang University President of Information Service Industry Association of R.O.C. Executive Director of Institute for Information Industry	Director of SYSCOM COMPUTER ENGINEERING CO. President of SYSCOM COMPUTER ENGINEERING CO. President of CASEMaker Inc. Vice Chairman and Executive Director of Cloud Computing & IoT Association in Taiwan Vice Chairman and Executive Director of Digital Transformation Association Director of National Information Infrastructure Enterprise Promotion Association President of National Quality & Sustainable Excellence Alliance	402,562
Director	Po-Wen Wang	Department of Science and Management, Graduate Institute of Business Administration, National Chengchi University	Deputy Director of Engineering Development Office, National Chung-Shan Institute of Science & Technology	Director of SYSCOM COMPUTER ENGINEERING CO.	0
Director	Chih-Chun Liu	Computer Animation Department, San Francisco University of the Arts	Supervisor of SYSCOM COMPUTER ENGINEERING CO. Supervisor of Welida Investment Co., Ltd.	Director of SYSCOM COMPUTER ENGINEERING CO. Supervisor of Welida Investment Co., Ltd.	4,375,567
Independent Director	Chung-Lieh Kuo	Department of Business Administration, Chung Hua University	Manager of Orient Semiconductor Electronics, Ltd.	Independent director of SYSCOM COMPUTER ENGINEERING CO. Member of the Remuneration Committee of SYSCOM COMPUTER ENGINEERING CO.	0
Independent Director	Feng-Chiu Yu	Department of Accounting, Tunghai University	Passed the CPA Examination of the Republic of China Manager of Department of WIN Semiconductors Corp.	None	1,273
Independent Director	So-Yun Cheng	Department of Business Paperwork, Ming Chuan University	Chief Accountant of Chang Tai Construction Co., Ltd.	None	1,254

(Attachment 7)

Details of the proposed removal of the competing behaviors of the new Directors

Title	Name	Concurrent positions in the other companies
Director	Jui-Fu Liu	Director of CASEMaker Inc. Director of ACTISYS INTERNATIONAL CORPORATION
Director	Jui-Long Liu	President of CASEMaker Inc.

(Appendix 1)

SYSCOM COMPUTER ENGINEERING CO.

Rules of Procedure for Shareholders' Meetings

- Article 1: To establish an excellent governance system for the Company's shareholders' meeting, improve the supervisory function, and strengthen the management function, these Rules are formulated in accordance with the provisions of Article 5 of the Corporate Governance Best Practice Principles for TWSE / TPEX Listed Companies for compliance.
- Article 2: Unless otherwise stipulated by laws or regulations, the rules of procedure for the Company's shareholders' meeting shall be governed by these Rules.
- Article 3: Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.
- Changes to the method of convening the shareholders' meeting shall be subject to a resolution by the Board of Directors and shall be made no later than before the notice of the shareholders' meeting is sent.
- Thirty days before the Company convenes an annual shareholders' meeting or 15 days before an extraordinary shareholders' meeting, the Company shall prepare electronic files of the meeting notice, proxy form, information on proposals for ratification, matters for discussion, election or dismissal of directors, and other matters on the shareholders' meeting agenda and upload them to the Market Observation Post System (MOPS).
- Meanwhile, twenty-one days before the Company convenes an annual shareholders' meeting or 15 days before an extraordinary shareholders' meeting, it shall prepare an electronic file of the shareholders' meeting agenda handbook and the supplementary materials and upload them to the MOPS. Fifteen days before the Company convenes a shareholders' meeting, it shall prepare the shareholders' meeting agenda handbook and supplementary materials and make them available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed at the Company and its stock affairs agency. The Company shall provide said handbook and supplementary materials mentioned in the preceding paragraph to the shareholders on the day of the shareholders' meeting in the following methods:
1. When a physical shareholders' meeting is convened, such materials shall be distributed on-site at the shareholders' meeting.

2. When a physical shareholders' meeting is convened, supplemented by a video conference, such materials shall be distributed on-site at the shareholders' meeting, and an electronic file of such materials shall be uploaded to the video conference platform.

3. When a shareholders' meeting is convened by video conference, an electronic file of such materials shall be sent to the video conference platform.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and the public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of the removal of the non-compete clause for the directors, capitalization of earnings, capitalization of legal reserve, dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act; Articles 26-1 and 43-6 of the Securities and Exchange Act, and Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, shall be set out and the essential contents explained in the notice of the shareholders' meeting. None of the above matters may be raised by an extempore motion.

Where an election of all directors and their inauguration date shall be stated in the notice of the shareholders' meeting, after the completion of the re-election in said meeting, such inauguration date may not be altered by any extempore motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of outstanding shares may submit to the Company a proposal for discussion at an annual general meeting of shareholders. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. A shareholder's proposal in alignment with any circumstance under any subparagraph of paragraph 4 of Article 172-1 of the Company Act may not be included in the meeting agenda by the Board of Directors.

A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before an annual shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholders' proposals in writing or by electronic means and the location and time period for their

submission; the period for acceptance of shareholders' proposals may not be fewer than 10 days.

Each of such proposals is limited to 300 characters, and no proposal containing more than 300 characters will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual general meeting of shareholders and take part in the discussion of the proposal.

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the Board of Directors shall explain the reasons for any shareholders' proposals not included in the agenda.

Article 4: For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

Each shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company at least five days before the date of the shareholders' meeting. When a duplicate proxy form is served, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy form.

Once a proxy form is received by the Company, if the shareholder wishes to attend the shareholders' meeting in person or to exercise their voting rights in writing or by electronic means, a written proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Once the proxy form is received by the Company, in the case that the shareholder intends to attend the shareholders' meeting by video conference, a written proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 5: The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to independent directors' opinions with respect to the place and time of the meeting.

When the Company convenes a shareholders' meeting by video conference, it is

not subject to the restriction on the venue of the meeting under the preceding paragraph.

Article 6: The Company shall state, in the meeting notice, the sign-in time and place for shareholders, solicitors, and proxies (hereinafter referred to as “shareholders”), and other matters that shall be noted.

The time at which shareholders’ sign-in begins, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The sign-in location place shall be clearly marked and staffed with a sufficient number of suitable personnel. When the shareholders' meeting is convened by video conference, the sign-in process shall begin on the video conference platform 30 minutes before the meeting commences. Shareholders who have completed the sign-in shall be deemed to have attended the shareholders' meeting in person.

Shareholders shall attend the shareholders’ meetings with their attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attendance presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The Company shall furnish attending shareholders with the meeting agenda handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, ballots shall also be furnished.

When the government or a juridical person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juridical person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.

If the shareholders' meeting is convened by video conference, shareholders who wish to attend by video conference should register with the Company two days prior to the shareholders' meeting.

If the shareholders' meeting is convened by video conference, the Company shall upload the meeting agenda handbook, annual report, and other relevant materials to the video conference platform at least 30 minutes prior to the start of the meeting and continue to disclose them till the end of the meeting.

Article 6-1: When the Company convenes the shareholders' meeting by video conference, the information below shall be stated in the meeting notice:

1. Shareholders' methods of participating in the video conference and exercising their rights.
2. The response to the obstacles to the video conference platform or to the participation in the video conference due to natural disasters, incidents, or other force majeure events shall include at least the following:
 - (1) The time and the date of the next meeting when the meeting needs to be postponed or resumed as such obstacles cannot be resolved.
 - (2) Shareholders who did not register to participate in the original shareholders' meeting by video conference shall not participate in the meeting to be postponed or resumed.
 - (3) When a physical shareholders' meeting is convened, supplemented by a video conference, if the video conference cannot continue, after the number of shares in attendance through the video conference is deducted, the total number of shares in attendance at the physical shareholders' meeting reaches the number as required by law, the shareholders' meeting shall continue. For shareholders participating by video conference, the number of their shares shall be included in the total number of shares in attendance, and they shall be deemed to abstain for all motions resolved at the shareholders' meeting.
 - (4) The handling method in the event that the resolution results of all motions have been announced, while extempore motions have not been resolved.
3. When a shareholders' meeting is to be convened by video conference, appropriate alternatives to shareholders who have difficulty participating in the meeting by video means shall be specified.

Article 7: If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is on leave or unable to exercise the powers as the chair for any reason, the Vice Chairman shall chair the meeting on his behalf. Where there is such a position as Vice Chairman or the Vice Chairman is on leave or unable to exercise the powers as the chair for any reason, the Chairman shall appoint one of the managing directors to act as the chair. Where there is such a position as managing director, Chairman shall appoint one of the directors to act as the chair. Where the Chairman fails to not make such a designation, the managing directors or directors shall select from among themselves one person to serve as the chair.

When a managing director or a director serves as the chair, as referred to in the preceding paragraph, the managing director or director shall have held that position for six months or more with great understanding of the Company's financial position. The same shall apply if the chair is served by the representative of an institutional director.

It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the Chairman in person and attended by a majority of the directors. If a shareholders' meeting is convened by a party with power to convene other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, CPAs, or relevant persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 8: The Company shall making an audio and video recording of the entire proceedings of a shareholders' meeting and preserve the recordings for at least one years.

If a shareholders' meeting is convened by video conference, the Company shall keep records of shareholders' registration, sign-in, questions raised, and voting and the Company's vote counting results and retain the records, while making an uninterrupted audio and video recording of the entire video conference.

The above-mentioned materials and audio and video recordings shall be properly kept by the Company during the period of its existence, and the audio and video recordings shall be provided to those who are entrusted to handle the video conference affairs for storage.

If a shareholders' meeting is convened by video conference, the Company is advised to make an audio and video recording of the back-end interface of the video conference platform.

Article 9: Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be counted according to the shares indicated in the sign-in book or the sign-in cards handed in and the sign-in record on the video conferencing platform plus the number of shares whose voting rights are exercised in writing or by electronic means.

The chair shall call the meeting to order upon the meeting time and disclose information concerning the number of non-voting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total

number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If attending shareholders still represent less than one third of the total number of issued shares after two postponements, the chair shall declare the meeting adjourned. If a shareholders' meeting is convened by video conference, the Company shall also declare the meeting adjourned on the video conference platform.

If there are not enough shareholders representing at least one third of issued shares attending the meeting after two postponements, tentative resolutions may be passed in accordance with Article 175, paragraph 1 of the Company Act. Shareholders shall be notified of the tentative resolutions, and another shareholders' meeting will be convened within one month. If a shareholders' meeting is convened by video conference, shareholders who wish to attend by video conference shall re-register with the Company in accordance with Article 6. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of outstanding shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 10: If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on the proposals on the agenda one by one. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution by the shareholders' meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party with the power to convene other than the Board of Directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution by the shareholders' meeting. 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 to continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extempore motions put forward by the shareholders; when the chair is of the opinion that a proposal has been

discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, their shareholder account number, and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech is not in alignment with the subject on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes; however, if the shareholder's speech violates the rules or exceeds the scope of the motion, the chair may have the shareholder stop the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juridical person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

If a shareholders' meeting is convened by video conference, shareholders who participate by video conference may ask questions in text on the video conference platform after the chair calls the meeting to order and before the chair declares the meeting adjourned. The number of questions raised by each shareholder for each motion shall not exceed two, each question shall be limited to 200 characters, and the provisions of paragraphs 1 to 5 shall not apply.

If such questions in the preceding paragraph are not in violation of the regulations or not outside the scope of the motions, it is advisable to disclose such questions on the video conference platform.

Article 12: Voting at shareholders' meetings shall be calculated based on numbers of shares. The non-voting shares held by shareholders shall not be counted toward the total number of outstanding shares for any resolution to be adopted at a shareholders' meeting.

A shareholder who has a personal interest in the matter under discussion at a meeting, which may impair the Company's interest, shall not vote nor exercise

the voting right on behalf of another shareholder.

Shares for which voting right cannot be exercised as provided in the preceding paragraph shall not be counted toward the number of votes of shareholders present at the meeting.

Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting rights represented by them shall not exceed 3% of the total number of the Company's voting shares, otherwise, the portion of excessive voting rights shall not be counted.

Article 13: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholders' meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the 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's exercise of voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived their rights with respect to the extempore motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extempore motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company at least two days before the date of the shareholders' meeting.

When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After shareholders exercise their voting rights in writing or by electronic means, if they wish to attend the shareholders' meeting in person or by video conference, they shall serve a declaration of intent to retract the voting rights already exercised under the preceding paragraph two days before the shareholders' meeting in the same manner in which the voting rights were exercised; otherwise the voting rights exercised in writing or by electronic means shall prevail. If the shareholder exercises the voting right in writing or by electronic means and appoints a proxy with a proxy form to attend the shareholders' meeting, the voting right exercised by the attending proxy at the meeting shall prevail.

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 vote by the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered on the MOPS.

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.

Scrutineers and vote counting personnel for the voting on proposals shall be appointed by the chair, provided that all scrutineers be shareholders of the Company.

Vote counting for proposals or elections at a shareholders' meeting shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and recorded.

When a shareholders' meeting is convened by video conference, shareholders participating by video conference shall vote on various motions and election(s) on the video conference platform after the chair calls the meeting to order. They shall complete the voting before the chair declares the voting closed, otherwise they shall be deemed to have waived their voting rights.

When a shareholders' meeting is convened by video conference, after the chair declares the voting closed, the votes shall be counted at one go, and the voting and election results shall be announced.

If a shareholders' meeting is convened, along with a video conference held at the same time, shareholders who have registered to attend the shareholders' meeting by video conference in accordance with Article 6, intend to attend the physical shareholders' meeting in person, shall rescind the registration in the same manner as the registration two days before the shareholders' meeting, otherwise they can only attend the shareholders' meeting by video conference.

Those who exercise their voting rights in writing or by electronic means without retracting their declaration of intention and participate in the shareholders'

meeting by video conference shall not exercise their voting rights on the same motions, propose amendment to the same motions, or exercise their voting rights for revised motions, except for extempore motions.

Article 14: The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and those failed to be elected and the numbers of votes they won.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the scrutineers and kept properly for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15: Matters relating to the resolutions by a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

Said distribution may be announced through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of votes won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.

When a shareholders' meeting is convened by video conference, the minutes of the shareholders' meeting shall contain the start and end time of the shareholders' meeting, the method of convening the meeting, the names of the chair and the meeting taker, as well as the response method and the response situation when any natural disasters, accidents, or other force majeure events have obstructed the video conference platform or the participation in the video conference in addition to the matters that shall be recorded in accordance with the preceding paragraph.

When a shareholders' meeting is convened by video conference, the Company shall proceed as per the preceding paragraph and shall specify the alternative measures provided to shareholders who have difficulty participating in the video conference in the minutes of the shareholders' meeting.

Article 16: The Company shall, on the day of the shareholders' meeting, compile a statistical statement in the prescribed format and disclose the number of shares solicited by the solicitor, the number of shares represented by the proxies, and the number of shares in attendance in writing or by electronic means clearly on site at the shareholders' meeting. When a shareholders' meeting is convened by video conference, the Company shall upload the aforementioned information to the video conference platform at least 30 minutes before the start of the meeting and continue to disclose it till the end of the meeting.

When a shareholders' meeting is convened by video conference, when the chair calls the meeting to order, the total number of shares in attendance shall be disclosed on the video conference platform. The same shall apply if the total number of shares and voting rights in attendance are counted during the meeting. If any resolutions by the shareholders' meeting are material information as stipulated by laws and regulations or the Taiwan Stock Exchange Corporation, the Company shall upload the content to the MOPS prior to a deadline.

Article 17: Staff handling administrative affairs of a shareholders' meeting shall wear an identification badge or an armband.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification badge or an armband, reading "Proctor."

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18: When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extempore motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19: When a shareholders' meeting is convened by video conference, the Company shall immediately disclose the voting results and election results of various motions on the video conference platform in accordance with the regulations, and shall continue to disclose for at least 15 minutes after the chair declares the meeting adjourned.

Article 20: When a shareholders' meeting is convened by video conference, the chair and the minute taker shall be at the same location in Taiwan, and the chair shall disclose the address of the place when calling the meeting to order.

Article 21: When a shareholders' meeting is convened by video conference, the Company may allow shareholders to perform a simple test of the connection before the meeting commences and provide relevant services immediately before and during the meeting to assist with any technical communication problems.

When a shareholders' meeting is convened by video conference the chair shall, when calling the meeting to order, announce that there is no need for postponement or resumption of the meeting as stipulated in Article 44-24, paragraph 24 of the Regulations Governing the Administration of Shareholder Services of Public Companies; and that the requirement on the date of the meeting postponed or resumed within five days due to any natural disasters, accidents, or other force majeure events that have obstructed the video conference platform or the participation in the video conference for more than 30 minutes under Article 182 of the Company Act shall not apply before the chair declares the meeting adjourned.

In the event of any incident in the preceding paragraph that caused the meeting to be postponed or resumed, shareholders who have not registered to participate in the original shareholders' meeting by video conference shall not participate in the meeting postponed or resumed.

For the meeting to be postponed or resumed under paragraph 2, shareholders who have registered to participate in the original shareholders' meeting by video conference and have completed the registration but fail to participate in said meeting, the number of shares in attendance and the voting rights and voting rights for elections exercised at the original shareholders' meeting shall be included in the total number of attending shareholders' shares, voting rights, and voting rights for elections at the meeting postponed or resumed.

When a shareholders meeting is postponed or resumed in accordance with paragraph 2, the motions for which the voting and counting of votes have been completed and the voting results or the list of elected directors have been announced, do not need to be discussed or resolved again.

When the Company convenes a shareholder's meeting, supplemented by a video conference, if the video conference cannot continue as under paragraph 2, after the number of shares in attendance through the video conference is deducted, the total number of shares in attendance at the physical shareholders' meeting reaches the number as required by law, the shareholders' meeting shall continue. There is no need to postpone or resume the meeting in accordance with paragraph 2.

When the meeting shall continue as in the preceding paragraph, for shareholders participating by video conference, the number of their shares shall be included in the total number of shares in attendance; however, they shall be deemed to abstain for all motions resolved at the shareholders' meeting.

When the Company postpones or resumes the meeting in accordance with paragraph 2, it shall handle the relevant matters in accordance with the provisions set forth in Article 44-27 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and relevant preparations shall be made as per the date of the original shareholders' meeting and the provisions of this article.

Based on the period under Article 12, second-half paragraph and Article 13, paragraph 3 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies; Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall postpone or resume the shareholders' meeting at a date as per paragraph 2.

Article 22: When the Company convenes a shareholders' meeting by video conference, it shall provide appropriate alternatives to shareholders who have difficulty attending the shareholders' meeting by video conference.

Article 23: These Rules and all amendments thereto shall take effect upon approval by a shareholders' meeting.

Article 24: These Rules were formulated on June, 24, 1995.

The 1st amendment was made on April 18, 1998.

The 2nd amendment was made on April 15, 1999.

The 3rd amendment was made on May 31, 2002.

The 4th amendment was made on June 14, 2006.

The 5th amendment was made on June 15, 2012.

The 6th amendment was made on June 23, 2014.

The 7th amendment was made on June 12, 2020.

The 8th amendment was made on July 29, 2021.

The 9th amendment was made on June 15, 2022.

(Appendix 2)

Articles of Incorporation of Syscom Computer Engineering Company

Article 1: The company is incorporated in accordance with the Company Act and named 凌群電腦股份有限公司. The English name is Syscom Computer Engineering Company.

Article 2: The scope of the Company's business is as follows:

1. E601010 Electric Appliance Construction
2. E603050 Automatic Control Equipment Engineering
3. E605010 Computer Equipment Installation
4. E701010 Telecommunications Engineering
5. E701020 Satellite Television KU Channels and Channel C Equipment Installation
6. E701030 Controlled Telecommunications Radio-Frequency Devices Installation Engineering
7. E701040 Simple Telecommunications Equipment Installation
8. EZ05010 Instrument and Meters Installation Engineering
9. EZ99990 Other Engineering
10. F108031 Wholesale of Medical Devices
11. F113010 Wholesale of Machinery
12. F113030 Wholesale of Precision Instruments
13. F113050 Wholesale of Computers and Clerical Machinery Equipment
14. F113070 Wholesale of Telecommunication Apparatus
15. F113110 Wholesale of Batteries
16. F113990 Wholesale of Other Machinery and Tools
17. F118010 Wholesale of Computer Software
18. F119010 Wholesale of Electronic Materials
19. F208031 Retail Sale of Medical Apparatus
20. F213030 Retail Sale of Computers and Clerical Machinery Equipment
21. F213040 Retail Sale of Precision Instruments
22. F213050 Retail Sale of Measuring Instruments
23. F213060 Retail Sale of Telecommunication Apparatus
24. F218010 Retail Sale of Computer Software
25. F219010 Retail Sale of Electronic Materials
26. F401010 International Trade
27. F601010 Intellectual Property Rights
28. G903010 Telecommunications Enterprises
29. I103060 Management Consulting
30. I301010 Information Software Services
31. I301020 Data Processing Services
32. I301030 Electronic Information Supply Services
33. I501010 Product Designing
34. I599990 Other Designing
35. J202010 Industry Innovation and Incubation Services
36. J303010 Magazine (Periodical) Publishing
37. J304010 Book Publishing
38. JA02010 Electric Appliance and Electronic Products Repair
39. JA02990 Other Repair

40. JE01010 Rental and Leasing

41. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1: When the Company is a limited liability shareholder at another company, its total investment is not subject to the limit of 40% of the total paid-in capital under Article 13 of the Company Act.

Article 3: The Company may provide guarantees to external entities for business needs.

Article 4: The Company is headquartered in Taipei City and may establish branches at home and abroad when necessary with a resolution adopted by the Board of Directors.

Article 5: Deleted.

Chapter II Shares

Article 6: The Company's total capital is NT\$1.57 billion, which is divided into 157 million shares with a par value of NT\$10 per share, and the Board of Directors is authorized to issue them in tranches. Of the above capital, NT\$300 million is divided into 30 million shares, with a par value of NT\$10 per share, for subscription by employees who exercise their stock warrants or corporate bonds with warrants. Such shares may be issued in tranches, and the Board of Directors is authorized to handle it in accordance with the Company Act and relevant laws and regulations.

Article 7: Deleted.

Article 8: The Company's shares are generally registered and are issued after being signed or sealed by the directors representing the Company and certified in accordance with the law. The Company may be exempted from printing stock certificates and shall register with the centralized securities depository enterprise when issuing shares.

Article 9: The change of name and transfer of shares shall be suspended within 60 days before an annual shareholders' meeting, within 30 days before an extraordinary shareholders' meeting, or within 5 days before the record date of payout of dividends, bonuses, or other benefits.

Article 9-1: The Company's stock affairs shall be handled in accordance with the relevant laws and regulations and the regulations of the competent authority.

Chapter III Shareholders' Meeting

Article 10: There are annual and extraordinary shareholders' meetings. The Board of Directors shall convene the annual meeting once a year within six months after the end of each fiscal year. Extraordinary meetings may be convened at any time as needed.

The Company may convene shareholders' meeting by video conference or in other methods as announced by the central competent authority.

Article 11: Any shareholder who is unable to attend a shareholders' meeting for any reason may appoint a proxy to attend the meeting by presenting a letter of attorney printed by the Company, indicating the scope of the authorization.

Article 12: Each of the Company's shareholders shall be entitled to one vote for each share held unless otherwise stipulated by laws and regulations.

Article 13: Unless otherwise provided by the Company Act, resolutions by a

shareholders' meeting shall be adopted by more than half of the voting rights represented by shareholders at such a meeting attended by shareholders representing more than half of the total outstanding shares.

Chapter IV Board of Directors and Audit Committee

- Article 14: The Company shall have 5 to 7 directors on the Board. The term of office is 3 years. The shareholders' meeting shall elect such directors from candidates with the legal capacity, and they can be re-elected.
Of said number of the Company's directors, the number of independent directors shall not be fewer than three and shall not be fewer than one-third of the total number of directors. Directors (including independent directors) shall be elected through a candidate nomination system by the shareholders' meeting from a list of candidates for directors (including independent directors).
The professional qualifications, shareholding, restrictions on positions held concurrently, nomination and appointment methods, and other matters to be complied with for independent directors shall be governed by the relevant regulations of the competent securities authority.
- Article 14-1: The Company has established an Audit Committee in accordance with the Securities and Exchange Act, and the committee is formed by all independent directors.
The Audit Committee's responsibilities, charter, exercise of powers, and other matters to be complied with shall be handled in accordance with the competent securities authority's and the Company's relevant regulations.
- Article 15: The Board of Directors shall be formed by the directors, and the Chairman shall be elected by more than half of the attending directors from among themselves at a Board meeting attended by more than two-thirds of all directors. The Chairman represents the Company externally.
- Article 16: A Board meeting shall be convened by the Chairman, and the resolutions shall be adopted by more than half of the attending directors from among themselves at a Board meeting attended by more than two-thirds of all directors, unless otherwise provided by the Company Law and the Articles of Incorporation. If a director is unable to attend in person for any reason, they may appoint another director as their proxy. In addition, when a Board meeting is convened by video conference, the directors who participate in the meeting by video conference shall be deemed to have attended the meeting in person.
- Article 16-1: When a Board meeting is to be convened, the reasons shall be stated in a meeting notice, which shall then be sent to all directors at least seven days in advance. However, in the event of an emergency, a Board may be convened at any time.
The notice referred to in the preceding paragraph may be sent in writing or by fax or email.
- Article 17: If the Chairman is on leave or is unable to exercise his powers for any reason, his substitute shall be handled in accordance with Article 208 of the Company Act.
- Article 18: The Board of Directors is authorized to determine the remuneration to the Chairman and directors based on their involvement in the Company's operations, the values of their contributions, and the general standard in the

industry. All directors may be paid with honoraria depending on the actual situation.

- Article 18-1: The Company may purchase liability insurance for directors during their terms in accordance with the law for the scope of their duties, to reduce and diversify the risk of material damage to the Company and shareholders due to illegal acts committed by a director.

Chapter V Managers

- Article 19: The Company may engage managers, whose appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.

Chapter VI Accounting

- Article 20: The Board of Directors shall prepare (1) business report, (2) financial statements, and (3) statement of Earnings distribution and deficit compensation at the end of each fiscal year and submit them to the annual shareholders' meeting for ratification.

- Article 21: If the Company makes a profit in a fiscal year, it shall allocate no less than 3% of the balance as employee remuneration, which shall be distributed in stock or cash as per the resolution by the Board of Directors. The recipients shall include employees of the controlling company or subsidiaries who met certain criteria. The distribution of employee remuneration shall be reported to the shareholders' meeting. However, when the Company still has a cumulative deficit, it shall reserve an amount to compensate it first and then allocate an amount for employee remuneration according to the percentage set out in the preceding paragraph.

- Article 21-1: Where the Company made a profit in a fiscal year, the profit shall be first used for paying taxes, offsetting the cumulative deficit, setting aside 10% of the remaining profit as a legal reserve unless it has reached the total amount of the Company's paid-in capital, setting aside an amount for or reversing a special reserve in accordance with laws and regulations, and then any remaining profit, together with any undistributed earnings, shall be adopted by the Company's Board of Directors as the basis for making a distribution proposal, which shall then be submitted to the shareholders' meeting for a resolution before distribution of bonuses to shareholders.

The Company distributes dividends and bonuses, all or part of the legal reserve and capital reserve. Proposal for distribution in cash shall subject to majority vote at a board meeting attended by over two-thirds of the directors and adopted by the shareholders' meeting.

- Article 21-2: To ensure the Company's stable growth, sustainable development, and long-term development, the Company considers the its future capital needs and long-term financial planning and distributes dividends with a moderate combination of cash and stock dividends, with balanced and stable dividends maintained, while determining the type, amount, and time of the dividends to be distributed as per the year's profit, capital budget planning, and capital amount. The Company shall distribute cash dividends at no less than 10% of the total dividends to be distributed in the year; however, if it has more abundant surplus and capital in the future, it may raise said percentage.

Chapter VI Supplementary Provisions

- Article 22: Matters not specified in the Articles of Incorporation shall be handled in accordance with the Company Act.
- Article 23: The Articles of Incorporation were formulated on June 19, 1975.
The 1st amendment was made on July 3, 1975.
The 2nd amendment was made on June 13, 1978.
The 3rd amendment was made on May 5, 1979.
The 4th amendment was made on September 25, 1980.
The 5th amendment was made on October 25, 1980.
The 6th amendment was made on February 18, 1983.
The 7th amendment was made on December 27, 1988.
The 8th amendment was made on November 6, 1989.
The 9th amendment was made on April 8, 1990.
The 10th amendment was made on November 5, 1990.
The 11th amendment was made on February 22, 1991.
The 12th amendment was made on July 20, 1991.
The 13th amendment was made on February 22, 1992.
The 14th amendment was made on May 1, 1993.
The 15th amendment was made on June 25, 1994.
The 16th amendment was made on June 24, 1995.
The 17th amendment was made on November 2, 1996.
The 18th amendment was made on April 15, 1999.
The 19th amendment was made on January 7, 2000.
The 20th amendment was made on April 29, 2000.
The 21st amendment was made on April 24, 2001.
The 22nd amendment was made on May 31, 2002.
The 23rd amendment was made on May 15, 2003.
The 24th amendment was made on June 14, 2005.
The 25th amendment was made on June 14, 2006.
The 26th amendment was made on June 13, 2008.
The 27th amendment was made on June 10, 2009.
The 28th amendment was made on June 17, 2010.
The 29th amendment was made on June 15, 2012.
The 30th amendment was made on June 23, 2014.
The 31st amendment was made on June 15, 2015.
The 32nd amendment was made on June 16, 2016.
The 33rd amendment was made on June 12, 2018.
The 34th amendment was made on June 13, 2019.
The 35th amendment was made on June 12, 2020.
The 36th amendment was made on July 29, 2021.
The 37th amendment was made on June 15, 2022.
The 38th amendment was made on June 13, 2023.

SYSCOM COMPUTER ENGINEERING CO.

Chairman: Jui-Fu Liu

(Appendix 3)

SYSCOM COMPUTER ENGINEERING CO.
Procedures for Election of Directors

Article 1: Except as otherwise provided by laws, regulations, or the Articles of Incorporation, the election of directors of the Company shall be conducted in accordance with these procedures.

Article 2: The election of the Company's directors shall take into account the overall composition of the Board of Directors. Members of the Board of Directors should generally possess the necessary knowledge, skills, and qualifications to fulfill their duties.

More than half of the directors of the Company shall not have a spouse or a relative within the second degree of kinship.

Article 3: Deleted.

Article 4: The qualification and election of the Company's independent directors shall comply with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and shall be conducted in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies".

Article 5: Elections of directors of the Company shall be conducted in accordance with the candidate nomination system and procedures stipulated in Article 192-1 of the Company Act.

If the Company's directors are dismissed for cause, resulting in less than five directors, a by-election shall be held at the most recent general meeting. However, if the number of vacancies in the Board of Directors reaches one-third of the specified seats in the Articles of Incorporation, an extraordinary general meeting shall be convened within sixty days from the date of the occurrence for the by-election.

If the number of independent directors of the Company falls below the requirement specified in the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the most recent shareholders' meeting. If all independent directors are dismissed, an extraordinary general meeting shall be convened within sixty days from the date of occurrence for the by-election.

Article 6: The election of directors of the Company shall adopt a single nominee cumulative voting system. Unless otherwise specified by laws and regulations, each share shall have voting rights equal to the number of directors to be elected, allowing shareholders to concentrate their votes on a single candidate or distribute their votes among multiple candidates.

Article 7: The Board of Directors shall prepare an equal number of ballots to the number of Directors to be elected, with the voting rights marked on them. These ballots shall be distributed to the Shareholders attending the Shareholders Meeting. The attendance card numbers printed on the ballots may be used in place of recording the names of voting shareholders.

Article 8: The number of directors of the Company, as determined by the Articles of Incorporation, shall be divided into separate categories for independent directors and non-independent directors. The candidate with the highest number of votes in each category shall be elected in succession. In the event that two or more candidates have an equal number of votes and exceed the specified number of seats, the tie shall be resolved by drawing lots. If a candidate is absent, the chairperson shall draw lots on their behalf.

Article 9: Prior to the commencement of the election, the chairperson shall appoint several scrutineers and counting personnel to fulfill their respective duties. However, scrutineers must be shareholders. The ballot boxes shall be prepared by the Board of Directors and publicly inspected by the scrutineers before the voting begins.

Article 10: Voters shall fill in the name of the candidate or account name of the candidate in the designated column on the ballot. However, when the candidate is a government or institutional shareholder, the name of the government or institution shall be filled in the column for the account name of the candidate. The name of the government or institution and the name of its representative may also be filled in; if there are several representatives, the names of the representatives should be filled in separately.

Article 11: A ballot is invalid if one of the following occurs:

1. The ballot is not prepared by an authorized convener.
2. A blank ballot is deposited into the ballot box.
3. The handwriting is unclear or has been altered.
4. The filled-in candidate does not match the list of director candidates after

verification.

5. Other words or marks are written in addition to the name or account title of the candidate.

Article 12: After the completion of the voting, the ballots shall be counted on the spot. The results of the count shall be announced on the spot by the Chairperson, including the list of elected directors and the number of votes they have received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the scrutineers and kept properly for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 13: The elected directors shall receive a notification letter of their election from the Board of Directors of the Company.

Article 14: These Procedures shall come into effect upon approval by the shareholders' meeting and shall be amended in the same manner.

Article 15: These Procedures were formulated on April 15, 1999.

The 1rd amendment was made on May 31, 2002.

The 2th amendment was made on June 15, 2012.

The 3th amendment was made on June 15, 2015.

The 4th amendment was made on June 12, 2020.

The 5th amendment was made on July 29, 2021.

(Appendix 4)

SYSCOM COMPUTER ENGINEERING CO.

Shareholdings of Directors

- I. As per Article 26 of the Securities and Exchange Act and the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the minimum number of shares held by the Company's all directors is as follows:
- | | |
|---|--------------------|
| Number of ordinary shares issued by the Company | 100,000,000 shares |
| Number of shares held by all directors as required by law | 8,000,000 shares |
- II. As of the book closure date on April 14, 2024 for the 2024 Annual Shareholders' Meeting, the number of shares held by all directors has reached the percentage stipulated in Article 26 of the Securities and Exchange Act.

Job title	Name	Number of shares held	Percentage (%)
Chairman	Jui-Fu Liu	18,346,787	18.35
Director	Jui-Lung Liu	402,562	0.40
Director	Po-Wen Wang	0	0
Director	Chih-Chun Liu	4,375,567	4.37
Independent Director	Wang-Ying Yu	0	0
Independent Director	Che-Fu Kung	0	0
Independent Director	Chung-Lieh Kuo	0	0
Number of shares held by all directors		23,124,916	23.12

The Company has established an Audit Committee, so the number of shares legally required to be held by supervisors does not apply.